



**AGENDA**  
**COMMUNITY ADVISORY COMMITTEE MEETING**  
**THURSDAY, MARCH 21, 2024**  
**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 MARCH 21, 2024, 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

How to Submit Public Comment:

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 Board. On any item, the Board 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 February 15, 2024, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 15**
3. Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute an Amendment to the Software License, Maintenance, and Support Agreement with Ascend Analytics, LLC, for a Three-Year Extension and Incremental Contract Total of \$546,503 (Staff Recommendation: Approve) **pg. 19**

**COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

4. Receive Brown Act and Ethics Law Training for the Community Advisory Committee (Staff Recommendation: Receive and File) **pg. 23**
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, Recommend a Position on AB 1305 (Stern) and Provide Feedback as Appropriate (Staff Recommendation: Approve) **pg. 41**
7. Receive Agricultural Community Needs Assessment Final Report (Staff Recommendation: Receive and File) **pg. 49**
8. Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2024-2025 (Staff Recommendation: Receive and File) **pg. 53**

**COMMITTEE MEMBER ANNOUNCEMENTS**

**ADJOURN**

## COMMONLY USED ACRONYMS AND TERMS

CAC	SCP's Community Advisory Committee, advises the Board of Directors
CAISO	California Independent Systems Operator – the grid operator
Carbon Free	Carbon-free resources are sources of power that have no greenhouse gas emissions, but are considered renewable in California, such as large hydroelectric and nuclear
CCA	Community Choice Aggregator – a public power provider (generation only)
CEC	California Energy Commission
CleanStart	SCP's default power service
CPUC	California Public Utilities Commission
DER	Distributed Energy Resource (e.g. rooftop solar)
ERRA	Energy Resource Recovery Account – PG&E's primary generation rate case at the CPUC
EverGreen	SCP's premium 100% renewable, 100% local energy service, and the first service in the United States providing renewable power every hour of every day. Sign up today!
Geothermal	A locally available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case -PG&E's primary delivery rate case 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. GridSavvy Rewards are also available with smart devices (e.g. smart thermostat, EV charger, battery storage, etc.). Both are 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 program
PCIA	Power Charge Indifference Adjustment – The PCIA is a charge to ensure that both PG&E, Direct Access, and CCA customers pay for the above market costs for electric generation resources that were procured by PG&E on their behalf prior to departing. "Above Market" refers to the difference between what the utility pays for electric generation and current market prices for the sale of those resources.
RA	Resource Adequacy – a required form of capacity that helps ensure there are sufficient power resources available when needed. It acts as insurance for the grid when demand is high to keep the lights on.
RPS	Renewables Portfolio Standard refers to renewable energy sources which qualify to meet state requirements and include biomass & biowaste, geothermal, small hydroelectric, solar and wind.
SCPA	Sonoma Clean Power Authority
TOU	Time-of-Use, used to refer to rates that differ by time of day and season.

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**DRAFT MEETING MINUTES  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, FEBRUARY 15, 2024  
1:00 P.M.**

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**CALL TO ORDER**

(1:02 p.m. - Video Time Stamp: 00:02:25)

Chair Morris called the meeting to order.

Committee Members present: Chair Morris, Vice Chair Quinlan, and Members Soto Anguiano, Soto, Dowd, Wang, Hagen, Nicholls, Booth, and Lipp. Member Kelly was 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; Miles Horton, Legislative Policy and Community Engagement Manager; and Greg Alesandro, IT Systems Manager.

Member Booth noticed she was participating in the meeting under the provisions of AB 2449.

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

(1:05 p.m. - Video Time Stamp: 00:05:08)

Public Comment: None

**COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

(1:05 p.m. - Video Time Stamp: 00:05:52)

1. Approve January 18, 2024, Draft Community Advisory Committee Meeting Minutes
2. Receive Geothermal Opportunity Zone Update
3. Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services

Agreement with ReconMR, LLC, with a Not-To-Exceed amount of \$115,000 for the Annual Brand Awareness Survey

4. Approve Rescheduling the Community Advisory Committee's April 2024 Meeting Date to April 11, 2024
5. Recommend that the Board of Directors Approve and Authorize the Chief Executive Officer to Execute an Option to Extend the Lease for the Advanced Energy Center an Additional 36 Months with Kushins & Langendorf

Public Comment: None

Chair Morris asked if people could call in to SCP regarding the research done in item 3 and Kate Kelly, Director of Public Relations and Marketing answered no, the research firm would reach out to participants.

Motion to approve the February 15, 2024, Community Advisory Committee Consent Calendar by Member Quinlan

Second: Member Dowd

Motion passed by roll call vote.

AYES: Morris, Quinlan, Soto Anguiano, Soto, Dowd, Wang, Hagen, Nicholls, Booth, Lipp

ABSENT: Kelly

## **COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

6. Nominate and Approve the Appointments of Chair and Vice Chair of the Community Advisory Committee for One-Year Terms

(1:09 p.m. - Video Time Stamp: 00:09:14)

Vice Chair Quinlan

Public Comment: None

Motion to nominate and approve Patricia Morris as Chair of the Community Advisory Committee by Vice Chair Quinlan

Second: Member Nicholls

Motion passed by roll call vote.

AYES: Morris, Quinlan, Soto Anguiano, Soto, Dowd, Wang, Hagen, Nicholls, Booth, Lipp

ABSENT: Kelly

Chair Morris thanked the Committee and staff.

Motion to nominate and approve Spencer Lipp as Vice Chair of the Community Advisory Committee by Chair Morris

Second: Member Nicholls

Motion passed by roll call vote.

AYES: Morris, Quinlan, Soto Anguiano, Soto, Dowd, Wang, Hagen, Nicholls, Booth, Lipp

ABSENT: Kelly

Vice Chair Lipp also thanked the Committee and staff. Chair Morris encouraged everyone on the Committee to think about taking on leadership positions in the future.

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

(1:14 p.m. - Video Time Stamp: 00:14:16)

Stephanie Reynolds, Director of Internal Operations, invited Carolyn Glanton, Programs Operations Manager to give an update on donation partnerships with GridSavvy. Ms. Glanton stated that the applications received were diverse and staff are recommending five organizations. Director Reynolds then discussed SCP's investments. Scott Salyer, Program Manager, discussed SCP's E-bike Commuter Program and the partnerships with local organizations promoting green commutes. Mr. Salyer added that the kickoff for the program will be in late May and said that SCP wants to target and empower underserved communities.

Chair Morris asked if the Committee could help, and Mr. Salyer answered that SCP would like information on specific groups to target. Member Booth asked if schools were eligible and Mr. Salyer answered technically yes, but the program is limited to individuals over 18, but added that teachers and staff could be eligible.

Director Reynolds announced that SCP had closed escrow on its new building purchase. When reviewing the December financials, CEO Geof Syphers discussed power loss in the service territory due to recent storms and reminded the Committee that SCP is an advocate of grid reliability. CEO Syphers then discussed GeoZone partnerships with Chevron New Energies and announced that they had received a geothermal grant from the Federal government.

Member Dowd asked for a little background on the building purchase and CEO Syphers mentioned that it would be used for more office space and its location is convenient. Vice Chair Lipp wanted to raise awareness that power was out in west county for 9 days and CEO Syphers explained that complete electrification for some areas may not work right now, and reliability is very important. Member Nicholls mentioned that information coming from PG&E was wrong regarding the timing of the outage and asked if SCP could investigate it.

Public Comment: None

8. Receive Legislative Regulatory Updates and Provide Feedback as Appropriate  
(1:41 p.m. - Video Time Stamp: 00:41:25)

Neal Reardon, Director of Regulatory Affairs, announced that PG&E applied to expand the capacity of the Helms Pumped Storage Facility. Director Reardon explained that this expansion would extend the life of the hydro plant and provide additional capacity. Director Reardon then discussed the extension of Diablo Canyon and explained that since its approval, two petitions have been submitted to the CPUC and he stated that PG&E requested a guaranteed rate of return on their investment.

Vice Chair Lipp asked if there would be others on SCP's side regarding the Helms plant and Director Reardon answered that several groups including other CCAs, rate payers' advocates, and environmental groups would be. Chair Morris asked if there was precedent for the Helm's funding and Director Reardon answered that there was not. Chair Morris then asked how capacity was expanded and CEO Syphers answered in two ways either increasing height or digging out the reservoir. Chair Morris then asked if SCP had discussed selling carbon credits and Director Reardon explained that it was different than standard carbon offset and required reducing emissions, but he



said that the emission reductions could be traded. Member Quinlan then stated that this then enables someone else to act in a dirty manner and CEO Syphers that the only options are not selling credits or to monetize it, and neither is a perfect fit.

Miles Horton, Legislative Policy & Community Engagement Manager, gave a legislative update and stated that bills were due to the legislature by February 16, 2024. He gave an update on SB 938 which would close a loophole using ratepayer funds for lobbying and he discussed leadership changes. Mr. Horton then discussed the budget and the upcoming ~\$39+ billion deficit. Mr. Horton then gave an update on AB 1999 which would significantly alter the authorization it gave for income graduated fixed charges.

Member Quinlan stated that AB 205 may create grid problems and CEO Syphers explained that it takes away the motivation to conserve.

Public Comment: Tom Conlon, see attached public comment.

#### 9. Receive Energy Savings Box Focus Group Findings

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

Director Kelly gave a presentation of the findings from SCP's Energy Savings Box Focus Group. The presentation is attached.

Member Quinlan asked what a smart socket was, and an example was passed around to the Committee. Member Nicholls asked if the box would be found in local libraries and Director Kelly answered not now, but SCP toolkits can be found there, and the box will be found at the Advanced Energy Center (Energy Center). Member Soto asked what can be done to show value of the box and CEO Syphers responded that there was a lot including: video, radio, publishing and speaking, but it depends on who SCP is targeting. Chair Morris asked when the program will start, and Mr. Salyer answered in late March or April. Member Nicholls asked if SCP was promoting EverGreen with this, and Director Kelly answered that it was not.

Public Comment: Tom Conlon, see attached public comment.

#### 10. Recommend the Board of Directors Approve the Proposed Budget Adjustments for Fiscal Year 2023-2024

(2:33 p.m. - Video Time Stamp: 01:33:24)

CEO Syphers explained that this item was routine and showed 7% customer bill savings over a 2-year period. Chris Golik, Finance Manager, discussed the adjustments. CEO Syphers added that the main adjustments dealt with electricity sales, fund reserves and the cost of energy. Mr. Golik also pointed out that the purchase of the new building was added to the capital budget.

Public Comment: None

Motion to recommend the Board of Directors approve the proposed Budget Adjustments for Fiscal Year 2023-2024 by Member Dowd

Second: Member Quinlan

Motion passed by roll call vote.

AYES: Morris, Quinlan, Soto Anguiano, Soto, Dowd, Wang, Hagen, Nicholls, Booth, Lipp

ABSENT: Kelly

## **COMMITTEE MEMBER ANNOUNCEMENTS**

(2:42 p.m. - Video Time Stamp: 01:42:56)

Chair Morris encouraged all Committee Members to watch the Board of Directors meetings. Member Hagen stated she would be unable to attend the April Committee Meeting.

## **ADJOURN**

(2:43 p.m. - Video Time Stamp: 01:43:33)

The meeting was adjourned by unanimous consent.

## Energy Savings Box Focus Groups Findings

Conducted for:  
**Sonoma  
Clean Power**

### Methodology

- Two focus groups were conducted on December 6, 2023, at the Advanced Energy Center
- Each group lasted 90 minutes and was conducted with SCP customers
  - 1 group with Hispanic low- to mid-income customers (7 participants)
  - 1 groups with All other low- to mid-income customers (12 participants)
- Participants during the group were given an Energy Savings Box to evaluate, including:
  - 6 LED bulbs
  - Smart power strip
  - Smart socket
  - Weather stripping
  - Basic timer
  - LED night light
  - Brochure
  - Instruction booklet

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### Product Evaluations

Customers provided mixed feedback on products in the Energy Savings Kit across several factors

	Likely to Use	Perceived Energy Savings	Perceived Value	Generated Excitement	Easy to Understand
Smart power strip					
Smart socket					
LED bulbs (6)					
Weather stripping					
Basic timer					
Night light					

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### Customers have Positive Reactions to Energy Savings Kit

- Overall, customers are appreciative of the Energy Savings Kit and are likely to use many of the items right away
- Customers were surprised by the number of items in the box and the overall perceived value of the products included
- Energy Savings Kit is viewed as a good fit for SCP and leaves customers with impression that SCP wants to partner with customers to conserve energy
- Customers liked the idea of distributing information about kits through schools, targeting low-income neighborhoods
- Allow customers to customize their Energy Savings Kit to select only the products they would use

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## Customers have Positive Reactions to Energy Savings Kit

*"With this I feel like SCP is our partner. They want to work with us to save energy."*

SCP Customer



*"I'd give it a 6 out of 10. It's nice, but I already have been using all this stuff."*

SCP Customer



*"That's a lot of value. It's exciting."*

SCP Customer



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## Summary



- Customers are appreciative of the Energy Savings Box and believe it's a good fit for SCP



- Smart products, such as smart socket and power strip, generated the most interest and are most likely to be used, along with the LED bulbs. The night light and timer can be removed.



- Combine brochure and instruction manual into a full-color single booklet, incorporating QR codes linking to instructional videos

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## SCP Actions

- Renamed from Energy Savings Kit to Energy Savings Box
- Removed the night light and the mechanical timer
- Added rope caulk and v-seal weather stripping
- Created a full-color single booklet with both the product descriptions and instructions included, incorporating QR codes linking to instructional videos
- Added a blurb in the brochure with information about what customer can do with products if they don't have a use for them.

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**From:** Thomas Conlon  
**To:** [Clerk of BOD](#)  
**Subject:** Public Comment RE Item 8: Legislative/Regulatory Report  
**Date:** Thursday, February 15, 2024 1:50:21 PM

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Regarding the impact on the PCIA for PG&E's proposed extension and expansion on Helms Pumped Storage...

"Go get 'em NEAL!"

Thank You,

- Tom Conlon

**From:** Thomas Conlon  
**To:** Clerk of BOD  
**Subject:** Public Comment on Item 9: Focus Group Results  
**Date:** Thursday, February 15, 2024 2:31:28 PM

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Comment:

Gratifying to see this energy savings "kit" idea going strong (which Robert Mowris and I dreamed up together ~20 years ago and piloted with Realtors at the time of resale)...

For brand enhancement, SCP should consider targeting ("welcoming") new customers with these kits, leveraging real estate agents as delivery partners.

Question:

Does the brochure also encourage customers to seek out a whole home energy efficiency audit, e.g., Home Energy Score, etc.?

- Tom Conlon



## 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  
Miles Horton, Legislative Policy & Community Engagement Manager  
Claudia Sisomphou, Public Affairs & Advocacy Manager

**Issue:** Receive Geothermal Opportunity Zone Update

**Date:** March 21, 2024

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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 Committee each month, and minutes from any discussion are posted on SCP's website at <https://sonomacleanpower.org/geozone-public-updates>. Staff incorporate 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>.

### Grant Funding

In the February 15<sup>th</sup> CAC meeting, staff shared a verbal update that the Department of Energy's Geothermal Technology Office [announced they selected Chevron New Energies' pilot demonstration project](#) in the GeoZone for award negotiation as part of the Bi-partisan Infrastructure Law's Enhanced Geothermal Systems (EGS) Demonstration grant program. Funding from the Department of Energy will support the deployment of innovative technologies that can reduce well costs and increase productivity to support widespread commercial deployment of EGS. More details on the grant will be available after Chevron New Energies completes negotiations with the Department of Energy—a process that typically takes 60 days.

SCP and Cyrq Energy are preparing for a potential application to the California Energy Commission's (CEC) [Long Duration Energy Storage Program](#) that is expected to be released this summer. A key focus this Spring for the Cyrq project will be securing a commitment from an existing Geysers operator to host the project and ensuring the technical readiness of the thermal energy storage system to maximize the competitiveness of an application. The CEC is expected to fund four or so projects out of their \$70 million budget.

The CEC also recently released a grant solicitation for its [Geothermal Grant and Loan Program](#). The geothermal grant and loan program is funded from royalties the state receives from geothermal production on state-owned land. Awards from the grant are capped at \$1.5 million and likely insufficient to fund substantial demonstration or technical work in the GeoZone but could be very impactful in supporting early planning and technical work. SCP will be engaging local jurisdictions to see if there is interest in a joint application to fund technical work that better equips the region for evaluating projects for geothermal exploration and development.

## **GeoZone Project Updates**

Chevron New Energies is currently focused on site acquisition and negotiating the grant award with the Department of Energy. The next key focus for Chevron New Energies will be preparing for the permitting process for exploration drilling, expanding community engagement, and acquiring data to assist with subsurface project design.

Eavor is completing its GeoZone feasibility study—including a comprehensive look at geologic conditions and site opportunities that are conducive to Eavor-loop development. Meanwhile, Eavor has started drilling the Eavor-Loop for its first [commercial project in Gerestried, Germany](#)—a key milestone in its technology roadmap to improve drilling efficiency to enable commerciality of applying their technology in the GeoZone.

Cyrq Energy is completing technical work to demonstrate the compatibility of its long-duration energy storage system technology with facilities at the Geysers. Cyrq is also reviewing candidate thermal energy storage technologies that are suitable for the CEC's upcoming solicitation—which is expected to require technology that has passed the initial demonstration phase. Cyrq and SCP are coordinating on evaluating the commerciality of adding storage to the Geysers and exploring different contractual structures.

SCP continues to meet with each GeoZone partner on a bi-weekly basis to validate progress towards milestones in the cooperation agreements and identify opportunities



to partner in overcoming hurdles to GeoZone development.

## **Community Engagement**

SCP staff is focusing its community engagement work in early 2024 on capturing lessons learned from other organizations that can be incorporated into its own plans for community engagement at the GeoZone. In February, SCP met with Clean Air Task Force to discuss the work they've completed in understanding community receptiveness to next-generation geothermal technologies. In March, staff attended a webinar workshop on community benefits and engagement for offshore wind. Staff anticipate development of a more programmatic approach to GeoZone community engagement by summer 2024.

Claudia Sisomphou was recently promoted to Public Affairs and Advocacy Manager and will be supporting GeoZone engagement alongside Legislative Policy and Community Engagement Manager, Miles Horton, in her new role.

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**Staff Report - Item 03**

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

**From: Ryan Tracey, Director of Planning & Analytics**

**Issue: Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute an Amendment to the Software License, Maintenance, and Support Agreement with Ascend Analytics, LLC, for a Three-Year Extension and Incremental Contract Total of \$546,503**

**Date: March 21, 2024**

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**Recommended Action**

Staff are requesting the Committee Advisory Committee (CAC) recommend that the Board of Directors (Board) authorize the CEO or his designee to execute an amendment to the Software, License, Maintenance, and Support Agreement (SLA) with Ascend Analytics, LLC (Ascend) to extend SCP's access to the PowerSIMM software platform for up to three additional years. The total cost of a three-year extension is \$546,503.

**Background**

SCP's original contract with Ascend for the PowerSIMM platform was approved by the Board in August 2021 and expires in August 2024. PowerSIMM is a sophisticated software tool to model the energy market that enables staff to assess the performance and risk of power contracts—including new renewable power purchase agreements (PPAs), financial hedges, battery storage, and reliance on the spot market. PowerSIMM has become an integral tool to SCP's business and drives the decision-making for proposed power contracts, creation of SCP's Integrated Resource Plan (IRP) and informs market risk management strategies.

SCP selected Ascend's PowerSIMM platform through a Request for Proposals (RFP) conducted in January 2021 for a stochastic portfolio evaluation platform. The RFP received five responses and Ascend was selected by staff due to its strong analytic capabilities—including modeling of battery storage, stochastic engine, and portfolio optimization.

## Discussion

Since 2021, staff have invested considerable effort in developing expertise in operating PowerSIMM and deploying standard workflows to evaluate potential projects, monitor risk, and optimize an IRP portfolio. PowerSIMM has enabled staff to assess the relative value of different technologies, locations, and contractual requirements in procuring resources to meet regulatory requirements and SCP's climate goals. This capability has driven procurement of a resource portfolio that will deliver more value to SCP ratepayers. SCP has also used PowerSIMM to support contract evaluation for California Community Power (CC Power).

The attached amendment allows staff to continue using PowerSIMM through August 2028 at pricing that inflates at 2.5% per year beyond the original contract. Although PowerSIMM is currently a business-critical tool for staff, the amendment preserves the original contract's termination right without cost if staff determines that PowerSIMM is no longer necessary.

Through the SLA, SCP receives access to the PowerSIMM platform hosted on a cloud instance that provides advanced computing capabilities for sub-hourly modeling and stochastic optimization. The SLA also provides SCP access to Ascend's market intelligence service including semiannual CAISO forecasts on the long-term forecast for location-specific energy prices, volatility, capacity, and renewable attributes. The SLA includes credit for Ascend consulting services. Although staff have become expert PowerSIMM users and often complete projects without assistance, the support credit is very helpful when staff needs validation of results or testing new approaches to project evaluation and optimization.

## Fiscal Impact

Below is a table detailing the total cost for the proposed contract extension:

	Year 4	Year 5	Year 6	Total
PowerSimm Software Platform License Fee	\$129,227	\$132,458	\$135,769	\$397,454
Hosting Fee	\$26,923	\$27,596	\$28,286	\$82,805
Ascend Market Intelligence Service	\$21,538	\$22,077	\$22,629	\$66,244
<b>Contract Total</b>	<b>\$177,688</b>	<b>\$182,131</b>	<b>\$186,684</b>	<b>\$546,503</b>
Ascend Support Credit (included)	\$27,185	\$27,865	\$28,561	\$83,611

Staff has included an extension to Ascend’s contract in the latest 5-year budget outlook.

Although it is difficult to quantify, it is staff’s strong assertion that PowerSIMM has delivered incredible value to SCP ratepayers—easily covering its contractual cost. Using PowerSIMM has allowed staff to make data-informed decisions on battery storage and renewable projects that will deliver the most value and improve SCP’s credibility at both the negotiating table and with regulators.

### **Attachments**

- Attachment 1 - Draft Amendment No. 1 to Software License, Maintenance and Support Agreement with Ascend Analytics, LLC, available at [this link](#), or by request to the Clerk of the Board

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## **Staff Report - Item 04**

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

**From:** Stephanie Reynolds, Director of Internal Operations  
Joshua Nelson, Special Counsel

**Issue:** Receive Brown Act and Ethics Law Training for the Community Advisory Committee

**Date:** March 21, 2024

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### **Requested Board Action**

Receive Brown Act and Ethics Law Training for the Community Advisory Committee.

### **Background**

Counsel will provide a Brown Act and Ethics Law Refresher Training to the Community Advisory Committee during the March 21, 2024, meeting.

### **Attachments**

- SCPA Committee Brown Act Training March 2024 Power Point

## Brown Act and Other Topics



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## Overview

- Brown Act
  - Application of the Act
  - What is a Meeting?
  - Serial Meetings
  - Open and Public
- Public Records Act
- Conflicts of Interest
- Questions?



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## Application

### *Brown Act*

- Government Code § 54950
- California's open meeting law for local agencies
- Ensures most discussions and deliberations occur in public

### *Basic Rule*

- (2) Meetings of
- (1) Local Legislative Bodies
- (3) Must be Open and Public



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## Application

### *Local Agency*

- Means a county, city, whether general law or chartered, city and county, town, school district, municipal corporation, district, political subdivision, or any board, commission or agency thereof, or other local public agency

### *Legislative Body*

1. Governing body;
2. Board, commission, committee created by formal action of the governing body;
3. Private organizations (in limited circumstances).



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## Meeting

### *Meeting*

- Any gathering of a majority of the members at the same time and place to hear, discuss or deliberate upon any matter under their jurisdiction.
- Majority = majority of total membership



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## Meeting

### *Not a Meeting*

- Individual contacts;
- Purely social or ceremonial occasions;
- Meetings with other legislative bodies – a majority of the governing body may attend as long as they do not discuss among themselves issues related to the agency.



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## Serial Meetings

### *Ways Serial Meetings Can Occur*

- Personal Meeting
- Telephone
- Email
- Written Correspondence
- Use of Intermediaries
- Social Networking Sites such as Facebook and Twitter\*\*\*.



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## Rules Governing Meetings

### *Agenda*

- 72 hours for regular meeting and 24 hours for special meeting
- Posted online and at a location freely accessible to the public
- Packet is a public record once distributed to the CAC
- CAC can only discuss items on the agenda

### *Public Comment*

- Comment must be provided on agenda items and non-agenda items
- Time limits are permissible
- CAC members should not engage with the public



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## Rules Governing Meetings

### 4 Types of Meetings

- Traditional meeting
  - Single meeting location
  - No remote public comment required



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## Brown Act

### 4 Types of Meetings (cont.)

- Teleconference meeting
  - All locations public and listed on the agenda
  - Agenda posted at teleconference locations
  - Quorum within SCP service area
  - Vote by roll call



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## Brown Act

### 4 Types of Meetings (cont.)

- Private remote meeting
  - Remote public comment
  - Quorum at physical meeting location
  - Directors attend for just cause or an emergency
  - Vote by roll call



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## Brown Act

### 4 Types of Meetings (cont.)

- All remote meeting
  - Allowed during state of emergency
  - Remote public comment
  - Findings must be made and renewed
  - Vote by roll call



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## Public Records Act

### *Basic Rule*

- Makes all non-exempt, state and local government agency records in any form or medium subject to public inspection during office hours or copying upon payment of duplication costs
- Record defined broadly
  - Includes any tangible thing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics



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## Conflicts of Interest

### *Political Reform Act*

- Public officials have a disqualifying conflict of interest under the Political Reform Act of 1974 when the decision
    - Reasonable foreseeable
    - Material Financial effect
    - Economic interest
    - Different from the public generally
- Government Code section 1090*
- Applies to financial interests in contracts



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**Thank you for attending.**

**Josh Nelson**

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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:** March 21, 2024

---

### CURRENT ENROLLMENTS

#### Clean Start

#### Meters and Participation by TOT

COUNTY	Eligible	SCP	% Part.	% Opt Out
<input type="checkbox"/> <b>MENDOCINO</b>	<b>38,290</b>	<b>30,100</b>	<b>78.6%</b>	<b>21.4%</b>
FORT BRAGG INC	4,073	3,392	83.3%	16.7%
POINT ARENA INC	343	294	85.7%	14.3%
UNINC MENDOCINO CO	31,132	24,259	77.9%	22.1%
WILLITS INC	2,742	2,155	78.6%	21.4%
<input type="checkbox"/> <b>SONOMA</b>	<b>228,826</b>	<b>200,315</b>	<b>87.5%</b>	<b>12.5%</b>
CLOVERDALE INC	3,905	3,197	81.9%	18.1%
COTATI INC	3,876	3,479	89.8%	10.2%
PETALUMA INC	27,457	24,307	88.5%	11.5%
ROHNERT PARK INC	19,668	17,333	88.1%	11.9%
SANTA ROSA INC	78,976	69,541	88.1%	11.9%
SEBASTOPOL INC	4,450	4,041	90.8%	9.2%
SONOMA INC	6,435	5,618	87.3%	12.7%
UNINC SONOMA CO	74,025	64,055	86.5%	13.5%
WINDSOR INC	10,034	8,744	87.1%	12.9%
<b>Total</b>	<b>267,116</b>	<b>230,415</b>	<b>86.3%</b>	<b>13.7%</b>

## Current EverGreen Enrollment by TOT

COUNTY	SCP Meters	EverGreen Meters	EverGreen %
<b>MENDOCINO</b>	<b>30,037</b>	<b>453</b>	<b>1.51%</b>
FORT BRAGG INC	3,379	42	1.24%
POINT ARENA INC	292	30	10.27%
UNINC MENDOCINO CO	24,230	360	1.49%
WILLITS INC	2,136	21	0.98%
<b>SONOMA</b>	<b>200,595</b>	<b>3,638</b>	<b>1.81%</b>
CLOVERDALE INC	3,196	24	0.75%
COTATI INC	3,482	124	3.56%
PETALUMA INC	24,303	630	2.59%
ROHNERT PARK INC	17,343	241	1.39%
SANTA ROSA INC	69,754	1,196	1.71%
SEBASTOPOL INC	4,044	181	4.48%
SONOMA INC	5,615	84	1.50%
UNINC SONOMA CO	64,116	1,006	1.57%
WINDSOR INC	8,742	152	1.74%
<b>Total</b>	<b>230,632</b>	<b>4,091</b>	<b>1.77%</b>

## COMING SOON: ENROLL YOUR ENPHASE BATTERY IN GRIDSAVVY REWARDS

We're finalizing the enrollment process for customers to add their Enphase battery systems to GridSavvy Rewards. This new offer will reward customers who allow SCP to optimize their battery storage, supporting the electric grid during peak demand. The contract for services for this program was approved by the Board of Directors last year. To gear up for the program launch, an installer class is scheduled for March 19th. Updates will be provided on our website

<http://www.sonomacleanpower.org/programs/gridsavvyrewards> and at future Committee meetings.

## COMMUNITY DONATION PARTNERS

We received 16 submissions from non-profits for the Community Donation Partner opportunity to receive customer program incentive donations. After careful consideration regarding the respondents' alignment with our mission, reach to our entire community, and ability to promote our programs, we selected 5 finalists. Currently, we're in the process of finalizing agreements with these finalists and plan to

announce their names soon. For the non-profits not selected, we're looking forward to exploring alternative ways to collaborate with them in the future.

## **MONTHLY COMPILED FINANCIAL STATEMENTS THROUGH JANUARY 31, 2024**

The year-to-date change in net position is over projections by approximately \$19,749,000. SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$250,900,000, which indicates growth as SCP continues to make progress towards its financial goals. Approximately \$163,190,000 is set aside for operating reserves.

## **BUDGETARY COMPARISON SCHEDULE THROUGH JANUARY 31, 2024**

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 less than 1% at the end of the reporting period. The cost of electricity is less than the budget-to-date by approximately 12%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

## **ATTACHMENTS**

- January 2024 Financial Statements

## **UPCOMING MEETINGS**

- Board of Directors - April 4, 2024
- Community Advisory Committee - April 11, 2024
- Board of Directors - May 2, 2024
- Community Advisory Committee - May 16, 2024





## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of January 31, 2024, 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  
February 26, 2024

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of January 31, 2024

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 58,363,766
Accounts receivable, net of allowance	23,664,489
Other receivables	2,183,836
Accrued revenue	13,774,515
Prepaid expenses	934,729
Deposits	10,198,054
Investments	138,134,998
Total current assets	247,254,387

#### Noncurrent assets

Other receivables	1,124,355
Land	1,195,405
Capital assets, net of depreciation	17,860,843
Deposits	846,256
Total noncurrent assets	21,026,859
Total assets	268,281,246

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	8,862,204
Accounts payable	1,095,965
Advances from grantors	2,765,734
Other accrued liabilities	966,483
User taxes and energy surcharges due to other governments	681,689
Supplier security deposits	804,000
Total current liabilities	15,176,075

#### Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	17,381,196

### NET POSITION

Investment in capital assets	19,050,477
Unrestricted	231,849,573
Total net position	\$ 250,900,050

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Seven Months Ended January 31, 2024**

**OPERATING REVENUES**

Electricity sales, net	\$ 167,776,683
Evergreen electricity premium	1,514,137
Grant revenue	740,047
Total operating revenues	<u>170,030,867</u>

**OPERATING EXPENSES**

Cost of electricity	110,706,430
Contract services	4,830,922
Staff compensation	4,561,296
Program rebates and incentives	2,457,048
Other operating expenses	1,387,394
Depreciation	809,493
Total operating expenses	<u>124,752,583</u>
Operating income	<u>45,278,284</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest and investment returns	4,761,921
Nonoperating revenues (expenses), net	<u>4,761,921</u>

**CHANGE IN NET POSITION**

	50,040,205
Net position at beginning of year	<u>200,859,845</u>
Net position at end of period	<u><u>\$ 250,900,050</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Seven Months Ended January 31, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 171,747,629
Receipts from grantors	432,506
Other operating receipts	1,560,124
Payments to electricity suppliers	(114,458,475)
Payments for other goods and services	(6,303,589)
Payments of staff compensation	(4,583,645)
Tax and surcharge payments to other governments	(2,155,558)
Payments for program rebates and incentives	(2,934,218)
Deposits and collateral paid	(1,350,000)
Net cash provided (used) by operating activities	<u>41,954,774</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(1,465,061)</u>
------------------------------------	--------------------

### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	3,423,267
Proceeds from certificates of deposit matured	50,000,000
Purchase of investments	(101,000,000)
Net cash provided (used) by investing activities	<u>(47,576,733)</u>

Net change in cash and cash equivalents	(7,087,020)
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 58,363,766</u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS

(Continued)

Seven Months Ended January 31, 2024

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

Operating income (loss)	\$ 45,278,284
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	809,493
(Increase) decrease in:	
Accounts receivable, net	1,504,021
Other receivables	273,956
Accrued revenue	(1,164,680)
Prepaid expenses	539,078
Deposits	(1,408,997)
Increase (decrease) in:	
Accrued cost of electricity	(5,414,017)
Accounts payable	81,672
Advances from grantors	(308,948)
Accrued liabilities	1,336,802
User taxes due to other governments	(38,090)
Supplier security deposits	466,200
Net cash provided (used) by operating activities	<u>\$ 41,954,774</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 January 31, 2024, 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  
February 26, 2024

**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND**  
**Seven Months Ended January 31, 2024**

	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) *	\$ 167,940,876	\$ 167,726,976	\$ (213,900)	100%	\$ 243,952,000	\$ 76,225,024
Evergreen Premium (net of allowance)	1,680,218	1,514,137	(166,081)	90%	2,689,000	1,174,863
CEC Grant	460,000	431,099	(28,901)	94%	470,000	38,901
Investment returns	1,900,000	4,761,921	2,861,921	251%	3,540,000	(1,221,921)
Miscellaneous Income	1,200,309	358,655	(841,654)	30%	2,058,000	1,699,345
Total revenue and other sources	173,181,403	174,792,788	1,611,385	101%	252,709,000	77,916,212
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	126,322,149	110,706,430	(15,615,719)	88%	193,762,000	83,055,570
Data management	1,563,333	1,463,113	(100,220)	94%	2,680,000	1,216,887
Service fees- PG&E	577,500	574,527	(2,973)	99%	990,000	415,473
Personnel	4,761,000	4,561,296	(199,704)	96%	8,346,000	3,784,704
Energy Center, marketing & communications	1,787,837	1,278,275	(509,562)	71%	3,061,000	1,782,725
Customer service	150,500	85,524	(64,976)	57%	220,000	134,476
General and administration	762,991	810,284	47,293	106%	1,360,000	549,716
Legal	277,083	70,877	(206,206)	26%	475,000	404,123
Regulatory and compliance	268,333	215,634	(52,699)	80%	460,000	244,366
Accounting	202,620	184,410	(18,210)	91%	309,000	124,590
Legislative	128,333	56,000	(72,333)	44%	220,000	164,000
Other consultants	369,117	122,863	(246,254)	33%	624,000	501,137
Industry memberships and dues	445,433	395,595	(49,838)	89%	695,000	299,405
Program implementation	4,025,570	2,136,884	(1,888,686)	53%	8,101,000	5,964,116
Program - CEC grant	1,546,000	1,281,378	(264,622)	83%	1,712,000	430,622
Total current expenditures	143,187,799	123,943,090	(19,244,709)	87%	223,015,000	99,071,910
<b>OTHER USES</b>						
Capital outlay	350,000	1,456,888	1,106,888	416%	600,000	(856,888)
Total expenditures, other uses	143,537,799	125,399,978	(18,137,821)	87%	223,615,000	98,215,022
Net increase (decrease) in available fund balance	\$ 29,643,604	\$ 49,392,810	\$ 19,749,206		\$ 29,094,000	\$ (20,298,810)
<i>* Represents sales of approximately 1,263,000 MWh for 2023/24 YTD actual.</i>						
<b>RESERVES</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**  
**Seven Months Ended January 31, 2024**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 49,392,810
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(809,493)
Add back capital asset acquisitions	<u>1,456,888</u>
Change in net position	<u><u>\$ 50,040,205</u></u>





## Staff Report - Item 06

---

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

**From:** Neal Reardon, Director of Regulatory Affairs  
Miles Horton, Legislative Policy & Community Engagement Manager  
Geof Syphers, Chief Executive Officer

**Issue:** Receive Legislative and Regulatory Updates, Recommend a Position on AB 1305 (Stern) and Provide Feedback as Appropriate

**Date:** March 21, 2024

---

### Requested Action

Receive legislative and regulatory updates, recommend the Board take an oppose position on AB 1305 (Stern) and provide feedback as appropriate.

### Regulatory Updates

#### **CPUC Adopts Final Decision on Integrated Resource Plans**

On February 15th, the California Public Utilities Commission adopted Decision D.24-02-047 adopting the 2023 Preferred System Plan and addressing individual Integrated Resource Plans (IRPs) submitted by load serving entities (LSEs). California policy continues to be as aggressive as possible to reduce GHG emissions as soon as possible, adopting a collective portfolio of generation resources that reduces emissions by 58% between 2020 and 2035.

Individual IRPs were submitted on or about November 1, 2022, and were evaluated using a scorecard system, with three general scores: "deficient", "adequate", and "exemplary". These plans included a narrative describing progress and expected future procurement, along with two data templates to demonstrate achievement of sufficient resources to meet reliability needs and GHG reduction benchmarks. This year, special emphasis was placed on the impacts on disadvantaged communities ("DACs"). LSEs described the DACs they serve or the impacts they have on DACs as a result of system power or other power with local pollutants or GHG emissions. LSEs were to provide detailed activities and programs focusing on DACs including procurement opportunities, affordability programs, transportation and building

electrification, energy efficiency, demand response, residential solar, outreach programs, education and training programs, recruiting and hiring, and others. Sonoma Clean Power's IRP submittal was accepted as adequate, with CPUC staff marking our plan's generation portfolio and focus on disadvantaged communities as "exemplary."

This Decision concludes with a recommendation that the California Independent System Operator ("CAISO") use the adopted Preferred System Plan as a basis for evaluating future transmission needs in their 2024-2025 Transmission Planning Process.

### **Governor Newsom Appoints New Commissioner**

On February 16<sup>th</sup>, Governor Gavin Newsom appointed Matthew Baker to serve as one of the five seated Commissioners at the CPUC. Mr. Baker is not new to the Commission, and since 2022 has served as the Director of the Public Advocates Office. Prior to that, he was the Deputy Secretary for Energy at the California Natural Resources Agency. This is not Mr. Baker's first term as a Commissioner, he also served on the Colorado Public Utilities Commission from 2008 to 2012. While this position requires Senate confirmation, Mr. Baker can begin serving in this new role immediately.

### **Legislative Updates**

The Assembly Utilities and Energy Committee has held several hearings on affordability and infrastructure issues. On February 16, Governor Newsom appointed Matt Baker, head of the Public Advocates Office at the Public Utilities Commission, to serve as a member of the Commission itself.

### **Bill Introductions**

There was a total of 2,124 new bills introduced in advance of the February 16 deadline this year (1,505 in the Assembly and 619 in the Senate). Roughly one-third are placeholder bills that are awaiting more fleshed-out language.

## **Existing Legislative Positions**

### **▪ AB 817 (Pacheco) - Subsidiary Body Open Meetings Rules - Support**

Authorizes subsidiaries of a legislative body (such as Sonoma Clean Power's Community Advisory Committee) to meet via teleconference, through 2025. The support position carries over from 2023.

### **▪ AB 1999 (Irwin) - Income-Graduated Fixed Charge Repeal**

Would repeal the Public Utilities Commission's authorization to impose an Income-Graduated Fixed Charge on customers and instead restore previous fixed charge caps of \$10 (non-CARE customers) and \$5 (CARE customers) per billing cycle. Sonoma Clean Power supports this legislation's intent to hit pause on any new income-graduated fixed charge in the immediate term, while allowing future proposals that may have merit to move through the normal legislative process.

Various legislators have introduced roughly a half-dozen other bills on this topic, but AB 1999 remains the most prominent. Senator Bradford, chair of the Senate Energy, Utilities and Communications Committee, has introduced SB 1292, which appears to be a placeholder that he can modify depending on the results of the relevant proceeding at the Public Utilities Commission later this year.

SCP's Board and staff have expressed strong concerns with the existing Income-Graduated Fixed Charge policy because of the negative impacts on working families, those who have invested in solar and energy efficiency, those living in multifamily housing, and concerns about the large subsidies to wealthy families with large inefficient homes.

### **▪ SB 537 (Becker) - Public Meeting Teleconference - Support**

Currently on the Inactive File in the Assembly but could move forward in the coming year. Would allow multijurisdictional, cross county legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. Requires a multijurisdictional legislative body to provide a record of attendance on its internet website within seven days after a teleconference meeting along with immunocompromisation in the list of health exemptions from previous legislation. The support position carries over from 2023.

## **Proposed New Legislative Positions (Pending Board Approval)**

- **AB 1912 (Pacheco) - Third-party review of new electricity programs - Watch**

Would direct that the University of California prepare a written analysis of any legislation imposing a mandated program or requirement on investor-owned electric utilities or their customers, before that legislation can be heard in committee. This is similar to the existing California Health Benefits Review Program for new health care mandates.

- **AB 2054 (Bauer-Kahan) - Conflicts of Interest - Watch**

Would prohibit retiring members of the Energy Commission or Public Utilities Commission from working for entities subject to regulation by those Commissions for a period of ten years (up from two under current law).

- **AB 2292 (Petrie-Norris) - Transmission - Watch**

Current law requires the Public Utilities Commission to consider cost-effective alternatives to new transmission facilities as part of determining whether to approve those projects. This bill would repeal that requirement in order to advance faster transmission buildout but could allow utilities to increase costs significantly.

- **AB 2847 (Addis) - Investor-owned utility cost recovery - Watch**

Would improve transparency around investor-owned utility cost recovery (for example, by requiring the Public Utilities Commission to require utilities to produce all relevant supporting documents and calculations).

- **AB 2940 (Muratsuchi) - Transmission environmental review - Watch**

Environmental leadership projects would be granted expedited judicial review when challenged in court under the California Environmental Quality Act. This legislation would designate all new transmission projects as environmental leadership projects, with the associated benefits.

- **AB 3016 (Petrie-Norris) - Interagency coordination - Watch**

Would create a new process for the Governor's Office of Business and Economic Development (GO-Biz) to coordinate and harmonize the efforts of all state and local

agencies with permitting, siting, and regulatory authority over new renewable energy generation facilities. Relevant federal agencies would also be invited to participate.

- **AB 3181 (Pellerin) - Electric outages - Watch**

Should one or more customers served by an electrical distribution circuit experience four or more outages in a year, this legislation would require the investor-owned utility that owns that circuit to perform a full review of that circuit's functionality and make upgrades or improvements as needed.

- **AB 3238 (Garcia) - Electric infrastructure streamlining - Watch**

This bill would make various changes to speed up the development of electric infrastructure such as new generation or transmission lines, including making the Public Utilities Commission lead agency under the California Environmental Quality Act for all such projects and the sole permitting and siting authority for "necessary" electric infrastructure projects.

- **SB 938 (Min) - Utility lobbying efforts - Watch**

Would close various loopholes in the existing prohibition on investor-owned utilities using ratepayer funds for political or lobbying activities. (For example, current law allows utilities to use ratepayer funds for association membership dues that can then be used for lobbying by the association.)

- **SB 1003 (Dodd) - Wildfire prevention activities - Watch**

This bill aims to revise the regulatory framework around utility risk reduction by adding consideration of how long risk reduction projects will take to be completed, not just how much they will reduce risk after completion. The goal is to require discussion as to whether a project that reduces risk entirely or almost entirely but may take years or decades to complete is necessarily the best option.

- **SB 1006 (Padilla) - Transmission - Watch**

Would require the Public Utilities Commission to develop a more sophisticated plan and reporting structure to ensure that the state is on track to build enough transmission to meet its climate goals.

- **SB 1165 (Padilla) - Transmission - Watch**

Similar to AB 3238, this bill would make various changes to speed up transmission deployment, including making it easier to qualify transmission projects as environmental leadership projects.

- **SB 1210 (Skinner) - Housing interconnection - Watch**

Would require that utilities prioritize interconnection of new housing to the grid over all other interconnection requests, and cap interconnection costs for new housing developments.

- **SB 1305 (Stern) - Virtual power plants - Oppose Unless Amended**

Virtual power plants are aggregations of behind-the-meter resources that can be used to manage demand. For example, if the grid is strained during a hot summer evening, a load-serving entity could activate a virtual power plant (say, by directing several thousand behind-the-meter batteries to discharge, or by remotely turning down several thousand smart home appliances to reduce demand) in lieu of firing up a traditional power plant to add supply.

One of the most successful Virtual Power Plants is SCP's GridSavvy program.

This legislation, which is sponsored by virtual power plant developer OhmConnect, would require that all load-serving entities procure an increasing amount of their resource adequacy from virtual power plants over the years to come, culminating in 15% by 2035. Staff believe this is premature for several reasons:

1. The rules for qualifying demand response programs for Resource Adequacy are still unfinished, so mandating procurement of a resource that is not clearly defined is inappropriate;
2. Since cost-effective peak load reduction is the goal, this bill would mandate one particular solution to meeting a goal that has many solutions. By narrowly focusing on only one option, this would drive up rates; and
3. This bill would remove the SCP Board's authority to make decisions about procurement and transfer that power to the CPUC to require specified procurement that may not meet the goals of the SCP Board of Directors.

The bill could instead be amended to clarify current law regarding virtual power plants' ability to provide resource adequacy in the first place. That is still unclear, and an explicit authorization to use virtual power plants as resource adequacy could help

load-serving entities like Sonoma Clean Power use virtual power plants most effectively.

## **State Budget**

Governor Newsom released his initial proposed 2024-25 state budget on January 10. This will be heavily negotiated with the Legislature and revised significantly in the Governor's own "May Revise" (an updated version of his budget proposal released in May, based on the most current revenue numbers), before a final version is enacted on or before the June 15 deadline. Historically, large portions of the budget – especially in the climate and energy realm – have been passed in placeholder form to meet the deadline and then more fully fleshed out in August.

The Governor's January budget anticipated a roughly \$39 billion deficit. (The Legislative Analyst's Office had previously projected a larger \$68 billion deficit.) The Governor proposes to fill that deficit through a mix of withdrawals from reserves, deferrals and cost shifts, new revenues, and – most significantly – spending cuts. Climate and energy funding would be reduced 7%, to a total \$48 billion spread over the next seven fiscal years. (Previously, this spending had been spread over six years, and had been cut 3% in last year's final budget.) The Governor's office has said they expect about \$10 billion in new federal climate funding to help blunt the impact of the cuts. Because the future commitments are non-binding and the Governor will not be in office for much of that time, his proposal raises the question of whether a future Governor will continue to prioritize those commitments.

Further cuts (or restorations) are possible later in the budget process, depending on the revenue outlook. Unfortunately, revenues since the Governor released his January budget proposal have come in significantly lower than hoped, meaning that the deficit could ultimately be larger than he is projecting (though that is not guaranteed, as it depends on revenue numbers over the next few months). The potential impacts of revenue decreases on the budget deficit are not one-to-one and depend on a variety of factors, notably formula-driven spending changes (most significantly Prop. 98 education spending adjustments). Nevertheless, the Legislative Analyst's Office is now projecting that state revenues will be \$24 billion lower than they anticipated at the time the Governor released his budget. That would translate to a roughly \$15 billion increase in the state budget deficit. Early numbers from February are slightly more positive than expected, so there is a possibility that the outlook could still improve.

Further cuts to climate and energy funding also could increase the odds for a climate or natural resources bond measure appearing on the November ballot to help restore state priorities in this area that had been cut. However, other legislators are pushing housing and school facilities bonds, that could eat into the size of or crowd out an environmental bond measure. Assemblymember Rick Zbur (D-Hollywood) has also introduced AB 2208, a \$1 billion bond proposal for port upgrades related to offshore wind deployment that could be incorporated into a later climate bond. Details remain to be determined.

### **CalCCA Lobby Day**

Sonoma Clean Power CEO Geof Syphers, along with contract lobbyist Kate Brandenburg and staff Miles Horton, attended CalCCA's lobby day in the State Capitol on March 21. Along with representatives of other CCAs throughout the state, they met with the following leaders:

- Senator Brian Dahle (R-Bieber), Vice Chair of the Energy, Utilities and Communications Committee
- Senator Bill Dodd (D-Napa)
- Assemblymember Cecilia Aguiar-Curry (D-Winters)
- Assemblymember Damon Connolly (D-San Rafael)
- Assemblymember Jim Wood (D-Healdsburg)
- Grant Mack with the office of Governor Gavin Newsom
- Susan Chan & Chase Hopkins with the office of Assembly Speaker Rivas
- Nidia Bautista with the Senate Energy, Utilities and Communications Committee





## **Staff Report - Item 07**

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**To: Sonoma Clean Power Authority Community Advisory Committee**  
**From: Scott Salyer, Programs Manager**  
**Rebecca Simonson, Director of Programs**  
**Issue: Receive Agricultural Community Needs Assessment Final Report**  
**Date: March 21, 2024**

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### **Staff Recommendation**

Receive and file the final report for the Agricultural Community Needs Assessment.

### **Background**

In 2023, Sonoma Clean Power began conducting needs assessments in the key areas of transportation & mobility, residential energy use & resiliency, commercial energy use & resiliency, and agricultural energy use.

Our community needs assessment process aims to understand the values, needs, and priorities of SCP's communities to shape future program offerings effectively.

SCP partnered with Tierra Resource Consultants for the Agricultural Community Needs Assessment. We also partnered with Sacramento Municipal Utility District for the residential and commercial interests, and EVNoire for transportation and mobility. Those latter three needs assessments will be presented separately at a future meeting.

### **Discussion**

SCP began working with Tierra Resource Consultants in early 2023 to better understand the needs of the agricultural community in our service territory and uncover how we can best support their energy and climate goals. Between March and May 2023, interviews were conducted with 23 agricultural sector customers and organizations in Sonoma and Mendocino counties. The participants represented diverse sectors, such as dairy, wine, livestock, crop production, cannabis, and fruit.

In May 2023, an email was sent to SCP's agricultural customers inviting them to participate in an online survey, resulting in 65 responses. These efforts, combined with an in-depth literature review and market research, informed the needs assessment, and led to the findings and recommendations in Attachment A.

Among the concerns expressed by this community, the most prominent were time and money constraints, high labor costs, water availability, and climate change impacts. This research also suggests that while awareness of energy programs and efforts is high among local agencies and advocacy organizations, it's lower among the broader agricultural customer base. Overall, this study found that there is a strong need for more programs targeted at the agricultural community, and that a lack of unbiased technical support is preventing many customers from taking on energy upgrade and efficiency projects.

The assessment's recommendations are included below. These are presented, along with methods and findings, in much greater detail in the attached report.

#### Report Recommendations

- Recommendation #1: Conduct near-term follow-up research and engagement with key local market actors.
- Recommendation #2: Develop a strategy for ongoing and long-term engagement with key partners.
- Recommendation #3: Develop technical support resources and establish SCP as the customer's "energy expert" in the marketplace.
- Recommendation #4: Conduct a detailed benefit-cost analysis of agricultural customer demand-side management measures and programs.
- Recommendation #5: Prepare a modeling tool for estimating the load shape and cost impacts of an integrated suite of agricultural customer energy measures.
- Recommendation #6: Develop a comprehensive agricultural sector single point of contact resource program.
- Recommendation #7: Develop a program focused on the water-energy nexus.
- Recommendation #8: Develop and deploy targeted demonstrations and pilot projects.

- Recommendation #9: Form a farm implement electrification consortium or collaborative for manufacturers and product distributors.
- Recommendation #10: Develop a program designed to assist with tackling the farmworker housing shortage.
- Recommendation #11: Provide market support for electric farm equipment and battery-electric tractor charging.

### **Attachments**

- Attachment A - Agricultural Community Needs Assessment Final Report, available at [this link](#), or by request to the Clerk of the Board

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## Staff Report - Item 08

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

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

**Issue:** Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2024-2025

**Date:** March 21, 2024

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### Recommendation

Review and provide feedback on the Draft Fiscal Year 2024-2025 Annual Budget and rates.

### Summary

Staff propose a draft budget and rates for Fiscal Year 2024-2025 from July 1, 2024, through June 30, 2025, that:

- Plans SCP's next rate change on or about August 1, 2024
- Aims to provide SCP customer bill savings of 7% on total electric bills relative to PG&E's bundled customers
- Returns a portion of excess ratepayer collections above SCP's long-term reserve target

### Background

Staff presents a budget for Fiscal Year 2024-2025 that continues to fulfill SCP's adopted goals for providing electricity from very low greenhouse gas sources, investing in renewables, operating the Advanced Energy Center and delivering a broad set of programs and services with an increasing focus on previously underserved communities.

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

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

SCP reached its long-term financial reserves target around August 2023, creating the opportunity to enhance SCP customer savings, limit the scale and risk of rate increases over the next two years, and make investments in local energy projects that have the potential to generate income to offset customer rates far into the future. SCP’s Board of Directors voted on November 2, 2023, in favor of setting rates while allocating the excess ratepayer collections above SCP’s reserve target accordingly:

- 60% to rate reductions in 2024 and 2025 such that savings relative to PG&E’s bundled customers is expected to be about the same in both calendar years of 2024 and 2025
- 30% to establish a local investment fund
- 10% for customer incentives in 2024 and 2025

SCP’s rate adjustment on February 1, 2024, increased total electric bill savings for customers to 7% with a goal of trying to sustain that level of savings for both calendar years of 2024 and 2025.

It is important to note that this forecast is based on the best information available at this time, and that the PCIA fee is extremely difficult to forecast for several reasons. First, the PCIA can be influenced by PG&E’s decisions, for example, whether to offer excess resource adequacy (RA) into the market or not. Those decisions impact the PCIA fee on our customers and are made solely at the discretion of the investors of a company that has a history of working to oppose CCAs. Second, the regulatory rules of how the PCIA is calculated can change rapidly and will likely continue to change over the coming

years. And finally, the PCIA is highly dependent on the market price of natural gas, which itself fluctuates significantly with the commodity price of gas. For these reasons, staff will regularly update the Committee and Board on the PCIA as new information becomes available.

## **Rate Setting**

As used in the past, staff is recommending the use of rate setting parameters to facilitate the implementation of new customer rates as soon as possible following PG&E's expected changes on July 1, 2024. If PG&E's final numbers are available on June 30, 2024, SCP expects to be able to implement new rates on August 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.

When SCP implements new rates, staff is recommending that excess ratepayer collections above SCP's reserve target as of January 31, 2024, be allocated in the same proportions already adopted by the Board in November 2023 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% for the local investment fund**

The purpose of the fund is to lower customer rates and the risk of higher market power costs) 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.

## **Budget Overview**

The Fiscal Year 2024-2025 draft budget and rates presented in this item seek to:

- Continue to procure a supply portfolio of electricity generation that is at least 30% lower in greenhouse gas emissions than PG&E's portfolio
- Emphasize customer programs that help cut the use of gasoline and natural gas, as these actions are often the faster and least expensive ways to cut greenhouse gas emissions today
- Expand customer outreach through improved market research and listening to our various communities
- Expand community education activities
- Increase emphasis on serving previously underserved communities in SCP's customer programs
- Promote the Advanced Energy Center and further develop the Center into a valuable community resource

## **DRAFT BUDGET**

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



	Revised Budget FY23-24	DRAFT Budget FY24-25	Comments
<b>REVENUES &amp; OTHER SOURCES</b>			
Electricity Sales <sup>1</sup> (net of allowance)	\$275,994,000	\$239,147,000	SCP customer target savings of approximately 7% vs. PG&E on total electric bill
EverGreen Premium <sup>2</sup> (net of allowance)	2,689,000	2,700,000	
CEC Grant Proceeds	902,000		- CEC grant ended in FY23-24
Miscellaneous Income	2,058,000	1,000,000	Revised timing of CPUC funds for program implementation
Investment Returns	7,659,000	7,200,000	
<b>Total Revenues</b>	<b>289,302,000</b>	<b>250,047,000</b>	
<b>EXPENDITURES</b>			
<b>Product</b>			
Cost of Energy & Scheduling <sup>3</sup>	186,460,000	221,586,000	Expiration of favorable contract, severe weather contingency, and increased resource adequacy cost
Data Management	2,680,000	2,680,000	
Service Fees to PG&E	990,000	990,000	
<b>Product Subtotal</b>	<b>190,130,000</b>	<b>225,256,000</b>	
<b>Personnel</b>			
	<b>8,346,000</b>	<b>11,490,000</b>	See details in write-up
<b>Energy Center, Mktg &amp; Comm</b>	<b>3,301,000</b>	<b>3,379,000</b>	Increased community partnerships
<b>Customer Service</b>	<b>220,000</b>	<b>220,000</b>	
<b>General &amp; Administration</b>	<b>1,515,000</b>	<b>1,832,000</b>	Reclassification of AEC rent after CEC grant ended and increased expenses for new office building
<b>Other Professional Services</b>			
Legal	475,000	475,000	
Regulatory & Compliance	460,000	460,000	
Accounting	309,000	312,000	
Legislative	220,000	220,000	
Other Consultants	624,000	535,000	
<b>Other Professional Services Subtotal</b>	<b>2,088,000</b>	<b>2,002,000</b>	

	Revised Budget FY23-24	DRAFT Budget FY24-25	Comments
<b>EXPENDITURES – continued</b>			
Industry Memberships & Dues	695,000	888,000	Increases for CC Power joint powers authority and CalCCA trade association
Programs			
Program Implementation <sup>4</sup>	8,101,000	10,136,000	See Programs Strategic Action Plan for details. Increased incentives for return of excess collections.
CEC Grant Program	1,712,000	-	CEC grant ended in FY23-24
Programs Subtotal	9,813,000	10,136,000	
Total Expenditures	216,108,000	255,203,000	
Revenues Less Expenditures	73,194,000	(5,156,000)	
OTHER USES			
Capital Outlay	1,900,000	1,150,000	Upgrades for Advanced Energy Center and office building purchased in FY23-24
Total Expenditures, Other Uses	218,008,000	256,353,000	
Net Increase/(Decrease) in Fund Balance	\$ 71,294,000	\$ (6,306,000)	

Notes on the Draft Budget Table:

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

Further detail on each of the proposed budget categories follows.

## **INFORMATION ONLY - SUPPLEMENTAL TO THE DRAFT BUDGET**

### **REVENUES AND OTHER SOURCES**

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

The total sales estimate is based on 86% of eligible customers and load participating in SCP. The net financial performance of SCP is not sensitive to small changes in the rate of participation because a majority of expenses are proportional to the load served. In other words, income and expenses generally tend to go up and down together.

To maintain SCP customer target savings of approximately 7% on total electric bills relative to PG&E's bundled customers, SCP's next rate change will be on or about August 1, 2024.

Staff estimates uncollectable billings at 2.1%.

### **EXPENDITURES**

#### **Product**

Cost of Energy and Scheduling includes all of the various services purchased from the power market through our suppliers. This includes energy, long term renewable power purchase agreements, ProFIT feed-in-tariff projects, capacity (resource adequacy), short term renewable and carbon free contracts (aka hydropower), scheduling services, CAISO fees, and other miscellaneous power market expenses.

SCP has entered into renewable, low carbon, and financial hedge contracts with suppliers that will meet approximately 90% of its expected energy requirements through December 2024, meaning that energy costs are reasonably well known through December, although changes in energy market prices will still have an impact on SCP's costs. For the period from January through June of 2025 SCP has a higher cash-flow exposure to the monthly fluctuations in energy markets, but a lower actual financial exposure due to the long-term offsetting nature of the PCIA.

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

Based on current rates of participation, the total payout amount for SCP's NetGreen solar customers is estimated to be about \$1,500,000 for the fiscal year.

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

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

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

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

## **Personnel**

Personnel costs include direct salaries, benefits, workers compensation premiums, and payroll taxes. During mid to late 2023 and early 2024, Sonoma Clean Power leadership has strengthened our customer facing staff, senior advocacy staff, and plan to bring in a Chief Financial Officer (CFO) at the beginning of FY24-25. In addition, all staff salaries were increased, keeping salary inflation in mind, for the Agency to remain competitive.

Customer facing staff have been added by increasing the bilingual Spanish customer service representatives we have answering customer calls to the Agency, adding a bilingual Spanish position to the Marketing and PR department as well as increasing staff focused on community events. In the advocacy area, we added staff focused on regulatory advocacy, legislative advocacy and local advocacy, and may add a position to support transmission related aspects of new generation and storage resource development advocacy. With the increasing number of financial opportunities and challenges facing SCP, our financial experience will be increased by adding a CFO and having rates and risk functions reporting to that position.

## **Energy Center, Marketing and Communications**

Sonoma Clean Power remains dedicated to engaging with our customers through comprehensive market, demographic, and customer satisfaction research. By leveraging the insights gained, we aim to enhance the precision of our marketing and communications strategies.

As part of our commitment to celebrating a decade of service, SCP introduces the "Ten Electric Years" yearlong, multi-media brand campaign. This initiative not only marks our milestone but also highlights the collaborative achievements with our customers and communities. The campaign is underscored by a series of community events designed to connect with diverse audiences, fostering inclusivity and expanding our outreach efforts.

Innovating our Community Outreach plan, SCP introduces a Junior Partner level, offering funding support and grants to non-profits and groups aligned with our mission and values. This initiative extends support to entities not currently covered by larger sponsorships and partnerships, broadening our impact within the community.

Furthering our commitment to education, particularly in STEM fields, SCP is proud to contribute to Schools Rule Sonoma County and establish an endowment for

Mendocino College. These additions underscore our dedication to empowering future generations and fostering knowledge development in crucial areas.

SCP's unwavering focus on brand awareness and customer understanding remains a top priority. Through consistent efforts across marketing, public relations, community outreach, education, and social media platforms, we strive to convey who we are, our mission, and the benefits to customers. This commitment extends to providing leadership within the non-profit sector and the broader community choice industry.

This fiscal year, Sonoma Clean Power's marketing and communications approach is rooted in a dynamic blend of celebration, community engagement, education, and strategic partnerships, all aimed at creating a positive impact and fostering a sustainable future.

## **Customer Service**

The customer service team works with customers via phone, email, walk-ins, and event which are the primary touchpoint for customers in the agency. The customer service team's budget includes confirmation notices, annual required notices, and commercial customer appreciation.

### Customer Noticing

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

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

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

- Joint Rate Mailer that compares SCP and PG&E's rates and power mixes (annually)
- California Energy Commission's Power Content Label that compares SCP to California's power mix (annually)

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

## **Other Professional Services**

### Legal

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

### Regulatory & Compliance

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

### Accounting

Accounting includes services from two providers. Maher Accountancy provides the day-to-day accounting for SCP, including generation of financial statements and consolidated reports. SCP also has an outside auditor review our financial statements each year.

### Legislative

Staff retains a Sacramento legislative lobbyist. These costs also include coverage for tracking and advancing bills in the legislative session that affect SCP and the energy industry directly. The statewide CalCCA trade association continues to allow SCP to track and participate in legislative work that affects CCAs across the state, and the recent addition of a Legislative Manager will further aid in SCP's state engagement. Some very limited federal and state lobbying on the GeoZone is also included.



## Other Consultants

Other Consultant covers costs related to outside services needed for basic internal operations, such as: IT services/repairs, nighttime security for the HQ building and the Advanced Energy Center, administration fees for our insurance benefits and retirement plans, consultants for mandatory training, and the collection agency SCP uses for past-due accounts.

## **Industry Memberships and Dues**

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

SCP is a member of CC Power, the joint powers authority formed with other CCAs to jointly procure power. SCP is also a member of the American Public Power Association (APPA). This is a nationwide association of public power entities, with a membership category for CCAs nationwide.

## **Programs**

The Programs Strategic Action Plan, available at [this link](#), details the programs SCP is planning to deliver in the next fiscal year.

## **Other Uses**

Capital Outlay includes upgrades for the Advanced Energy Center and the office building that was purchased in FY23-24, as well as equipment costing more than \$5,000.

## **Debt Service**

SCP currently carries no debt.

## **Net Increase / (Decrease) in Available Fund Balance**

Staff are planning for a net decrease in the available fund balance, which reflects the return of a portion of excess ratepayer collections above SCP's long-term reserve target.

## THREE-YEAR OUTLOOK

This three-year outlook is subject to significant changes as new information is available regarding PCIA and the market cost of energy.

	Revised Budget FY23-24	DRAFT Budget FY24-25	Forecast FY25-26	Forecast FY26-27	Forecast FY27-28
<b>REVENUES &amp; OTHER SOURCES</b>					
Electricity Sales (net of allowance)	\$275,994,000	\$239,147,000	\$259,854,000	\$296,529,000	\$295,990,880
EverGreen Premium (net of allowance)	2,689,000	2,700,000	2,727,000	2,754,000	2,782,000
CEC Grant Proceeds	902,000	-	-	-	-
Miscellaneous Income	2,058,000	1,000,000	-	-	-
Investment Returns	7,659,000	7,200,000	4,800,000	3,600,000	3,600,000
<b>Total Revenues</b>	<b>289,302,000</b>	<b>250,047,000</b>	<b>267,381,000</b>	<b>302,883,000</b>	<b>302,372,880</b>
<b>EXPENDITURES</b>					
<b>Product</b>					
Cost of Energy & Scheduling	186,460,000	221,586,000	263,890,000	267,729,000	266,257,880
Data Management	2,680,000	2,680,000	2,707,000	2,734,000	2,761,000
Service Fees to PG&E	990,000	990,000	1,005,000	1,020,000	1,035,000
<b>Product Subtotal</b>	<b>190,130,000</b>	<b>225,256,000</b>	<b>267,602,000</b>	<b>271,483,000</b>	<b>270,053,880</b>
<b>Personnel</b>	<b>8,346,000</b>	<b>11,490,000</b>	<b>12,294,000</b>	<b>13,155,000</b>	<b>13,944,000</b>
<b>Energy Center, Mktg &amp; Comm</b>	<b>3,301,000</b>	<b>3,379,000</b>	<b>3,514,000</b>	<b>3,655,000</b>	<b>3,801,000</b>
<b>Customer Service</b>	<b>220,000</b>	<b>220,000</b>	<b>229,000</b>	<b>238,000</b>	<b>248,000</b>
<b>General &amp; Administration</b>	<b>1,515,000</b>	<b>1,832,000</b>	<b>1,905,000</b>	<b>1,981,000</b>	<b>2,060,000</b>
<b>Other Professional Services</b>					
Legal	475,000	475,000	489,000	504,000	519,000
Regulatory & Compliance	460,000	460,000	474,000	488,000	503,000
Accounting	309,000	312,000	321,000	331,000	341,000
Legislative	220,000	220,000	229,000	238,000	248,000
Other Consultants	624,000	535,000	551,000	568,000	585,000
<b>Other Professional Services Subtotal</b>	<b>2,088,000</b>	<b>2,002,000</b>	<b>2,064,000</b>	<b>2,129,000</b>	<b>2,196,000</b>
<b>Industry Memberships &amp; Dues</b>	<b>695,000</b>	<b>888,000</b>	<b>915,000</b>	<b>942,000</b>	<b>970,000</b>
<b>Programs</b>					
Program Implementation	8,101,000	10,136,000	11,592,000	8,700,000	8,700,000
CEC Grant Program	1,712,000	-	-	-	-
<b>Programs Subtotal</b>	<b>9,813,000</b>	<b>10,136,000</b>	<b>11,592,000</b>	<b>8,700,000</b>	<b>8,700,000</b>
<b>Total Expenditures</b>	<b>216,108,000</b>	<b>255,203,000</b>	<b>300,115,000</b>	<b>302,283,000</b>	<b>301,972,880</b>
<b>Revenues Less Expenditures</b>	<b>73,194,000</b>	<b>(5,156,000)</b>	<b>(32,734,000)</b>	<b>600,000</b>	<b>400,000</b>
<b>OTHER USES</b>					
Capital Outlay	1,900,000	1,150,000	1,150,000	600,000	400,000
<b>Total Expenditures, Other Uses</b>	<b>218,008,000</b>	<b>256,353,000</b>	<b>301,265,000</b>	<b>302,883,000</b>	<b>302,372,880</b>
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ 71,294,000</b>	<b>\$ (6,306,000)</b>	<b>\$ (33,884,000)</b>	<b>\$ -</b>	<b>\$ -</b>