AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, MAY 11, 2023
1:00 P.M. (Pacific)

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 554953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE MAY 11, 2023, MEETING AT THE LOCATIONS SHOWN BELOW.

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

4045 PECOS ST.
STE 190
DENVER, CO 80211

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

- Webinar link: https://us06web.zoom.us/j/89591222887
  - Telephone number: 1 (669) 444-9171
    - Meeting ID: 895 9122 2887

How to Submit Public Comment When Participating Remotely:

The Chair will request public comment during the Public Comment period for all items on the agenda. Comments may be provided in person at the physical meeting location. Comments may be submitted in writing to **meetings@sonomacleanpower.org** or during the meeting via the webinar "raise your hand" feature. For detailed public comment instructions, **please visit this page**.

For written comments, state the agenda item number that you are commenting on and limit to 300 words. Written comments received prior to the meeting and/or the agenda item you wish to comment on will be read into the record up to 300 words.

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation or an alternative format, please contact the Clerk of the Board at (707) 757-9417, or by email at meetings@sonomacleanpower.org as soon as possible to ensure arrangements for accommodation.

Staff recommendations are guidelines to the Committee. On any item, the Committee may take action which varies from that recommended by staff.

CALL TO ORDER (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.)

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve April 20, 2023, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Geothermal Zone Update (Staff Recommendation: Receive and File) **pg. 11**
3. Recommend that the Board of Directors Approve and Authorize the CEO or his Designee to Execute a New Contract with Sonoma Water for the Continuation of the Energy Education Program through June 30, 2025, with an Annual Not-To-Exceed Amount of $300,000 and Aggregate Contract Value of $600,000 (Staff Recommendation: Approve) **pg. 15**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

4. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 17**
5. Receive Legislative and Regulatory Updates, Provide Feedback and Recommend Positions to the Board on Bills as Appropriate (Staff Recommendation: Approve) **pg. 31**
6. Discuss 2023 Community Advisory Committee Member Goals (Staff Recommendation: Receive and File) **pg. 61**

COMMITTEE MEMBER ANNOUNCEMENTS

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

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

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DRAFT MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, APRIL 20, 2023
1:00 P.M.

CALL TO ORDER

(1:03 p.m. - Video Time Stamp: 00:02:50)

Vice Chair Quinlan called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; and Hannah Rennie, Portfolio Manager

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(1:07 p.m. - Video Time Stamp: 00:06:49)

Public Comment: Crispin Hollinshead (comment attached)

1:08 p.m. Member Kelly entered the meeting.

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:09 p.m. - Video Time Stamp: 00:09:03)

1. Approve March 16, 2023, Draft Community Advisory Committee Meeting Minutes

2. Receive Geothermal Zone Update

   Public Comment: None

   Motion to approve the April 20, 2023, Community Advisory Committee Consent Calendar by Member Nicholls

   Second: Member Dowd

   Motion passed by roll call vote.

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

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

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

   (1:11 p.m. - Video Time Stamp: 00:11:25)

   SCP's Portfolio Manager Hannah Rennie reported on two new power purchase agreements in Mendocino County by the developer Renewable Properties. The first being 4 MWs of solar with 4 MWhs of battery storage in Ukiah and the second being a 4.99 MWs solar project in Laytonville.

   Member Hollinshead asked why there was no storage in the second contract and Ms. Rennie answered that there was not enough value for the capacity, but the contract does allow for it to be added in the future. Vice Chair Quinlan asked why the projects are not crossing the 5MW threshold and CEO Syphers responded there are not many projects between 5 and 10MW. Member Hollinshead asked what area size the projects take up and CEO Syphers responded that generally 5 acres are required for 1MW.

   CEO Syphers explained that the Financial Report was omitted this month because staff had found an error, but it would be included in the next meeting packet. He then discussed the art showcase at SCP's Headquarters and invited the Committee and public to the viewing on April 28, 2023. He discussed the 0% financing program and how it had reached its loan limit. He stated that SCP would be closing applications and staff would be reviewing the program. He mentioned that Sonoma Water and Cal Forward hosted a regional forested area community meeting which discussed fire risk and power issues.

   Member Nicholls suggested SCP use QR codes to make info in the Operations Report sharable. Member Lipp asked if instead of ending the 0% finance program a waitlist could be started. Member Hollinshead asked how many projects were accepted in the 0% finance program and CEO Syphers responded that there were 89 completed projects and 30 pending. Member Fenichel asked if the Art Show would be ongoing, and CEO Syphers responded that is his intention.

   Public Comment: June Brasheres asked how many projects in the 0% financing program were done with rebates.

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

   (1:29 p.m. - Video Time Stamp: 00:28:55)

   CEO Syphers discussed the regulatory updates in the packet and mentioned that the California Public Utilities Commission (CPUC) opened an Order Instituting Investigation regarding natural gas pricing. He then discussed the status of Fast-Trip. He stated that SCP has requested PG&E supply customer area maps for those areas affected by Fast-Trips. CEO Syphers then discussed legislative updates; he stated that the Governor's Budget Trailer Bill is the most concerning as it will make changes to how CCAs are governed. He discussed AB 527 (Min) "neighborhood de-carbonization" and AB 593 (Haney) which would direct the California Energy Commission to enact a carbon reduction strategy. He discussed SB 83 which would create a timeline for energizing homes and create an 8-week deadline to connect new homes to the grid.

   Vice Chair Quinlan stated he is concerned with the Governor's Budget and asked what the Committee could do. CEO Syphers responded that the CAC needed to focus efforts on transmission issues and local involvement. Member Lipp added that AB 527 and AB 982 should be reviewed.

   Public Comment: June Brasheres raised concerns about AB 538.

   Motion to 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 by Member Dowd

   Second: Member Nicholls

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

5. Recommend the Board of Directors Approve the Proposed Annual Budget for Fiscal Year 2023-2024

   (2:07 p.m. – Video Time Stamp: 01:07:34)

   Michael Koszalka, COO, stated this was the third public viewing of the budget adding that it was the second time the Committee had seen it. CEO Syphers added the budget would require an amendment, a $50,000 increase in the Industry Memberships & Dues line item of the proposed budget due to an increase in CC Power dues.

Public Comment: None

Motion to Recommend the Board of Directors Approve the Proposed Annual Budget for Fiscal Year 2023-2024, with an amendment of a $50,000 increase in the “Industry Memberships & Dues” line item of the proposed budget related to CC Power dues by Member Kelly

Second: Member Fenichel

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

6. Discuss 2023 Community Advisory Committee Goals

(2:10 p.m. - Video Time Stamp: 01:10:34)

Vice Chair Quinlan reported that there had been no further meeting of the Ad Hoc on Equity. Member Hollinshead added that Committee goals should include increasing energy storage and new projects.

Public Comment: June Brasheres said she liked learning about battery storage and the community needs assessment.

COMMITTEE MEMBER ANNOUNCEMENTS

(2:15 p.m. - Video Time Stamp: 01:15:37)

Member Dowd mentioned he would be unable to attend the June 15, 2023, Committee meeting.

ADJOURN

(2:15 p.m. - Video Time Stamp: 01:15:42)

The meeting was adjourned by unanimous consent.

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.

Staff Report – Item 02

To: Sonoma Clean Power Authority Community Advisory Committee

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

Issue: Receive Geothermal Opportunity Zone Update

Date: May 11, 2023

Background

SCP's Mission includes phasing out reliance on fossil fuel power sources altogether. Out of that desire, SCP began buying geothermal power in 2014 to ensure Sonoma and Mendocino County's robust solar power systems could be backed up with clean power every night and all through the winter instead of relying exclusively on natural gas power plants. EverGreen customers have played an important role in growing our local renewable sources, but the new construction has been limited to solar and battery storage to date.

As California's use of solar and wind has expanded, there is an urgent need to construct more renewable power that can operate through the winter, and regulators and lawmakers have ordered procurement of offshore wind and geothermal energy in response. There is also growing pressure by regulators for California to build new fossil fuel power plants to sustain grid reliability, and SCP is working to demonstrate those new plants are not needed.

The Geothermal Opportunity Zone (GeoZone) was established by the SCP Board of Directors and the Boards of Supervisors in Sonoma and Mendocino Counties to help guide the development of local geothermal power so that local stakeholders can have a voice in the state's process. In addition, SCP's interest is in developing the resources necessary to allow SCP to stop relying on natural gas power plants altogether and to stop paying fossil fuel power plants for grid reliability. 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

SCP's private partners continue to be focused on identifying site opportunities for GeoZone demonstration projects and scale-up. Staff meets with each GeoZone partner every other week to coordinate on site opportunities, grant applications, advocacy, transmission planning, and other pertinent topics to the GeoZone. SCP's partners will also be expected to provide their first quarterly progress report in the coming months (a requirement of the cooperation agreements).

Public Engagement

Staff are exploring options to involve an external facilitator for the next public stakeholder engagement session, tentatively planned for later this year. SCP and its partners are eager to collect community feedback on compatible technologies, project locations, and other concerns to gauge alignment with the GeoZone and community values.

Well Permitting

Staff met with Permit Sonoma this month to discuss alternatives for permitting geothermal exploration wells. As flagged in last month's report, there are currently constraints at the state level in processing exploration permits, which are subject to the California Environmental Quality Act (CEQA). Both Chevron New Energies and Eavor Inc. are expected to need geothermal exploration well permits for their demonstration projects.

Grant Opportunities

SCP and Cyrq anticipate a decision from the DOE on their application to the DOE's Long-Duration Energy Storage grant in the next few months. Meanwhile, SCP and its partners are considering applications to the Energy Improvements in Rural or Remote Areas Program and the Bipartisan Infrastructure Law Enhanced Geothermal Systems Demonstration grants.

Transmission Planning

Staff's recent focus on GeoZone transmission has been to better characterize the impact of what CAISO calls the "Delevan 500 kV Constraint". The Delevan 500 kV constraint is a key system upgrade identified in 2021 to enable deliverability of Northern California resources with an estimated cost of $3.5 billion and 12-year construction schedule. Although the CAISO's Draft 2022-23 Transmission Plan did not include the upgrade, it did include a related series compensation project and the approved 2021-22 Transmission Plan included a 500 kV substation at Collinsville (depicted in CAISO schematic below) and reconducting the 230 kV between Delevan and Cortina that are expected to add significant capacity to the region. Staff is working to understand whether the larger project will be able to accommodate the GeoZone or whether the interim projects will provide sufficient capacity.

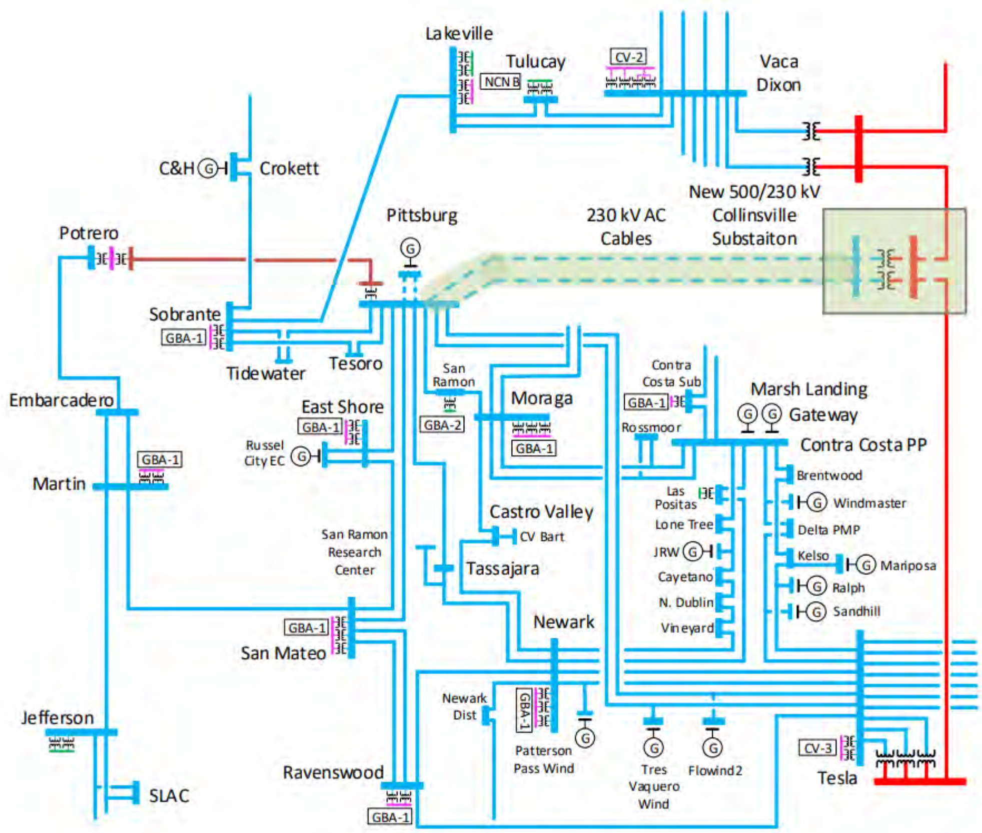

Figure 1. Transmission schematic from the 2021-22 Transmission Plan depicting the location of the new Collinsville Substation that will improve access to the 500kV system for the region. (Source: http://www.caiso.com/Initiative Documents/AppendixG-BoardApproved-2021-2022TransmissionPlan.pdf)

Staff are also exploring options to use new technology—such as advanced undergrounding of gen-ties or Grid Enhancing Technologies (GETs) on existing infrastructure to reduce the interconnection risk of GeoZone projects. As a first step, SCP is soliciting meetings with leaders in these areas to assess technical feasibility. Any suitable solutions would also require close involvement of PG&E, CAISO, and the CPUC.

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Staff Report – Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

From: Brytann Busick, Marketing & Events Manager

Issue: Recommend that the Board of Directors Approve and Authorize the CEO to Execute a New Contract with Sonoma Water for the Continuation of the Energy Education Program through June 30, 2025, with an Annual Not-To-Exceed Amount of $300,000 and Aggregate Contract Value of $600,000

Date: May 11, 2023

Recommendation

Recommend that the SCP Community Advisory Committee recommend that the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute a Contract with Sonoma Water to continue Sonoma Water's Energy Education Program through June 30, 2025, with an annual not-to-exceed amount of $300,000 and aggregate contract value of $600,000.

Background

On June 17, 2021, the Community Advisory Committee recommended the Board of Directors approve a two-year agreement with Sonoma Water for energy education programs with a funding level of $300,000 per year for Fiscal Years 2021/2022 and 2022/2023. On July 1, 2021, the Board approved the agreement. This agreement expires on June 30, 2023.

Discussion

Since 2017, SCP has contracted with Sonoma Water to design and implement an energy education program. The opportunity to leverage Sonoma Water's existing staff, classrooms, relationships with the County's schools, and curriculum development skills was attractive to SCP staff because it allowed relatively quick deployment of a school program with modest management requirements. An informal survey of local schoolteachers found that Sonoma Water's program is widely considered the best in the region.

Attached to this item is a report on Sonoma Water's activities for the duration of the previous year (Attachment B). Reports from teachers are positive, and staff feels the program has exceeded expectations. Since 2021, Sonoma Water provided direct instruction to between 5,000-7,000 students per year.

SCP staff recommend that SCP continue the program for an additional two years. The contract increases the funding level to $300,000 per year for each year of the program.

Additions to the scope of work include:

- Funding for the purchase of participation prizes for high school students who complete the Advanced Energy Center Challenge.
- Additional funding to support a multi-day environmental education workshop for up to 25 teachers in Sonoma and Mendocino Counties, including partnerships with other environmental education organizations to develop field trip sites to educate teachers on climate change mitigation measures in place in Sonoma and Mendocino counties.

Fiscal Impact

The agreement is for $300,000 per year, totaling $600,000. Fiscal Year 2023/2024 budget includes this amount. Future years of the contract ($300,000) will remain contingent on the SCP Board of Directors' approval of the fiscal year 2024/2025 budget.

Attachments

- Attachment A – Draft Agreement with Sonoma Water for Energy Education Program Sonoma Water Report on Program Activities, available at this link or by request to the Clerk of the Board
- Attachment B – Final Report to Sonoma Clean Power for Services Provided in 2021-22 School Year, available at this link or by request to the Clerk of the Board

Staff Report – Item 04

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: **May 11, 2023**

ART ON DISPLAY AT SCP

The Opening Reception to showcase the art currently on display at SCP Headquarters was a success with a variety of art enthusiasts, artists, and curious locals attending the event on April 28th. The art will continue to be on display until September 9th, when a Closing Reception will be held. In the interim, private tours are available and requests can be made on our website: https://sonomacleanpower.org/art

NEW ELECTRIC ZAMBONI

On Earth Day, Snoopy's Home Ice debuted their new state-of-the-art electric Zamboni, which was purchased in partnership with Sonoma Clean Power. The new ice resurfacing machine replaces a dirty propane machine and offers many beneficial features, including lithium-ion batteries (perfect for the ice resurfacing application and more efficient than lead acid batteries, using less energy and having a longer usable life); zero battery maintenance = no off-gassing, battery watering or use of chemicals. The FastICE® advanced ice making system uses less water and applies a fine mist which freezes faster for less load on the refrigeration equipment and results in a more durable ice surface. The machine is emission-free which improves indoor air quality, helping Snoopy's Home Ice maintain a safer and higher quality skating environment for guests, and is well-aligned with Sonoma Clean Power's mission to fight the climate crisis through bold ideas and practical programs. Sonoma Clean Power's logo is prominently displayed on the hubs of the wheels of the machine for superior branding value.

"There are three things in life that people like to stare at: a flowing stream, a crackling fire and a Zamboni clearing the ice."
– Charlie Brown

sonomacleanpower.org

ADVANCED ENERGY CENTER REBATES AND LOANS – UPDATE

The technologies provided with Advanced Energy Center rebates are:

- Heat pump water heaters
- Heat pump heating and cooling systems
- Air-to-water heat pumps that do both space conditioning and water heating
- Induction cooking appliances
- Heat recovery ventilators, and
- Heat recovery commercial dishwashing machines

Since opening the Advanced Energy Center in July 2021, SCP has been able to connect customers with contractors and provide rebates for installation of these technologies. As of May 1, 2023, SCP has provided $1.28 Million in rebates for 597 projects (173 heat pump water heater, 301 heat pump heating and cooling systems, 119 induction cooking appliances, 1 heat recovery ventilator, and 3 air-to-water heat pumps). The rebates provided are part of the California Energy Commission grant funding. The grant budget for rebates is $2.64 million.

Additionally, SCP has provided on-bill 0% financing for a portion of the projects above. As of May 1, 2023, SCP has provided $980,000 of loan funding for 135 project technologies (54 heat pump water heaters, 72 heat pump space conditioning systems, 7 induction cooking appliances, and 2 air-to-water heat pumps). Financing for these projects includes the cost of labor and any electrical or other ancillary equipment required to complete the projects up to $10,000 per customer. Additional funds are reserved in signed loan agreements for 43 more projects still awaiting project completion.

INVESTMENTS

The goals of SCP's Investment Policy, in order of priority, are to protect SCP's cash balances, retain sufficient liquidity, and produce a return on investment to preserve value over time. Allowed investments are listed in the Local Agency Investment Guidelines issued by the California Debt and Investment Advisory Commission (CDIAC), which is included in SCP's Investment Policy (Financial Policy B.5).

SCP maintains investments with two banks and the Sonoma County Treasury Investment Pool. The bank funds are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized at 110% per California Government Code Section 16521. The summary below reflects year-to-date figures for the nine months ended March 31, 2023. In general, returns on SCP's investments are increasing quickly as older investment instruments expire and newer higher-return instruments are purchased.

Investment Summary

Nine Months Ended March 31, 2023

Investment Type	Avg. Balance	Interest Earned	Avg. Annual Percentage Yield
Money Market [1]	$1,297,266	$17,766	1.84%
Insured Cash Sweep (ICS) [2]	$45,957,048	$614,065	1.80%
Certificate of Deposit Account Registry Service (CDARS) [2]	$10,616,187	$372,442	4.78%
Sonoma County Treasury Investment Pool [3]	$36,601,305	$392,330	1.44%
Total [4]	**$94,471,806**	**$1,396,602**	**1.99%**

Investment Location	Avg. Balance
Summit State Bank	$28,539,459
River City Bank	$29,331,042
Sonoma County Treasury Investment Pool [3]	$36,601,305
Total [4]	**$94,471,806**

(1) *Collateralized at 110% per California Government Code Section 16521*
(2) *Insured by the Federal Deposit Insurance Corporation (FDIC)*
(3) *Excludes fair market value adjustment from financial statements*
(4) *Excludes cash in non-interest-bearing accounts*

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is slightly more than projections through February 2023. Year-to-date revenue from electricity sales is slightly under budget by less than 1% and cost of energy is under budget projections by approximately 1%. Year-to-date electricity sales reached $190,491,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $174,473,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately $95,207,000 is set aside for operating reserves.

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparison includes the 2022/23 budget approved by the Board of Directors, as well as the budget amendments approved in March 2022.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2022/23 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates, and this granular approach was not part of the Board approved budget.

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

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

ATTACHMENTS

- February 2023 Financial Statements

UPCOMING MEETINGS

- Board of Directors – June 1, 2023
- Community Advisory Committee - June 15, 2023
- Board of Directors – July 6, 2023
- Community Advisory Committee - July 20, 2023

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying budgetary comparison schedule of Sonoma Clean Power Authority (a California Joint Powers Authority) for the period ended February 28, 2023, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
April 4, 2023

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
Eight Months Ended February 28, 2023

	2022/23 YTD Amended Budget	2022/23 YTD Actual	2022/23 YTD Amended Budget Variance (Under) Over	2022/23 YTD Actual / Amended Budget %	2022/23 Amended Budget	2022/23 Amended Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	$ 191,308,137	$ 190,666,184	$ (641,953)	100%	$ 279,200,000	$ 88,533,816
Evergreen Premium (net of allowance)	1,678,113	1,772,535	94,422	106%	2,389,000	616,465
CEC Grant	528,620	85,930	(442,690)	16%	1,414,000	1,328,070
Investment income	728,282	813,169	84,887	112%	1,488,000	674,831
Miscellaneous Income	341,667	11,320	(330,347)	0%	1,025,000	1,013,680
Total revenue and other sources	194,584,819	193,349,138	(1,235,681)	99%	285,516,000	92,166,862
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	137,592,464	136,257,145	(1,335,319)	99%	193,510,000	57,252,855
Data management	1,773,032	1,753,956	(19,076)	99%	2,677,000	923,044
Service fees- PG&E	655,815	656,571	756	100%	979,000	322,429
Personnel	4,887,329	4,796,428	(90,901)	98%	7,650,000	2,853,572
Energy Center, marketing & communications	1,666,032	1,345,927	(320,105)	81%	2,951,000	1,605,073
Customer service	172,140	128,474	(43,666)	75%	291,000	162,526
General and administration	774,512	748,594	(25,918)	97%	1,190,000	441,406
Legal	228,109	178,286	(49,823)	78%	430,000	251,714
Regulatory and compliance	231,058	161,401	(69,657)	70%	460,000	298,599
Accounting	178,933	192,900	13,967	108%	258,000	65,100
Legislative	105,333	64,000	(41,333)	61%	220,000	156,000
Other consultants	370,867	251,037	(119,830)	68%	746,000	494,963
Industry memberships and dues	383,428	349,418	(34,010)	91%	560,000	210,582
Program implementation	2,343,219	1,189,616	(1,153,603)	51%	5,456,000	4,266,384
Program - CEC grant	1,846,545	1,024,982	(821,563)	56%	4,180,000	3,155,018
Total current expenditures	153,208,816	149,098,735	(4,110,081)	97%	221,558,000	72,459,265
OTHER USES						
Capital outlay	237,438	73,335	(164,103)	31%	600,000	526,665
Total expenditures, other uses	153,446,254	149,172,070	(4,274,184)	97%	222,158,000	72,985,930
Net increase (decrease) in available fund balance	$ 41,138,565	$ 44,177,068	$ 3,038,503		$ 63,358,000	$ 19,180,932

** Represents sales of approximately 1,496,000 MWh for 2022/23 YTD actual.*

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

SONOMA CLEAN POWER AUTHORITY

OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
Eight Months Ended February 28, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$ 44,177,068
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(903,888)
Add back capital asset acquisitions	73,335
Change in net position	$ 43,346,515

See accountants' compilation report.

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of February 28, 2023, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy

San Rafael, CA
April 4, 2023

1101 Fifth Avenue, Suite 200 San Rafael, CA 94901 415 459 1249 mahercpa.com

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of February 28, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 41,862,408
Accounts receivable, net of allowance	29,831,258
Other receivables	1,407,503
Accrued revenue	14,811,968
Prepaid expenses	5,022,840
Deposits	14,403,101
Investments	60,427,541
Total current assets	167,766,619
Noncurrent assets	
Land	860,520
Capital assets, net of depreciation	17,912,053
Deposits	846,256
Total noncurrent assets	19,618,829
Total assets	187,385,448
LIABILITIES	
Current liabilities	
Accrued cost of electricity	5,443,595
Accounts payable	935,617
Advanced from grantors	3,074,682
Other accrued liabilities	2,725,393
User taxes and energy surcharges due to other governments	733,087
Total current liabilities	12,912,374
NET POSITION	
Investment in capital assets	18,772,573
Unrestricted	155,700,501
Total net position	$ 174,473,074

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Eight Months Ended February 28, 2023

OPERATING REVENUES	
Electricity sales, net	$ 188,718,788
Evergreen electricity premium	1,772,535
Grant revenue	85,930
Total operating revenues	190,577,253
OPERATING EXPENSES	
Cost of electricity	136,257,145
Contract services	5,820,231
Staff compensation	4,796,428
Other operating expenses	1,166,253
Program rebates and incentives	1,058,677
Depreciation	903,889
Total operating expenses	150,002,623
Operating income (loss)	40,574,630
NONOPERATING REVENUES (EXPENSES)	
Grant revenue	1,958,716
Investment earnings (loss)	813,169
Nonoperating revenues (expenses), net	2,771,885
CHANGE IN NET POSITION	43,346,515
Net position at beginning of period	131,126,559
Net position at end of period	$ 174,473,074

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Eight Months Ended February 28, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 188,572,741
Receipts from grantors	3,849,989
Other operating receipts	3,549,289
Payments to electricity suppliers	(157,256,551)
Payments for other goods and services	(7,575,749)
Payments for staff compensation	(4,693,692)
Tax and surcharge payments to other governments	(2,331,252)
Payments for program rebates and incentives	(2,675,912)
Net cash provided (used) by operating activities	21,438,863
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Grant revenue	1,958,716
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to acquire capital assets	(181,608)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	542,895
Purchase of certificates of deposit	(25,000,000)
Net cash provided (used) by investing activities	(24,457,105)
Net change in cash and cash equivalents	(1,241,134)
Cash and cash equivalents at beginning of year	43,103,542
Cash and cash equivalents at end of period	$ 41,862,408

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
(continued)

Eight Months Ended February 28, 2023

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

Operating income (loss)	$ 40,574,630
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	903,889
Revenue adjusted for provision for uncollectible accounts	2,126,269
(Increase) decrease in:	
Accounts receivable	(5,053,617)
Other receivables	280,895
Accrued revenue	(1,380,159)
Prepaid expenses	(2,061,597)
Deposits	(8,940,120)
Increase (decrease) in:	
Accrued cost of electricity	(9,628,009)
Accounts payable	(373,024)
Advanced from grantors	3,074,682
Accrued liabilities	282,352
User taxes due to other governments	57,672
Supplier security deposits	1,575,000
Net cash provided (used) by operating activities	$ 21,438,863

See accountants' compilation report.

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Staff Report – Item 05

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 Bills as Appropriate**
Date:	**May 11, 2023**

Requested Action

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

Regulatory Updates

CPUC Approves 8.5 MW Microgrid at PG&E's Calistoga Substation

On April 27th, the CPUC approved an Application by PG&E to develop a microgrid at the utility's Calistoga substation. The 8.5MW hybrid hydrogen fuel cell paired with a battery is expected to be capable of generating 293 MWh of energy over a 48-hour period. The intent of the microgrid is to alleviate the impacts from PG&E's Public Safety Power Shutoffs ("PSPS"). It is expected to operate for 10.5 years.

The PSPS strategy, which the utility deployed to reduce the likelihood its infrastructure would ignite fires, led to millions of outraged customers being without power. The resulting CPUC investigation determined that PG&E violated multiple guidelines and concluded with levying a $12M fine on the utility. The utility then deployed diesel generators to provide temporary power to customers during outages. While the CPUC allowed the use of fossil fuel generators, in January of 2021 they directed PG&E to develop at least one GHG-free substation microgrid project. After evaluating substations with the highest amount of PSPS outages and sufficient square footage, the Calistoga site was selected.

The $46M cost will be borne by all distribution customers. Customers in Napa County who are directly served by the facility will reap the most direct benefit, but the microgrid could help alleviate other indirect impacts elsewhere on the grid.

CPUC Delays CCA service to Stockton and Atascadero Until 2025 or Later

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.

The Draft Resolution was supported by PG&E. It was opposed by the city of Atascadero, East Bay Community Energy, Central Coast Community Energy, AReM, and CalCCA. On April 27th, the CPUC issued a Resolution delaying CCA service until at least 2025.

CPUC opens Process for Fixed Electric Delivery Costs

In response to the passage of AB 205 last year, on April 7, IOUs and some advocates submitted a variety of proposals to the CPUC on how the Commission should adopt fixed monthly charges based on household income for residential electric power delivery costs. Per the language in AB 205, all of the proposals would eliminate usage-based delivery charges.

Advocates for AB 205 last year argued the changes will encourage a more equitable transition from gas to electric vehicles and appliances.

The CPUC will consider the various proposals and eventually develop its own proposal to address the requirements of AB 205. In doing so, it is also preparing for the possibility that AB 982 (Villapudua) could pass this year, which would shift most expenses for public purpose programs from energy rates into the state's general fund. See the Legislative Update later in this item for information about that additional bill.

Implementation of the new rate structure could be complicated by concerns over how household income verification would occur, concerns over how the changes could disincentive conservation, issues of safety and "gaming" that could arise from consumers crossing property lines to use cheaper power or improperly placing accounts into the names of low-income individuals. Concerns that all of the proposals appear to create a subsidy on large homes may also be problematic – an 800 square foot (sf) condominium would be billed the same delivery costs as a 5,000 sf house, for example.

However, the shift to protect the lowest income households from some of the costs of California's electrification efforts could prove quite valuable.

PG&E's proposal has three income tiers with low-income households paying $15 to $30 per month for delivery costs, moderate income households paying $51, and higher income households paying $92. All generation costs and utility and state fees would remain as additional charges.

TURN and NRDC proposed CARE low-income household pay $5 per month, households with incomes up to $150,000 pay $40, and higher income households pay $62.

A number of other proposals were submitted by the Sierra Club, California Environmental Justice Alliance, CalAdvocates, and the Public Advocates Office.

The Commission intends to adopt a ruling by July 1, 2024. Reply comments to the initial proposals were due April 28, 2023, and hearings will begin sometime in August or September this year.

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 could 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 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. Among the CCAs, MCE is the first to support the bill because it would help ensure that California can continue to access resources in other states to sustain reliability and reduce California's reliance on fossil sources. Other CCAs are discussing support for similar reasons. Discussions with CAISO and the Southwest Power Pool have confirmed to SCP staff that California is the only western state that is still focused on having a state-appointed governing board; all other states have agreed to have a multi-state board to oversee reliability. As a result, SCP staff believe it is likely that California will be excluded from the regionalization of the western grid. If that occurs, it is concerning because the regionalized states are making agreements to sell reliability resources first to each other, and only to California if they cannot find any other buyers. Such an outcome would exacerbate California's current reliability problems and slow the State's goals to shut down natural gas power plants and electrify transportation and buildings.

- **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 – Was Support; now No Position**

  Originally, the bill would have allowed fully remote meetings for bodies whose members are appointed. However, the bill was amended in committee on April 20 to limit its scope to neighborhood associations in Los Angeles County, so SCP now has no position.

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 1373 (Garcia) - Energy – Oppose Unless Amended**

  This bill includes many of the Governor's energy policies from his budget trailer bill, but in slightly different form. The most concerning elements are:

  - The bill expands the ability of the CPUC to procure resources on behalf of CCAs and charge CCA customers for those resources, regardless of the CCA's ability to use the resources and regardless of whether the CCA already has contracted for a similar resource. This would unreasonably harm ratepayers by charging for resources that may have no value, and also increase the financial risk to ratepayers when SCP seeks to procure new resources because those may become duplicative of any centrally procured resources. As a result, the bill would likely chill the procurement of all new long-term reliability resources in California, thereby exacerbating the state's reliability crisis.
  - The bill does not clarify that any state procurement of resources should be by the Department of Water Resources and not by the IOUs and does not limit any central procurement to only include resources that take a very long time to get permitted (e.g., offshore wind) and which are not already procured by other power providers.
  - The bill creates new penalty costs on ratepayers for failing to procure sufficient capacity resources at a time when there is a total market shortage of capacity resources. This unreasonably harms ratepayers and has no effect whatsoever on the state's reliability since the ratepayer penalties cannot cause new resources to be built.

  Instead, the bill should focus on the root problems of California's reliability crisis: a lack of new transmission construction and a major slow-down in IOU connections for new reliability resources.

  CalCCA leads a coalition in opposing the bill unless it is amended to clarify these matters and focus the bill on effective solutions to California's power reliability issues.

- **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.

- **AB 593 (Haney) – Carbon emission reduction – 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.

- **SB 83 (Wiener/Wood) – Interconnection Timelines – 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. SCE has argued the bill is too broad (i.e., 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. The SCP Community Advisory Committee also recommended support in its April 20 meeting.

- **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 527 (Min) – Neighborhood Decarbonization – 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 AB 527 conditions allow a conversation to electric energy. Support and opposition are still unknown, but likely strong support from many environmental organizations. The SCP Community Advisory Committee also recommended support in its April 20 meeting.

- **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 982 (Villapudua) – Public Purpose Programs – 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 and the Community Advisory Committee recommend WATCH.

Background on Geothermal Bills

In April, the board requested staff review the various geothermal and offshore wind bills and report back. Currently, staff are not recommending SCP take positions on any of these bills because all of the geothermal bills pertain solely to the Salton Sea area development, and staff are unfamiliar with the local issues of that region. Staff are currently working to analyze the offshore wind bills, and have no recommendations on those.

- **AB 326 (Alanis) - Geothermal resources: oil, gas and geothermal administrative fund**

  Current law requires the State Oil and Gas Supervisor to publish any printed matter relating to geothermal resources for which there may be public demand, as provided, and requires that if these printed matter are sold, they be sold at cost and the proceeds deposited in the Oil, Gas, and Geothermal Administrative Fund. This bill would make a nonsubstantive change to that provision.

- **AB 1562 (Garcia) - Southeast California Desert Valleys Economic Zone**

  The bill would require the Governor's Office of Business and Economic Development, subject to available funding, to provide technical assistance to local and regional entities and collaboration on how to establish and maintain regional economic hubs through the designation of place-based economic development zones. The bill would require the director of the office, by January 15, 2024, to designate an economic development liaison to assist entities in the

Eastern Coachella Valley and the Imperial Valley to establish a Southeast California Desert Valleys Economic Zone.

- **AB 1569 (Garcia) - Salton Sea geothermal resource area: Lithium Valley Office of Development**

  The bill would establish the Lithium Valley Office of Development in the Energy Commission. The bill would require the office, in consultation with relevant state and local agencies, to coordinate activities related to funding, economic development, construction, manufacturing, technical development, and reclamation of lithium located in the Salton Sea geothermal resource area.

- **AB 1593 (Garcia) - California Workforce Development Board: Salton Sea geothermal resources area: Equitable Access Program**

  Existing law establishes the California Workforce Development Board as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. Existing law requires the board to assist the Governor with specified tasks, including developing and continuously improving the statewide workforce investment system. This bill would establish the Equitable Access Program to be administered by the board to prioritize employment opportunities in construction, manufacturing, technical, maintenance, operations, or reclamation activities for local residents in the Salton Sea geothermal resources area. The bill would, among other things, require the board, in administering the program, to provide technical assistance to, and establish a framework for, pre-apprenticeship, registered apprenticeship, and other training programs using the high road construction careers model or high road training partnerships model, and to monitor and track the rate residents of the Salton Sea geothermal resources area are hired on construction projects in the Salton Sea geothermal resources area that involve battery manufacturing and lithium-based technology. This bill contains other related provisions.

- **SB 471 (Padilla) - Personal Income Tax Law: Corporation Tax: hiring credit: lithium extraction: battery manufacturers**

  The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws. This bill would allow a credit against those taxes to a qualified taxpayer for each taxable year beginning on or after

January 1, 2023, in an amount equal to the qualified wages paid to a qualified full-time employee, as defined, hired prior to January 1, 2028. The bill would define "qualified taxpayer" for this purpose to mean a person or entity located in the County of Imperial or in specified parts of the County of Riverside, and that is primarily engaged in the business of lithium extraction or electric battery manufacturing. The bill would define "qualified wages" as those wages paid or incurred for work performed by a qualified full-time employee within the 36-month period beginning on the first day the employee commences employment with the qualified taxpayer. The bill would require that, if a credit is allowed to a qualified taxpayer, and the employment of the qualified employee is terminated within the first 36 months of employment, the tax imposed in the year of termination is increased by the amount of the credit received, except as provided. This bill contains other related provisions and other existing laws.

- **SB 583 (Padilla) - Salton Sea Conservancy**

  The bill would establish the Salton Sea Conservancy within the Natural Resources Agency to undertake various activities related to the Salton Sea region. The bill would require the conservancy to be governed by a board of directors and would set forth the powers, duties, and limitations of the board of directors and the conservancy, as provided. The bill would create the Salton Sea Conservancy Fund and would make moneys in the fund available, upon appropriation by the Legislature, for purposes of the conservancy.

- **SB 797 (Padilla) - Lithium Extraction Tax Citizens Oversight Committee**

  The bill would establish the Lithium Extraction Tax Citizens Oversight Committee within the California Department of Tax and Fee Administration for the purposes of ensuring that revenues from the lithium extraction excise tax are appropriately allocated and making recommendations on how to improve community engagement and maximize community benefits from the revenues. The bill would prescribe the composition of the committee and the appointment of committee members. The bill would also require the committee to report its findings and recommendations annually on December 1 to the Legislature, as specified. The bill would also make related legislative findings and declarations.

Attachments

- ➢ Attachment A – Garcia – Oppose Unless Amended Letter AB 1373
- ➢ Attachment B – Wiener – Support Letter SB 83
- ➢ Attachment C – Min – Support Letter SB 527
- ➢ Attachment D – Interconnection Coalition Letter
- ➢ Attachment E – TURN Extension of CAPP Letter

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

April 21, 2023

Assemblymember Eduardo Garcia, Chair
Assembly Utilities and Energy Committee
State Capitol, Legislative Office Building
1020 N Street, Room 408A
Sacramento, CA 95814

Re: AB 1373 (Garcia) Energy – OPPOSE UNLESS AMENDED

Dear Chair Garcia:

As the public electricity provider for Sonoma and Mendocino Counties, Sonoma Clean Power (SCP) has taken an OPPOSE UNLESS AMENDED position on your bill, AB 1373, which seeks to establish a central procurement entity (CPE) as well as make other changes with the goal of improving energy reliability.

We share and applaud your commitment to improving the state's energy reliability and resource diversity. CCAs procured significant long duration storage and firm clean resources very early and have led efforts to scale up offshore wind and geothermal. SCP's first power supply contract signed in 2013 was for geothermal energy, and SCP is now actively working to build 600 MW of new geothermal power in Northern California. SCP helped lead a group of 8 CCAs to buy 138 MW of new geothermal power and 952 MWh of long-duration storage early last year.

However well intended, we believe AB 1373, as currently drafted, would create an unintended slowdown in developing new reliability resources and unreasonably increase ratepayer costs.

Specifically, SCP raises significant concerns with the following:

1. Central Procurement. SCP questions the need for a central procurement entity, since no load-serving entities (LSEs) appear to be having problems procuring resources when there are resources that have capability to interconnect. For individual resources up to about $1 billion in notional value, SCP has capability to undertake sole

procurement. For projects above that amount, SCP has joined a statewide JPA to jointly procure at much larger scales. Both methods have been uniformly successful when resources are available to offer. However, at times, no resources are available in the market because of long delays with transmission planning, permitting and utility interconnection.

SCP encourages a focus on the state's critical transmission issues instead of on generation, and encourages consideration of using a Central Procurement Entity expressly to help deliver the necessary transmission work, where needed.

However, if policy makers believe that a CPE for *generation* resources should still be established, it must be designed to ensure it does not cause a slowdown in developing new resources (e.g., by adding risk to existing LSEs that are already procuring similar resources) and ensure it protects ratepayers from unnecessary costs. To accomplish these goals, the bill should establish clear criteria around the types of projects that may be procured and under what conditions.

Specifically, the CPE-led procurement should be limited to the following circumstances:

a) Development and construction of the generation resource requires a lead time of at least five years; AND

b) Procurement of the resource will either accelerate needed transmission construction into a resource-rich region or accelerate further resource development by other load-serving entities where substantial regional infrastructure is required; AND

c) Other means of procuring the resource or accelerating the needed transmission or infrastructure development are unavailable, would cause significant delay, or would result in higher costs to ratepayers; AND

d) Procurement of the resource will not interfere with publicly disclosed plans of any load-serving entity to procure resources with similar characteristics in the same region.

Sharpening the focus of central procurement in this way will better prevent market disruptions by ensuring the CPE's activities do not interfere with other planned LSE procurement. It will also ensure the tool is directed toward bringing online the types of projects that offer the greatest value to the state: opportunities that may not yet be available to other LSEs due to infrastructure constraints or unusually high costs.

AB 1373 must also limit central procurement to DWR and not permit the investor-owned utilities (IOUs) to take on this role. IOUs now only serve 47% of the California Public Utilities Commission (CPUC) jurisdictional load, and that load is declining annually. If a resource is centrally procured to meet state climate goals, tasking only DWR with the responsibility best enables cost sharing among all customers who benefit, not just those customers in an IOU service territory.

2. Expansion of CPUC Jurisdiction Over Local Authority. AB 1373 proposes to give the CPUC expanded, ill-defined Integrated Resource Plan (IRP) jurisdiction over CCA procurement autonomy by making CCAs subject to the "same requirements… that apply to electrical corporations." The IRP statute, Section 454.52, already applies in large measure directly to all LSEs, including CCAs. The bill's limited scope expansion creates ambiguity and potentially overrides the right – stated multiple times in statute -- of local CCAs and the communities they serve to choose the mix of resources procured to meet the CPUC's procurement orders and specific reliability requirements. Moreover, there is no rational basis for any expansion of IRP authority over CCAs; CCAs have demonstrated their ability to meet IRP requirements, collectively meeting their 2022 new build requirements, while the IOUs fell short, and are on target to meet the 2023 requirements. The bill's expanded IRP jurisdiction will do nothing to ensure reliability or reach our clean energy goals and will only override local authority and substantially limit CCAs' ability to keep rates low for their customers.

   Since CCAs can only procure resources that meet *or exceed* the state's obligations for renewable energy and reliability, removing CCA powers over resource selection can – at best – preserve the status quo while adding considerable risk of slowing the state's progress toward its climate goals.

3. Capacity Penalty Payment for Resource Adequacy (RA) Deficiencies. The bill proposes that LSEs who are short on their year-ahead RA requirements must pay a capacity payment to the state's Strategic Reliability Reserve (SRR) if the state needs to dip into the reserves. While penalizing LSEs for failing to adhere to RA requirements may sound good, the proposal fails to recognize that there is an overall market shortage of RA supply that will persist into 2026. Many LSEs will not be able to comply despite their best efforts and willingness to pay excessive prices. Additionally, the RA program already requires LSEs to pay a penalty so this proposal will result in ratepayers paying twice for the same deficiency. Consequently, any new RA penalties must be supported by a discretionary CPUC-penalty waiver process to avoid heaping unnecessary penalties on customers when the RA market is insufficient.

   Since this new RA penalty cannot cause new resources to be constructed within the timeframe of compliance obligations or within a CPE's ability to construct new resources, the only outcome would be to penalize ratepayers. SCP asks to remove this part of the bill.

SCP is concerned that the bill is focusing on the wrong problem. LSEs are able to procure new resources when such procurement is facilitated by the necessary transmission and distribution infrastructure.

To date, in aggregate, all load-serving entities have met their procurement requirements for new, clean, energy resources. In fact, just recently, a report showed that LSEs exceeded the Mid-Term Reliability (MTR) procurement order issued by the CPUC, and showed that CCAs over-procured by over 500 MWs. Contrary to misleading statements by the CPUC in recent legislative budget subcommittee hearings where they have characterized LSEs as "struggling" to procure, *contracting to procure* new supply is not the problem.

The real problem is the lack of transmission and the slow pace of interconnection at both the transmission and distribution level. As an example, CCAs have recently reported that they have over 790 MW of new, clean energy resources that they are unable to connect to the grid due to interconnection delays. Further complicating matters, to meet our SB 100 goals by 2045, all LSEs must increase their annual procurement rate by 557%. If our distribution and transmission infrastructure is struggling now, California will fall well short of our clean energy goals not because of a lack of procurement of generation resources but rather because the state has not addressed the significant infrastructure needs. For these reasons, SCP recommends that policymakers take bold steps to address our infrastructure needs immediately. Without that, we are headed toward another energy crisis.

We stand ready to work with you to address our energy reliability needs and ensure California remains on track to reaching its clean energy goals.

Sincerely,

Geof Syphers

Geof Syphers, CEO

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

April 21, 2023

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

Re: SB 83 (Wiener) Electrical Distribution Grid: Interconnection - SUPPORT

Dear Chair Bradford:

Sonoma Clean Power (SCP) is pleased to support of SB 83 (Wiener) as amended on March 30, 2023, which will improve interconnectivity timelines for new service and line extension projects which will assist in addressing the delays we have seen in energizing new construction projects.

Interconnectivity delays are increasingly becoming a severe impediment to housing affordability and economic development across California. Existing customers requesting system upgrades to meet increased demand and customers seeking new connections to developments are seeing significant spikes in their wait-times for obtaining utility connections. Large electric corporations are issuing written commitments to serve – also known as "will-serve letters" – and taking deposits, only to later inform developers that it may be several months or even years before interconnectivity will be completed. In some cases, PG&E has informed customers that it does not know if or when a connection will be possible. These delays do not discriminate by sector: residential, commercial, industrial, agricultural customers have all been impacted. These delays pose a serious obstacle to business development and threaten our state's ability to reach its housing and climate change goals.

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

SB 83 (Wiener) will address this complex issue by setting a clear, eight-week timeline for electric corporations to complete the necessary interconnection work after the project has been determined to be "interconnection ready." SB 83 also creates an off-ramp exempting an electrical corporation from said timelines for cases that are clearly outside its control.

Thank you for your consideration. We would appreciate your support of SB 83 (Wiener) 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 Scott Wiener

Sonoma Clean Power

431 E Street
Santa Rosa, CA 95404

sonomacleanpower.org

April 21, 2023

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

Re: SB 527 (Min) Neighborhood Decarbonization - SUPPORT

Dear Chair Bradford:

Sonoma Clean Power (SCP) is pleased to support of SB 527 (Min) as amended on March 22, 2023, which directs the California Public Utilities Commission (CPUC) to establish the Neighborhood Decarbonization Program (Program). The purpose of the Program is to identify cost-effective projects with outdated infrastructure for decarbonization using strategies such as heat pump technology, geothermal energy networks, and high efficiency energy appliances.

In the 2022-23 budget, the Legislature allocated $922 million for decarbonization of low- and moderate-income households through The Equitable Building Decarbonization Program. The funds provide rebates and incentives for zero-emission appliances. We agree this is a step in the right direction, but if California is going to meet its climate goals, it must consider a community-based approach to decarbonization by first reviewing which service areas are using outdated energy infrastructure. SB 527 (Min) creates a cost-effective, community-scale program that will decarbonize neighborhoods by providing both energy bill affordability for ratepayers and more climate-resilient buildings.

Thank you for your consideration and we would appreciate your support of SB 527 (Min) when it is heard in the Senate Energy, Utilities and Communications Committee.

Sincerely,

Geof Syphers

Geof Syphers, CEO

cc: Members of the Senate Energy, Utilities and Communications Committee
The Honorable Dave Min

Planning and Development Department
Office of Energy and Sustainable Development

April 26, 2023

Over 35 organizations urge the California Legislature to address the state's interconnection crisis and ensure timely and equitable access to the electrical grid

We the undersigned parties — representing cities, towns, and counties; Community Choice Aggregators; and energy, rural, business, and environmental and climate groups — urge California policy makers to take urgent action to address unacceptable delays in connecting new construction, critical services, renewable energy, building decarbonization, and other projects to the state's distribution and transmission grids.

California is facing an unprecedented climate crisis and is pursuing bold efforts to transition to zero-carbon energy. At the same time, California has a housing availability and affordability crisis which demands the rapid construction of new housing. These goals cannot be realized because many projects cannot connect to the power grid. Interconnection delays, ranging from months to years, harm residents, businesses, local job creation and economic development efforts, and state and local economies.

Severely delayed and abandoned electrical projects are a growing problem in communities throughout California. Hundreds of local projects spanning rural to urban have been delayed or cancelled, including service extensions to new affordable housing units and critical service sites ranging from hospitals to police/fire stations. Hookups for new electric vehicle charging stations and utility-scale and customer-sited renewable energy projects are also in peril. Examples of impacted projects are provided in the attached appendix.

Interconnection delays and resulting project cancellations threaten California's ability to respond to the climate and housing crises; prevent Californians from accessing important critical services; and harm communities by increasing project costs and reducing job opportunities.

We respectfully urge California policy makers to take immediate and decisive action to ensure interconnection and service extensions to new construction, renewable energy, building decarbonization, and other electrical projects are completed in a timely manner.

We stand ready to partner with you to identify the root problems and develop solutions to ensure that the state can achieve its ambitious climate, housing equity, and economic development goals.

Thank you for considering our request.

Sincerely,

Cities, Towns, and Counties:
The County of Humbolt
The City of Arcata
The City of Eureka
The City of Fortuna
The City of Rio Dell
The City of San Jose
The City of Berkeley, Office of Energy and Sustainable Development
The City of Piedmont
The City of Oakland
The City of Pleasanton
The City of San Jose
The Town of Danville
The Town of San Anselmo
Devin T. Murphy, Mayor, The City of Pinole
Kerry Hillis, Councilmember, The Town of Moraga
Laura Hoffmeister, Mayor, The City of Concord
Kevin Haroff, City Councilmember and Former Mayor, The City of Larkspur

Chance Cutrano, Mayor, and Barbara Coler, Vice Mayor, The Town of Fairfax **The opinions expressed are those of these individual Councilmembers and are not representative of the entire Council or Town of Fairfax unless otherwise stated.*

Community Choice Aggregators:

Central Coast Community Energy
East Bay Community Energy
Valley Clean Energy
Redwood Coast Energy Authority
MCE
Pioneer Community Energy
Sonoma Clean Power
San Diego Community Power
Silicon Valley Clean Energy
Desert Community Energy
Clean Power Alliance
Peninsula Clean Energy

Energy Groups:

California Energy Storage Alliance
California Solar & Storage Association
Solar Energy Industries Association
Sunnova

Environment and Climate Groups:

Napa Climate NOW!
The Climate Center
California Environmental Justice Alliance

Rural Groups:

Rural County Representatives of California
California Farm Bureau

Business Groups:

Data Center Coalition
Joint Venture Silicon Valley
California New Car Dealers Association

Appendix

Community Choice Aggregator (CCA) Survey:

The interconnection and service extension delays below were compiled by CCAs surveying delayed projects in their territories. While this list is not comprehensive, it is representative of the scale of this problem.

Delayed service extensions to new/upgraded load:

Alameda County	Jail and Net Energy Metering Aggregation (NEMA) structure.
Yolo County	Significant delay for interconnection of a major facility designed to service the agriculture industry in Yolo County, located in a key transportation access parcel. The applicant is considering other business options due to ongoing obstacles.
The City of Albany	Upgrades to residential projects including solar panels.
The City of Berkeley	Solar system for mental health clinic, designed as a Zero Net Energy site.
The City of Davis	Delays in getting electric upgrade for a much-used community facility, and other city capital improvement projects and private development projects. The recent opening of a long-planned community homeless center project required a significant effort by the city, county, and private stakeholders to ensure the center received electrical interconnection so that the project would remain on schedule.
The City of Dublin	Car dealership and a three-building strip mall.
The City of Eureka	Transitional housing, commercial properties, and residential properties.
The City of Rio Dell	Various commercial projects.
The City of San Francisco	The City of San Francisco has reported (here) 136 interconnection delays since October 2018 including 519 units of affordable housing, a library, the Muni, an elementary school, academic buildings, a fire boat, recreational centers, educator housing, traffic signals and safety streetlighting, and water pump stations.
The City of San Jose	Diridon Station Area, which is a critical Bay Area transit hub for BART, light rail, ACE, other commuter trains, and eventually High-Speed Rail, faces delayed interconnection for up to four to five years. It will also include significant office space and 4,000 homes (1,000 of which will be affordable units).
The City of San Leandro	Joint-trench undergrounding project.
The City of Tracy	Commercial development projects.

The City of Winters	New lighting in a city park, new homes, and a pump for a storm drain facility.
The City of Woodland	For the past several years, there has not been a single new construction project that has not suffered some level of financial impact due to interconnection service delays. One company, brought to California through a State Agency grant to help with recycling of carpets for repurposed use, walked away from its multi-million-dollar investment due to the delays in receiving electrical service, even though in 2018 electrical service was promised in a timely manner so the facility could be operated. This has resulted in the loss of over 30 jobs to the city.
The Town of Windsor	Commercial warehouses (500,000 square feet).

Delayed interconnection of CCA utility-scale renewable energy projects: !

East Bay Community Energy	3 utility-scale projects totaling 173.13 MWs (nameplate capacity: 1 wind, 1 solar, 1 solar + storage)
California Choice Energy	1 utility-scale renewable energy project of 15 MWs (nameplate capacity: storage)
Central Coast Community Energy	2 utility-scale renewable energy projects totaling 97.5 MWs (nameplate capacity: solar, solar + storage)
Clean Power Alliance	3 utility-scale renewable energy projects totaling 360 MWs (nameplate capacity: 3 solar + storage projects)
Desert Community Energy	1 utility-scale renewable energy project of 50 MWs (nameplate capacity: solar + storage)
Silicon Valley Clean Energy	3 utility-scale renewable energy projects totaling 135 MWs (nameplate capacity)
Sonoma Clean Power	1 utility-scale renewable energy project for 19.6 MWs (nameplate capacity: solar + storage)

Media Coverage:

Need power in California? Get in line
Politico / April 21, 2023

Interconnection Delays Disrupting Housing Markets, Causing 'Chaos'
California Energy Markets / March 17, 2023

New Northern California housing often sits empty, waiting for PG&E to turn on the lights
San Francisco Chronicle / March 10, 2023

Bills aim to fix California's long delays in connecting construction projects to the grid
North Bay Business Journal / March 10, 2023

How PG&E Adds Months-Long Delays, Costs to New Housing
KQED / March 10, 2023

Delays in connecting new homes to power grid get scrutiny in California
Politico / March 3, 2023

Opening delayed for new Vallejo housing for homeless
Vallejo Sun / January 31, 2023

Muni Blames PG&E for Spiraling $15M Costs, Years of Delays in Train Upgrade Struggle
The San Francisco Standard / December 13, 2022

PG&E tells some Sonoma County projects that power connections could take up to 18 months
North Bay Business Journal / December 1, 2022

Power connection work delays local development projects
Bakersfield Californian / November 26, 2022

PG&E Execs Gets an Earful, Offer Update on SoHum Capacity Problems
Lost Coast Outpost / November 2, 2022

Jim Wood calls out PG&E over capacity issues in Southern Humboldt
Times Standard / November 2, 2022

In Power Struggle, Fresno Leaders Threaten to Ditch PG&E
GV Wire / October 31, 2022

California homes face PG&E delays for power connections. Frustrated leaders seek options
Fresno Bee / October 28, 2022

PG&E's Electricity Transmission Limits Threaten to Throttle Development Throughout Southern Humboldt, Blindsiding Local Officials
Lost Coast Outpost / September 19, 2022

'Edge of the Cliff': PG&E's Lack of Electricity Capacity Puts Eel River Valley Projects at Risk
North Coast Journal / September 15, 2022

Opinion: PG&E delays are costing San Franciscans time and money
San Francisco Examiner / February 4, 2022

Senator Nancy Skinner
Chair, Senate Budget and Fiscal Committee
1020 N Street, Room 502
Sacramento, California 95814

Senator Josh Becker
Chair, Senate Budget Subcommittee 2 on Resources, Environmental Protection and Energy
1020 N Street, Room 502
Sacramento, California 95814

Assemblymember Phil Ting
Chair, Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, California 95814

Assemblymember Phil Ting
Chair, Assembly Budget Sub 3 Climate Crisis, Resources, Energy, and Transportation
1021 O Street, Suite 8230
Sacramento, California 95814

RE: 1) Reject Governor's Proposed to Cut Utility Debt Relief Funds and

2) Reallocate $550 million to help low-income ratepayers with Covid-era debt

Dear Budget Committee Members,

In the 2022 state budget the Governor and Legislature took necessary action to allocate $1.2 billion to assist California utility ratepayers with hundreds of millions of dollars in unprecedented utility debt accumulated during the thick of the Covid pandemic. The California Arrearage Payment Program (CAPP) funds were narrowly earmarked to cover debt accumulated between March 4, 2020 and December 31, 2021. The program did what it aimed to do in terms of covering the debt for that time, however, due to the limited timeline of this program –only a portion of the COVID-related declared state of emergency debt was addressed-more than $550 million of these funds remain unspent.

The Governor's January budget proposal seeks to cut these funds and not use them to assist utility ratepayers. As organizations that represent and advocate on behalf of low-income communities of color, seniors, disabled and veterans who are often the first hit, hardest hit and by extension-last to recover, **we *urge you to reject the Governor's proposed funding cuts to CAPP, and instead, reauthorize the CAPP funds to be used to help low-income ratepayers get out from under utility debt accumulated during the ENTIRE Covid State of Emergency period ending on February 28, 2023.***

Families throughout California continue to struggle with utility debt from the COVID declared emergency period. In February, the four major IOU's reported over $2.37 billion dollars or arrears-this is over four times the average amount of arrearage debt carried by IOU's pre pandemic. Estimates for POU debt is upwards of $500 million dollars. This is an indication that the pandemic recovery is not over and struggling families continue to need utility debt relief to keep the lights on.

The Governor officially lifted the Covid State of Emergency on February 28, 2023. If the CAPP funding is authorized to cover debt up until this date, hundreds of millions of dollars of debt would be addressed giving struggling families much needed relief. Participants in the low-income CARE and FERA programs as well as other utility saving programs offered through the POU's are disproportionately people of color, immigrants, disabled and seniors -this financial assistance would go a long way to allowing these folks to address other pressing fiscal challenges.

CAPP has been effective in alleviating significant customer debt and providing a streamlined process to deliver credits directly to customers' utility bills. At a time of unprecedented debt, soaring inflation rates and skyrocketing naturals gas prices, we need your support in ensuring that the entire $1.2 billion originally allocated to alleviate utility debt is used for this purpose. Considering the unprecedented debt faced by low-income ratepayers no dollar should go unspent.

Utility Customer Debt is Increasing. Data provided by PG&E, SoCal Edison, SoCal Gas and SDG&E in their January Disconnection Settlement Reports show that debt for CARE and FERA customers surpassed $770 million. In a five-month period from October 2022 to February 2023, SoCal Gas reported that debt went up by 90%.

California cannot afford skyrocketing utility debt and increasing numbers of families at risk of being deprived of lighting, heating, cooling, medical devices and communication services that are needed for health and safety. High utility debt is an indicator of housing vulnerability and utilities are a requirement for habitability in subsidized housing. Allowing the current COVID created utility debt to go unaddressed will trigger unprecedented utility shutoffs across the state as IOU's begin to increase shutoffs as a debt collection tool in the coming months. Buying down this debt for vulnerable families will help ensure the recovery support promised to those who have already sacrificed so much and desperately need this funding to climb back from the COVID pandemic.

We, the undersigned urge the legislature to return the $550 million dollars in CAPP funding to the CSD budget and direct them to allocate these remaining funds to low-income families.

TURN-The Utility reform Network
Mark Toney
Executive Director

Insight Center
Mike Browning
Interim Director

California Latinas for Reproductive Justice
Lorena García Zermeño
Director of Policy

LAANE
Lauren Ahkiam
Water Justice LA Campaign Director

Central Coast Community Energy
Robert M. Shaw
Chief Executive Officer

Central Valley Urban Institute
Eric Payne
Executive Director

Faith in the Valley
Janine Nkosi
Director of Housing Justice Initiatives

Food and Water Watch
Chirag G. Bhakta
California Director

SCOPE
Policy & Research Associate
Tiffany Wong

The Greenlining Institute
Jordyn Bishop
Senior Legal Counsel, Energy Equity

California Green New Deal
Zach Lou
Coalition Manager

Marin Clean Energy
Stephanie Chen
Director of Legislative Affairs

Plumas County Community Development
Susan Stephens-Hepp
Energy Program Manager

Redwood Community Action Agency
Val Martinez
Executive Director

San Diego 350 Climate Action
Joshua Piedra
Board Member

San Diego Community Power
Laura Fernandez
Director of Legislative & Regulatory Affairs

Sonoma Clean Power
Geoff Syphers
Chief Executive Officer

Sonoma Clean Power

Staff Report – Item 06

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

From: **Ad Hoc Committee on Member Goals**

Issue: **Discuss 2023 Community Advisory Committee Member Goals**

Date: **May 11, 2023**

Recommendation

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

Background

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

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

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 20th day of each first month of each fiscal quarter, a report to the Community Advisory Committee on the operations of the Authority during the preceding fiscal quarter. The report shall contain information regarding the financial performance of the Authority during the preceding quarter, the number of accounts served, the amount of power delivered, and a narrative description of energy efficiency, energy conservation, renewable power generation, and other programs carried out by the Authority.

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

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