



**AGENDA**  
**COMMUNITY ADVISORY COMMITTEE MEETING**  
**THURSDAY, DECEMBER 21, 2023**  
**1:00 P.M.**

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EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE DECEMBER 21, 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](mailto: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](mailto: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 October 19, 2023, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Geothermal Zone Update (Staff Recommendation: Receive and File) **pg. 15**
3. Approve Community Advisory Committee Meeting Dates for 2024 Calendar Year (Staff Recommendation: Approve) **pg. 21**
4. Recommend that the Board Approve and Delegate Authority to the CEO or his Designee to Execute Fourth Amendment to Contract with Calpine Energy Solutions, LLC to add \$1,104,682 for an Amount Not-to-Exceed \$3,074,682 through June 1, 2025 (Staff Recommendation: Approve) **pg. 23**

## **COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

5. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 29**
6. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 51**

## **COMMITTEE MEMBER ANNOUNCEMENTS**

## **ADJOURN**

## COMMONLY USED ACRONYMS AND TERMS

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

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**DRAFT MEETING MINUTES  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, OCTOBER 19, 2023  
1:00 P.M.**

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**CALL TO ORDER**

(1:03 p.m. - Video Time Stamp: 00:04:10)

Chair Morris called the meeting to order.

Members Kelly and Lipp noticed that they would be participating in the meeting via teleconference under AB 2449 for just cause.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Regulatory Affairs; Erica Torgerson, Managing Director of Customer Service; Danielle McCants, Customer Operations Manager; Ryan Tracey, Director of Planning and Analytics; and Carolyn Glanton, Programs Operations Manager.

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

(1:05 p.m. - Video Time Stamp: 00:06:21)

Public Comment: None

**COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

(1:06 p.m. - Video Time Stamp: 00:07:34)

1. Approve September 21, 2023, Draft Community Advisory Committee Meeting Minutes
2. Receive Update on Empower and Programs Equity
3. Review the Continued Use of Updated EM-TOU Rate Effective October 1, 2023

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

Member Nicholls asked for a correction in the September 21, 2023, Minutes, Item 1, as he was discussing two separate issues: undergrounding power lines and insulating power lines. Member Booth asked for a change to the September 21, 2023, Minutes as well to indicate that she was absent. Chair Morris stated that she appreciates how equity drives decisions at Sonoma Clean Power. Member Lipp mentioned he appreciated the discussion on Item 2 and recommended that SCP should look beyond census tracts for their data.

Public Comment: Bob Anderson suggested changes in Item 4.

Member Hollinshead asked that Item 4 be pulled and discussed in response to Bob Anderson's public comment.

There was no staff presentation for Item 4. Member Wells asked why the 3 options mentioned in the staff report for Item 4 were chosen. Member Hollinshead stated that he liked the idea of an investment fund but stated that lowering costs to customers is important too, and he supported Bob Anderson's suggested split of the rates noted in his public comment. Member Nicholls mentioned that SCP doesn't know what will happen to rates over the next few years. Member Dowd expressed a desire for the Board of Directors (Board) to consider other options as well. Member Wells asked if SCP would be reevaluating the rates in 2025 and Geof Syphers, CEO responded that SCP would reevaluate even before that. Member Wells then added the need for local investments and supported staff recommendations knowing that they could be changed. Member Lipp added that customers do struggle with costs and Chair Morris stated that smoothing rates should be a priority.

Motion to approve the October 19, 2023, Community Advisory Committee Consent Calendar Items 1 through 3 with the changes to Item 1 included by Member Dowd

Second: Member Nicholls

Motion passed by roll call vote.

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

ABSENT: Quinlan, Fenichel

Public Comment Item 4: No additional comments

Motion to 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 and include Committee comments in the Board staff report by Member Wells

Second: Member Nicholls

Motion passed by roll call vote.

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

ABSENT: Quinlan, Fenichel

## **COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

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

(1:30 p.m. - Video Time Stamp: 00:31:23)

Stephanie Reynolds, Director of Internal Operations, discussed the Committee recruitment, mentioning that it had closed, the ad hoc was deliberating and will make recommendations to the Board. CEO Syphers discussed the CalCCA retreat that was held at SCP at the end of September. Michael Koszalka, COO, discussed the "duck curve" challenge in schools which SCP will be offering again this year.

Member Wells discussed SCP's power sources. Member Hollinshead asked what some of the creative solutions to the duck curve challenge were and Carolyn Glanton, Programs Operations Manager, highlighted some of last year's submissions.

Public Comment: Jenny Blaker discussed biomass and submitted a written comment on the same.

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

(1:44 p.m. - Video Time Stamp: 00:45:37)

Neal Reardon, Director of Regulatory Affairs, discussed the California Public Utility Commission's General Rate Case and stated that the CPUC would most

likely decide by the end of the year. Member Hollinshead asked what the downsides are to covered conductors and Director Reardon stated that there would still be a need for vegetation management whereas undergrounding power lines would not.

CEO Syphers gave a legislative update and mentioned that the Legislative Session had ended in September and that the Budget Trailer Energy Bill had passed and was signed by the Governor.

Chair Morris asked about 3 bills which were signed regarding connectivity and the grid and CEO Syphers responded that PG&E had fought hard against them so what was signed lacked much enforcement. Member Hollinshead then asked what was causing a reluctance to interconnect and CEO Syphers responded that he didn't believe there was a reluctance to interconnect but rather thinks it could be related to the costs required to do it. Member Nicholls stated that Graton Rancheria was doubling in size and questioned if this would create a capacity problem.

Public Comment: Michael Heffler asked if there was a potential for microgrids for businesses and CEO Syphers responded there was.

#### 7. Recommend the Board of Directors Approve the Solar Billing Plan Tariff

(2:10 p.m. - Video Time Stamp: 01:12:54)

Danielle McCants, Customer Operations Manager, gave a presentation on the Solar billing Plan Tariff and CEO Syphers mentioned that as SCP learns more, there will be additional presentations to the Committee and the Board.

Member Booth asked if there were any additional restrictions that would affect sizing of solar arrays and CEO Syphers responded that he didn't think so, to which Erica Torgerson, Managing Director of Customer Service, agreed. Member Wells asked if daily, monthly, and hourly rates would be made available, and Director Torgerson expected they would. Member Booth asked if a customer on NEM 2.0 would be asked to switch, and Director Torgerson responded that they would not. Member Hollinshead asked if there were technological changes required and Director Torgerson responded that SCP was looking into that along with PG&E.

Public Comment: None

Motion to Recommend the Board of Directors Approve the Solar Billing Plan Tariff by Member Wells



Second: Member Dowd

Motion passed by roll call vote.

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

ABSENT: Quinlan, Fenichel

8. Receive Geothermal Opportunity Zone Update

(2:40 p.m. - Video Time Stamp: 01:41:57)

Ryan Tracey, Director of Planning and Analytics, discussed the Geothermal Opportunity Zone (GeoZone). He mentioned the Community Stakeholder meeting that was held in Cloverdale on September 18<sup>th</sup>. He stated that the Department of Energy did not award SCP and Cirq Energy a grant for the Long Duration Energy Storage application, and he discussed the upcoming Geothermal Rising Conference.

Member Wells asked if questions from the residents got answered at the stakeholder meeting and Director Tracey responded that SCP is going to wait and see which Enhanced Geothermal Systems (EGS) project is selected for the GeoZone and then SCP's partners can answer resident's concerns. Member Hollinshead asked if EGS is different than GeoZone and Director Tracey responded that EGS is one of the technologies being explored in the GeoZone.

Public Comment: None

9. Discuss Stipends and Youth Members for the Community Advisory Committee

(2:56 p.m. - Video Time Stamp: 01:57:26)

CEO Syphers opened the stipend and youth member discussion and turned it over to the Committee to discuss.

Member Lipp stated that members of subcommittees for the CPUC are given stipends, and these helped areas of concern for the members. Member Booth stated that she agrees with expanding youth membership to age 24 and a shorter term; she added that 4 years is a long term and maybe should be shorter for all members. Member Wells said that if SCP can get rid of barriers for service by giving a stipend, then it should be done, and he added that SCP should investigate the youth position receiving college credits. Chair Morris reiterated that it is important for SCP not to delineate which members take the stipend and which do not. Member Nicholls discussed a former youth member the CAC had in the past.

*3:05 p.m. Member Lipp exited the meeting.*

Member Dowd stated that there is value in having younger members and reminded the Committee that meetings are usually held when young people have class. He added that SCP should look at other organizations that have stipends.

Public Comment: None

## **COMMITTEE MEMBER ANNOUNCEMENTS**

(3:08 p.m. - Video Time Stamp: 02:08:24)

None

## **ADJOURN**

(3:08 p.m. - Video Time Stamp: 02:08:45)

The meeting was adjourned by unanimous consent.

You have before you a big decision. Setting rates for the next two years.

One suggestion is to switch to a split of: 60 30 10.

I would recommend you add a second option for the Board's consideration: 30 **60** 10.

Simply is the better course - to lower rates and benefit individual customers - OR - use those 'kept-funds' to secure additional community-wide climate solutions?

I recall the Board's decision from last year when they were presented with two options – EITHER stay 5% below PG&E and get to SCP's Reserve target sooner OR go with a deeper discount of 9%. Then the Board chose 5%.

The Reserve target has now been met...BUT I think the Board will still welcome having a second option for them to consider.

Looking at last year's numbers: This would move \$21 million per year = a direct investment in climate action.

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Year Ended June 30, 2023**

**OPERATING REVENUES**

Electricity sales, net	\$ 271,954,226
Evergreen electricity premium	2,661,646
Grant revenue	624,015
Total operating revenues	<u>275,239,887</u>

**OPERATING EXPENSES**

Cost of electricity	187,499,814
Contract services	9,024,836
Staff compensation	7,381,276
Other operating expenses	1,702,146
Program rebates and incentives	3,155,539
Depreciation	1,394,577
Total operating expenses	<u>210,158,188</u>
Operating income (loss)	<u>65,081,699</u>

**NONOPERATING REVENUES (EXPENSES)**

Grant revenue	1,958,716
Investment earnings (loss)	2,692,871
Nonoperating revenues (expenses), net	<u>4,651,587</u>

**CHANGE IN NET POSITION**

	69,733,286
Net position at beginning of period	<u>131,126,559</u>
Net position at end of period	<u>\$ 200,859,845</u>

Dear Sonoma Clean Power Community Advisory Committee

I apologize that I cannot participate in the October 19 CAC meeting to make these statements in person.

I and others were shocked to learn that in 2022 SCP's so-called Clean Start program used 16.4% biomass energy. Maya Khosla and I attended the SCP Board meeting on October 5, and fifteen (15) public comment letters (including some with multiple signatures) were read into the public record. All strongly opposed the use of biomass energy by SCP.

I cc'd my email to the CAC but neither mine nor any of the others are included in your agenda packet.

The public expressed strong opposition to biomass energy in 2021. This opposition is misrepresented in your agenda packet, p.41 of 98. We were (and remain) concerned not only about the "the construction of new forest biomass power generation in Sonoma and Mendocino counties..." but stated clearly, "We believe it is not in SCP's best interest to support the generation of biomass energy within the County or to purchase biomass energy from other counties."

CEO Geof Syphers' Op Ed in the PD, on SCP's "dirty little secret", its reliance on gas-fueled power plants that pollute low-income communities, failed to mention biomass. Yet, in terms of emissions, [biomass energy is dirtier than burning coal](#), highly toxic (causing asthma, lung disease, cancer, and more), not renewable, and [not carbon neutral](#). It takes decades if not centuries for trees to grow to replace those cut down, with immediate loss of carbon storage and future carbon sequestration, in addition to other damaging environmental impacts.

300 words is inadequate to do justice to the details but we would gladly follow up with further information.

Also: Please *oppose* (not just "watch") legislation such as AB 982 (Villapudua) – Public Purpose Programs which facilitates the use of biomass energy.

Jenny Blaker

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## Staff Report - Item 02

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**To: Sonoma Clean Power Authority Community Advisory Committee**  
**From: Ryan Tracey, Director of Planning & Analytics**  
**Geof Syphers, Chief Executive Officer**  
**Issue: Receive Geothermal Opportunity Zone Update**  
**Date: December 21, 2023**

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### 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 (Committee) 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>. Staff incorporates any feedback received from the Committee presentation into the monthly updates to the Board of Directors. Additional background on the GeoZone can be found on the GeoZone webpage at <https://sonomacleanpower.org/geozone>.

### Exploration Well Permitting Delegation

A critical project risk to Eavor and Chevron New Energies is the permitting timeline for exploration activities. Before designing, contracting, and permitting a power plant project Eavor and Chevron New Energies will need to drill exploration wells to confirm subsurface conditions are conducive to a pilot project and commercial scale-up. Although new technologies greatly expand the envelope of conditions that can accommodate development relative to a conventional geothermal project, there is still uncertainty in the thermal conductivity of rock, mechanical properties, and drilling execution that can only be resolved through drilling an exploration well. State law defines geothermal exploration wells as a separate activity from geothermal development that is subject to the California Environmental Quality Act (CEQA) with the California Geologic Energy Management Division (CalGEM) as the lead agency.

In initial discussions with CalGEM, SCP and its partners have learned that the agency is severely resource constrained due to the demands of CEQA permitting and litigation for oil and gas projects. As an example, CalGEM has been working on a CEQA permit for an exploration well in Inyo County for over two years. Results from exploratory drilling will be a critical path for both Eavor and Chevron New Energies, and that length of delay could greatly reduce momentum and ultimately risk the project moving forward.

The Geothermal Program Manager from CalGEM has recommended that Sonoma County pursue a request for CalGEM to delegate lead agency responsibilities to the county. Imperial County has successfully petitioned CalGEM for delegation and demonstrates much higher responsiveness to geothermal exploration permitting. State law allows a county to petition for delegation if they have a geothermal element in their General Plan.

Sonoma County does not yet have a geothermal element in their General Plan but is currently starting the process of a General Plan update. SCP submitted comments to the Board of Supervisors December 12<sup>th</sup> kick-off requesting that the county include adding a geothermal element as in-scope for the update to give Sonoma County the option of pursuing the delegation process in the future. Unfortunately, the timing of the General Plan update is not short—so SCP is also looking at other opportunities to reduce the timing constraints and increase local involvement in the exploration well permitting process.

### **Partner Quarterly Updates**

SCP's partners provided their quarterly updates on GeoZone progress to staff in November. These updates demonstrate partners continue to progress efforts to assess the geothermal resource and identify land opportunities to site pilot projects and scale-up development. Chevron New Energies, Eavor, and Cyrq are all still forecasting that they will be able to satisfy the requirements of their cooperation agreements by the agreed-to completion date. Additionally, data and analysis completed thus far continue to support that the GeoZone area has the appropriate conditions to support their proposed development strategies. As soon as partners succeed in securing land and necessary commercial agreements for pilot projects, the focus will turn to exploration well permitting and design and transmission planning.

### **Grant Funding**

The Department of Energy Geothermal Technology Office is expected to announce the recipients of the Bi-partisan Infrastructure Law's Enhanced Geothermal Systems Demonstration grant imminently. Chevron New Energies applied for the grant for their GeoZone project. Notifications were originally scheduled to be sent in October 2023.



SCP and partners are actively monitoring other grant opportunities for GeoZone from the Department of Energy and California Energy Commission.

## **Transmission Planning**

SCP staff continues to invest considerable time in advocacy for transmission planning and interconnection process reforms that are supportive of local resource development. The CAISO has provided a preliminary list of policy-driven upgrades expected in its 2023-24 Transmission Planning Process and the scope is far smaller than SCP expected—particularly in PG&E territory. Like dozens of other critical California renewable energy efforts, scaling-up local geothermal development will likely require upgrades to PG&E’s high-voltage system in the Central Valley to provide a path for local resources to contribute to peak statewide conditions (which is a requirement for obtaining deliverability and eligibility for resource adequacy credit). SCP believes that the CPUC’s portfolio supports investing in these strategic upgrades and has submitted comments in both the CPUC and CAISO processes to stress their importance. SCP is also beginning to explore and socialize a new approach the state should consider for transmission planning—looking at investments from a “least regrets” or “least risk” perspective rather than focusing on a short-term “least cost” for a very specific set of assumptions. Staff believe this approach will reduce the long-term costs of California’s energy transition by enabling a more flexible set of technologies to contribute and provide much greater assurance of California’s climate progress by lowering the risk of indefinitely extending the operation of natural gas power plants.

Meanwhile, the CAISO and stakeholders have shown increased receptiveness to the proposal of incorporating interest from load serving entities (LSE) in their process for gatekeeping applications to the interconnection queue. SCP has been actively participating in CAISO’s interconnection process enhancements process and pushing back against proposals to solely evaluate interconnection applications on their readiness (permitting status, site control, financial strength) and instead asking for a process that can reflect LSE interest in more strategic projects as well—such as the geothermal development SCP is supporting in the GeoZone. CAISO is expected to release a revised straw proposal for their interconnection process reforms in December and expects to finalize reforms for approval in a May 2024 Board of Governors meeting.

## **Attachments**

- Letter on General Plan Update - 12.08.2023



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

December 8, 2023

Sonoma County Board of Supervisors  
575 Administration Drive  
Room 100A  
Santa Rosa, CA 95403

**RE: Sonoma Clean Power Comments on December 12, 2023  
Meeting Item #50: Sonoma County General Plan Kick-Off**

Chair Coursey and Supervisors,

I'm writing to ask the Board of Supervisors to add a Geothermal element to the upcoming General Plan to enable local permitting oversight of new geothermal power facilities.

This would enable timely review of the early-stage geothermal exploration projects that are critical to the County's climate progress, since the state's lead agency has a multi-year backlog of oil and gas work. Currently, Sonoma County's existing General Plan does not meet the requirements for local geothermal exploration permitting, hence the request for a new element (which can be included inside of a larger element, such as Climate or Open Space & Resource Conservation).

Should the County agree in principle to develop a Geothermal element, Sonoma Clean Power staff are prepared to support the effort in any way needed. Additional background information is provided as an appendix to this letter.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Geof Syphers", written over a circular flourish.

Geof Syphers, CEO

## Background

On February 8, 2022, this Board unanimously approved a resolution joining Sonoma Clean Power's (SCP) Geothermal Opportunity Zone (GeoZone) to explore opportunities to accelerate development of local geothermal resources. By joining the GeoZone, Sonoma County has demonstrated leadership in driving solutions to provide clean, reliable, and affordable energy resources that will prove essential to meeting California's climate goals.

A key focus of GeoZone is early stakeholder engagement to guide local geothermal development that is compatible with the values of the local community. SCP has organized GeoZone-specific community events and provides the public with updates and an opportunity to comment on GeoZone activities at monthly committee meetings. SCP believes proactive engagement and open communication is critical to the ultimate success of GeoZone projects. Through these activities, SCP has appreciated the ability of Sonoma County residents to engage on the climate crisis, energy reliability concerns, environmental justice, and the right ways to host needed new development.

In planning for new local geothermal power sources, SCP and its GeoZone partners have identified permitting geothermal exploration wells as a critical project risk. State law identifies geothermal exploratory projects as a distinct activity that is subject to CEQA that is administered by the California Geologic Energy Management Division (CalGEM). CalGEM's Geothermal Program Manager has provided feedback that they are unable to process geothermal permitting in a reasonable timeframe because of staff time dedicated to oil and gas industry projects.

CalGEM is very supportive of other counties pursuing lead agency delegation for geothermal exploratory projects. Importantly, even if a county pursues delegation, CalGEM would continue to provide expertise on well construction, subsurface risks, and approve drilling permits after the CEQA is complete.

Sonoma County does not currently have a Geothermal element in its General Plan and is therefore ineligible for petitioning CalGEM for lead agency status. SCP strongly encourages Sonoma County to add a Geothermal element as part of its General Plan update to provide the county the option to pursue lead agency delegation—which provides the local and GeoZone project benefits described above. A Geothermal element would also provide an opportunity to address land use considerations for a potential larger scale-up of geothermal development in the region. The definition of a Geothermal element in the California Public Resources Code (Section 25133) is provided below for reference:

*"Geothermal element" means an element of a county general plan consisting of a statement of geothermal development policies, including a diagram or diagrams and text setting forth objectives, principles,*

*standards, and plan proposals, including a discussion of environmental damages and identification of sensitive environmental areas, including unique wildlife habitat, scenic, residential, and recreational areas, adopted pursuant to Section 65303 of the Government Code.*

SCP has connected with Permit Sonoma on the delegation process and possibility of adding a Geothermal element to the General Plan. Permit Sonoma staff have advised that the kick-off discussion today is a good forum to introduce the idea. CalGEM has provided materials from Imperial County's petition for delegation and suggested that the Imperial County Geothermal element has been recently updated and a good template for developing a Sonoma County geothermal element. Neighboring Lake County, which shares the existing Geysers resource with Sonoma, also includes a Geothermal element in its General Plan.

SCP is committed to progressing the GeoZone initiative and increasing the opportunity for the local community to engage in early project development. Adding a geothermal element to Sonoma County's General Plan is an important opportunity to support both ambitions. Given the importance, SCP is committed to supporting the county in this effort.



## **Staff Report - Item 03**

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**To: Sonoma Clean Power Authority Community Advisory Committee**  
**From: Stephanie Reynolds, Director of Internal Operations**  
**Issue: Approve Community Advisory Committee Meeting Dates for 2024 Calendar Year**  
**Date: December 21, 2023**

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### **Recommendation**

Approve Community Advisory Committee Meeting Dates for 2024 Calendar Year.

### **Background**

As prescribed in Sonoma Clean Power's (SCP) Joint Powers Agreement, the Community Advisory Committee (Committee) is required to meet a minimum of six times per year. Prior to 2021, staff historically scheduled meetings on an as-needed basis. Since 2021, meetings have been held on a regular schedule to aid with planning and preparation.

### **Discussion**

The proposed schedule, included as an attachment, would continue to fix the Committee meeting schedule to the 3<sup>rd</sup> Thursday of each month. Planning the dates in advance would not prohibit the Chair or Vice Chair from cancelling a meeting should there be a light agenda and/or a lack of a quorum on the pre-determined meeting date. Over the past several years, the August meeting has been cancelled due to the lack of a September Board meeting. The decision whether to cancel the August meeting will be made in June or July of 2024. Staff anticipates conducting hybrid meetings under AB 2449.

### **Attachments**

- 2024 SCPA Community Advisory Committee Meeting Schedule



**Sonoma Clean Power Authority  
Community Advisory Committee  
Schedule of Meetings  
January - December 2024  
1:00 p.m. - 3:00 p.m.**

(The CAC normally meets on the 3<sup>rd</sup> Thursday of each month)

January 18, 2024

February 15, 2024

March 21, 2024

April 18, 2024

May 16, 2024

June 20, 2024

July 18, 2024

August 15, 2024 (tentative)

September 19, 2024

October 17, 2024

November 21, 2024

December 19, 2024



## Staff Report - Item 04

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

**From:** Felicia Smith, Program Manager  
Rebecca Simonson, Director of Programs

**Issue:** Recommend that the Board Approve and Delegate Authority to the CEO or his Designee to Execute Fourth Amendment to Contract with Calpine Energy Solutions, LLC to add \$1,104,682 for an Amount Not-to-Exceed \$3,074,682 through June 1, 2025

**Date:** December 21, 2023

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### Recommendation

Staff requests the Community Advisory Committee (Committee) recommend the Sonoma Clean Power's (SCP) Board of Directors (Board) approve and delegate authority to the Chief Executive Officer (CEO) or his designee to execute a fourth amendment to the contract with Calpine Energy Solutions, LLC (Calpine) to add \$1,104,682 to the not-to-exceed amount and amend the term through June 1, 2025. The updated not-to-exceed amount of \$3,074,682 is fully funded by the CPUC Energy Efficiency programs through ratepayer non-bypassable charges and does not add to SCP's budget.

### Background

The Master Service Agreement with Calpine includes a Data Manager Services Appendix with Recurve Analytics, Inc. (Recurve) acting as a subcontractor. Recurve assists Sonoma Clean Power in implementing a CPUC-funded energy efficiency program called FLEXmarket.

FLEXmarket is a pay-for-performance energy efficiency program where Recurve is responsible for project eligibility, calculating and tracking incentives, measurement and verification, and reporting assistance.

## **Discussion**

On June 2, 2022, the CPUC approved a budget for Sonoma Clean Power of \$3,074,682 over the course of its three-year Energy Efficiency Program Plan, referred to as FLEXmarket. The amendment to the Data Manager Services with Recurve would increase the not-to-exceed of the FLEXmarket program by \$1,104,682 bringing the total not-to-exceed contract amount to the CPUC approved amount of \$3,074,682 and amend the term to June 1, 2025. The revised contract amount and term with Recurve aligns with CPUC's funding allocation to Sonoma Clean Power and timeline to expend the funding.

## **Fiscal Impact**

This proposed amendment is funded by the CPUC Energy Efficiency programs through ratepayer non-bypassable charges. There is no net fiscal impact for SCP customers and no additional cost to SCP itself.

## **Attachments**

- Attachment 1 - Draft Fourth Amendment to the Master Professional Services Agreement for the Sonoma Clean Power Authority with Calpine Energy Solutions, LLC to amend the Data Manager Services appendix to align with CPUC funding allocation and term.



**DRAFT AMENDMENT NO. 4  
TO MASTER PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
SONOMA CLEAN POWER  
AND  
CALPINE ENERGY SOLUTIONS, LLC**

This Amendment No. 4 to Master Professional Services Agreement (“Amendment No. 4”) is made and entered into as of this 4th day of January 2024 by and between Sonoma Clean Power f/k/a Sonoma Clean Power Authority (“SCP”) and Calpine Energy Solutions, LLC f/k/a Noble Americas Energy Solutions LLC (“Consultant”). SCP and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

**Recitals**

- A. Original Agreement. The Parties have entered into an agreement entitled “Master Professional Services Agreement” dated October 31, 2013 [as amended by previous instruments dated October 31, 2013, April 7, 2022, and December 16, 2022 and currently supplemented by that certain Third Addendum for Data Manager Services dated April 1, 2022] (collectively, the “Original Agreement”), which is incorporated herein by reference as if fully set forth herein, for the purpose of SCP retaining Consultant to provide the Services set forth therein.
- B. Amendment Purpose. SCP and Consultant wish to amend Appendix B to the Third Addendum for Data Manager Services to replace the term and fee schedule set forth therein for Recurve Analytics, Consultant’s subcontractor.
- C. Amendment Authority. This Amendment No. 4 is authorized pursuant to Section 16 of the Master Professional Services Agreement.

**Amendment**

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

1. Term. Appendix B, Section 4, of the Third Addendum for Data Manager Services is hereby deleted in its entirety and replaced with the following:

**“4. TERM:**

This Agreement shall commence on July 1, 2022. Projects enrolled in SCP FLEXmarket must have written authorization for a tracking start date on or before May 1, 2024. This Agreement shall terminate on the date that CALPINE ENERGY SOLUTIONS and RECURVE have completed the Services for the last Project enrolled, which shall occur by June 1, 2025 (the “Term”).”

2. Pricing. Appendix B, Exhibit A, of the Third Addendum for Data Manager Services is hereby amended by deleting the tables for “Program Budget Cost Categories” and “Pricing Schedule” set forth in the Pricing section in their entirety and replacing them with the following:

Program Budget Cost Categories

Program ID Budget Category	Total	Percentage of Total CPUC Budget
General and Administrative Overhead	\$153,735	5%

Evaluation Measurement & Verification	\$122,986	4%
Direct Implementation Non-Incentive	\$491,949	16%
<b>Total Non-Incentive</b>	<b>\$768,670</b>	<b>25%</b>
<b>Total Incentives</b>	<b>\$2,306,012</b>	<b>75%</b>
<b>Total</b>	<b>\$3,074,682</b>	<b>100%</b>

#### Pricing Schedule

Line Item	Price
FLEXmarket	25% of Measured Program Value
FLEXmarket Energy Efficiency Program Administration	Not to exceed: 25% of Total Budget, \$768,670

3. Continuing Effect of Agreement. Except as provided in this Amendment, all provisions of the Original Agreement otherwise remain in full force and effect and are reaffirmed. From and after the date of this Amendment No. 4, whenever the term "Agreement" appears in the Original Agreement, it shall mean the Original Agreement as amended by this Amendment No. 4. Moreover, in the event that SCP terminates the Original Agreement for convenience prior to the expiration of the Appendix B, as permitted in Section 1 of Amendment #2, Appendix B shall remain in effect as set forth in this Amendment No. 4 until the time period set forth above in Section 1 of this Amendment No. 4.
4. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 4.
5. Severability. If any portion of this Amendment No. 4 is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
6. No Waiver of Claims. Approval of this Amendment No. 4 does not satisfy, waive, or otherwise affect any claims between the parties under or related to the Agreement.

#### SONOMA CLEAN POWER

*Approved By:*

\_\_\_\_\_  
Michael Koszalka,  
Chief Operating Officer

\_\_\_\_\_  
Date

#### CALPINE ENERGY SOLUTIONS, LLC

*Approved By:*

\_\_\_\_\_  
Sean Fallmer  
President

\_\_\_\_\_  
Date

*Approved as to form:*

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Special Counsel

DRAFT

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## Staff Report - Item 05

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

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

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

**Date:** December 21, 2023

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### END OF TERMS FOR CAC MEMBERS

At this meeting, we will be taking the time to show appreciation to our outgoing Community Advisory Committee (Committee) Members for their valued service.

### NEW CAC MEMBER AND RE-APPOINTMENTS

At the November Board meeting, the following new appointments and reappointments of Committee members were approved: Patricia Morris, Michael Nicholls, Spencer Lipp (reappointments), Elizabeth Hagen, Jana Wang, Daniel Soto, and Ali Soto Anguiano (new appointments). All terms begin January 1, 2024.

### STIPEND APPROVED FOR CAC MEMBERS

At the November 2<sup>nd</sup> meeting of the SCP Board of Directors, a vote was taken to approve a \$100 per meeting stipend for members of the Community Advisory Committee and to appoint a non-voting youth position to the Committee. This motion was unanimously approved and recorded in the meeting minutes as follows:

"Motion to approve a \$100 per Meeting Stipend for Members of the Community Advisory Committee, Effective Immediately with the Option to Opt-Out Confidentially and Create a Non-Voting Youth Position on the Committee with the Upper Age Limit of that Position being 24 Years Old Appointed by the Chair of the Committee for 2 Years by Director Strong."

Committee Members are eligible to receive the stipend when in attendance at publicly noticed meetings of the Committee.

## **TRANSITIONING OUR COMMITMENT TO BATTERY STORAGE AND RESILIENCY**

Starting November 30, 2023, SCP ceased accepting new Self-Generation Incentive Program (SGIP) Assistance battery storage applications. Staff provided notification of the program change through our website and informed participating installers 30 days beforehand. It is important to note the SGIP program from PG&E still exists, it no longer needs SCP assistance to move the market.

The SCP program was initiated in 2020 to aid customers eligible for the statewide SGIP battery storage program. Initially, it aimed to address the extended time PG&E took to provide incentives, which acted as a barrier to program participation. SCP provided financial assistance to submit the SGIP application and aimed to provide rebate checks to the customer faster than PG&E, thus minimizing the waiting period for customers. SCP was later reimbursed by PG&E for the approved incentive amount. As delays in PG&E's rebate issuance are no longer a significant obstacle, SCP is now redirecting its support to more effective areas.

Over the last three and a half years, we've assisted more than 150 SCP customers in joining SGIP for battery storage, driving market transformation. As we conclude the program, SCP is committed to exploring new avenues to bolster battery storage and resiliency within our service area.

## **COMMUNITY NEEDS ASSESSMENT PROGRESS UPDATES**

### ***Agricultural Customer Needs***

Staff are currently reviewing a draft report summarizing market segment profiles, customer insights gathered from interviews and surveys, and recommendations for programs and strategies. The final report will be shared with the Community Advisory Committee and the Board of Directors once it is finalized and will be made available on the SCP website.

### ***Residential Energy and Resiliency Needs***

SCP has received a substantial response to the Residential Energy and Resiliency Needs Survey, with 400 participating in our online survey. The survey was provided in both English and Spanish. To ensure inclusivity and accessibility, we are actively working on collaborating with local community organizations to gather input from those without convenient internet access. SCP will share results from the survey in a presentation of findings and recommendations provided to the Community Advisory Committee and the Board of Directors in 2024.

## ***Transportation and Mobility Needs***

To address transportation challenges, we have held one of three planned focus group discussions in collaboration with NAACP Santa Rosa – Sonoma County and the North Bay Electric Auto Association. We recently began rolling out an online survey to provide an opportunity for a broader spectrum of our customers to contribute their thoughts and concerns. SCP will share themes and findings from the focus groups in a presentation to the Community Advisory Committee and the Board of Directors in 2024.

For more details on our Community Needs Assessments, please visit [www.sonomacleanpower.org/strategic-action-plan](http://www.sonomacleanpower.org/strategic-action-plan)

## **NEW PROPERTY PURCHASE**

Following a Board delegation of authority at a Closed Session of the November 2<sup>nd</sup> Board of Directors meeting, SCP is currently in escrow to purchase an office building at 421 E Street in Santa Rosa, next door to our business office. An update will be shared at the meeting.

## **CONNECTED EV CHARGING PILOT**

SCP is launching a pilot project to help with the growing number of EVs and how they use electricity. This managed EV charging pilot uses smart technology to better understand a car's charging needs.

It uses an app for people who own EVs. This app checks how much battery a car has and when you usually charge it. Then, the app figures out the best time to charge your car. It does this so that the EV charges when the electricity is cleanest, like when there is more solar available, and when it's the cheapest.

This project is different from SCP's other managed charging program, GridSavvy, which only controls the charger during busy times. This new app looks at a car's battery and determines how you use it to make better charging decisions.

The goal is to get people to charge their cars during the day, which is better for the grid and reducing climate emissions. SCP is looking for up to 500 customers to try this out, especially those who are not in the GridSavvy program yet.

SCP chose EV.Energy for this project because of their experience and ability to deliver a good user experience with innovative features. A notable feature, suggested by the SCP Board, allows solar customers to align their EV charging with when their solar panels are generating power. The EV.Energy app is compatible with most EVs in

the area and can also work with smart chargers for older EVs that aren't directly compatible with the app.

## **INDEPENDENT AUDIT OF SCP FINANCIAL STATEMENTS ACCEPTED**

At the December 2023 meeting of the Board of Directors of SCP, Kellin Gilbert, a CPA with the accounting firm Pisenti & Brinker, presented results of the independent audit completed for Fiscal Years ending June 30, 2022, and June 30, 2023. The report was completed with financial statements prepared by Maher Accountancy and assistance from SCP staff. The Board unanimously voted to accept these documents.

The final report is available at [this link](#), or by request to the Clerk of the Board.

## **MONTHLY COMPILED FINANCIAL STATEMENTS THROUGH OCTOBER 31, 2023**

The year-to-date change in net position is over projections by approximately \$12,718,000. Year-to-date revenue from electricity sales is under budget by less approximately 2% and cost of energy is under budget projections by approximately 16%. Year-to-date electricity sales reached \$99,539,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$226,755,000, which indicates growth as SCP continues to make progress towards its reserve goals. Approximately \$163,190,000 is set aside for operating reserves.

## **BUDGETARY COMPARISON SCHEDULE THROUGH OCTOBER 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 under budget by approximately 2% at the end of the reporting period.

The cost of electricity is less than the budget-to-date by approximately 16%. 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**

- September and October 2023 Financial Statements

## **UPCOMING MEETINGS**

- Board of Directors - January 4, 2024
- Community Advisory Committee - TBD, 2024



## 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 September 30, 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 25, 2023

**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND**  
**Three Months Ended September 30, 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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 78,091,959	\$ 76,609,388	\$ (1,482,571)	98%	\$ 243,952,000	\$ 167,342,612
Evergreen Premium (net of allowance)	743,705	636,374	(107,331)	86%	2,689,000	2,052,626
CEC Grant	375,000	-	(375,000)	0%	470,000	470,000
Investment returns	750,000	1,393,658	643,658	186%	3,540,000	2,146,342
Miscellaneous Income	514,418	80,195	(434,223)	0%	2,058,000	1,977,805
Total revenue and other sources	80,475,082	78,719,615	(1,755,467)	98%	252,709,000	173,989,385
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	64,837,184	52,978,189	(11,858,995)	82%	193,762,000	140,783,811
Data management	670,000	648,724	(21,276)	97%	2,680,000	2,031,276
Service fees- PG&E	247,500	250,520	3,020	101%	990,000	739,480
Personnel	2,022,000	1,873,757	(148,243)	93%	8,346,000	6,472,243
Energy Center, marketing & communications	766,645	549,247	(217,398)	72%	3,061,000	2,511,753
Customer service	126,500	45,817	(80,683)	36%	220,000	174,183
General and administration	331,307	356,966	25,659	108%	1,360,000	1,003,034
Legal	118,750	35,821	(82,929)	30%	475,000	439,179
Regulatory and compliance	115,000	97,723	(17,277)	85%	460,000	362,277
Accounting	64,420	73,380	8,960	114%	309,000	235,620
Legislative	55,000	24,000	(31,000)	44%	220,000	196,000
Other consultants	153,050	17,299	(135,751)	11%	624,000	606,701
Industry memberships and dues	219,950	157,517	(62,433)	72%	695,000	537,483
Program implementation	1,416,018	717,602	(698,416)	51%	8,101,000	7,383,398
Program - CEC grant	840,000	1,056,102	216,102	126%	1,712,000	655,898
Total current expenditures	71,983,324	58,882,664	(13,100,660)	82%	223,015,000	164,132,336
<b>OTHER USES</b>						
Capital outlay	150,000	80,270	(69,730)	54%	600,000	519,730
Total expenditures, other uses	72,133,324	58,962,934	(13,170,390)	82%	223,615,000	164,652,066
Net increase (decrease) in available fund balance	\$ 8,341,758	\$ 19,756,681	\$ 11,414,923		\$ 29,094,000	\$ 9,337,319
<i>* Represents sales of approximately 517,000 MWh for 2023/24 YTD actual.</i>						
<b>RESERVES</b>						
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**  
**Three Months Ended September 30, 2023**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 19,756,681
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(348,251)
Add back capital asset acquisitions	<u>80,270</u>
Change in net position	<u><u>\$ 19,488,700</u></u>



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 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 25, 2023

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of September 30, 2023

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 55,340,985
Accounts receivable, net of allowance	27,531,673
Other receivables	1,812,907
Accrued revenue	13,127,889
Prepaid expenses	1,304,487
Deposits	8,813,374
Investments	115,516,979
Total current assets	223,448,294

#### Noncurrent assets

Other receivables	1,130,913
Land	860,520
Capital assets, net of depreciation	17,261,575
Deposits	846,256
Total noncurrent assets	20,099,264
Total assets	243,547,558

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	14,823,346
Accounts payable	1,101,059
Advanced from grantors	2,994,487
Supplier security deposits	279,000
Other accrued liabilities	996,429
User taxes and energy surcharges due to other governments	799,571
Total current liabilities	20,993,892

#### Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	23,199,013

### NET POSITION

Investment in capital assets	18,071,680
Unrestricted	202,276,865
Total net position	\$ 220,348,545

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Three Months Ended September 30, 2023**

**OPERATING REVENUES**

Electricity sales, net	\$ 76,609,388
Evergreen electricity premium	636,374
Grant revenue	80,195
Total operating revenues	<u>77,325,957</u>

**OPERATING EXPENSES**

Cost of electricity	52,978,189
Contract services	2,014,568
Staff compensation	1,873,757
Other operating expenses	629,502
Program rebates and incentives	1,386,648
Depreciation	348,251
Total operating expenses	<u>59,230,915</u>
Operating income	<u>18,095,042</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest and investment returns	1,393,658
Nonoperating revenues (expenses), net	<u>1,393,658</u>

**CHANGE IN NET POSITION**

	19,488,700
Net position at beginning of year	<u>200,859,845</u>
Net position at end of period	<u>\$ 220,348,545</u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Three Months Ended September 30, 2023

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 75,302,806
Other operating receipts	355,764
Payments to electricity suppliers	(50,775,090)
Payments for other goods and services	(2,808,771)
Payments of staff compensation	(1,879,028)
Tax and surcharge payments to other governments	(858,469)
Payments for program rebates and incentives	<u>(1,730,441)</u>
Net cash provided (used) by operating activities	<u>17,606,771</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(33,195)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	1,316,623
Proceeds from certificates of deposit matured	25,000,000
Purchase of investments	<u>(54,000,000)</u>
Net cash provided (used) by investing activities	<u>(27,683,377)</u>

Net change in cash and cash equivalents	(10,109,801)
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 55,340,985</u>

### SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 50,415
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# **SONOMA CLEAN POWER AUTHORITY**

## **STATEMENT OF CASH FLOWS**

**(Continued)**

**Three Months Ended September 30, 2023**

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

Operating income (loss)	\$ 18,095,042
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	348,251
(Increase) decrease in:	
Accounts receivable, net	(2,363,163)
Other receivables	(5,600)
Accrued revenue	(518,054)
Prepaid expenses	169,320
Deposits	(24,317)
Increase (decrease) in:	
Accrued cost of electricity	(888,745)
Accounts payable	42,122
Advanced from grantors	(80,195)
Accrued liabilities	2,811,118
User taxes due to other governments	79,792
Supplier security deposits	(58,800)
Net cash provided (used) by operating activities	<u><u>\$ 17,606,771</u></u>



## 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 October 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  
November 27, 2023

**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND**  
**Four Months Ended October 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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 100,361,031	\$ 98,698,940	\$ (1,662,091)	98%	\$ 243,952,000	\$ 145,253,060
Evergreen Premium (net of allowance)	981,498	839,749	(141,749)	86%	2,689,000	1,849,251
CEC Grant	400,000	-	(400,000)	0%	470,000	470,000
Investment returns	1,030,000	1,850,287	820,287	180%	3,540,000	1,689,713
Miscellaneous Income	685,891	223,511	(462,380)	0%	2,058,000	1,834,489
Total revenue and other sources	103,458,420	101,612,487	(1,845,933)	98%	252,709,000	151,096,513
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	80,212,548	67,600,205	(12,612,343)	84%	193,762,000	126,161,795
Data management	893,333	864,882	(28,451)	97%	2,680,000	1,815,118
Service fees- PG&E	330,000	331,458	1,458	100%	990,000	658,542
Personnel	2,696,000	2,529,004	(166,996)	94%	8,346,000	5,816,996
Energy Center, marketing & communications	1,022,193	765,875	(256,318)	75%	3,061,000	2,295,125
Customer service	132,500	72,312	(60,188)	55%	220,000	147,688
General and administration	438,353	448,500	10,147	102%	1,360,000	911,500
Legal	158,333	44,245	(114,088)	28%	475,000	430,755
Regulatory and compliance	153,333	135,316	(18,017)	88%	460,000	324,684
Accounting	85,893	103,510	17,617	121%	309,000	205,490
Legislative	73,333	32,000	(41,333)	44%	220,000	188,000
Other consultants	204,067	54,367	(149,700)	27%	624,000	569,633
Industry memberships and dues	278,233	236,371	(41,862)	85%	695,000	458,629
Program implementation	2,009,658	958,671	(1,050,987)	48%	8,101,000	7,142,329
Program - CEC grant	1,020,000	1,076,739	56,739	106%	1,712,000	635,261
Total current expenditures	89,707,777	75,253,455	(14,454,322)	84%	223,015,000	147,761,545
<b>OTHER USES</b>						
Capital outlay	200,000	90,532	(109,468)	45%	600,000	509,468
Total expenditures, other uses	89,907,777	75,343,987	(14,563,790)	84%	223,615,000	148,271,013
Net increase (decrease) in available fund balance	\$ 13,550,643	\$ 26,268,500	\$ 12,717,857		\$ 29,094,000	\$ 2,825,500

\* Represents sales of approximately 690,000 MWh for 2023/24 YTD actual.

<b>RESERVES</b>	<b>Current Balance</b>	<b>Long-Term Targeted</b>	<b>% of Long-Term Target</b>
Operating Reserve (as of June 30, 2023)	\$ 163,190,000	\$ 171,080,000	95%

**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)**  
**RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE**  
**TO CHANGE IN NET POSITION**  
**Four Months Ended October 31, 2023**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 26,268,500
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(463,626)
Add back capital asset acquisitions	<u>90,532</u>
Change in net position	<u><u>\$ 25,895,406</u></u>



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of October 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  
November 27, 2023

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of October 31, 2023

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 53,435,086
Accounts receivable, net of allowance	24,164,842
Other receivables	1,917,973
Accrued revenue	12,358,818
Prepaid expenses	1,410,062
Deposits	8,784,595
Investments	123,811,634
Total current assets	225,883,010

#### Noncurrent assets

Other receivables	1,175,785
Land	860,520
Capital assets, net of depreciation	17,163,056
Deposits	846,256
Total noncurrent assets	20,045,617
Total assets	245,928,627

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	11,254,996
Accounts payable	853,405
Advances from grantors	2,900,771
Supplier security deposits	279,000
Other accrued liabilities	1,007,305
User taxes and energy surcharges due to other governments	672,778
Total current liabilities	16,968,255

#### Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	19,173,376

### NET POSITION

Investment in capital assets	18,006,720
Unrestricted	208,748,531
Total net position	\$ 226,755,251

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Four Months Ended October 31, 2023**

**OPERATING REVENUES**

Electricity sales, net	\$ 98,748,540
Evergreen electricity premium	839,749
Grant revenue	173,911
Total operating revenues	<u>99,762,200</u>

**OPERATING EXPENSES**

Cost of electricity	67,600,205
Contract services	2,728,016
Staff compensation	2,529,004
Other operating expenses	809,940
Program rebates and incentives	1,586,290
Depreciation	463,626
Total operating expenses	<u>75,717,081</u>
Operating income	<u>24,045,119</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest and investment returns	1,850,287
Nonoperating revenues (expenses), net	<u>1,850,287</u>

**CHANGE IN NET POSITION**

	25,895,406
Net position at beginning of year	<u>200,859,845</u>
Net position at end of period	<u><u>\$ 226,755,251</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Four Months Ended October 31, 2023

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 102,070,434
Receipts from grantors	93,972
Other operating receipts	652,687
Payments to electricity suppliers	(69,444,752)
Payments for other goods and services	(4,018,937)
Payments of staff compensation	(2,495,530)
Tax and surcharge payments to other governments	(1,274,461)
Payments for program rebates and incentives	(2,038,057)
Net cash provided (used) by operating activities	<u>23,545,356</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(83,610)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	1,617,785
Proceeds from certificates of deposit matured	25,000,000
Purchase of investments	(62,095,231)
Net cash provided (used) by investing activities	<u>(35,477,446)</u>

Net change in cash and cash equivalents	(12,015,700)
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 53,435,086</u>

### SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 16,856
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# **SONOMA CLEAN POWER AUTHORITY**

## **STATEMENT OF CASH FLOWS**

**(Continued)**

**Four Months Ended October 31, 2023**

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

Operating income (loss)	\$ 24,045,119
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	463,626
(Increase) decrease in:	
Accounts receivable, net	1,003,668
Other receivables	(199,495)
Accrued revenue	251,017
Prepaid expenses	63,745
Deposits	4,462
Increase (decrease) in:	
Accrued cost of electricity	(4,769,771)
Accounts payable	(171,973)
Advances from grantors	(173,911)
Accrued liabilities	3,134,670
User taxes due to other governments	(47,001)
Supplier security deposits	(58,800)
Net cash provided (used) by operating activities	<u><u>\$ 23,545,356</u></u>

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## Staff Report - Item 06

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

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

**Issue:** Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate

**Date:** December 21, 2023

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### Requested Action

Receive legislative and regulatory updates and provide feedback to the Board of Directors as appropriate.

### Regulatory Updates

#### SCP and PG&E Partner on First 100% Renewable Remote Grid in SCP Territory

On November 6<sup>th</sup>, representatives from SCP, PG&E, the California Public Utilities Commission, and Pepperwood Foundation gathered with regional, tribal, state, and federal stakeholders at Pepperwood Preserve in Sonoma County to commemorate the first 100% renewable remote grid deployed to reduce PG&E's wildfire risk. This project was the culmination of direction provided by SCP's Board of Directors on January 7, 2021, for staff to evaluate the use of remote microgrids within SCP's territory to reduce risk, enhance reliability, and support climate goals.

As background, this Board delegated authority to the CEO working with SCP's Special Counsel to negotiate with PG&E and authorize limited pilot use of microgrids subject to specific limitations:

- Limit this approval to a small pilot study where the total average load removed from SCP's service territory is less than 100 kW.
- Require PG&E to materially involve SCP in early communications directly with the

affected customers to allow SCP to understand their needs, to inform the customers of opportunities to finance and use clean power sources if they choose to own the microgrid.

- Establish that this approval in no way establishes precedents for future policies, regulations, fees, tariffs, changes to SCP's eligible service territory or customers, changes in SCP's right or obligation to serve customers, or any other related matter.

Remote microgrids are suited to small-scale customer sites located in extremely expensive or high fire threat sections of distribution circuits. PG&E has begun to evaluate non-traditional options in these areas in lieu of simply replacing all distribution lines. SCP staff support evaluating all approaches – including novel ones that have not yet been widely used – to provide safe access to services customers prioritize. At the top of PG&E's list is the avoidance of rebuilding such expensive or risky distribution lines that have been destroyed in a fire, and particularly in places where the circuit segment in question serves only a very few customers.

SCP's CEO developed an energy-efficiency retrofit plan for the Pepperwood site. This identified a portfolio of measures ranging from increased insulation to super-efficient heating and cooling systems. Increased efficiency reduced the winter load of the site by 50% during months of low solar output. In addition, this plan identified the opportunity for a dedicated circuit to keep Pepperwood's server online 24/7. This comprehensive approach allowed for the use of 100% renewable energy and obviated the need for the propane backup system originally designed by PG&E. Pepperwood's bill will not be impacted by the deployment of this system, they will continue to pay monthly distribution rates to PG&E and generation rates to SCP.

PG&E intends to continue to deploy remote grid systems – some renewable and some fossil-fueled – throughout their territory in the coming years and is actively evaluating multiple potential sites. Pepperwood is the fifth remote microgrid site developed by the utility since gaining approval for this program in 2021.

#### California Public Utilities Commission (CPUC) Issues Proposed Decision Conditionally Approving Extension of Diablo Canyon Nuclear Plant Operations

Following direction provided by SB 846, the CPUC proposes to authorize extended operation at Diablo Canyon Power Plant (DCPP) until October 31st, 2029 (Unit 1) and October 31st, 2030 (Unit 2). These units were originally scheduled to be taken out of service in November of 2024 and August of 2025, respectively. SB 846 also sets forth conditions which, if met, either through a determination by the CPUC or through triggering events outside this proceeding, would allow or require the establishment of earlier retirement dates.

Approval of this proposal is conditioned upon the United States Nuclear Regulatory Commission (NRC) continuing to authorize DCCP operations, the \$1.4 billion loan agreement authorized in SB 846 remaining in place, and the Commission not finding continued operations to be either imprudent or unreasonable. The rationale for the extension is based on CPUC analysis finding that there are insufficient resources in the current electric generation portfolio to serve as adequate substitutes for DCCP in maintaining reliability.

The physical operations of the nuclear plant will continue unmodified. However, the cost to operate will be allocated across all three investor-owned-utility territories. The Resource Adequacy provided by Diablo's capacity will be allocated to all load serving entities - including CCAs - whose customers pay for the continued operation. The greenhouse-gas-free nature of the energy itself, however, will be available for voluntary allocation to load serving entities which elect to take it. SCP customers will likely see net savings from the reduced need to purchase Resource Adequacy by SCP's procurement team.

### PG&E Rate Increase

A large increase in PG&E's electric distribution costs will go into effect January 1 due to approval of their General Rate Case. Further increases in PG&E's charges are expected later in 2024, and a ratepayer explanation of the changes is attached to this report, provided by CalCCA.

### **Legislative Update**

Cecilia Aguiar Curry was appointed Majority Leader and Jim Wood announced he plans to retire.

Staff expect to see follow-up bills to refine the Income Graduated Fixed Charge, perhaps a delay in implementation and public hearings. Since these discussions are occurring among Republicans and Democrats, it seems likely some form of legislation will be introduced.

The Legislative Accountants Office recently forecast a large \$68 billion deficit in 2024, so budget issues will also likely feature in early legislative decisions.

### **Attachments**

- September PG&E Rates FAQ

# FAQ: PG&E General Rate Case (GRC) 2023-2026

## 1. What is a General Rate Case?

A General Rate Case, or GRC, is a review that investor-owned utilities (IOUs) regulated by the California Public Utilities Commission (CPUC) undergo every four years. During this review, utilities present a four-year budget so they can obtain the revenue they need to provide for both their operating costs and their profits through the rates they charge customers.

## 2. When was PG&E's GRC approved?

The CPUC approved PG&E's budget for 2023-2026 on November 16, 2023.

## 3. What is PG&E's approved budget?

PG&E's approved budget for 2023 is \$13.5 billion, up from the 2022 authorized amount of \$12.2 billion. The budget will increase each year through 2026, when the annual total is about \$14.7 billion.

## 4. Now that PG&E's budget is approved, will customers see rate increases on their energy bills?

Yes, rates will increase for all PG&E customers, including those that receive electricity generation services from CCAs.

## 5. How much will the typical residential customer's bill increase?

The typical residential customer's bill will increase by \$32.62 or 12.8% in 2024. This is for *both* electricity and gas combined. Note that the impact on your bill will vary depending on your usage, what part of the state you live in, and other programs in which you choose to enroll. See table below for illustrative rate impacts for both electricity and gas customers.

	Electric-only Customers	Natural Gas-only Customers	Electric and Gas Customers
Average residential customer bill increase	+\$22.20	+\$10.43	+\$32.62 or an increase of 12.8%
Average residential CARE customer bill increase	+\$14.43	+\$7.23	+\$21.66 or an increase of 13.1%

Source: <https://www.cpuc.ca.gov/-/media/cpuc-website/industries-and-topics/documents/pge/grcs/updatedfaq-pge-grc-111323.pdf>.

## 6. When will the rate increases take effect?

The new rates will take effect on January 1, 2024. Customers may see the change in their bill in February depending on their billing cycle.

## 7. Why does PG&E want to increase rates, and what are the main drivers?

PG&E asserts it needs to make several changes to ensure the safety and reliability of its energy services. The top drivers of PG&E's rate increases are inflation and significant investments in undergrounding electric lines to decrease wildfire risk.

## 8. Are CCA customers impacted?

Yes, CCA customers are impacted because they receive transmission, distribution and other services from PG&E. CCA and non-CCA customers in PG&E's territory are impacted equally. It's important to note that the bill increases are for PG&E's services only, not the electricity services CCAs provide.

## 9. Are CCA charges affected by PG&E's rate increase?

No, CCA electricity costs are separate from the amount billed by PG&E.

## 10. Why is there opposition to PG&E's rate increases?

Ratepayer advocacy groups, including The Utility Reform Network (TURN), opposed the rate increase, deeming it excessive. They urged support for a less expensive alternative. California CCAs also protested aspects of PG&E's budget request.

**11. How can I express an opinion about the PG&E GRC?**

Members of the public can still submit comments to the CPUC through the "Public Comments" tab [here](#).

**12. I've heard the PG&E rate increases are based on how much money customers earn. Is this true?**

There is a different proposal before the CPUC, separate from the GRC, where some PG&E customers would pay a fixed charge on their monthly bills based on household income. This is known as the income graduate fixed charge (IGFC) proposal.

**13. How much will I pay per month under the income graduate fixed charge proposal?**

The charge will vary based on income. PG&E estimates the following bill impacts:

- Low-income customers can expect to pay \$15-\$30
- Moderate-income customers would pay about \$51
- Higher income customers would pay about \$92

Source: <https://pgsupport.zendesk.com/hc/en-us/articles/14862277639565-How-much-will-I-pay-under-the-income-graduate-fixed-charge-proposal->

**14. When would I see the IGFC charges on my bill?**

The CPUC plans to authorize the IGFC by July 1, 2024. The charges will appear on your PG&E bill as soon as 2026. The Commission has yet to decide the precise timing.

**15. Where did the idea for the new income-based charges come from?**

The California Legislature passed a bill, AB 205, that directed the CPUC to authorize an IGFC, so that low-income customers would save on their monthly bills without changing consumption.

**16. How can I express an opinion about the addition of new income-based charges?**

Members of the public can weigh in on the IGFC proposal through the CPUC's "Public Comments" tab [here](#).

**17. I can't afford all these rate increases! What can I do to reduce my energy bill?**

There are many steps you can take to try to reduce your energy costs. First, find out if you are eligible for California's main bill discount programs, [California Alternate Rates for Energy \(CARE\)](#) and [Family Electric Rate Assistance Program \(FERA\)](#), which provide 30-35 percent discounts on rates.