Sonoma Clean Power

AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, OCTOBER 19, 2023
1:00 P.M.

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE OCTOBER 19, 2023, MEETING AT THE LOCATION SHOWN BELOW.

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

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

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

NOTICE of CHANGE: How to Submit Public Comment - Effective October 5, 2023:

Comments may be provided in person at the physical meeting location. Comments may be submitted in writing to **meetings@sonomacleanpower.org**. For detailed public comment instructions, **please visit this page**. Please note that live remote public comment will not be taken unless required by Government Code section 54953(f). If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

For written comments, state the agenda item number that you are commenting on and limited 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.

For further clarification on any of the items listed please contact (855) 202-2139 and staff will be happy to assist.

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 September 21, 2023, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Update on Empower and Programs Equity (Staff Recommendation: Receive and File) **pg. 11**
3. Review the Continued Use of Updated EM-TOU Rate Effective October 1, 2023 (Staff Recommendation: Receive and File) **pg. 31**
4. Recommend the Board Approve the Proposed Customer Rate Reductions which would Establish Parameters Following Changes to Distribution Utility Rates and Fees on or After January 1, 2024, and Amendments to Financial Policy B2 to allow Local Investments with Excess Reserve Funds (Staff Recommendation: Approve) **pg. 33**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

5. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 41**
6. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 63**
7. Recommend the Board of Directors Approve the Solar Billing Plan Tariff (Staff Recommendation: Approve) **pg. 71**
8. Receive Geothermal Zone Update (Staff Recommendation: Receive and File) **pg. 85**
9. Discuss Stipends and Youth Members for the Community Advisory Committee (Staff Recommendation: Receive and File) **pg. 97**

COMMITTEE MEMBER ANNOUNCEMENTS

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

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

Page intentionally left blank for double-sided printing

DRAFT MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, SEPTEMBER 21, 2023
1:00 P.M.

CALL TO ORDER

(1:03 p.m. - Video Time Stamp: 00:02:44)

Chair Morris called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Kate Kelly, Director of Public Relations and Marketing; Neal Reardon, Director of Regulatory Affairs; Chris Golik, Finance Manager; Brian Goldman, Principal Compliance Analyst; Erica Torgerson, Managing Director of Customer Service; Danielle McCants, Customer Operations Manager; Ryan Tracey, Director of Planning and Analytics; Rebecca Simonson, Director of Programs; Felicia Smith, Programs Manager; and Carolyn Glanton, Programs Operations Manager.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(1:04 p.m. - Video Time Stamp: 00:03:15)

Public Comment: None

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:04 p.m. - Video Time Stamp: 00:03:52)

1. Approve July 20, 2023, Draft Community Advisory Committee Meeting Minutes
2. Recommend Board of Directors Approve a Resolution Attesting to the Accuracy of Sonoma Clean Power Authority's 2022 Power Source Disclosure Annual Reports for CleanStart and EverGreen Products and 2022 Power Content Label

3. Recommend the Board of Directors Approve an Update to the NetGreen Tariff to Adjust Sonoma Clean Power Authority's Premium Net Surplus Compensation Rate Review Resolution 2023-03 Authorizing Investment of Monies in the Local Agency Investment Fund

   Public Comment: None

   Member Wells requested a change to Item 1 to show he was absent for the July 20, 2023, meeting. Chair Morris requested an educational item to explain Item 3 and the NetGreen Tariff and Geof Syphers, CEO responded that one would come in the next few months as information becomes available.

   Motion to approve the September 21, 2023, Community Advisory Committee Consent Calendar with the change to Item 1 included by Member Dowd

   Second: Member Nicholls

   Motion passed by roll call vote.

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

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

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

   (1:08 p.m. - Video Time Stamp: 00:07:23)

   Stephanie Reynolds, Director of Internal Operations, announced that the Board of Directors (BOD) and Community Advisory Committee (CAC) Agendas are now being translated into Spanish. Kate Kelly, Director of Public Relations and Marketing, introduced Melissa King as SCP's new Marketing Associate and then she mentioned SCP was honoring Hispanic Heritage Month by showing a video of events at the Advanced Energy Center (Energy Center). Director Reynolds then discussed the CAC member recruitment and stated that SCP had been named "One of the Best Places to Work in Sonoma County" by the North Bay Business Journal for the 5th year in a row. She pointed out the Community Needs Assessments and stated that there would be a staff report brought to the BOD and then to the CAC. Felicia Smith, Programs Manager, then gave an update on rebates and incentives, and those who can apply. She then gave a demonstration of The Switch is On website incentive search.

Member Dowd asked if there are staff available to aid customers in the application process and Ms. Smith answered that customer service is available to help on the phone. Member Nicholls added that rural areas are having power outages weekly and need incentives for battery backups. Member Lipp asked if there was a way to cross reference contractors and Ms. Smith responded that the Switch is On website does that and SCP is looking into creating one.

Director Reynolds then discussed SCP's financials and investment changes. CEO Syphers added that the financials in the packet were the unaudited end of the year financials.

Member Hollinshead asked if the rates in the packet were current and Erica Torgerson, Managing Director of Customer Service, answered that they were.

Public Comment: Vice Chair Quinlan, speaking as a member of the public, asked about GridSavvy Rewards Alerts energy savings data. CEO Syphers responded that about there were 7,000 new enrollments, but the energy savings data would not be ready immediately.

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

(1:35 p.m. - Video Time Stamp: 00:34:58)

Neal Reardon, Director of Regulatory Affairs, stated that the California Public Utilities Commission (CPUC) hosted a public workshop on July 11th to introduce the findings of the North Coast Resiliency Initiative Report. He said that PG&E expects 3 indirect power outages per 10 year period after transmission hardening. He then discussed PG&E's General Rate Case where utilities are guaranteed cost recovery for investments in transmission, distribution, generation, and incentives for staff retention. He also discussed the effect undergrounding would have on PG&E's rates which would lead to a significant increase in customer charges. Director Reardon stated that 3 options had been provided to lower the cost, including insulating lines, and that an Administrative Law Judge is expected to issue a Proposed Decision this year on which option to choose. Finally, Director Readon stated that the CPUC unanimously voted on August 31 to direct Southern California Gas to increase the amount of natural gas stored in Aliso Canyon by 67%.

Member Dowd asked if PG&E was preparing for alternatives within the judgement and CEO Syphers responded that this would fall to the CPUC to enforce. Member Nicholls stated he had discussed insulating wires with a

PG&E Representative, and he was told they are starting a pilot program in Santa Cruz County. Member Wells asked how insulation works and Director Reardon responded that it was a new patent, and he would follow up. Chair Morris asked if SCP would comment on the judgement and Director Reardon mentioned that SCP would be submitting comments.

CEO Syphers gave a legislative update noting that AB 1373, the Governor's Energy Trailer, passed, but CalCCA had achieved some defensive victories including central procurement of reliability resources by the California Department of Water Resources instead of the investor-owned utilities, and the right of CCAs to self-procure before central procurement.

Member Lipp asked if the state procurement was just for generating resources and CEO Syphers stated that it could also include transmission.

Public Comment: Tom Conlon, spoke on Power Content.

6. Receive Geothermal Zone Update

(2:13 p.m. - Video Time Stamp: 01:12:41)

CEO Syphers discussed the Lake County GeoZone Tour where seismic activity was a main discussion and he stated this was a good way to begin the Cloverdale Community Meeting regarding the GeoZone. He pointed to his op-ed in the Press Democrat and stated that SCP is trying to educate the public in the need for many forms of energy, including winter and nighttime resources.

Member Hollinshead asked what the impacts could be from the GeoZone and CEO Syphers responded that SCP had heard community concerns of seismic activity and air quality relating to gases from wells such as hydrogen sulfide. Chair Morris mentioned she attended the meeting and asked if there would be a draft set of principles. CEO Syphers said he would like input from the Committee. Member Hollinshead asked about water usage for the Eavor technology and CEO Syphers responded that there would be some initially, but it is designed to operate as a closed loop system.

Public Comment: None

7. Recommend that the Board of Directors Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement with Enphase Energy for a Battery Storage Grid Services Manager program with a Not-To-Exceed Amount of $980,000 through November 30, 2029

(2:27 p.m. - Video Time Stamp: 01:27:03)

Carolyn Glanton, Programs Operations Manager, discussed the agreement with Enphase for battery storage management. She explained that this is a pilot program that will allow customers to charge during the day and use energy in the evenings through the GridSavvy program.

Member Hollinshead asked if this was aimed at residential and Ms. Glanton answered that it could be either residential or commercial. Member Hollinshead then asked why there wasn't a large-scale battery and Ms. Glanton responded the system would be large. Member Lipp asked what the level of participation was, and Ms. Glanton answered that it is roughly 1,000 participants. CEO Syphers added that there are no customer subsidies for the incentives in this program because it pays for itself. Member Lipp asked if this could be added alongside other programs and Ms. Glanton answered that it could.

Public Comment: Vice Chair Quinlan, speaking as a member of the public, announced that as a former employee of Enphase Energy, he would recuse himself from future involvement or votes of the Committee relating to the company.

Motion to Recommend that the Board of Directors Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement with Enphase Energy for a Battery Storage Grid Services Manager program with a Not-To-Exceed Amount of $980,000 through November 30, 2029, by Member Nicholls

Second: Member Dowd

Motion passed by roll call vote.

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

8. Discuss and Provide Feedback on Staff Proposed Customer Rate Reductions which would Establish Parameters Following Changes to Distribution Utility Rates and Fees on or After January 1, 2024, and Amendments to Financial Policy B2 to allow Local Investments with Excess Reserve Funds

(2:46 p.m. - Video Time Stamp: 01:45:47)

CEO Syphers stated that SCP had hit its reserve targets and staff were asking for input from the Committee on how to use extra funds for local investments. He also stated that this item would be brought back to the Committee and twice to the Board. He then stated that the second issue was a change to SCP's Financial Policy to allow for local investments.

Member Dowd stated that he was happy to see this item. Member Lipp stated he was happy to see equity included in the policy. Chair Morris stated that smoothing rates are a good component to this item.

Public Comment: Vice Chair Quinlan congratulated SCP for getting to the target ahead of schedule and asked what types of local investments there would be. CEO Syphers responded that staff would like to leave options open.

COMMITTEE MEMBER ANNOUNCEMENTS

(3:10 p.m. - Video Time Stamp: 02:09:45)

None

ADJOURN

(3:11 p.m. - Video Time Stamp: 02:10:11)

The meeting was adjourned by unanimous consent.

Staff Report – Item 02

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, CEO
Claudia Sisomphou, Communications and Engagement Manager
Rebecca Simonson, Director of Programs

Issue: Receive Update on Empower and Programs Equity

Date: October 19, 2023

A presentation was given at the October 4, 2023, Board of Director's Meeting. Staff requests that the Committee view the presentation here (https://vimeo.com/872608159), starting at minute 1:18:20, as much of the content is relevant to the Community Advisory Committee's own equity work and ad hoc committee discussions.

Presentation slide decks are also attached.

Attachments

- Attachment A – Empower Presentation
- Attachment B – Equity in Programs Presentation

Empower update

Presentation to SCP Board of Directors
October 5, 2023

Sonoma Clean Power

1

Timeline

Vision and purpose

- June 2021 – Concept presented to the Community Advisory Committee & Board of Directors.
- Sept. 2021 – Input session with the Committee on areas of opportunity.
- Oct., Dec., Jan., and Feb. 2022 – Input sessions with the Board on areas of opportunity.

Action plan

- April 2022 – Draft implementation plan presented to the Committee.
- May 2022 – Implementation plan presented to the Board.
- Sept. 2022 – Implementation begins.

2

What is Empower?

Empower is an agency-wide initiative to **improve the relevance, reach, and impact** of Sonoma Clean Power's:

- Partnerships and sponsorships
- Customer programs and offerings
- Education, engagement, and outreach efforts

3

Challenges to address

- Missed partnership and sponsorship opportunities.
- Frequent misinformation and confusion around SCP.
- Minimal engagement from most customers.
- General lack of trust.

4

Purpose of Empower

- Reach and serve *all* of SCP's customers.
- Build trust in the community.
- Let customer needs and input shape our efforts.
- More customer engagement = better offerings & services.

  (and vice versa)

5

Opportunity areas

- Building partnerships (Board discussion on 10/7/21)
- Customer education (Board discussion on 12/2/21)
- Focus on equity (Board discussion on 1/6/22)
- Engaging youth (Board discussion on 2/3/22)

6

Plan for implementation

1. Learn from existing data.
2. Identify 5-10 geographic areas of priority to start with.
3. Reach out to community organizations & public entities.
4. Begin outreach – hosting workshops and office hours.

(Board discussion on 5/7/22)

7

Empower Communities

Most vulnerable to, and impacted by, **pollution, socioeconomic issues, and challenges of affordability**.

- Life expectancy and overall health
- Education level
- Income and vulnerability to bill shocks
- Housing status and availability
- Exposure to pollution
- Impacts of climate and extreme weather
- Infrastructure (or lack thereof)

8

Identifying our Empower Communities

- Methodologies
  - Human Development Index
  - CalEnviroScreen 4.0
  - California Public Utilities Commission's Affordability Ratio/Socioeconomic Vulnerability Index Analysis
  - SB 535 Disadvantaged Communities
  - Climate and Economic Justice Screening Tool (CEJST)/Justice40

Empower Communities = census tracts that appear 2 or more times.

9

Identifying our Empower Communities

- Methodologies
  - Human Development Index - scored lower than 4.0
  - CalEnviroScreen 4.0 - 70th percentile (30% highest scoring/most impacted)
  - California Public Utilities Commission's Affordability Ratio/Socioeconomic Vulnerability Index Analysis - 25 highest scoring census tracts
  - SB 535 Disadvantaged Communities – federally recognized Tribal areas
  - Climate and Economic Justice Screening Tool (CEJST)/Justice40 - duplicate

Empower Communities = census tracts that appear 2 or more times.

10

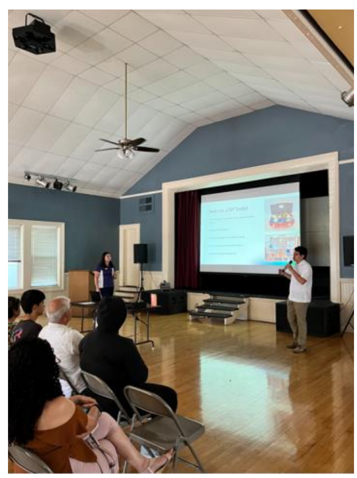
Empower Communities

- Phase 1
  - 10 geographic areas of priority: Covelo, Fort Bragg, Willits, Ukiah, Taylor Mountain, Roseland, Bellevue, Kawana Springs, Comstock, and Bicentennial Park.
  - Population = ~75,000 people
  - Meters = ~21,000 (89% SCP participation rate)
  - CARE/FERA enrollment = ~41%
- Phase 2 & 3
  - 16 additional geographic areas
  - Census tracts that appear at least once; increased thresholds.

11

Examples of early progress

- Updated community giving guidelines and process.
  - ~60 requests from new organizations.
- Providing bilingual and exclusively Spanish presentations.
- Increase in radio interviews.
- Proactively sponsoring community events.
- Regularly attending events & meetings hosted by groups.
- Outreach to new organizations.
- Offering the Center as a meeting space.



12

Thank you! Questions?

CONTACT US
community@sonomacleanpower.org

Sonoma Clean Power

13

Equity in Programs

Community Needs Assessments and Program Efforts

Presentation to SCP Board of Directors

October 5, 2023

Sonoma Clean Power

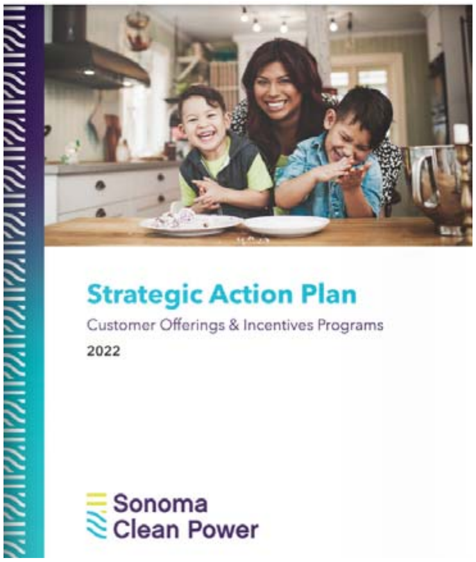
1

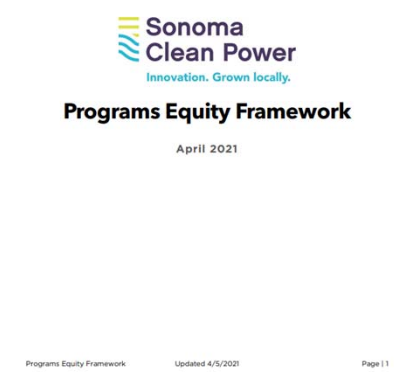
Strategic Action Plan and Equity Framework

Customer Offerings & Incentives

Sonoma Clean Power

2





www.sonomacleanpower.org/strategic-action-plan

www.sonomacleanpower.org/program-equity-framework

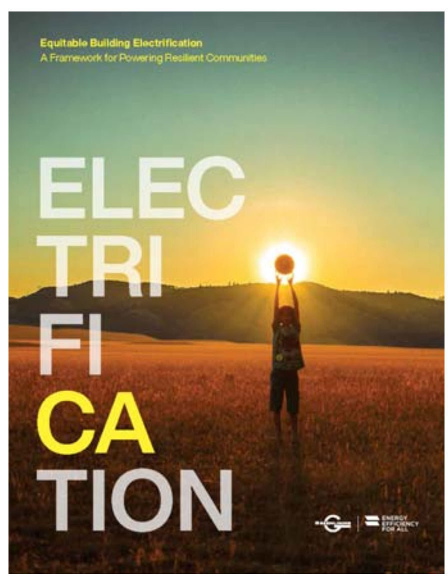
3

Acknowledgements

The Equity Framework's foundation originates from the Greenlining Institute's “Equitable Building Electrification – A Framework for Powering Resilient Communities”

We value the foundational work that their organization is doing in this space

THE GREENLINING INSTITUTE



4

Timeline

Equity Framework

February 18, 2021

Draft presented to Community Advisory Committee

March 4, 2021

Draft presented to Board of Directors

March 2021

3 public workshops including one entirely in Spanish

April 14, 2021

Community Advisory Committee Review Final Framework

May 6, 2021

Board of Directors Received Final Framework

2022 Strategic Action Plan

March 17, 2022

Presented to Community Advisory Committee

April 7, 2022

Presented to Board of Directors

2023 Strategic Action Plan

February 16, 2023

Presented to Community Advisory Committee

March 2, 2023

Presented to Board of Directors

5

How They Work Together

- The Strategic Action Plan does not eliminate the Programs Equity Framework, it seeks to incorporate it.
- Provides clear action and annual reporting in one place.
- The Framework is woven into everything we do.
- Empower is used to identify partnerships and specific communities in need.

Past: One Action Plan, one Framework.

Present: One Action Plan that establishes concrete steps toward implementation of Equity Framework. Framework is still available on our website.

Future: More fully incorporate key elements and language of Framework in the 2024 Action Plan including findings from Community Needs Assessments.

6

Community Needs Assessments

Sonoma Clean Power

7

Purpose

Step 1 of the Programs Equity Framework: Assess the Communities' Needs

"Prior to designing programs, staff will conduct community needs assessments to identify communities' unique needs"

"meaningful inquiry into the possible benefits that programs can deliver to Environmental and Social Justice communities"

8

Environmental and Social Justice Communities

Communities where residents are:

- predominantly people of color or living on low incomes
- underrepresented in the policy setting or decision-making process
- subject to disproportionate impact from one or more environmental hazards and
- likely to experience disparate implementation of environmental regulations and socioeconomic investments

9

Segments

Residential	Commercial	Agricultural	Transportation

Adopting a community-centered approach that starts with listening first to understand the needs, concerns, priorities, barriers, and motivations of our communities.

Leveraging this valuable insight combined with data and research to inform:

1. how existing programs could be modified,
2. how communication about and access to programs could be improved,
3. what future programs SCP could potentially offer,
4. what partnerships SCP could form to better serve communities?

10

Early Efforts

- **April 7, 2022** - Board received 2022 Strategic Action Plan that actioned Community Needs Assessments
- **July 7, 2022** - Request for Qualifications initiated
- **August 12, 2022** - Responses received
- 3 firms were selected

Residential	Commercial	Agricultural	Transportation
Sacramento Municipal Utility District	Sacramento Municipal Utility District	Tierra Resources Consultant	EVNoire

More detail on each segment in slides to follow

- **December 1, 2022** - Board of Directors approved contracts

11

Residential Needs Assessment

- ✓ Review past research, data, and demographics
- ✓ Web usability analysis
  - Evaluate program offerings on our website
- ✓ Key informant interviews
  - Provide compensation for time in accordance with Equity Framework
- ✓ Surveys (English & Spanish)
  - Focus on low-income customers and customers who live in Empower Communities, while surveying overall customer base
  - Provide compensation for time in accordance with Equity Framework
- Initial Recommendations
- Final Report and Recommendations
- Community Feedback Loop
  - Engage with the community for feedback and follow up

✓ *Means complete or near completion*

12

Transportation Needs Assessment

- ✓ Review past research, data, and demographics
- ✓ Establish relationship with community-based organizations
- ✓ Conduct Key Informant Interviews
  - Provide compensation in accordance with Equity Framework
- Surveys (English & Spanish)
  - Focus on low-income customers and customers who live in Empower Communities, while surveying overall customer base
  - Provide compensation in accordance with Equity Framework
- Community Engagement
  - Conduct focus groups with individuals residing within Empower Communities
- Initial recommendations
- Follow up with community-based organizations
- Final report and presentation of recommendations with community

✓ *Means complete or near completion*

13

Commercial Needs Assessment

- ✓ Review past research, data, and demographics
- Surveys
  - To be offered in English and Spanish
- Initial recommendations
- Final report and recommendations
- Community Feedback Loop
  - Engage with the community for feedback and follow up

✓ *Means complete or near completion*

14

Agricultural Needs Assessment

Assessment Status

- ✓ Draft industry profile and researched funding environment
- ✓ Conduct Key Informant Interviews w/ 26 cross-sector stakeholders and fielded a customer survey (compensated)
- ✓ Synthesize findings to assess sector needs, challenges, and opportunities

Next Steps

- Finalize program approach recommendations
- Complete final needs assessment report
- Close loop with stakeholders

✓ *Means complete or near completion*

15

Next Steps

Steps 2 through 5 of the Programs Equity Framework

Step 2: Establish Community-Led Decision-Making
Partner with community-based organizations

Step 3: Develop Metrics and a Plan for Tracking

Step 4: Ensure Funding and Program Leveraging
Utilize external public health and climate program funding and budget for investment in programs

Step 5: Improve Outcomes
Use a feedback loop to improve current and future programs' reach and impact

16

Programs Achievements

Early progress

Sonoma Clean Power

17

GridSavvy Rewards

Get paid to reduce energy during peak times.

Alerts

No customer installed devices are needed

- Removes financial barriers to participate
- Serves renters

Saved energy = $ back

Choice to keep or donate rewards to local non-profit community partners

Educates community about consumer impacts on grid reliability

Participants

- 38% of participants are low-income qualified
- 14% of participants live in Empower Communities
- 247 customers prefer communication in Spanish
- 370 request voice call notifications only

18

Bike Electric

100% low-income program

$1,000 point-of-sale discount

420 bikes incentivized

Free helmets and rider safety classes

99% program satisfaction

19

Advanced Energy Center

Financial Assistance

Rebates and 0% on-bill financing

Low-income customers eligible for 50% of project cost coverage, up to $10,000 per technology

- 53 low-income customers received rebates
- 11 low-income customers utilized zero-interest financing (7% of total participants)
- Early lessons learned to improve low participation rates

Funds reserved for affordable housing & mobile homes

Other Benefits

- Community-based organizations partnerships and assistance
- Educational and meeting space
- Help with general customer questions

20

Non-Profit EVs

Since 2018, 18 nonprofits, including 3 in Mendocino, have used SCP's EV rebate to upgrade to clean vehicles serving residents in SCP's service area

Current Rebates

- $15,000 for a passenger vehicle
- $22,500 for a vehicle with a payload over 1,500 pounds

21

Multifamily

Designed to address electrical panel upgrade barrier in multifamily housing

Partnered with the Bay Area Multifamily Building Enhancements Program to fund in-unit and building-level electrical upgrades

Affordable Housing Incentives

- $750 per unit
- $5,000 per central panel upgrades

22

The Power of Partnerships

Partnerships Are Essential

- Understand customers' needs
- Connect with the community
- Respond to emerging issues

Our Role

- Support local efforts
- Collaborate with organizations

Picture courtesy of the LIME Foundation's NextGen Trades Academy

23

Thank you

Sonoma
Clean Power

24

Staff Report – Item 03

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

From: **Chris Golik, Revenue Manager**

Issue: **Review the Continued Use of Updated EM-TOU Rate Effective October 1, 2023**

Date: **October 19, 2023**

Recommendation

This item is informational and does not require action. At their October 2023 meeting, the Board approved the continued use of Sonoma Clean Power's (SCP) updated Multifamily Time-of-Use (EM-TOU) rate, adopted on October 1, 2023, under the CEO's authority to make temporary rate changes. The new EM-TOU rate matches SCP's current E-TOU-C rate.

Background

In November 2015, the California Public Utility Commission issued Decision 15-11-013. The decision specified a gradual transition of the seasonal and time-of-use period definitions for master-metered residential customers on schedule EM-TOU. The intent of updating these definitions was to better align with changed cost conditions, particularly in the summer season (with higher-cost hours occurring in the late afternoon and evening).

PG&E's October 1, 2023, update to EM-TOU modified time-of-use period definitions and rates to mirror their E-TOU-C rate.

Per Section 4.5.2.1.1 of SCPA's Joint Powers Agreement,

"…the Chief Executive Office 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…(ii) a change in rates or charges imposed on the Authority or its customers by PG&E, the CPUC, or any other regulatory agency…; 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."

Discussion

On October 1, 2023, PG&E updated their EM-TOU rate and time-of-use hours to match their E-TOU-C rate and time-of-use hours. In response, and because some of the time-of-use period definitions were updated, the CEO decided to update SCP's EM-TOU rate on October 1, 2023, to match SCP's current E-TOU-C generation rates (see Figure 1). On average, the update is not expected to materially change total bills for SCP's EM-TOU customers.

Figure 1:

SCP RATE SCHEDULE	Season	Charge type	Charge unit	Time of Use	Feb 1, 2023 SCP GENERATION RATE	Oct 1, 2023 SCP GENERATION RATE	Oct 1, 2023 PG&E GENERATION RATE	Oct 1, 2023 SCP WITH PG&E DELIVERY & SURCHARGES	Oct 1, 2023 PG&E TOTAL BUNDLED RATES
EM-TOU	Summer	Energy	$/kWh	On Peak	$ 0.25931	$ 0.17948	$ 0.21085	$ 0.42404	$ 0.45082
EM-TOU	Summer	Energy	$/kWh	Part Peak	$ 0.17864	n/a	n/a	n/a	n/a
EM-TOU	Summer	Energy	$/kWh	Off Peak	$ 0.11231	$ 0.12921	$ 0.14741	$ 0.35377	$ 0.36738
EM-TOU	Winter	Energy	$/kWh	On Peak	n/a	$ 0.13557	$ 0.16225	$ 0.32602	$ 0.34811
EM-TOU	Winter	Energy	$/kWh	Part Peak	$ 0.14511	n/a	n/a	n/a	n/a
EM-TOU	Winter	Energy	$/kWh	Off Peak	$ 0.11185	$ 0.12141	$ 0.13722	$ 0.30854	$ 0.31976

Fiscal Impact

The October 1, 2023, EM-TOU rate change is not expected to materially impact FY2023-24 revenue.

Staff Report – Item 04

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

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

Issue: **Recommend the Board Approve the Proposed Customer Rate Reductions which would Establish Parameters Following Changes to Distribution Utility Rates and Fees on or After January 1, 2024, and Amendments to Financial Policy B.2 to allow Local Investments with Excess Reserve Funds**

Date: **October 19, 2023**

Recommendation

Recommend that the Board approve the following three items with no substantive changes from the draft proposal in September.

1) Amend Financial Policy B.2 to allow local investments per the redlines in Attachment A.

2) Set rates based on costs while allocating the excess ratepayer collections above SCP's reserve target as of January 1, 2024 accordingly:

- **60% to rate reductions in 2024 and 2025**

  Return 60% of excess reserves to ratepayers in 2024 and 2025 in the form of rate reductions such that the savings relative to PG&E's bundled customers is expected to be about the same in both calendar years of 2024 and 2025 based on then-current regulatory filings and known market information. Reset all rate classes so SCP collects sufficient revenues to cover all current costs net of the reserve overcollection, and such that customer total bills have an equal target percentage difference from PG&E's bundled service total bills.

- **30% to establish a local investment fund**

  The purpose of the fund would be to lower customer rates over time by investing in long-term assets to lower SCP's energy expenditures or generate revenues to offset customer rates. Specific investments would be brought to the Board for approval in later meetings prior to commitment.

- **10% for customer incentives in 2024 and 2025**

  Details on such incentives would be proposed and approved by the Board in a future meeting, but staff are contemplating proposing incentives that are exclusively or primarily geared toward low-income or disadvantaged customers in response to Board input in past meetings.

3) Establish ongoing local investments during years when costs and rates are favorable per the table in this report.

Background

It is valuable for credit rating agencies to see that SCP's Board of Directors continues to be willing to raise rates to cover costs when necessary and build reserves when prudent. A strong rating, in turn, helps SCP secure favorably priced energy contracts that allow our transition to clean power while protecting customers from unreasonable energy costs. The agency is in good times now, with significant reserves growth over the past 18 months. It is also prudent for excess reserves to be used to protect customers from future rate shock, which staff is proposing.

SCP reached its long-term financial reserves target between July and August 2023 about nine months ahead of the ten-year goal. This is a positive development and creates the opportunity for SCP to lower rates and make investments in local energy projects that have the potential to generate income to offset customer rates far into the future.

SCP's goals with customer rate setting include:

- Protect customers from sudden large changes in rates;
- Have few rate changes in a given year to provide stability for customers;

- Save customers money when we can, while still achieving progress on SCP's climate goals;
- Maintain the minimum balance of long-term cash reserves to sustain SCP's investment-grade credit rating and ability to secure affordable sources of energy and seek to build and sustain the target balance of long-term cash reserves to ensure adequate liquidity to survive extreme energy market conditions (e.g., a broad energy crisis or a rapid increase in PG&E's fees).

Over the past nine-and-a-half years, SCP has had rates that were lower than PG&E 80% of the time while supplying a consistently more environmentally preferred portfolio of power sources. Today, SCP customers enjoy bills that are between 3% and 5% lower than those of customers who have chosen PG&E for their power generation needs.

This proposal aims to enhance SCP customer savings by implementing further rate savings and proactively planning to limit the scale and risk of rate increases over the next two years. The exact amount of customer savings will depend on PG&E's new rates and fees, which PG&E will likely not make public until December 31, 2023, however, it is reasonable to assume with today's information that savings around 5% or slightly higher should be possible for both years.

PG&E is expected to implement changes to the Power Charge Indifference Adjustment (PCIA) and PG&E's rates on January 1, 2024, or soon after that. While SCP does not expect to have final numbers for these changes until December 31, 2023, the most recent PG&E forecast indicates:

- An increase in PG&E delivery costs for all customers;
- A large decrease in PG&E's bundled service generation costs; and
- A medium increase in the Power Charge Indifference Adjustment for CCA customers.

There are multiple pending cases with the CPUC that are hard to predict and will have significant impacts on PG&E's 2024 rates. PG&E's update to PCIA is currently expected to include a catch-up amount to make up for under collecting in 2023, but the outlook can change quickly based on changes to the market cost of energy. The potential for severe weather events like the heat storm in September 2022 adds to uncertainty. As with past years, the outlook should become clearer over the next few months.

Further out, SCP's cost of energy will increase significantly in 2025 when some of the existing fixed-price contracts end and SCP is more exposed to current high market prices of energy. However, having a two-year strategy on rates will significantly help mitigate the high costs in 2025.

Discussion

As used in the past five years, to facilitate the implementation of new customer rates as soon as possible following PG&E's expected changes on January 1, 2024, staff is recommending the use of rate setting parameters. If PG&E's final numbers are available on December 31, 2023, SCP expects to be able to implement new rates on February 1, 2024. If PG&E's updates are delayed, then staff propose to make SCP's rate change as soon as feasible after the information becomes available.

As a result of achieving its long-term financial reserves target, SCP can shift to charging only the cost of service, which means extending SCP's ability to offer customers cost savings. Additionally, excess reserves give SCP an opportunity to protect customers from future large changes in rates and the ability to invest in local energy projects, in response to interest from the Committee and Board.

When SCP implements new rates, staff are recommending the then-most-recently-reported excess financial reserves be allocated as follows:

- **60% to rate reductions in 2024 and 2025**

  Return 60% of excess reserves to ratepayers in 2024 and 2025 in the form of rate reductions such that the savings relative to PG&E's bundled customers is expected to be about the same in both calendar years of 2024 and 2025 based on then-current regulatory filings and known market information. Reset all rate classes so SCP customer total bills have an equal target percentage difference from PG&E's bundled service total bills. Only rate components that have a generation charge will be adjusted. Per policy, staff will return to the Board following rate implementation to have the final rate tables ratified by the Board in the next meeting.

- **30% to establish a local investment fund**

  The purpose of the fund would be to lower customer rates over a longer time period by investing in long-term assets to lower SCP's energy expenditures or generate revenues. Priority would be given to investments that support SCP's mission to lower greenhouse gas emissions, improve grid reliability, improve energy system safety or lower customer costs. Specific investments would be brought to the Board for approval in later meetings, but for illustrative purposes might include stationary battery storage on municipal property, EV charging stations, real estate investments that clearly further SCP's mission in some manner, new solar with battery installations, microgrid power for sites that PG&E cannot timely connect to the grid, loans to cities or counties for energy efficiency work, co-ownership of geothermal generating assets.

- **10% for customer incentives in 2024 and 2025**

  Details on such incentives would be proposed and approved by the Board in a future meeting, but staff are contemplating proposing incentives that are exclusively or primarily geared toward low-income or disadvantaged customers in response to Board input in past meetings.

Based on current projections, staff expect the known excess reserves at time of rate setting to be roughly $18 million. The likely range of excess reserves could be $10 million above or below this estimate based on many factors including energy usage, market price of energy, Independent System Operator (ISO) true-ups, ISO collateral requirements, and potential severe weather events.

Staff also are anticipating ratepayer value in making ongoing investments in local income-producing projects to offset rates over many years. While any allocation would be subject to annual Board authorization, establishing an expectation would be a helpful benchmark for future Boards of Directors. Staff propose:

In years when SCP rates are…	…budget toward local income-producing investments
> 3% above bundled rates	0% of Revenues
Between equal and 3% above bundled rates	1% of Revenues
Between 3% below bundled rates and equal	2% of Revenues
Between 6% and 3% below bundled rates	3% of Revenues
More than 6% below bundled rates	4% of Revenues

Financial Impact

This proposal recommends setting rates to cover all current expenses through income net of excess collections. The proposed rate reductions, establishment of a local investment fund, and dedication of funds to customer program incentives are designed to return the excess funds collected to customers and have no impact on SCP's current expenditures budget or dedicated long-term financial reserves.

Ongoing investments in local income-producing projects would represent between 0% and 4% of Revenues, with more invested in years when costs and rates are favorable, and this allocation would be adjustable by future Board action as needed.

Attachments

- Attachment A – B.2 Financial Reserves Amended 2023.09.12 - Redline

Financial Policy B.2
Financial Reserves

Purpose

SCP maintains financial reserves to maintain good standing with rating agencies, provide liquidity when current income is insufficient, protect customers from sudden large changes in rates, and to mitigate energy market risks. This policy governs how financial reserves are built, maintained and used.

Reserve Balances

- Minimum Reserves: 180 days of the annual budgeted operating expenses.
- Target Reserves: 280 days of the annual budgeted operating expenses.
- Excess Reserves: Any reserve balances in excess of the Target Reserves must be returned to customers through lower rates, invested in income-producing investments with the purpose of offsetting rates over time, or provided to customers in the form of program incentives ~~in the following year~~ on a timeline designated by the Board of Directors.

Building Reserves and Rate Setting

During periods when the Minimum Reserve is not met, SCP shall set rates in a manner to reach the required balance within 2 years.

During periods when SCP's reserves are above the Minimum Reserve but below the Target Reserve, SCP shall set rates to reach the Target Reserve balance within 5 years in a manner that best protects customers from unreasonable rates.

Use of Reserves

The expenditure of reserve funds requires a vote of the Board of Directors. However, the CEO has the authority to use reserves for operating liquidity in emergency situations in consultation with the Board Chair and Vice Chair, and such actions must be noticed to the Board of Directors in the next meeting.

Investing Reserve Balances

Adopted: June 5, 2014
Amended: Jan 8, 2015, Jun 4, 2015, Apr 5, 2018, Apr 2, 2020 and May 5, 2022

The investment of reserve funds is governed by Financial Policy B.5 Investments.

Adopted: June 5, 2014
Amended: Jan 8, 2015, Jun 4, 2015, Apr 5, 2018, Apr 2, 2020 and May 5, 2022

Sonoma Clean Power

Staff Report – Item 05

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

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

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

Date: **October 19, 2023**

COMMUNITY ADVISORY COMMITTEE RECRUITMENT UPDATE

The CAC Recruitment which opened to the public on August 16, 2023, closed on October 2, 2023. The Ad Hoc Committee of the Board appointed to participate in the review and recommendation of appointment of Committee members is in the process of setting up interviews with prospective members. The Ad Hoc is on track to make recommendations at the December Board meeting.

CalCCA ANNUAL RETREAT

The statewide trade association of community-owned power providers across California held its annual staff and board retreat at Sonoma Clean Power on September 26 and 27. At the invitation of CalCCA, the CEOs of all community choice programs spent a day with the Governor's Policy Director, Christine Hironaka, CEC Commissioner Andrew McAllister, the CPUC's Executive Director Rachel Peterson, and the CAISO's CEO Elliot Mainzer discussing some of the complex goals of improving California's power reliability while maintaining energy affordability and enabling the shutdown of fossil fuel power plants. Staff viewed the event as a good opportunity to educate key decisionmakers about community choice power providers and to hear directly from the people who are shaping the policy and practice of how new clean power resources can be connected to the grid and whether that process will be improved in the future.

SONOMA CLEAN POWER'S ENERGY SOURCES

At the September Community Advisory Committee meeting, there was public comment related to information provided on the SCP Joint Rate Mailer. This postcard was provided to the Committee at the September meeting, but is attached to this report again, as reference. The public comment was regarding the inclusion of Biomass/Biowaste in SCP's 2022 Power Generation Mix. The following is being provided to this Committee as background and current information on our power purchases and use.

1. Community input over the past two years has been received on our Local Supply Plan. In specific, public input effectively secured an expectation that SCP would not pursue the construction of new forest biomass power generation in Sonoma and Mendocino Counties without first bringing significant scrutiny to the matters of ensuring a sustainable on-going feedstock from waste materials alone in a manner that protects forests from harvesting for the purpose of producing power, and addresses serious air quality concerns.
2. The State of California has mandated the continuing operation of a number of biomass power plants to ensure grid reliability, and has further required that all IOU, CCA and direct access providers pay for their operation. As a result, SCP pays for these plants to operate whether we use the power or not.
3. The California Air Resources Board, California Energy Commission and California Public Utilities Commission have all designated existing biomass power generation as "renewable" and as a preferred resource for grid reliability due to its ability to operate through summer evenings and winter nights, when there are otherwise insufficient resources available to ensure reliability in California today.
4. As a result of all of the above, a few years ago SCP bid to obtain a portion of SCE's biomass power output over a few years to minimize costs on ratepayers and deliver on our mission of rate stability and energy cost equity.

SCP expects the amount of biomass in our portfolio will generally decline as these contracts end over the coming years. What replaces this resource is an important question, though, and one that staff have not yet heard any public input on. SCP's current GeoZone effort is seeking to completely replace all biomass AND natural gas power with new local geothermal sources, but that will likely take quite a few years. Until that time, SCP is working to secure a suitable amount of firm clean power that operates every single summer evening and all through winter nights.

DUCK CURVE CHALLENGE

SCP is partnering with the Sonoma County Office of Education to deliver a 'call to action' program for students. SCP has created a challenge where high school students investigate the causes and impacts of the 'duck curve'. The 'duck curve' is the term given to the average daily electricity use profile in California. The profile looks like a duck, where there is a significant decrease in electricity use during the daylight hours due to the high penetration of customer-sited solar and then a steep increase in the evening hours (4-9 p.m.) as solar energy production is decreasing while residential electricity use is increasing. After learning about and investigating the 'duck curve', students will deliver ideas and solutions that could help mitigate the negative impacts.

Schools that have indicated interest in participating include Analy High School, Amarosa Academy, Cloverdale High School, Healdsburg High School, and Santa Rosa High School.

More information on the Challenge may be found online at www.ccrforce.org/energy-challenge

SONOMA COUNTY BICYCLE COALITION BIKE FRIENDLY BUSINESS OF THE YEAR

Sonoma Clean Power has been named the Sonoma County Bicycle Coalition's Bike Friendly Business of the Year. SCP is the first entity in Sonoma County to receive the Gold-level certification as a Bicycle Friendly Business by the League of American Bicyclists. SCP supports employees with indoor bike parking, availability of showers and supported employees in obtaining their own e-bikes. In addition, SCP launched an e-bike incentive campaign that offered low-income customers $1000 off at the register when purchasing via a local bike shop; participants also got free helmets and bike education classes. SCP has been a participant in Bike to Work Day and an ongoing sponsor of SCBC. Scott Salyer and Leif Christiansen led the effort to obtain this award for SCP.

MONTHLY COMPILED FINANCIAL STATEMENTS THROUGH AUGUST 31, 2023

The year-to-date change in net position is slightly under projections by approximately $606,000. Year-to-date revenue from electricity sales is over budget by less than 1% and cost of energy is over budget projections by about 5%. Year-to-date electricity sales reached $53,890,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive $213,969,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals.

Other operating expenses continued near or slightly below planned levels for the year.

BUDGETARY COMPARISON SCHEDULE THROUGH AUGUST 31, 2023

The accompanying budgetary comparison includes the 2023/24 budget approved by the Board of Directors.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2023/24 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates, and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers is slightly over budget by less than 1% at the end of the reporting period. The cost of electricity exceeds the budget-to-date by approximately 5%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

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

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

ATTACHMENTS

- Joint Rate Mailer
- July 2023 Financial Statements
- August 2023 Financial Statements

UPCOMING MEETINGS

- Board of Directors – November 2, 2023
- Community Advisory Committee – November 16, 2023
- Board of Directors – December 7, 2023
- Community Advisory Committee – December 21, 2023

SCP

PG&E®

We support your power to choose

As part of our mutual commitment to support your energy choice, Sonoma Clean Power (SCP) and Pacific Gas and Electric Company (PG&E) have partnered to provide you with a comparison of typical residential electric rates, average monthly charges and generation portfolio contents.

If this comparison does not address your specific rate, please visit PG&E online at **pge.com/cca** or call **1-866-743-0335**. For information on SCP's generation rates, please visit **sonomacleanpower.org** or call **1-855-202-2139**.

Sonoma Clean Power
P.O. Box 1030
Santa Rosa, CA 95402-1030

PRSRT STD
US POSTAGE
PAID
PERMIT #470
SANTA ROSA

Understanding your energy choice

2023 Residential Electric Rate Comparison, E-TOU-C*	PG&E	Sonoma Clean Power CleanStart	Sonoma Clean Power EverGreen
Generation Rate ($/kWh)	$0.13638	$0.13087	$0.15587
PG&E Delivery Rate ($/kWh)	$0.20672	$0.20672	$0.20672
PG&E PCIA/FF ($/kWh)	$0.01412	$0.00459	$0.00459
Total Electricity Cost ($/kWh)	$0.35722	$0.34218	$0.36718
Average Monthly Bill ($)	**$154.84**	**$148.32**	**$159.16**

*This compares electricity costs for an average residential customer in the SCP/PG&E service area (Sonoma and Mendocino counties) with an average monthly usage of 433 kilowatt-hours (kWh). This is based on a representative 12-month billing history for all customers on E-TOU-C rate schedules. Rates are effective June 01, 2023 for PG&E and February 01, 2023 for SCP.

Generation Rate is the cost of creating electricity to power your home. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your home. The PG&E delivery rate depends on your electricity usage, but is charged equally to both SCP and PG&E customers.

The **PCIA** is a charge to ensure that both PG&E customers and those who have left PG&E service to purchase electricity from other providers pay the above market costs for generation resources that were procured by PG&E on their behalf. "Above market" refers to expenditures for electric generation resources that cannot be fully recovered through sales of these resources at current market prices. PG&E acts as a collection agent for the **Franchise Fee (FF)** surcharge, which is levied by the California Public Utilities Commission (CPUC) on behalf of cities and counties in PG&E's service territory for all customers. PG&E bundled customers pay the PCIA and FF fees associated with the most current available vintage year. PG&E charges SCP customers the PCIA and FF fees based on the year they transitioned to SCP service. Visit sonomacleanpower.org for more information.

If this comparison does not address your specific rate, please visit PG&E online at **pge.com/cca** or call **1-866-743-0335**. For information on SCP's generation rates, please visit **sonomacleanpower.org** or call **1-855-202-2139**.

2022 Electric Power Generation Mix*	PG&E	Sonoma Clean Power CleanStart	Sonoma Clean Power EverGreen
Specific Purchases	**Percent of Total Retail Sales (MWh)**		
Renewable	38%	50%	100%
• Biomass & Biowaste	5%	16%	0%
• Geothermal	1%	17%	87%
• Eligible Hydroelectric	2%	0%	0%
• Solar Electric	22%	9%	14%
• Wind	9%	8%	0%
Coal	0%	0%	0%
Large Hydroelectric	8%	40%	0%
Natural Gas	5%	0%	0%
Nuclear	49%	1%	0%
Other	0%	0%	0%
Unspecified Sources of Power**	0%	9%	0%
TOTAL	**100%**	**100%**	**100%**

*As reported to the California Energy Commission's Power Source Disclosure Program. PG&E data is subject to an independent audit and verification that will not be completed until October 1, 2023. The figures above may not sum up to 100 percent due to rounding.

**Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

©2023 Sonoma Clean Power. All rights reserved.
"PG&E" refers to Pacific Gas and Electric Company, a subsidiary of PG&E Corporation.
©2023 Pacific Gas and Electric Company. All rights reserved. 7.23 CCC-0623-6383

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 July 31, 2023, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy
San Rafael, CA
September 12, 2023

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of July 31, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 71,816,422
Accounts receivable, net of allowance	27,232,232
Other receivables	3,045,606
Accrued revenue	14,559,745
Prepaid expenses	1,562,357
Deposits	8,749,975
Investments	86,576,959
Total current assets	213,543,296
Noncurrent assets	
Land	860,520
Capital assets, net of depreciation	17,438,629
Deposits	846,256
Total noncurrent assets	19,145,405
Total assets	232,688,701
LIABILITIES	
Current liabilities	
Accrued cost of electricity	15,283,979
Accounts payable	1,390,773
Advanced from grantors	3,074,682
Supplier security deposits	2,467,200
Other accrued liabilities	1,042,195
User taxes and energy surcharges due to other governments	642,620
Total current liabilities	23,901,449
NET POSITION	
Investment in capital assets	18,299,149
Unrestricted	190,488,103
Total net position	$ 208,787,252

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
One Month Ended July 31, 2023

OPERATING REVENUES	
Electricity sales, net	$ 25,428,996
Evergreen electricity premium	201,899
Total operating revenues	25,630,895
OPERATING EXPENSES	
Cost of electricity	15,749,523
Contract services	788,490
Staff compensation	609,785
Other operating expenses	220,352
Program rebates and incentives	734,833
Depreciation	116,454
Total operating expenses	18,219,437
Operating income (loss)	7,411,458
NONOPERATING REVENUES (EXPENSES)	
Investment earnings (loss)	515,949
Nonoperating revenues (expenses), net	515,949
CHANGE IN NET POSITION	7,927,407
Net position at beginning of period	200,859,845
Net position at end of period	$ 208,787,252

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
One Month Ended July 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 21,911,611
Other operating receipts	209,829
Payments to electricity suppliers	(13,341,263)
Payments for other goods and services	(779,899)
Payments for staff compensation	(619,169)
Tax and surcharge payments to other governments	(371,507)
Payments for program rebates and incentives	(865,253)
Net cash provided (used) by operating activities	6,144,349
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to acquire capital assets	(9,930)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	231,217
Net cash provided (used) by investing activities	231,217
Net change in cash and cash equivalents	6,365,636
Cash and cash equivalents at beginning of year	65,450,786
Cash and cash equivalents at end of period	$ 71,816,422

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
(Continued)

One Month Ended July 31, 2023

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

Operating income (loss)	$ 7,411,458
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	116,454
Revenue adjusted for provision for uncollectible accounts	549,796
(Increase) decrease in:	
Accounts receivable	(2,613,517)
Other receivables	40,326
Accrued revenue	(1,949,910)
Prepaid expenses	(88,550)
Deposits	39,083
Increase (decrease) in:	
Accrued cost of electricity	1,172,786
Accounts payable	363,317
Accrued liabilities	1,180,265
User taxes due to other governments	(77,159)
Net cash provided (used) by operating activities	$ 6,144,349

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

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

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

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

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

Maher Accountancy

San Rafael, CA
September 12, 2023

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

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
One Month Ended July 31, 2023

	2023/24 YTD Budget	2023/24 YTD Actual	2023/24 YTD Budget Variance (Under) Over	2023/24 YTD Actual / Budget %	2023/24 Budget	2023/24 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	$ 26,379,007	$ 25,428,996	$ (950,011)	96%	$ 243,952,000	$ 218,523,004
Evergreen Premium (net of allowance)	238,766	201,899	(36,867)	85%	2,689,000	2,487,101
CEC Grant	175,000	-	(175,000)	0%	470,000	470,000
Investment income	250,000	515,949	265,949	206%	3,540,000	3,024,051
Miscellaneous Income	171,473	-	(171,473)	0%	2,058,000	2,058,000
Total revenue and other sources	27,214,246	26,146,844	(1,067,402)	96%	252,709,000	226,562,156
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	18,781,719	15,749,523	(3,032,196)	84%	193,762,000	178,012,477
Data management	223,333	216,896	(6,437)	97%	2,680,000	2,463,104
Service fees- PG&E	82,500	81,298	(1,202)	99%	990,000	908,702
Personnel	674,000	609,785	(64,215)	90%	8,346,000	7,736,215
Energy Center, marketing & communications	255,548	205,080	(50,468)	80%	3,061,000	2,855,920
Customer service	8,500	14,822	6,322	174%	220,000	205,178
General and administration	113,714	127,278	13,564	112%	1,360,000	1,232,722
Legal	39,583	24,578	(15,005)	62%	475,000	450,422
Regulatory and compliance	38,333	22,150	(16,183)	58%	460,000	437,850
Accounting	21,473	20,140	(1,333)	94%	309,000	288,860
Legislative	18,333	8,000	(10,333)	44%	220,000	212,000
Other consultants	51,017	12,264	(38,753)	24%	624,000	611,736
Industry memberships and dues	103,383	84,734	(18,649)	82%	695,000	610,266
Program implementation	472,972	175,220	(297,752)	37%	8,101,000	7,925,780
Program - CEC grant	330,000	751,215	421,215	228%	1,712,000	960,785
Total current expenditures	21,214,408	18,102,983	(3,111,425)	85%	223,015,000	204,912,017
OTHER USES						
Capital outlay	50,000	18,934	(31,066)	38%	600,000	581,066
Total expenditures, other uses	21,264,408	18,121,917	(3,142,491)	85%	223,615,000	205,493,083
Net increase (decrease) in available fund balance	$ 5,949,838	$ 8,024,927	$ 2,075,089		$ 29,094,000	$ 21,069,073

** Represents sales of approximately 174,000 MWh for 2023/24 YTD actual.*

RESERVES	Current Balance	Long-Term Targeted	% of Long-Term Target
Operating Reserve (as of June 30, 2022)	$ 95,207,000	$ 171,080,000	56%

SONOMA CLEAN POWER AUTHORITY

BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION

One Month Ended July 31, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$	8,024,927
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:		
Subtract depreciation expense		(116,454)
Add back capital asset acquisitions		18,934
Change in net position	$	7,927,407

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 August 31, 2023, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

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

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

Maher Accountancy

San Rafael, CA
October 3, 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 August 31, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 59,243,352
Accounts receivable, net of allowance	28,176,560
Other receivables	2,238,765
Accrued revenue	14,236,146
Prepaid expenses	1,389,488
Deposits	8,825,707
Investments	105,678,491
Total current assets	219,788,509
Noncurrent assets	
Other receivables	1,130,913
Land	860,520
Capital assets, net of depreciation	17,328,251
Deposits	846,256
Total noncurrent assets	20,165,940
Total assets	239,954,449
LIABILITIES	
Current liabilities	
Accrued cost of electricity	17,881,637
Accounts payable	722,083
Advanced from grantors	3,055,598
Supplier security deposits	2,467,200
Other accrued liabilities	1,082,042
User taxes and energy surcharges due to other governments	777,150
Total current liabilities	25,985,710
NET POSITION	
Investment in capital assets	18,188,771
Unrestricted	195,779,968
Total net position	$ 213,968,739

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Two Months Ended August 31, 2023

OPERATING REVENUES	
Electricity sales, net	$ 53,460,525
Evergreen electricity premium	429,524
Grant revenue	19,084
Total operating revenues	53,909,133
OPERATING EXPENSES	
Cost of electricity	37,309,220
Contract services	1,387,160
Staff compensation	1,262,182
Other operating expenses	444,023
Program rebates and incentives	1,186,745
Depreciation	233,016
Total operating expenses	41,822,346
Operating income (loss)	12,086,787
NONOPERATING REVENUES (EXPENSES)	
Interest and investment returns	1,022,107
Nonoperating revenues (expenses), net	1,022,107
CHANGE IN NET POSITION	13,108,894
Net position at beginning of period	200,859,845
Net position at end of period	$ 213,968,739

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
Two Months Ended August 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	$ 49,899,043
Other operating receipts	355,764
Payments to electricity suppliers	(32,176,281)
Payments for other goods and services	(2,373,163)
Payments of staff compensation	(1,251,133)
Tax and surcharge payments to other governments	(585,984)
Payments for program rebates and incentives	(1,498,196)
Net cash provided (used) by operating activities	12,370,050
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments to acquire capital assets	(28,864)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	451,380
Purchase of investments	(19,000,000)
Net cash provided (used) by investing activities	(18,548,620)
Net change in cash and cash equivalents	(6,207,434)
Cash and cash equivalents at beginning of year	65,450,786
Cash and cash equivalents at end of period	$ 59,243,352

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
(Continued)

Two Months Ended August 31, 2023

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

Operating income (loss)	$ 12,086,787
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	233,016
(Increase) decrease in:	
Accounts receivable	(3,008,050)
Other receivables	(99,282)
Accrued revenue	(1,626,311)
Prepaid expenses	84,319
Deposits	(36,649)
Increase (decrease) in:	
Accrued cost of electricity	2,637,884
Accounts payable	(292,623)
Advanced from grantors	(19,084)
Accrued liabilities	2,352,672
User taxes due to other governments	57,371
Net cash provided (used) by operating activities	$ 12,370,050

MAHER
ACCOUNTANCY

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

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

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

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

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

Maher Accountancy

San Rafael, CA
October 3, 2023

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

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Two Months Ended August 31, 2023

	2023/24 YTD Budget	2023/24 YTD Actual	2023/24 YTD Budget Variance (Under) Over	2023/24 YTD Actual / Budget %	2023/24 Budget	2023/24 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	$ 52,809,333	$ 53,460,525	$ 651,192	101%	$ 243,952,000	$ 190,491,475
Evergreen Premium (net of allowance)	488,089	429,524	(58,565)	88%	2,689,000	2,259,476
CEC Grant	350,000	-	(350,000)	0%	470,000	470,000
Flex market grant	-	19,084	19,084	na	-	(19,084)
Investment income	500,000	1,022,107	522,107	204%	3,540,000	2,517,893
Miscellaneous Income	342,945	-	(342,945)	0%	2,058,000	2,058,000
Total revenue and other sources	54,490,367	54,931,240	440,873	101%	252,709,000	197,777,760
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	35,625,021	37,309,220	1,684,199	105%	193,762,000	156,452,780
Data management	446,667	433,002	(13,665)	97%	2,680,000	2,246,998
Service fees- PG&E	165,000	162,227	(2,773)	98%	990,000	827,773
Personnel	1,348,000	1,262,182	(85,818)	94%	8,346,000	7,083,818
Energy Center, marketing & communications	511,096	407,973	(103,123)	80%	3,061,000	2,653,027
Customer service	89,000	19,100	(69,900)	21%	220,000	200,900
General and administration	220,761	216,219	(4,542)	98%	1,360,000	1,143,781
Legal	79,167	30,491	(48,676)	39%	475,000	444,509
Regulatory and compliance	76,667	59,974	(16,693)	78%	460,000	400,026
Accounting	42,947	40,280	(2,667)	94%	309,000	268,720
Legislative	36,667	16,000	(20,667)	44%	220,000	204,000
Other consultants	102,033	13,240	(88,793)	13%	624,000	610,760
Industry memberships and dues	161,667	121,125	(40,542)	75%	695,000	573,875
Program implementation	902,845	470,729	(432,116)	52%	8,101,000	7,630,271
Program - CEC grant	660,000	1,027,568	367,568	156%	1,712,000	684,432
Total current expenditures	40,467,538	41,589,330	1,121,792	103%	223,015,000	181,425,670
OTHER USES						
Capital outlay	100,000	25,118	(74,882)	25%	600,000	574,882
Total expenditures, other uses	40,567,538	41,614,448	1,046,910	103%	223,615,000	182,000,552
Net increase (decrease) in available fund balance	$ 13,922,829	$ 13,316,792	$ (606,037)		$ 29,094,000	$ 15,777,208

** Represents sales of approximately 358,000 MWh for 2023/24 YTD actual.*

RESERVES	Current Balance	Long-Term Targeted	% of Long-Term Target
Operating Reserve (as of June 30, 2022)	$ 95,207,000	$ 171,080,000	56%

See accountants' compilation report.

SONOMA CLEAN POWER AUTHORITY

BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION

Two Months Ended August 31, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	$ 13,316,792
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(233,016)
Add back capital asset acquisitions	25,118
Change in net position	$ 13,108,894

See accountants' compilation report.

Staff Report – Item 06

To:	**Sonoma Clean Power Authority Community Advisory Committee**
From:	**Neal Reardon, Director of Regulatory Affairs** **Geof Syphers, Chief Executive Officer**
Issue:	**Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate**
Date:	**October 19, 2023**

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

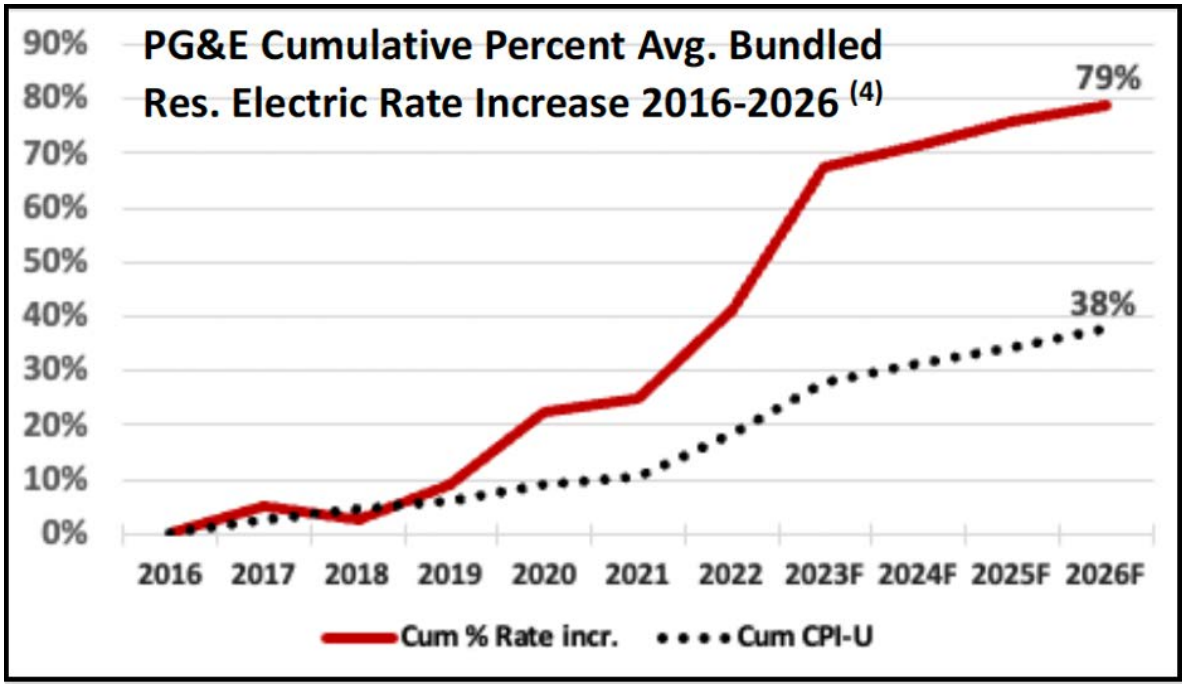
Regulatory Updates

CPUC Considering Proposals to Reduce Risk of Utility-Induced Wildfires

PG&E's General Rate Case ("GRC") has been underway since last Spring. General Rate Cases, in conjunction with the Energy Resource Recovery Account ("ERRA") proceedings, are the two central venues in which the utilities propose – and gain guaranteed cost recovery for – investments in transmission, distribution, generation, incentives for staff retention, etc. A critical issue in this year's GRC is how to best ensure reliable service and reduce the on-going threat of utility infrastructure causing additional wildfires.

PG&E's initial proposal, made via press release instead of through a formal proceeding, was to bury 10,000 miles of electrical lines. In practice, the utility has been proposing annual, incremental targets towards this publicly stated goal. PG&E's progress has been very slow. In 2021, the utility reported 72 miles of undergrounding. In 2022, they achieved another 180 miles for a total of 252 miles of the 10,000-mile goal. In the current General Rate Case, PG&E is requesting cost recovery for a significantly larger undergrounding effort totaling 2,100 miles. While this would reduce the risk of utility equipment starting additional wildfires, it would come at a cost of over $6 billion dollars to ratepayers. Coupled with other approved rate increases, this would yield a significant increase in customer charges over the period from 2016-2026.

Below is a graph produced by The Utility Reform Network ("TURN") showing the PG&E's cumulative rate increases compared with the Consumer Price Index over the same period.



If the full 10,000-mile undergrounding effort were approved, TURN estimates that it would take over a decade to complete and would add $18,000 per customer over the next 50 years.

According to TURN, PG&E can reduce most of its wildfire risk by a back-to-basics strategy of improving vegetation management and complying with existing requirements. TURN outlines a significantly cheaper alternative to undergrounding: covered conductors. Lines would be triple insulated and run along the ground as opposed to either elevated on poles or buried underneath. TURN notes that this solution is not only more cost effective – coming in at $2.1 billion compared with PG&E's $6.3 billion proposal – but could be deployed in a fraction of time. In this approach, undergrounding would be reserved for the highest risk areas where burying lines is the most cost-effective approach to mitigate the risk of fire. The assigned Administrative Law Judge issued a Proposed Decision ("PD"), while the President of the CPUC issued an Alternate Proposed Decision ("APD") providing for different treatment of PG&E's request.

The PD relies more heavily on TURN's proposal, adopting a significant portion of covered conductors in lieu of the more costly undergrounding. It would lead to a $1.6 billion dollar increase to PG&E's authorized revenue requirement in 2023. Despite favoring less costly safety improvements, the PD would adopt 100% of the escalation (I.e., inflation) that PG&E requested. This would drive an $842 million increase between 2022 and 2023 alone, or roughly half of the $1.6 billion in additional cost.

The APD issued by President Reynolds incorporates more undergrounding and accepts PG&E's argument that the utility will be able to reduce the cost of undergrounding from $3.3 million/mile today by over 10%, yielding a 4-year average of $3 million/mile. The additional capital costs allowed in the APD are nearly *double* those proposed in the PD - $4.27 billion. However, the counter-intuitive result is a lower revenue requirement, and customer bills, in the near term. This is driven by tax treatment of capital assets, which are eligible for accelerated depreciation. This puts downward pressure on the earlier-year bills, when the large depreciation charge reduces the revenue requirement. However, ratepayers pay for that benefit and much more over the 30–40-year financing period.

A CPUC press release summarizing the PD and APD is below:

PG&E's 2022 Authorized Revenue Requirement	Proposal	Proposed 2023 Revenue Requirement	Percent Increase	Dollar Increase
$12.2 billion	PG&E	$15.4 billion	26%	$3.2 billion
	PD	$13.8 billion	13%	$1.6 billion
	APD	$13.3 billion	9%	$1.1 billion

Both the PD and the APD deny PG&E's request for a $94 million or 68% increase to funds for employee bonuses, reasoning that a recent Total Compensation Study concluded that PG&E compensation was competitive at 8.9% above market rates.

SCP staff are actively engaging in this proceeding and working in conjunction with CCAs across Northern California. Maintaining affordability as we transition to a clean energy economy is paramount, and SCP staff submitted specific recommendations to protect customers from the most damaging elements of the PD and APD. The CPUC is expected to approve a decision in this proceeding by the end of the calendar year.

Legislative Update

The legislative session ended September 14 and Governor Newsom has until October 14 to sign or veto bills.

Energy Reliability Budget Trailer Bill / AB 1373

Governor Newsom signed AB 1373 into law. CalCCA worked with SCP and its members across California to successfully secure a number of critical amendments to the Budget Trailer Bill (aka AB 1373), sufficient for SCP and all other CCAs to be neutral.

So-called "frontstop" procurement of "eligible energy resources" must now be done with the Department of Water Resources and not PG&E or the other investor-owned utilities. Frontstop procurement is industry jargon for the CPUC having the power to request DWR to buy resources without any option for IOUs or CCAs to buy them first. Eligible energy resources are defined as new resources that meet all five of the following criteria:

1. The resource directly supports the state's SB 100 zero-carbon and renewable energy goal by 2045;
2. The CPUC determines the resource to not be under contract at sufficient levels as shown in electric providers' most recent individual integrated resource plans;
3. The resource has a construction and development lead time of at least five years;
4. The resource does not generate electricity using fossil fuels or fuels derived from fossil fuels;
5. The resource does not use combustion to generate electricity (except ancillary and necessary to facilitate geothermal electricity generation).

In practical matters, this will include offshore wind and may also include Salton Sea geothermal power, but could theoretically include additional similarly complex resources requiring new transmission systems and very long construction schedules. The shift to DWR is critical because the costs of these resources will now be shared by *all* California electric customers, rather than only the customers of CCAs and the IOUs.

DWR already has statutory authority to buy the output from a number of natural gas power plants to supplement California's grid reliability under a program called the Strategic Reliability Reserve. Unfortunately, this pathway creates a risk that California's dependency on natural gas for electric reliability will be sustained for many years without any utility or CCA *appearing* to purchase or use the energy. As a result, SCP staff are keenly focused on daylighting this situation and ensuring that all greenhouse gas emissions are properly reported, and also to ensure that state purchases of natural gas power doesn't reduce the market value for renewable power and storage.

The bill reiterates existing law that so-called "backstop" procurement can still be ordered by the CPUC for the IOUs to buy "diverse" resources and assign those costs to CCAs, but importantly now clarifies that CCAs must be provided an opportunity to buy those resources first. "Backstop procurement of diverse resources" is industry jargon for resources that the CPUC deems essential for system reliability or achieving the state's climate goals, but which IOUs and CCAs are afforded an opportunity to purchase on their own before any central procurement order is issued.

"Diverse resources" are not defined in statute, but is widely interpreted to mean resources needed to integrate renewables – especially solar power – into the grid in a manner that continues to ensure system reliability. In practice, this could be interpreted to include almost anything.

Many other details in the bill will have to be sorted out in future regulatory proceedings and potentially in clean-up bills.

At Senator McGuire's request, the bill includes budget line-item language to make future General Fund investments easier for the California Coastal Commission to work on permitting for prospective offshore wind energy development, specifically for the regions leased by the Bureau of Ocean Energy Management of the U.S. Department of the Interior.

Status of Other Bills

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

  Signed into law. Sets reporting requirements for IOUs that are failing to timely connect new homes and businesses to the grid. Requires IOUs to share information about where the grid is deficient and will likely lead to problems with new construction, home electrification and EV charging.

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

  This is a 2-year bill. 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.

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

  Bill is on hold this year and is eligible for consideration in 2024. 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.

- **AB 914 (Friedman) – Transmission upgrade CEQA timelines – Watch**

  This is a two-year bill. This bill originally proposed CEQA exemptions for expanding the capacity of existing transmission lines, but despite support from labor, the IOUs and municipal power, it was narrowed to simply setting a two-year timeline for permitting review. 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.

- **AB 982 (Villapudua) – Public Purpose Programs – Watch**

  This bill is a two-year bill. 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.

- **SB 233 (Skinner) – EV Bidirectional Capability – Support**

  Bill is dead. The bill would have required the CEC to study and make recommendations on the costs and benefits of bidirectional charging and submit a report to the Governor and Legislature by January 1, 2026.

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

  Signed into law. Requires the CEC, CPUC, and CAISO to review and report on their transmission needs and plans over the next decade.

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

  Signed into law. Requires 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**

  Held in the first house. 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 SB 527 conditions allow a conversion to electric energy.

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

  Bill died in the Assembly. Would have allowed multijurisdictional, cross county legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. Would have Required 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.

Page intentionally left blank for double-sided printing

Staff Report – Item 07

To: Sonoma Clean Power Authority Community Advisory Committee

From: Erica Torgerson, Managing Director of Customer Service
Danielle McCants, Customer Operations Manager

Issue: Recommend the Board of Directors Approve the Net Billing Tariff

Date: October 19, 2023

Recommendation

Recommend the Board of Directors approve Sonoma Clean Power Authority's Net Billing Tariff (NBT) to establish a billing mechanism and export rates for customers who interconnect an eligible renewable generating system after April 14, 2023. The customer facing name for NBT is Solar Billing Plan, both of which will be used in this staff report.

Background

The California Public Utilities Commission (CPUC) issued a decision in December 2022 to approve the successor Net Energy Metering (NEM 2.0) tariff. The customer facing name for Net Billing Tariff (NBT) is Solar Billing Plan (SBP) which will be used in this staff report. The successor program aims to promote grid reliability, incentivize paired solar and battery storage, and control electricity costs for all Californians.

Net Energy Metering is a billing mechanism in which customers with eligible onsite renewable sources get credit for excess electricity they generate and send back to the electric grid. These credits can be used to offset electricity costs when solar panels are not producing enough power to offset on-site consumption, effectively allowing customers to "bank" excess energy credits for later use.

Net Energy Metering policies have evolved over time due to a variety of factors including, but not limited to, consumer adoption, changing grid needs, and alignment of the value of solar energy to the grid. The CPUC determined that modifications to NEM is needed because:

- The current NEM billing structure does not encourage adoption of battery storage which is imperative to California achieving its 2045 renewable energy goals. Pairing battery storage with solar enables customers to store the energy they generate during solar hours to help reduce the need for fossil-fuel plants to meet peak demand in the evenings.
- When California approved the original NEM incentive 25 years ago, significant incentives were offered to encourage early adoption and help offset the high cost of going solar. Over the last 20 years, the cost to install solar has decreased by over 70%, yet the high incentives to encourage adoption have minimally changed. SBP aims to align incentives with today's market pricing while allowing customers to still enjoy bill savings.

New solar customers who applied for interconnection on or after April 15, 2023, will be automatically enrolled into SBP as approved by the CPUC. However, a number of customers are being temporarily billed on the existing NEM 2.0 tariff until the SBP is enabled in PG&E's billing system which is anticipated to occur in December 2023 for residential customers and by June 2024 for business customers. SCP's proposed SBP would not replace its existing NetGreen 2.0 program (which implements NEM (2.0) as customers who had a completed application for interconnection into PG&E prior to April 15th would be eligible for NEM 2.0 for a 20-year legacy period from their permission to operate date.

SBP is aimed to modernize NEM to meet the state's reliability and climate goals. There are three main pillars to the decision.

Promote Consumer Adoption of Solar and Battery Storage

The decision financially incentivizes customers to install battery storage systems in conjunction with solar as well as adopt electrification measures to support grid reliability. Residential customers who adopt solar paired with battery storage in the next five years are provided additional electricity bill credits. The decision controls electricity costs and improves electric bill affordability for all Californians by creating more grid value, and payments to new solar and solar plus storage customers are calibrated to that value.

Supports Equity

NBT works together with an additional $630 million in upfront incentives for low income residential solar plus battery storage adopters. It provides low-income customers, customers living in disadvantaged communities, and customers living in California Indian Country with a larger amount of additional bill credits to improve access to solar and storage.

The decision prevents cost shifting and subsidizing between solar and non-solar customers. Cost shifting in the context of NEM occurs when customers with solar panels receive retail price credits for excess electricity they generate and feed back into the grid, reducing their grid-related costs, while non-solar customers may see their rates increase to cover the maintenance and infrastructure costs of the grid, resulting in a potential subsidization of solar customers by non-solar customers.

Supports Grid Reliability Through Improved Price Signals

The decision introduces fresh residential pricing structures that offer financial incentives for using electricity at times that enhance grid reliability. These rates also provide financial incentives for technologies like battery storage, electric vehicles, and heat pump water heaters, which play a crucial role in achieving carbon neutrality.

Moreover, SBP rewards solar and solar-plus-battery storage users with credits for the electricity they export to the grid, calculated based on the utility's savings from purchasing clean electricity elsewhere. This will promote the export of solar energy during late afternoons and early evenings, especially in the summer when the grid faces the most strain. Additionally, customers who install solar or solar-plus-battery systems within the next five years will receive extra payments on top of these credits for avoided electricity costs on their bills.

Discussion

The most significant change in SBP is the reduction in compensation for exported energy to the grid. Customers will now pay more for energy pulled from the grid than energy fed to it. As mentioned previously, SBP impacts new solar customers. Customers enrolled in NEM 1.0 or NEM 2.0 (or any new owners of their systems) will move to billing under SBP following their 20-year legacy period from their original interconnection date. Existing NEM customers who increase their system size by 10 percent or 1kW, whichever is more, will be required to move to the Solar Billing Plan. However, existing NEM customers can add battery storage at any time without affecting their NEM status.

With the transition to SBP for solar customers beginning April 15, 2023, staff are recommending approval for SCP's Net Billing Tariff to outline the billing and applicability terms for customers on SBP. Staff recommends that SCP follow PG&E's approach to export compensation using the hourly Avoided Cost Calculator (ACC) values. The ACC is a tool used to determine the value of electricity generated by a distributed energy resource, such as solar, that is fed back into the grid. The ACC represents the amount of money the utility would otherwise have to spend to purchase the same amount of electricity from conventional resources, which the distributed energy resource is offsetting. The current average is $0.04/kWh during typical solar export hours.

These values are intricately tied to the fluctuations in supply and demand. Consequently, exporting excess energy during daylight hours when clean energy is abundant may yield limited returns. Conversely, Export Rates can surge dramatically during system peak hours, often reaching levels as high as 100 times the average rate. This sharp increase in rates bolsters the case for adopting battery storage systems, as they enable the strategic shift of daytime exports to lucrative evening peak hours, enhancing their overall value proposition.

Solar Billing Plan highlights:

- Monthly billing for all net charges. This helps eliminate a large annual true-up bill for delivery charges.
- E-ELEC is the mandatory rate for residential customers. This rate has a $15 base service charge to ensure that all customers pay to maintain the grid.
- 9-year legacy period tied to the customer. This differs from NEM 1.0 and 2.0 where the legacy period was tied to the system.
- Customers receive credits for excess energy they send to the grid. These credits are calculated based on the Avoided Cost, which is decided by the CPUC to match the benefits to the grid. If customers connect before 2027, they get a fixed credit value for nine years. Customers connecting after 2027 will have their credits adjusted every two years to match current energy prices. Customers with fixed values can switch to the current rates at any time they want. The export credit rates are determined through a public proceeding managed by the CPUC. The current export rates range from two cents to over two dollars per kWh depending on the month and time of day.

- A Low-Income “Energy Export Bonus Credit" of $0.09 per kWh, based on delivery, is available to low-income customers who interconnect in 2023. Eligible SCP customers receive this credit automatically. For new installations, the credit decreases by 20% each year, but the assigned amount remains in effect for a total of 9 years.
- A new true-up methodology is being introduced to rectify the issue of double compensation for energy exports. Under SCP's existing NetGreen tariff, annual surplus energy payments are based on the Net Surplus Compensation (NSC) rate, which represents the average market value of electricity during solar generation hours. This essentially results in a double payment, as customers are compensated both when the energy is initially exported and again through the NSC payment. To resolve this, the CPUC suggests replacing the initial credit with the higher NSC rate, a change that SCP's proposed SBP incorporates.

Fiscal Impact

The financial impact of SBP in its inaugural year will be nominal for SCP as only applications for interconnection completed after April 15, 2023, temporary NEM 2.0 customers, and expiring NEM 1.0 customers will be placed on the Solar Billing Plan.

Future fiscal impact will depend on the number of new solar customers but will be significantly lower than customers on NetGreen 2.0.

Attachments

- Attachment A - Draft Net Billing Tariff
- Attachment B – Net Billing Tariff PowerPoint Presentation

741 4th Street
Santa Rosa, CA 95404
sonomacleanpower.org

Net Billing Tariff
Solar Billing Plan

APPLICABILITY: This Net Billing Tariff (NBT) provides the billing mechanism by which customers can receive credit for self-generated renewable energy exported to the grid. The customer facing name Solar Billing Plan (SBP) is available to customers operating solar, wind, biomass, geothermal, or other renewable resources as defined by the California Energy Commission's Renewables Portfolio Standard Eligibility Guidebook. The customer must participate in PG&E's SBP (or successor) for non-generation services such as transmission and distribution. SCP's SBP program applies to all PG&E SBP customers receiving electric generation services from SCP, including customers with battery storage, renewable fuel cells, or under future aggregated or virtual designs.

New customers who apply to connect their solar system to the electric grid after April 14, 2023, will be enrolled on the Solar Billing Plan.

TERRITORY: This tariff is available to active Sonoma Clean Power (SCP) customers located in SCP's service territory, which includes the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, the Town of Windsor, and the unincorporated areas of Sonoma County and Mendocino County (excludes the Cities of Healdsburg & Ukiah).

RATES: All SCP rates charged under this schedule will be in accordance with the customer-generator's CleanStart Rate Schedule ("OAS"). A customer-generator served under this schedule is responsible for all applicable SCP charges from its CleanStart Rate Schedule including energy and demand charges, EverGreen premium (for EverGreen customers), taxes, and surcharges. Charges or credits for energy (kWh) supplied or delivered to SCP will be based on usage in accordance with the customer CleanStart Rate Schedule and this Tariff.

PG&E's net billing tariffs, requirements, and rates still apply. SCP customers will continue to be subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.

SCP rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long-term decisions based on rate structures that are currently in place.

BILLING: For customer-generators taking service on the CleanStart Rate Schedule, any net monthly consumption or generation shall be valued as follows:

1. Monthly Settlement of SCP Charges and/or Credits:

   a. "Net Electric Consumption" is defined as when customer energy usage exceeds generation during any billing cycle and shall be billed in accordance with applicable TOU period-specific rates/charges, as described in the CleanStart Rate Schedule and Rates.

   b. "Net Electric Generation" is defined as when customer energy generation exceeds usage during any billing TOU period and shall be credited in accordance with applicable TOU period-specific rates/charges, as described in the customer-generator's CleanStart Rate Schedule.

   c. "Imported Electricity" is defined as when a customer uses any metered energy supplied by SCP.

   d. "Exported Electricity" is defined as when a customer supplies any metered energy to the electric grid.

   e. "Exported Rates" are defined as the appropriate credit for any Exported Electricity, based on the sum of the applicable interval Energy Export Rate and any applicable credit surcharges.

   f. "Export Credit Balance" is defined as when a customer has excess export credits carried into the next month, or into the SCP Annual Cash-Out process.

   g. "EverGreen Premium" is defined as SCP's voluntary 100% renewable service. The EverGreen Premium is charged on all net consumption of energy during a billing cycle. It is not credited to customers for over-generation.

   h. Any charges due for Net Electric Consumption will be assessed in each monthly statement. If the customer's account has available credits from current or previous Net Electric Generation, these credits will be applied against usage charges first before any charges are assessed.

   i. Any excess Net Electric Generation credits will be tracked by SCP on the customer's bill as a credit and will be applied to future billing cycles within the same SCP Annual Cash Out period as defined below.

   j. Credit balances do not have any cash value except as defined in the Cash Out process below.

2. SCP Annual Cash Out and True-Up:

a. Following the final date and bill for each customer's April billing cycle (if the customer does not have an April meter read, the prior or next available month will be used), SCP will initiate a True-Up of each customer account's balance. Any accrued credit balance will be reset to zero for the beginning of the next 12-month period.

b. A review will be conducted for each customer's kilowatt-hour consumption and generation during the spring to spring annual true-up. If the customer's Exported Electricity is greater than their Imported Electricity during the annual cash out period, the customer is eligible for a Cash Out payment at SCP's Net Surplus Compensation (NSC) rate.

c. SCP's NSC rate will be updated each January for the remainder of the calendar year based on PG&E's average NSC for the previous calendar year. PG&E's NSC is set monthly at the rolling average of PG&E's default load aggregation point price from 7 a.m. to 5 p.m.

d. The NSC rate is located on SCP's Rate Sheets displayed on its website at www.sonomacleanpower.org.

e. NSC payments are subject to a cap of $5,000 per account annually.

f. Customers will receive NSC payments automatically, paid by check if they have $200 or more in credits, to the customer's mailing address on their PG&E account. Credit balances of less than $200 will instead be credited to the customer's new account balance.

   If the cash out check is not cashed within 90 days of issuance, the payment will be canceled and reissued upon customer request. If cash out payments remain unclaimed, SCP will follow the requirements of Government Code Section 50050-50057 et. Seq. regarding the handling of unclaimed funds.

g. SCP will perform an Export Credit Reversal to avoid double-payment for exported electricity. The initial export credit will be reversed at the average Energy Export Credit rate. This will be charged against any Energy Credit Balance available, otherwise it will be charged against the NSC payment.

3. Transition from NEM to SBP Service
   Customers transitioning from NEM to SBP service will have their current NEM escrow balance at time of transition to their SBP Export Credit Balance. Once transitioned to SBP service, only the SBP annual cash out process will be utilized as detailed above.

4. Customers Returning to PG&E Bundled Service and Account Closures:

a. SCP customers with SBP service may opt out and return to PG&E bundled service at any time, subject to SCP and PG&E's terms and conditions for return to bundled service. Customers are advised that PG&E will perform a True-Up of their account for any PG&E charges at the time of return to PG&E bundled service.

b. Customers returning to PG&E service or closing their PG&E account will have an SCP True-Up to determine if the customer is eligible for NSC. NSC will be paid automatically (if applicable) by check to the customer's PG&E mailing addresses unless another address is provided by the customer. There is no minimum threshold for receiving a NSC check, but the maximum NSC is $5,000 and any credits above that will be forfeited.

TERMS AND CONDITIONS: Nothing in the Net Billing Tariff precludes or supersedes SCP's Terms and Conditions. SCP's Terms and Conditions can be found at sonomacleanpower.org/terms-and-conditions.

More information about SCP's Solar Billing Plan can be found online at sonomacleanpower.org/programs/sbp or by calling 1 (855) 202-2139.

Net Billing Tariff
Solar Billing Plan

Erica Torgerson, Managing Director of Customer Service
Danielle McCants, Customer Operations Manager

Sonoma
Clean Power

1

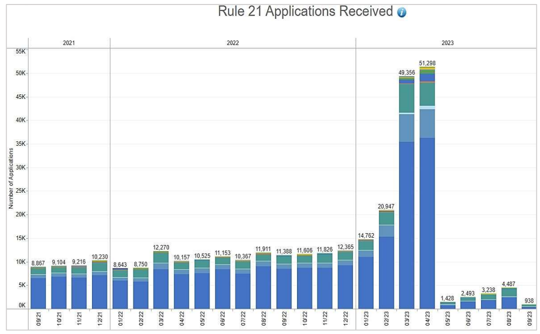
What is net energy metering (NEM)?

- NEM allows customers with an onsite generating source (i.e., solar) to receive credit or compensation for the excess electricity they generate and feed back into the grid.

2

Current State of NEM

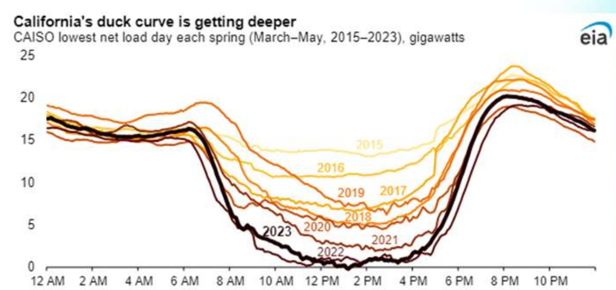
- Approximately 27,000 SCP NEM accounts



3

NEM's Necessary Evolution

- Duck Curve
- 2020 Title 24 Building Codes
- Exponential Cost
- NEM 2.0 has negatively impacted non-participant ratepayers.
- NEM 2.0 disproportionately harms low-income customers not participating in the net energy metering tariff.



4

Net Billing Tariff (NBT)

- Appliable to customers who apply for interconnection of an eligible renewable generating system, such as solar or wind, after April 14, 2023.
  - NBT exists in addition to SCP's NetGreen program
- Referred to as "Solar Billing Plan" to customers or colloquially "NEM 3.0"
- Sets rates for exported energy based on market value
- Imperative step to achieving 2045 renewable energy goals

5

Tariff Goals

- Promote storage adoption
  - Additional incentives for solar plus battery customers
- Support equity
  - Additional incentives for low-income customers
  - Prevents cost shifting between solar and non-solar customers
- Support grid reliability through improved price signals
  - Aligns import and export values

6

NetGreen 2.0 vs. NBT

	NetGreen 2.0	Net Billing Tariff
Import Rate	Retail rate	Retail rate
Self Generation Used Onsite	Retail rate through reduced imports	Retail rate through reduced imports
Export Rate	Retail rate + $0.01/kWh*	Variable by month & hour based on market conditions
Legacy Period	Tied to system	Tied to customer who installed the system

*$0.01/kWh bonus applicable through June 30, 2024

7

Recommendation

- Staff recommends that the Community Advisory Committee recommend the Board of Directors approve SCP's Net Billing Tariff to establish a billing mechanism and export rate for customers who interconnect an eligible renewable generating system after April 14, 2023.

8

Thank you

Sonoma Clean Power

9

Staff Report – Item 08

To:	**Sonoma Clean Power Authority Community Advisory Committee**
From:	**Ryan Tracey, Director of Planning & Analytics** **Geof Syphers, Chief Executive Officer**
Issue:	**Receive Geothermal Opportunity Zone Update**
Date:	**October 19, 2023**

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to guide the development of local geothermal power that is compatible with community values and enables SCP to phase-out its dependence on natural gas power plants for reliability. The Community Advisory Committee (CAC) meetings are a regularly scheduled public forum for the community to receive updates and provide input on the GeoZone. The updates provided to the CAC each month, and minutes from any discussion are posted on SCP's website at https://sonomacleanpower.org/geozone-public-updates. Additional background on the GeoZone can be found on the GeoZone webpage at https://sonomacleanpower.org/geozone.

Community Stakeholder Meeting Summary

SCP has finished compiling a summary of the special community stakeholder meeting held in Cloverdale on September 18th, which is included as Attachment A to this item. Attendees included SCP's GeoZone partners, members of the local community, local and state government, labor, and environmental non-governmental organizations (NGOs). After sharing background on the GeoZone initiative and providing an opportunity for GeoZone partners to briefly present, SCP staff facilitated a discussion with participants on the types of considerations that should be addressed in developing new geothermal resources locally.

Feedback from the meeting spanned many different aspects of project development: effective stakeholder engagement, workforce development, equity considerations, and local and regional impacts. SCP accepted written comments in follow-up to the workshop through October 2nd. Only one additional comment was received (included in the meeting summary)—which was a series of questions specific to Enhanced Geothermal System (EGS) technology.

SCP is using the input of the Cloverdale meeting as a resource to guide its engagement with GeoZone partners to align projects with the values of the local community and to develop a robust plan for future stakeholder engagement.

Grant Funding

Cyrq received notice in late September that their application with SCP to the Department of Energy's (DOE) Office of Clean Energy Demonstration's (OCED) Long Duration Energy Storage Demonstration grant was not selected. DOE funding is very competitive—particularly from the OCED—and awardees of the OCED grant articulated very clear environmental justice and workforce development benefits. One award recipient is a project in Petaluma by ReJoule and developer Redwood Energy to use decommissioned electric vehicle batteries to install long-duration energy storage at two affordable housing complexes. SCP will be reviewing the selected applications with its partners to assess strategies to improve the competitiveness of future GeoZone grant applications.

Chevron New Energies is awaiting news on its application to the Geothermal Technology Office's Enhanced Geothermal Systems Pilot Demonstration grant (selections expected this month).

Geothermal Rising Conference

SCP attended the annual conference for the primary geothermal trade organization, Geothermal Rising. At the conference, SCP had the opportunity to share the GeoZone initiative in a plenary panel discussion on opportunities for government to contribute in scaling-up deployment of geothermal resources. SCP also attended a Clean Air Task Force workshop on the public perception of geothermal, discussed constraints to geothermal growth with the Department of Energy, attended numerous technical presentations, and networked with GeoZone partners and other geothermal developers.

Advocacy

SCP continues to be a very active participant in CAISO's interconnection process enhancements stakeholder process. CAISO presented its straw proposal on September 21st, which proposed introducing a scoring mechanism to gatekeep which projects are accepted to the interconnection queue—with a cap set based on existing or approved transmission capacity. SCP is working with CalCCA on advocating for scoring to heavily weight the interest of load serving entities and prioritize projects that increase resource diversity. These changes will be essential to allow GeoZone projects to compete with less risky and more flexible battery storage and solar projects.

SCP is also carefully reviewing the California Public Utility Commission's (CPUC) proposed 2023 Preferred System Plan released on October 5th. The CPUC's Preferred System Plan will be used as the basis for the CAISO's 2024-25 Transmission Planning Process (TPP), which identifies the transmission investments needed to support state policy. In the 2023 Preferred System Plan, the CPUC adopted higher cost assumptions for offshore wind. In doing so, the CPUC saw an increased role for geothermal resources in sensitivities it performed on cost-optimized portfolios and more aggressive natural gas retirement. However, the CPUC is recommending adoption of a portfolio with 4.5 GW of offshore wind "forced-in". SCP is considering submitting comments to suggest the CPUC adopt a more diverse portfolio, including showing an increased role for geothermal beyond the 1.7 GW in the proposed plan.

Attachments

- Attachment A – Summary of GeoZone Community Meeting: Developing Principles for New Geothermal

Sonoma Clean Power

GeoZone Community Meeting: Developing Principles for New Geothermal

September 18, 2023 2:00pm-5:00pm, Cloverdale Performing Arts Center

Attendees

Allison Cook, Chevron New Energies
Barbara Lee, County of Sonoma
Bob Anderson, S Fitch
Brendan Sweeney, Rep. Mike Thompson's Office
Dan McCulloch, NorCal Carpenters Union
Danielle Seperas, Calpine
Eileen Mullinaux, Neighbor
Frank Arzo, Citizen
Geof Syphers, Sonoma Clean Power
Indigo Bannister, Russian River Keeper
Joe Greco, Calpine
Josh Garcia, NorCal Carpenters Union
Kate Brandenburg, Brandenburg Group
Laura Seidenberg, Citizen
Mario Santacruz, Northern California Millwrights Local 102
Mathew Densmore, California Geologic Energy Management Division
Matthew Rothstein, County of Lake
Marcelo De Camargo, Chevron New Energies
Neena Hanchett, Cloverdale Chamber
Neil Ethier, Eavor
Patricia Morris, Sonoma Clean Power Community Advisory Committee Chair
Richard Greene, Citizen
Rob Bamford, North Sonoma County Air Pollution Control District
Robert Penington, Permit Sonoma
Rody Jonas, Pure Power Solutions
Ryan Tracey, Sonoma Clean Power
Shauna Falvey, Chevron New Energies
Woody Hastings, The Climate Center

Link to Presentation

https://sonomacleanpower.org/uploads/documents/20230918_GeoZonePrinciplesMeetingPresentation.pdf

Introduction

Sonoma Clean Power (SCP) introduced itself as the local community-owned electricity provider with a core purpose of accelerating solutions to the climate crisis. SCP's Geothermal Opportunity Zone (GeoZone) partners Chevron New Energies and Eavor were present to represent their role in deploying technology and investment in growing local geothermal capacity in Sonoma and Mendocino Counties. Cyrq Energy is also a GeoZone partner but was unable to attend the meeting.

Background

SCP provided context for the GeoZone by walking through a key challenge in meeting California's Senate Bill 100 goal of reaching 100% renewable or carbon-free electricity by 2045: it is very difficult to provide year-round reliability using clean resources. This has led to delays to retiring natural gas power plants that disproportionately burden disadvantaged communities in the Los Angeles Basin and Central Valley. Flexible loads (such as participation in SCP's GridSavvy program and workplace EV charging) and paired solar with batteries increases clean reliability—but "clean firm" resources that generate throughout the year and through the nighttime are critical to cutting dependency on natural gas power plants.

SCP briefly shared the state's plans to increase the diversity of energy resources and add "clean firm" capacity, including this year's energy trailer bill (AB 1373) that created a mechanism for the state to construct large-scale offshore wind, an order by the California Public Utilities Commission for load serving entities to construct 1,000 MW of new geothermal by 2028, and proposals for out-of-state wind, pumped hydro projects, and Salton Sea geothermal development. SCP's presentation included a comparison of SCP and California's energy mix alongside a breakdown of resource adequacy (standby capacity) by source which clearly demonstrated the high dependency of the current grid on natural gas resources. Meanwhile, SCP shared that load is projcted to grow by 40% by 2040 as the transportation sector and built environment are electrified.

SCP also provided a brief explanation of the mechanics of geothermal power. The earth's core provides a regenerating source of heat that can be tapped by drilling wells to produce live steam (as in the current Geysers) or harvest heat through circulating fluid. The produced heat is then used to drive a turbine—either directly through expansion of produced steam or by transferring heat to a separate working fluid. The viability of geothermal power generation is very high locally due to the Clear Lake Volcanic Field underlying the region.

GeoZone Progress

SCP shared recent progress in the GeoZone initiative, which was established in October 2021 to explore opportunities to deploy new technologies to grow local geothermal capacity that is compatible with community values. Following its formulation by the SCP Board of Directors, Sonoma County and Mendocino formally joined the GeoZone by January 2022 through a resolution passed by their Boards of Supervisors.

In Spring 2022, SCP released a solicitation for private partners for providing the technology, expertise, and capital to expand geothermal capacity in the GeoZone. In June 2022, the finalists from that solicitation participated in a public stakeholder workshop that included many of the same attendees. SCP explained that it moved forward with all three candidates because each proposal offered its own benefits and risks, and pursuing all three in parallel increased the overall chance of success in the GeoZone.

SCP also previewed a new map of the GeoZone showing the expected “Early Interest Area” which runs roughly from Healdsburg to Hopland, and concentrated east of Highway 101. The geothermal gradient is elevated in this region and there is reasonable access to existing transmission infrastructure. The boundary of the GeoZone encompasses all of Sonoma and Mendocino Counties, but the community may see early pilot projects concentrated in the “Early Interest Area” because of the known thermal opportunity.

Before introducing its development partners, SCP provided a brief summary of the cooperation agreements approved in March 2023. The cooperation agreements with all three partners follow a similar structure: SCP’s private partners agree to developing projects that minimize environmental impacts, support local workforce, have a strong potential to cost-effectively scale to 200 MW each, involve frequent stakeholder engagement, and support resource sustainability. In exchange, SCP commits upfront to purchasing power from the partners. Each agreement is setup with a pilot demonstration project of up to 20 MW that is expected to be higher cost and risk followed by a 200 MW scale-up. Partners are expected to complete several important milestones in progressing the pilot development by early 2026.

Chevron New Energies Presentation

Marcelo De Camargo, Geothermal Program Manager at Chevron New Energies, provided a presentation to attendees on Chevron New Energies’ proposal for the GeoZone. Marcelo started with providing his personal background as a Brazilian and past role as President at GeothermEx, a leading geothermal resource consulting firm. In early 2023, Marcelo shared that he decided to join the Chevron New Energies team, despite its association with oil and gas, because he appreciated their strong capabilities and genuine interest in scaling geothermal.

Marcelo provided an overview of the Chevron New Energies organization, which is an affiliate of the Chevron Corporation tasked with growing low-carbon businesses. Specifically, Chevron New Energies seeks to leverage the strengths of its parent corporation—which includes subsurface and project management expertise that translate to geothermal development. Marcelo shared that Chevron New Energies has a commitment to invest $10 billion in lower carbon projects by 2028.

Chevron New Energies’ approach to scaling geothermal is a “pilots-to-projects” approach where multiple novel technologies will be tested to determine the best approach to growing geothermal in the GeoZone. In addition to its technical expertise from innovating subsurface technologies for oil and gas, Marcelo shared that Chevron New Energies brings operational experience and a commitment to building relationships with the community.

Eavor Presentation

Neil Ethier, Vice President Business Development at Eavor, gave an overview of Eavor's Advanced Geothermal System (AGS) technology that is planned for deployment in the GeoZone. Unlike conventional geothermal development, Eavor's technology can generate power from rock that is impermeable and dry. Eavor drills two multilateral wells that create a subsurface radiator – see the slide for a visual that is something like two dinner forks that meet at the tips of the tines. Water is circulated through the radiator to transfer heat from the geologic resource to the surface, where it is used to drive a power cycle.

Neil walked through the evolution of Eavor's technology—starting with a technology prototype in Alberta commissioned in Alberta that confirmed Eavor's thermodynamic modeling, ability to join two wellbores in the subsurface, and the sealing mechanism used in the open hole radiator to protect against interacting with groundwater and to ensure the system operates as a closed loop with minimal water requirements. Eavor just started drilling the next iteration of its technology in Germany, which adds additional laterals to its subsurface radiator and will enable commercial heat and power production. The subsequent iteration of Eavor's technology involves drilling much deeper to increase the commerciality and expand the viability of the technology to other geographic areas. A well drilled in New Mexico in 2022 by Eavor demonstrated their capability to drill directionally at high depths and temperatures. This last iteration of Eavor's technology is what is planned for the GeoZone.

Neil shared some of the beneficial attributes of their technology: it does not require well stimulation, it is a completely closed-loop system with minimal water loss, and it does not have induced seismicity.

Cyrq Presentation

Although Cyrq was unable to attend the event, Ryan Tracey from SCP provided an overview of Cyrq's plan for technology deployment at the GeoZone. Ryan explained that Cyrq is planning on installing a thermal long-duration energy storage (LDES) system upstream of an existing geothermal power plant. Cyrq's technology involves heating a silo of sand using excess electricity on the grid during solar hours and then using the hot sand to superheat steam that is produced by the wellfield before it enters an existing steam turbine. Superheating the steam potentially allows the existing geothermal power plant to increase its output by 50% during high-need hours.

Ryan explained that Cyrq's technology offers a number of advantages over lithium-ion batteries: it can cost-effectively scale to long durations (Cyrq's system can discharge for 20 hours), it can recharge very quickly, it utilizes only readily-available non-toxic and recyclable domestic materials and avoids the geopolitical issues of rare earth minerals, and most of the investment will go towards on-site installation that leads to high utilization of the local workforce. Unlike the proposals from the other partners, Cyrq's technology requires no changes to the subsurface—which removes a lot of uncertainty and execution risk.

GeoZone Progression & Listening Tour

Following the presentations from GeoZone partners, SCP shared the expected progression of the GeoZone. Partners are currently focused on site acquisition and commercial agreements to host GeoZone pilot projects. After sites are secured, the next step for Chevron New Energies and Eavor will be to permit calibration and exploration wells to collect the necessary data to validate the feasibility of a pilot project. Permitting geothermal exploration wells in California is subject to the California Environmental Quality Act (CEQA) and will trigger a public process that assesses potential impacts. Meanwhile, partners will likely begin applying for grid interconnection for their pilots—which is a very lengthy process due to the backlog of renewable projects currently seeking to connect to the transmission system.

If the results of an exploration or calibration well are positive, GeoZone partners will then begin planning and permitting for pilot projects which may be up to 20 MW. Permitting the wells and power plant for the project will trigger a separate CEQA permitting process.

SCP provided a brief recap of a separate listening tour it completed in August as well. SCP met with community members throughout Lake County where people live much closer to geothermal facilities than in Sonoma or Mendocino Counties and are well acquainted with the impacts of geothermal power development. Themes from feedback received during the tour included the importance of transparency and early engagement, concern with induced seismicity, skepticism of hydraulic fracturing, interest in water issues, impacts like traffic and noise to rural communities, and past experience with unrealistic promises from developers on tax revenue and job creation. SCP shared a handout with attendees of the Cloverdale workshop, offering a more detailed summary of the listening tour that is also available on the GeoZone webpage.

Pre-Project Principles Discussion

SCP kicked-off the discussion of geothermal development principles with a recognition that having this kind of discussion before a specific project location or technology is proposed is unique, and while it helps increase transparency and community input early on, it may also be difficult for the community to evaluate impacts and benefits. Therefore, the goal of the discussion was to collect early-stage pre-project community input that can inform GeoZone partners in identifying better projects, and that the private partners should expect significantly more community input once they propose specific projects.

Early Community Engagement

Considerations for expanding community engagement was the first theme opened for discussion. A participant provided recognition that community engagement before a project site is known was unusual, but very beneficial. The commentor recommended holding meetings in an accessible place where communities already meet (examples included libraries and recreation centers) at a convenient time (evening meetings or weekends to accommodate work and family schedules). Making accommodation for Spanish language was also recommended. A separate participant shared the importance of providing childcare or a location with activities for children to encourage participation by families.

Other comments were made on recording meetings and allowing feedback through surveys and e-mails rather than relying on in-person attendance. Participants also stressed that you can't communicate too much on a project the scale of GeoZone, and SCP should continue to frequently present information on the project and in diverse formats.

Energy Equity Concerns

SCP acknowledged a core tenet of the GeoZone is improving equity by providing a workable solution to stop Sonoma and Mendocino County exporting air and water pollution to less fortunate regions in California. Participants stressed the importance of promoting equity through GeoZone employment by requiring local hire agreements. There was recognition that there is a lot of workforce capability in Sonoma, Mendocino, and Lake Counties but GeoZone developers should also work with labor organizations on creating training and apprenticeship opportunities.

An example was shared of a participant working on an environmental clean-up project where the local community did not only want the project to occur, but they also wanted to be employed to perform the work. In partnership with local government, contractors, and unions, the project was able to stand-up an apprenticeship program to equip locals to perform the work. Other participants shared MCE's Solar One project and RichmondBUILD as examples of projects that were successful in promoting development of the local workforce.

Participants recognized that developing geothermal locally to benefit communities elsewhere in the state may be difficult politically. Although GeoZone could offer Sonoma and Mendocino County "equity bragging rights" by reducing local pollution elsewhere, SCP and its partners should still endeavor to deliver net benefits to the local community (such as new job pipeline and a green circular economy).

One participant stated that SCP is already demonstrating its commitment to equity through its engagement in Lake County and interest in understanding the impacts of the project on all people. Telling the holistic story on the GeoZone will be important in seeking community buy-in. During this discussion, it was noted that Lake County is not recognized as a disadvantaged community by the state despite its significant population living in poverty and important contribution to the state's energy needs by hosting substantial transmission lines and the existing Geysers operation. A final comment in the equity discussion highlighted the need to reach out to tribes in the region.

Impact on Close Neighbors

SCP shared some of the impacts of geothermal development it heard during the listening tour in Lake County, including induced seismicity, noise, traffic, and air and water quality. Participants provided other important impacts to consider such as visual (height and size), light pollution, and biodiversity.

A community member mentioned one concern is the impact on home insurance. Homes in the region are already more difficult to insure due to high wildfire risk and significant natural earthquakes (seismicity). Layering on more seismicity risk from nearby geothermal operations could be problematic. The same community member also shared concerns on the water impact of geothermal development: wells in the region are drying-up due to climate and increased demand from agriculture. The participant also shared that unincorporated areas are not as well represented in local political processes and are at a disadvantage in representing their concerns. Other comments acknowledged issues with road deterioration from construction traffic.

A high-level suggestion was offered by a participant to provide an ombudsman or liaison to the community to increase accessibility and avoid getting just blanket or muffled responses.

Impacts on Region

SCP articulated a few of the regional impacts it's heard through its early GeoZone work including employment, tax benefits, and water demand. A stakeholder shared the importance of enabling the region to directly benefit from generating clean power locally versus only asking the region to contribute to a statewide goal. It was noted that when Lake County supervisors were invited to consider joining the GeoZone, this was a key consideration—without SCP service, GeoZone power would not directly flow to them.

One commentor noted that community acceptance of a project is not considered in isolation, but permitting usually is. To obtain buy-in, a project developer should consider the different lenses that will be used to view the project by the community and assess cumulative impacts. Another participant highlighted the importance of providing transparency on how community feedback is influencing decision making.

Stakeholders highlighted the importance of avoiding areas that already have a constituency advocating for an alternative use (e.g. areas targeted for conservation). A constraints analysis looking at biological impacts (California Tiger Salamander), water impacts, etc. could be used to identify more acceptable sites.

One comment shared the challenge of advocating for energy project development in a region struggling with high power bills and poor power reliability (e.g., Public Safety Power Shutoffs or Fast Trip Shutoffs). SCP should articulate what its doing to address these concerns and demonstrate that they will not be compounded by GeoZone development.

Community Concerns

SCP started the discussion of community concerns by acknowledging proposed development employing hydraulic fracturing technology will be subject to increased scrutiny and recognizing that the local community is not necessarily well-versed in geothermal development, given the last power plant was constructed in 1989.

A local community member voiced concern on the water source for geothermal development, as well as the potential impact to the productivity and water quality of local groundwater resources. Geothermal development that would impact water quality or disrupt flow (example of seismicity) would be concerning. The same community member expressed the potential for geothermal development and negative impacts to reducing the value of local properties.

Community Aspirations

SCP shared potential aspirations for the GeoZone, including coordinating GeoZone with other local energy projects, providing 100% 24/7 renewable energy to the region, reducing dependency on natural gas power plants, and reducing energy costs. There was discussion that conversations on aspirations should happen in the communities near proposed sites. The audience shared an interest in keeping the lights on, given the local region's experience with poor power reliability.

Miscellaneous

In opening-up the discussion to other comments, one stakeholder asked if odor was a concern (produced fluids can contain hydrogen sulfide). Another participant stressed the importance of responsiveness—if there is a community concern during development and operation, there needs to be clarity on responsibilities and a timely response. Participants also asked for more detail on timing and the size/scale of facilities when they are available. Since these comments are probably best addressed once a specific project location and technology are proposed, these were recorded as guidance for future community meetings.

Written Comments

Following the meeting, SCP allowed meeting participants and any members of the public to submit written comments to be incorporated into the record of the meeting. SCP received one written submission included as Appendix #1. The public is welcome to provide input at any time at one of SCP's monthly Community Advisory Committee meetings or by e-mailing geozone@sonomacleanpower.org.

Appendix #1 – Written Comment from Michelle Robson, Local Resident

Please provide answers. I live on Highland Ranch Road.

1. I would like to know if any of the Sonoma Clean Power employees live near this new potential project and if they are ok with their family being exposed to the additional potential earthquakes? What will SCP do for those of us/our homes if we suffer damage from ADDITIONAL fracking? We already deal with this as it is.

2. Water Usage and Contamination: EGS operations require significant amounts of water for injection and circulation, potentially competing with local water resources. There's also a risk of contaminating groundwater with chemicals used in the process. Tell me how you plan to address this given our water crisis and the goal to minimize environmental impacts by injecting more chemicals into the earth/water?

3. High Costs: Developing EGS projects can be expensive due to the drilling and stimulation techniques involved. The costs associated with drilling deep wells and managing reservoirs can be prohibitive. Will we be paying for this? Are passing this cost onto customers?

4. Technical Challenges: EGS requires precise knowledge of underground geology, and drilling deep wells can be technically challenging. Maintaining the integrity of the boreholes and ensuring efficient heat exchange is not always straightforward. How much more extensive is this project? Will there be light pollution? What noise pollution can we expect? Everyone in Cloverdale should be mailed the pros and cons of this project.

5. Environmental Concerns: Beyond induced seismicity and water usage, EGS can raise environmental concerns related to land disturbance, habitat disruption, and noise pollution during drilling and fracturing operations. What are you doing to protect our precious environment?

6. Energy Return on Investment (EROI): Achieving a positive EROI can be challenging for EGS projects, especially when considering the energy needed for drilling and reservoir development versus the energy produced. How will you do this and how long will it take? Is it worth it? Destroying more precious resources in a pristine area?

8. Long Development Times: EGS projects often have long lead times due to the complexity of drilling and reservoir creation, making them less suitable for addressing immediate energy needs. How long will it take?

Michelle Robson

Staff Report – Item 09

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, CEO
Darin Bartow, Clerk of the Board

Issue: Discuss Stipends and Youth Members for the Community Advisory Committee

Date: October 19, 2023

Recommendation

This is a discussion, at the request of the Board of Directors, to consider adding a stipend to the terms of service for members of the Community Advisory Committee and the potential to reach out to future youth members up to age 24. Staff request the Committee provide feedback on these two matters to the Board.

Background

During the October 5, 2023, Board meeting, Directors Hopkins, Zollman, and Rogers requested a discussion about adding stipends to the terms of service for members of the Committee. The goal of these stipends would be to make it easier for members to serve who have daycare or significant travel expenses or other cost burdens associated with spending time on SCP's Community Advisory Committee.

Director Farrar-Rivas also raised the question of whether exploring youth membership would be valuable, and further suggested considering members under 25 years old for this category.

For references, staff provide the following information:

- Most CCAs do not provide stipends or have youth members on their advisory committees.

- East Bay Community Energy currently provides stipends of $50 per meeting to its Advisory Committee members, however EBCE also often has more than one Committee meeting per month.
- Staff did not find any current CCA advisory committees with youth members, but an exhaustive search was not completed in time for this packet.
- In past years, SCP has invited high school students to serve on the Community Advisory Committee. Students generally were able to attend 2 or 3 meetings before they needed to stop.

Staff offer this perspective on these two matters:

- A stipend that meaningfully compensates a Committee Member for the cost of childcare or transportation appears to be a useful offer for encouraging diverse representation. At today's rates, this might be around $100 per meeting.
- In order to limit ratepayer costs, it may be reasonable to offer it to all Committee members while encouraging members to forgo the stipend if they decide they do not need it.
- Expanding the definition of a "youth member" to include people up to the age of 24 could be helpful in expanding the age diversity on the Committee. Staff offer a perspective that it may be additionally helpful to consider 1 or 2-year terms for these younger members as a more realistic time commitment. Under the terms of the JPA, a youth member would be one of the regular (up to 11) members OR a non-voting member.
- The deadline for recruitment for the Community Advisory Committee's next round is already passed, and staff suggest that the focus on a youth member be addressed by the Board ad hoc selection committee either by leaving a seat unfilled for this purpose in the future or by choosing to provide guidance that this is an objective for future years rather than a mandate for the current selection process.