



**AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, MAY 16, 2024
1:00 P.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE MAY 16, 2024, MEETING AT THE LOCATION SHOWN BELOW.

**SONOMA CLEAN POWER BUSINESS OFFICE
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. For detailed public comment instructions, [please visit this page](#). Please note that live remote public comment will not be taken unless required by Government Code section 54953(f). If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

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

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

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

Staff recommendations are guidelines to the 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)

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

- 1. Approve April 11, 2024, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
- 2. Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services Agreement with ReconMR, LLC with an Amount Not-to-Exceed \$926,046 for a Three-Year Research Contract (Staff Recommendation: Approve) **pg. 11**
- 3. Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services Agreement with Studio PR with an Amount Not-to-Exceed \$350,000 for a Three-Year Research Contract (Staff Recommendation: Approve) **pg. 15**
- 4. Recommend the Board of Directors Approve and Delegate Authority to the CEO or Designee to Execute a First Amendment to Agreement for Professional Services with Maher Accountancy to add \$292,800 for an Amount Not-to-Exceed \$742,800, through June 30, 2025 (Staff Recommendation: Approve) **pg. 17**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

- 5. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 19**
- 6. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 37**
- 7. Receive Mobility & Transportation Community Needs Assessment Final Report (Staff Recommendation: Receive and File) **pg. 55**
- 8. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 63**
- 9. Recommend the Board of Directors Delegate Authority to the Chief Executive Officer or Designee to Finalize Terms and Execute Agreements with Princeton University for a Contract Total of \$325,000 and First Principles Advisory LLC for a Contract Total of \$75,000 for the Transmission Planning Under Uncertainty Project (Staff Recommendation: Approve) **pg. 69**

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.)

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, APRIL 11, 2024
1:00 P.M.**

CALL TO ORDER

(1:07 p.m. - Video Time Stamp: 00:06:32)

Chair Morris called the meeting to order.

Committee Members present: Chair Morris, Vice Chair Lipp, and Members Dowd, Kelly, and Nicholls. Members Soto, Wang, Hagen, and Booth were absent with prior notice.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Miles Horton, Legislative Policy and Community Engagement Manager; Rebecca Simonson, Director of Programs; Kimberly Beltran, Technical Programs Manager; Ryan Tracey, Director of Planning and Analytics; and Erica Torgerson, Managing Director of Customer Service.

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:08 p.m. - Video Time Stamp: 00:08:42)

1. Approve March 21, 2024, Draft Community Advisory Committee Meeting Minutes
2. Receive Geothermal Opportunity Zone Update

Public Comment: None

Motion to approve the April 11, 2024, Community Advisory Committee Consent Calendar by Member Dowd

Second: Member Nicholls

Motion passed by roll call vote.

AYES: Morris, Lipp, Dowd, Kelly, Nicholls

ABSENT: Soto, Wang, Hagen, Booth

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

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

(1:09 p.m. - Video Time Stamp: 00:09:12)

Michael Koszalka, COO, introduced Rebecca Simonson, Director of Programs and Kimberly Beltran, Technical Programs Manager, to give a Programs update. Director Simonson discussed equity work with local organizations and SCP's 2022 Equity framework. Geof Syphers, CEO, reiterated that SCP has seen some excellent results concerning equity and thanked the Programs Team for their dedication to the subject and he announced that SCP has five organizations that have become SCP's community donation partners. Ms. Beltran gave an update on GridSavvy and noted that information regarding supporting California grid reliability and she asked the Committee to share with their networks.

Member Dowd thanked staff for their work and discussed fees for affordable housing. CEO Syphers stated that SCP is always looking for ways to accelerate low-income housing and would like to focus on programs that do this. Member Nichols appreciated SCP's work on multi-family housing but expressed concern with the BayREN connection because of their need to connect gas lines to multi-family structures and CEO Syphers responded that SCP would also like to see change in this area. Vice Chair Lipp commended BayREN's work on multi-family dwellings and asked how many others were going to need this assistance and Director Simonson responded that her team was working on the numbers now.

1:31 p.m. Member Soto entered the meeting.

Chair Morris thanked staff for their work and asked if there was a way to donate the funds from GridSavvy. Ms. Beltran answered that people could request it by emailing gridsavvy@sonomacleanpower.org.

COO Koszalka then pointed out SCP's participation numbers with an emphasis on EverGreen. He then discussed SCP's finances. CEO Syphers stated that SCP had opened a recruitment for a Chief Financial Officer and explained that this will give SCP the ability to better manage debt and risk.

Public Comment: None

4. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate

(1:42 p.m. - Video Time Stamp: 00:42:43)

CEO Syphers gave a regulatory update and pointed out that a CPUC administrative law judge proposed denying PG&E's application for a Pacific Generation spinoff. He discussed SCP's Integrated Resource Plan (IRP) that was required to be submitted to the California Public Utilities Commission (CPUC). He stated that the IRP was accepted and the CPUC commended SCP's commitment to underserved communities. CEO Syphers then mentioned that the CPUC issued a proposal regarding the Income Graduated Fixed Charge.

Member Nicholls asked if there would be a 7% per kWh reduction billing under the charge and Ryan Tracey, Director of Planning and Analytics answered that yes, there is a new structure switching to the fixed charge, but it is only \$.07 per kWh reduction. Member Kelly asked if the tiered rates system would be based on income and CEO Syphers answered yes, but what was left to determine was the appropriate dollar figures.

Miles Horton, Legislative Policy and Community Engagement Manager, gave a legislative update. He stated that SCP was taking a support position on SB 1014 (Dodd) which would holistically plan for fire risk in the state. Mr. Horton discussed SB 1221 (Min) stating that it related to electrification and would reform the obligation for utilities to install new gas lines. Vice Chair Lipp asked how SB 1221 related to the Berkley court case and CEO Syphers responded that the bill does address it, but it says that the utility would no longer have an obligation to offer gas. Member Nicholls asked if PG&E abandons gas lines could they be used for undergrounding power lines. CEO Syphers responded that clothe didn't know, but noted that gas lines are not rated for heat. Member Soto asked if the people backing the income graduated fixed charge had forecast into the future and CEO Syphers expressed concern that removing the barrier for homes to move from gas to electric would cause collateral damage to low-income ratepayers and people with solar power. Member Kelly asked about pricing and Erica Torgerson, Managing Director of Customer Service, discussed tiered versus time of use rates.

Mr. Horton then discussed SB 1165 (Padilla) which would allow new transmission and streamline existing ones and he stated that SCP supports this bill. He also mentioned that SCP would be tracking the new climate bond set for the November election and he discussed SCP's Lobby Day in Sacramento. Vice Chair Lipp asked about AB 266 and Mr. Horton responded that it related mostly to delivery.

Public Comment: None

5. Recommend the Board of Directors Approve the Proposed Annual Budget for Fiscal Year 2024-2025

(2:21 p.m. - Video Time Stamp: 01:21:25)

COO Koszalka discussed the FY 24/25 Budget and stated that this is the second time that the Committee has seen the budget and noted that there were no material changes. CEO Syphers added that the Board of Directors (Board) did ask for descriptions of SCP's equity work to be added to the staff report and that details would be added when the budget item goes before the Board again.

Public Comment: None

Motion to approve the Proposed Annual Budget for Fiscal Year 2024-2025 by Member Dowd

Second: Vice Chair Lipp

Motion passed by roll call vote.

AYES: Morris, Lipp, Soto, Dowd, Kelly, Nicholls

ABSENT: Wang, Hagen, Booth

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(2:35 p.m. - Video Time Stamp: 01:35:24)

Public Comment: None

COMMITTEE MEMBER ANNOUNCEMENTS

(2:36 p.m. - Video Time Stamp: 01:35:52)

None

ADJOURN

(2:36 p.m. - Video Time Stamp: 01:36:10)

The meeting was adjourned by unanimous consent.

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Staff Report - Item 02

To: Sonoma Clean Power Authority Community Advisory Committee

From: Kate Kelly, Director of Public Relations & Marketing

Issue: 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 an Amount Not-to-Exceed \$926,046 for a Three-Year Research Contract

Date: May 16, 2024

Recommended Action

Staff requests that the Community Advisory Committee (Committee) recommend that the Board of Directors delegate authority to the CEO or Designee to execute a contract with ReconMR, LLC (ReconMR) with a not-to-exceed amount of \$926,046 for a three-year research contract to include the annual brand awareness survey, customer operational performance satisfactions surveys, and focus group research to provide Sonoma Clean Power (SCP) with key customer insights and recommendations.

The Professional Services Agreement (Attachment 1) contains the scope of work for research efforts.

Background

Sonoma Clean Power has been working with Hiner and Partners, Inc. (HPI), a market research and public opinion firm, since 2020, beginning with residential focus groups. Originally, HPI was recommended to SCP by Peninsula Clean Energy and is now working with a handful of fellow CCAs, creating the opportunity for SCP to compare against its peers using like methodologies. In late 2023, HPI was acquired by ReconMR. HPI staff were retained, and SCP continues to work with the same research team. HPI staff and ReconMR have extensive experience in the utility space, including working with all three California investor-owned utilities. In 2022 and 2023, SCP contracted with HPI and in 2024 with ReconMR to conduct a study in Sonoma

and Mendocino Counties to monitor the awareness and familiarity of SCP among customers and non-customers. Key research findings in 2023 included 42 percent SCP unaided awareness and 72 percent awareness when aided. Staff plans to repeat this brand awareness survey annually to monitor progress in supporting customers in trimming energy bills and ending their reliance on fossil fuels.

In 2023, SCP began a new research effort with HPI and is continuing now with ReconMR. Staff recommends expanding research to include a monthly measurement of customer satisfaction and overall experience and service levels by monitoring various interactions with customers. This new research effort will allow SCP to monitor customer experiences with key interactions which comprise SCP's operational plan for pre-selected touchpoints including the SCP website, contact center, customer program sign-up process, and commercial account management. The operational plan includes the slate of experiences SCP managers have designed. This new, ongoing research effort will report how often customers fail to experience what was intended, and the impact such failures have on satisfaction with that touchpoint. This additional detail will help diagnose the reasons for areas of opportunity to improve and maintain customer satisfaction. SCP receives information monthly via a live dashboard, leading to the development of quarterly and yearly comparative analyses.

In December 2023, SCP partnered with ReconMR to administer focus group research for the Energy Savings Box program and were pleased with the partnership and associated research findings.

Discussion

Staff recommends that this three-year contract be approved so that the Brand Awareness, Customer Operations, and focus group research can be administered each year to track progress toward educating customers in general, including specific demographic groups, in an effort to improve and maintain customer satisfaction levels, and gain additional feedback from customers regarding offers and incentives. The results each year will show progress made in making more customers aware of Sonoma Clean Power, what SCP does, how electricity delivery works, gaining their interest and then converting interest to action.

Because of the positive experience SCP had working with HPI and now with ReconMR and the satisfactory work performed to date, SCP wishes to continue working with ReconMR for market research, transactional survey instruments, and focus group research.

Fiscal Impact

The proposed contract has a not-to-exceed amount of \$926,046 over a three-year period. Funds for this research effort are contained in the Marketing budget.

Attachments

- Attachment 1 - Draft Professional Services Agreement with ReconMR and Scope of Services (Exhibit A) for a three-year research contract is available at [this link](#) or by request to the Clerk of the Board.

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Staff Report - Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

From: Kate Kelly, Director of Public Relations & Marketing

Issue: Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or Designee to Execute a Professional Services Agreement with Studio PR with an Amount Not-To-Exceed \$350,000 for a Three-Year Research Contract

Date: May 16, 2024

Recommended Action

Staff requests that the Community Advisory Committee recommend that the Board of Directors delegate authority to the CEO to execute a contract with Studio PR (Attachment 1) with a not-to-exceed amount of \$350,000 for a three-year public relations contract to include press release writing, distribution, and reporter follow-up, interview coordination and preparation, event publicity, media list development and updating, assisting with identifying byline/Op-ed opportunities (includes writing, pitching and placing) and developing and maintaining a list of editorial calendar opportunities and pitch SCP as appropriate.

Background

Sonoma Clean Power has been working with Studio PR on public and media relations for several years. Since partnering with Studio PR, SCP has seen an increase in press coverage, and improved media relations, including placement of several key op/eds on key topics for our industry.

Discussion

Staff recommends that this three-year contract be approved to continue SCP's favorable public and media relations programs.

Fiscal Impact

The proposed contract has a not-to-exceed amount of \$350,000 over a three-year period. Funds for this contract are contained in the Marketing budget.

Attachments

- Attachment 1 - Professional Services Agreement with Studio PR and Scope of Services (Exhibit A) for a three-year research contract is available at [this link](#) or by request to the Clerk of the Board.



Staff Report - Item 04

To: Sonoma Clean Power Authority Community Advisory Committee

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

Issue: Recommend the Board of Directors Approve and Delegate Authority to the CEO or Designee to Execute a First Amendment to Agreement for Professional Services with Maher Accountancy to add \$292,800 for an Amount Not-to-Exceed \$742,800, through June 30, 2025.

Date: May 16, 2024

Recommendation

Recommend that the Board of Directors approve and delegate authority to the CEO or designee to execute an amendment to the agreement for professional services with Maher Accountancy (Maher), for general accounting services. This amendment would extend the current contract for a period of one year, through June 30, 2025, adding \$292,800 for services during that period and increasing the contract not-to-exceed amount to \$742,800.

Background

Maher Accountancy has been SCP's primary accountant since 2013, with several prior contracts and extension amendments for services.

Maher has been a key partner in SCP's operations since our formation. They perform general accounting services and have been instrumental in financial risk management, budgeting, contract tracking, payroll, invoice processing and other operational processes. SCP contracts with a separate accounting firm for our annual fiscal-year independent audits.

Discussion

As the accounting services specific to CCAs are critical to a successful organization, staff recommend continuation of our working relationship with Maher. Maher has expanded

their team over the last several years to provide services to several CCAs across the state and are familiar with the scope and breadth of the accounting needs of SCP. They work well with our team and have achieved clean outside audits every year since 2013. The current scope of work will not be amended. The fee schedule has been adjusted for inflation and an increase in workload due to SCP programs load (accounting, bill payments, rebate check processing, etc.)

As SCP is currently in the process of recruiting and potentially hiring a Chief Financial Officer (CFO), a one-year extension to the current service contract would allow the CFO input and control on future accounting contracts entered by SCP.

Fiscal Impact

The costs for accounting services, including annual audits, are included in the approved 2024-2025 Fiscal Year Budget.

Attachments

- Attachment 1 - Draft First Amendment to Agreement for Professional Services, available at [this link](#) or by request to the Clerk of the Board
- Attachment 2 - Current Agreement for Professional Services between SCP and Maher Accountancy (expires 6/30/2024), available at [this link](#) or by request to the Clerk of the Board

Staff Report - Item 05

To: Sonoma Clean Power Authority Community Advisory Committee

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

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

Date: May 16, 2024

CALCCA ANNUAL CONFERENCE

The California Community Choice Association (CalCCA) is the trade organization that represents California's community choice electric providers in legislature and at state regulatory agencies. The CalCCA annual conference was held on April 16-18 in San Jose. Over 750 attendees representing CalCCA members, affiliates, partners, regulatory agencies, policymakers, and others from the energy field gathered to engage in workshops, attend panel discussions, and network at this event.



SCP was the recipient of a Community Impact Award in the category of Marketing & Outreach. The award focused on our GridSavvy awards Alerts Campaign and

was presented by California Energy Commission (CEC) Chair David Hochschild. When discussing the impact from these programs on customers, Chair Hochschild stated, "The winning programs exemplify the ingenuity and innovation that CCAs are bringing to customers throughout California. Our state has been a leader in clean energy for years, so it is wonderful to see community choice energy providers continuing that leadership."

PARTICIPATION RATES

COUNTY	Eligible	SCP	% Part.	% Opt Out
MENDOCINO	38,235	30,028	78.5%	21.5%
FORT BRAGG INC	4,070	3,385	83.2%	16.8%
POINT ARENA INC	343	292	85.1%	14.9%
UNINC MENDOCINO CO	31,082	24,211	77.9%	22.1%
WILLITS INC	2,740	2,140	78.1%	21.9%
SONOMA	229,371	200,744	87.5%	12.5%
CLOVERDALE INC	3,915	3,201	81.8%	18.2%
COTATI INC	3,882	3,476	89.5%	10.5%
PETALUMA INC	27,476	24,308	88.5%	11.5%
ROHNERT PARK INC	19,717	17,351	88.0%	12.0%
SANTA ROSA INC	79,353	69,879	88.1%	11.9%
SEBASTOPOL INC	4,450	4,042	90.8%	9.2%
SONOMA INC	6,429	5,612	87.3%	12.7%
UNINC SONOMA CO	74,101	64,128	86.5%	13.5%
WINDSOR INC	10,048	8,747	87.1%	12.9%
Total	267,606	230,772	86.2%	13.8%

Current EverGreen Enrollment by TOT

COUNTY	SCP Meters	EverGreen Meters	EverGreen %
⊖ MENDOCINO	30,028	452	1.51%
FORT BRAGG INC	3,385	41	1.21%
POINT ARENA INC	292	30	10.27%
UNINC MENDOCINO CO	24,211	360	1.49%
WILLITS INC	2,140	21	0.98%
⊖ SONOMA	200,744	3,636	1.81%
CLOVERDALE INC	3,201	24	0.75%
COTATI INC	3,476	124	3.57%
PETALUMA INC	24,308	627	2.58%
ROHNERT PARK INC	17,351	240	1.38%
SANTA ROSA INC	69,879	1,199	1.72%
SEBASTOPOL INC	4,042	183	4.53%
SONOMA INC	5,612	85	1.51%
UNINC SONOMA CO	64,128	1,002	1.56%
WINDSOR INC	8,747	152	1.74%
Total	230,772	4,088	1.77%

PROGRAMS UPDATES

ELECTRIC VEHICLE CHARGER INCENTIVES

Since 2016, SCP has provided over 5,000 free and discounted level 2 electric vehicle (EV) chargers to our customers as part of a larger effort to promote EVs and remove barriers to adoption. Approximately 1,200 of these early adopters have joined GridSavvy Rewards by enrolling their smart EV chargers. This demand response program adjusts charging speeds during periods of high electricity use on the grid and contributes to a more balanced grid.

Market trends have changed since 2016. The California Energy Commission reports that 25% of new vehicles sold in California in 2023 are electric¹. Manufacturers and dealers often include a level 2 charger with the purchase of the vehicle. This trend indicates that no further efforts by SCP are needed for general market transformation.

Following the Board’s direction on ensuring equity in programs, staff analyzed participation and discovered less than 3% of the customers who received a free or discounted EV charger are enrolled in CARE/FERA, the monthly discount for income-

¹ California Energy Commission (2024). New ZEV Sales in California. Data last updated May 1, 2024. Retrieved May 2, 2024 from <https://www.energy.ca.gov/zevstats>

qualified households. Recognizing the need to focus efforts on improving access for our income-qualified customers, SCP investigated better ways to serve these customers. This led to the discovery of the Empower EV Program offered by PG&E, which offers income-eligible households a free level-2 EV charger and up to \$2,000 to provide panel upgrades to accommodate the new equipment when needed. Instead of duplicating efforts already available through PG&E and to our customers, we encourage customers to take advantage of this program.

Based on the current market and following a thorough evaluation, SCP discontinued offering discounted EV chargers, effective May 1, 2024. Although discounted EV chargers will no longer be available through SCP, the demand response component will remain active. Customers with enrolled chargers in GridSavvy Rewards will continue to participate and receive the \$5/month bill credit.

Staff will now focus on more impactful initiatives to support equitable transportation electrification. Staff will apply lessons learned to these efforts, along with the forthcoming Transportation & Mobility Needs Assessment recommendations. This decision underscores the Board's dedication to aligning offers and incentives to customer needs and promoting equity. Ongoing efforts to support EV adoption include a workplace charging research project, expanding public chargers in rural areas, and offering non-profits incentives up to \$22,500 for EV purchases or leases.

COMMUNITY NEEDS ASSESSMENTS STATUS UPDATE

Sonoma Clean Power is committed to ensuring that our offers and incentives have a meaningful impact. Following the Board's direction and the Strategic Action Plan & Equity Framework, we have been assessing the needs of our community across four key areas: agriculture energy use, transportation & mobility, residential energy use & resiliency, and commercial energy use & resiliency. These assessments are currently progressing through different stages of completion.

The agricultural needs assessment was finalized in 2023, and its findings and recommendations were shared with the Community Advisory Committee and the Board of Directors in March 2024.

The transportation & mobility needs assessment has recently concluded. The findings and recommendations are included in this packet as a separate item.

The residential and commercial assessments are scheduled to be completed by summer. Once finalized, a report will be shared with the Community Advisory Committee and Board of Directors.

A recent highlight from the commercial assessment is the online survey conducted in April, with 100 commercial customers participating. The survey's goal was to gain insights into their unique needs and challenges. We asked about their awareness of SCP and our programs. We had a focus on responses from businesses in Empower Communities, which are census tracts identified by SCP as being most vulnerable to pollution, socioeconomic challenges, and affordability issues.

We are currently analyzing the responses and the insights we received from this survey will be very important. They will help inform us of recommendations that will be presented to the Committee and Board later this year. This data-driven approach ensures that our strategies are inclusive, equitable, and aligned with the needs of all customers, especially those in Empower Communities.

CLIMATE ACTION NIGHT

SCP Programs Team staff participated in the 5th annual Climate Action Night, a collaborative event hosted by Santa Rosa Junior College aimed at educating the community on current legislation and local campaigns related to climate change, climate justice, and sustainability. The event, which took place on April 25th, involved over 70 students from Sonoma County high schools, Sonoma State University, and Santa Rosa Junior College. Staff provided mentorship to two groups from Analy High School, assisting them in researching and presenting SCP's campaign to electrify transportation and enhance building efficiency. The students also learned about SB755. This legislation aims to simplify the application process for residential energy programs, benefiting low-income families and supporting the climate transition. By engaging with high school and college student groups, SCP staff contributed to empowering the community with actionable insights and solutions to address climate challenges effectively.

CUSTOMER SERVICE OUTREACH TO LOCAL BUSINESSES

Sonoma Clean Power's continued commitment to supporting our local businesses with clean, competitively priced power has attracted a number of local businesses who opted out of SCP years ago to return to our service in the first months of our tenth anniversary year.

Through the first few months of 2024, six large businesses, with a combined annual electrical load of 3,400 MWh, made the choice to opt back into SCP generation. That load represents the residential equivalent of 560 average homes.

Also, during those early months of the year, three large businesses chose EverGreen to power their businesses, comprising an annual increase in SCP's 100% local renewable service of 125 MWh. That's comparable to having 21 average homes opting into EverGreen. One of SCP's partners in fighting climate change, Switch Vehicles in Sebastopol, was one of those that made the choice of EverGreen!

RECENT COMMUNITY EVENTS

SCP engaged with communities at events in Sonoma and Mendocino counties, including the NOYO Food Forest Earth Day Event in Fort Bragg where staff interacted with 150+ interested community members, the Round Valley Earth Day Event at the Round Valley Public Library in Covelo where staff had the opportunity to talk to approximately 150 event attendees and Petaluma's Butter and Egg Days Festival where SCP provided branded spatulas to booth visitors, as part of our "Serving Up Clean Energy Since 2014" theme.

Fort Bragg Event



Butter and Egg Days Festival in Petaluma



INVESTMENTS

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

SCP maintains investments with two banks, the Sonoma County Treasury Investment Pool, and the California State Treasury's Local Agency Investment Fund. The bank funds are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized at 110% per California Government Code Section 16521. The summary below reflects year-to-date figures for the nine months ended March 31, 2024.

Investment Summary

Nine Months Ended March 31, 2024

Investment Type	Avg. Balance	Interest Earned	Avg. Annual Percentage Yield
Money Market ⁽¹⁾	\$15,894,518	\$441,693	3.76%
Certificate of Deposit (CD) ⁽¹⁾	\$16,493,834	\$685,592	5.67%
Insured Cash Sweep (ICS) ⁽²⁾	\$33,306,814	\$1,135,316	4.63%
Certificate of Deposit Account Registry Service (CDARS) ⁽²⁾	\$55,411,396	\$2,162,135	5.32%
Local Agency Investment Fund (LAIF) ⁽³⁾	\$21,106,606	\$644,152	4.13%
Sonoma County Treasury Investment Pool ⁽³⁾	\$37,376,361	\$848,898	3.06%
Total ⁽⁴⁾	\$179,589,529	\$5,917,785	4.47%

Investment Location	Avg. Balance
Summit State Bank	\$41,312,231
River City Bank	\$79,794,330
Local Agency Investment Fund (LAIF) ⁽³⁾	\$21,106,606
Sonoma County Treasury Investment Pool ⁽³⁾	\$37,376,361
Total ⁽⁴⁾	\$179,589,529

(1) Collateralized at 110% per California Government Code Section 16521

(2) Insured by the Federal Deposit Insurance Corporation (FDIC)

(3) Excludes fair market value adjustment from financial statements

(4) Excludes cash in non-interest-bearing accounts

MONTHLY COMPILED FINANCIAL STATEMENTS

The year-to-date change in net position is more than projections by approximately \$7,390,000. Year-to-date revenue from electricity sales is slightly under budget by less than 1% and cost of energy is under budget projections by approximately 4%. Year-to-date electricity sales reached \$211,651,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$264,599,000, 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

The accompanying budgetary comparison includes the 2023/24 amended 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.

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

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

ATTACHMENTS

- March 2024 Financial Reports

UPCOMING MEETINGS

- Board of Directors - June 6, 2024
- Community Advisory Committee - June 20, 2024
- Board of Directors - July 11, 2024 (later due to 7/4 holiday)
- Community Advisory Committee - July 18, 2024



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying Budgetary Comparison Schedule for the Operating Fund of Sonoma Clean Power Authority (a California Joint Powers Authority) for the period ended March 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
April 29, 2024

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

	2023/24 YTD		2023/24 YTD		2023/24 YTD Actual / Amended Budget %	2023/24 Amended Budget	2023/24 Amended Budget Remaining
	2023/24 YTD Amended Budget	2023/24 YTD Actual	2023/24 YTD Variance (Under) Over	2023/24 YTD Actual			
REVENUE AND OTHER SOURCES:							
Electricity (net of allowance) *	\$ 211,653,330	\$ 209,703,887	\$ (1,949,443)		99%	\$ 275,994,000	\$ 66,290,113
Evergreen Premium (net of allowance)	1,984,162	1,947,061	(37,101)		98%	2,689,000	741,939
CEC Grant	666,549	431,099	(235,450)		65%	902,000	470,901
Investment returns	5,558,884	6,320,420	761,536		114%	7,659,000	1,338,580
Miscellaneous Income	1,172,027	445,952	(726,075)		38%	2,058,000	1,612,048
Total revenue and other sources	221,034,952	218,848,419	(2,186,533)		99%	289,302,000	70,453,581
EXPENDITURES AND OTHER USES:							
CURRENT EXPENDITURES							
Cost of energy and scheduling	142,896,867	136,751,527	(6,145,340)		96%	186,460,000	49,708,473
Data management	1,963,490	1,896,296	(67,194)		97%	2,680,000	783,704
Service fees- PG&E	741,704	735,571	(6,133)		99%	990,000	254,429
Personnel	6,081,409	6,058,123	(23,286)		100%	8,346,000	2,287,877
Energy Center, marketing & communications	2,248,484	1,657,404	(591,080)		74%	3,301,000	1,643,596
Customer service	149,596	108,024	(41,572)		72%	220,000	111,976
General and administration	1,097,754	1,017,602	(80,152)		93%	1,515,000	497,398
Legal	338,464	88,863	(249,601)		26%	475,000	386,137
Regulatory and compliance	245,628	248,524	2,896		101%	460,000	211,476
Accounting	236,820	224,690	(12,130)		95%	309,000	84,310
Legislative	134,000	72,000	(62,000)		54%	220,000	148,000
Other consultants	369,292	400,913	31,621		109%	624,000	223,087
Industry memberships and dues	522,000	492,131	(29,869)		94%	695,000	202,869
Program implementation	4,946,231	2,895,419	(2,050,812)		59%	8,101,000	5,205,581
Program - CEC grant	1,476,161	1,418,329	(57,832)		96%	1,712,000	293,671
Total current expenditures	163,447,900	154,065,416	(9,382,484)		94%	216,108,000	62,042,584
OTHER USES							
Capital outlay	1,657,597	1,463,975	(193,622)		88%	1,900,000	436,025
Total expenditures, other uses	165,105,497	155,529,391	(9,576,106)		94%	218,008,000	62,478,609
Net increase (decrease) in available fund balance	\$ 55,929,455	\$ 63,319,028	\$ 7,389,573			\$ 71,294,000	\$ 7,974,972
<i>* Represents sales of approximately 1,618,000 MWh for 2023/24 YTD actual.</i>							
RESERVES							
Operating Reserve (as of June 30, 2023)	\$ 163,190,000	\$ 171,080,000					
			% of Long-Term Target				
							95%

**SONOMA CLEAN POWER AUTHORITY -
 BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED) -
 RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE -
 TO CHANGE IN NET POSITION -
 Nine Months Ended March 31, 2024 -**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 63,319,028
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(1,044,687)
Add back capital asset acquisitions	1,463,975
Change in net position	\$ 63,738,316



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 March 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
April 29, 2024

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of March 31, 2024

ASSETS

Current assets

Cash and cash equivalents	\$ 72,247,965
Accounts receivable, net of allowance	20,320,632
Other receivables	6,749,574
Accrued revenue	13,202,113
Prepaid expenses	1,321,097
Deposits	10,417,454
Investments	138,351,442
Total current assets	<u>262,610,277</u>

Noncurrent assets

Other receivables	1,091,675
Land	1,195,405
Capital assets, net of depreciation	17,632,736
Deposits	846,256
Total noncurrent assets	<u>20,766,072</u>
Total assets	<u>283,376,349</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	9,794,352
Accounts payable	1,233,098
Advances from grantors	2,678,437
Other accrued liabilities	1,148,772
User taxes and energy surcharges due to other governments	764,408
Supplier security deposits	954,000
Total current liabilities	<u>16,573,067</u>

Noncurrent liabilities

Supplier security deposits	2,205,121
Total liabilities	<u>18,778,188</u>

NET POSITION

Investment in capital assets	18,828,141
Unrestricted	245,770,020
Total net position	<u>\$ 264,598,161</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Nine Months Ended March 31, 2024

OPERATING REVENUES

Electricity sales, net	\$ 209,753,594
Evergreen electricity premium	1,947,061
Grant revenue	827,344
Total operating revenues	212,527,999

OPERATING EXPENSES

Cost of electricity	136,751,527
Contract services	6,447,194
Staff compensation	6,058,123
Program rebates and incentives	3,083,910
Other operating expenses	1,724,662
Depreciation	1,044,687
Total operating expenses	155,110,103
Operating income	57,417,896

NONOPERATING REVENUES (EXPENSES)

Interest and investment returns	6,320,420
Nonoperating revenues (expenses), net	6,320,420

CHANGE IN NET POSITION

	63,738,316
Net position at beginning of year	200,859,845
Net position at end of period	\$ 264,598,161

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Nine Months Ended March 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 218,650,181
Receipts from grantors	863,604
Other operating receipts	1,858,104
Payments to electricity suppliers	(143,613,547)
Payments for other goods and services	(7,871,841)
Payments of staff compensation	(6,016,174)
Tax and surcharge payments to other governments	(2,649,297)
Payments for program rebates and incentives	(4,261,869)
Deposits and collateral paid	<u>(1,575,000)</u>
Net cash provided (used) by operating activities	<u>55,384,161</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(1,472,432)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	3,885,450
Proceeds from certificates of deposit matured	50,000,000
Purchase of investments	<u>(101,000,000)</u>
Net cash provided (used) by investing activities	<u>(47,114,550)</u>

Net change in cash and cash equivalents	6,797,179
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 72,247,965</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Nine Months Ended March 31, 2024

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

Operating income (loss)	\$ 57,417,896
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	1,044,687
(Increase) decrease in:	
Accounts receivable, net	4,847,878
Other receivables	(3,379,561)
Accrued revenue	(592,278)
Prepaid expenses	152,710
Deposits	(1,628,397)
Increase (decrease) in:	
Accrued cost of electricity	(3,989,887)
Accounts payable	219,420
Advances from grantors	(396,245)
Accrued liabilities	1,027,109
User taxes due to other governments	44,629
Supplier security deposits	616,200
Net cash provided (used) by operating activities	<u>\$ 55,384,161</u>

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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 and Provide Feedback as Appropriate

Date: May 16, 2024

Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

Regulatory Updates

CPUC Adopts Decision Potentially Excluding CCA Customers from Receiving Incentives

On March 22nd, the California Public Utilities Commission adopted Decision D.24-03-071 which implemented Assembly Bill 209 and Modified the Self-Generation Incentive Program (SGIP). The underlying intent of these modifications - and directive from AB 209 - was to increase the amount of funding available for customers who seek to generate their own electricity by installing solar panels and battery storage devices. The SGIP was launched in 2001 to provide financial incentives for customers who installed rooftop solar systems to reduce their peak demand. Since then, it has undergone many significant revisions, such as modifying the eligible technologies, incentive amounts, payment structure, monitoring requirements, and eligible customers. This most recent Decision allocates \$280 million from the Greenhouse Gas Reduction Fund to the Self-Generation Incentive Program and adopts the following changes to the program:

- Expand eligibility for SGIP equity budget incentives to customers participating in California Alternate Rates for Energy, Family Electric Rate Assistance Program, and Energy Savings Assistance Program.

- Provide 50 percent upfront payments for solar and energy storage for eligible low-income household SGIP projects after confirming customer and project eligibility.
- Fund set-aside for customers living on tribal lands and enrolled members of California Tribes.
- Increase maximum storage incentive level for the Residential Solar and Storage Equity budget from \$.85/Wh to \$1.10/Wh.
- Transition Net Energy Metering 1.0 and 2.0 customers that apply for SGIP incentives to the Net Billing Tariff (NBT).
- Require all new SGIP incentive recipients to enroll in an SGIP approved qualified demand response program.

“Qualified demand response” programs are listed in an Appendix to the Decision. This list excludes every CCA program, as well as multiple utility programs. However, the Decision also provides some flexibility around this requirement. First, it charges IOU Program Administrators with the responsibility to submit Advice Letter filings to notify the Commission of new qualified demand response programs. In addition, it specifies that the same IOU Program Administrators of SGIP funds can exempt customers from this requirement if they do not have access to a “qualified” demand response program.

On March 26th, SCP and MCE staff met with Commissioner Houck to discuss this issue. Upon understanding the barrier the Decision erects, she stated that she did not think it was the intent of the Decision to exclude CCA customers from SGIP. She directed SCP staff to coordinate with Energy Division staff to seek guidance – ideally in writing – that could be provided to the IOU Program Administrators.

On April 19th, a group of demand response aggregators submitting an Application for Rehearing of D. 24-03-071 on the grounds that it committed a legal error by excluding so many potential customers from SGIP.

SCP staff submitted a response in support to underscore the importance of this issue and to specify solutions that Energy Division staff could provide under the existing regulations.

Proposed Decision Denying PG&E's Application for Pacific Generation Spinoff on Agenda for May 9th CPUC Meeting

On March 15th, the assigned Administrative Law Judge (ALJ) issued a Proposed Decision denying PG&E's Application A.22-09-018, which sought to sell 49.9% of the equity in PG&E's utility-owned generation facilities to raise equity. Judge Park reasoned that there was no ratepayer benefit from this action, and that despite PG&E's arguments, it would in fact significantly complicate monitoring of compliance requirements, tracking of funds in balancing accounts, and the CPUC's overall ability to effectively regulate both the utility and new entity.

As background, the utility first submitted the Application in September of 2022. The utility's stated rationale for this proposal is to raise equity capital, deleverage its balance sheet, and avoid issuing additional common stock. PG&E reasons that Pacific Generation, without the liability of PG&E Corporation's transmission and distribution infrastructure, would be viewed by investors as an entity with less risk. A 49% ownership stake in all PG&E's utility-owned generation, except for Diablo Canyon Power Plant, would be offered to investors. This subsidiary would remain wholly owned by PG&E, with the utility continuing to operate and maintain the facilities. While Pacific Generation would collect revenues, PG&E would continue to bill customers for the costs to own and operate the plants. The Power Charge Indifference Adjustment (PCIA) exit fee would remain in place, with both PG&E and Pacific Generation levying separate PCIA charges, the sum of which would appear as a single line item on customer bills. PG&E states that rates would not be impacted by this transaction and that it would avoid diluting existing shareholders, including the Fire Victim Trust established in their most recent bankruptcy.

SCP staff have concerns that PG&E's parent corporation may be trying to shield roughly \$3 billion in assets from its next bankruptcy. Early exploration of this issue was focused on ensuring the true valuation of all the assets and liabilities, i.e., not the "book" or "regulatory" values, but what the fraudulent transfer laws call the "fair value." In addition, SCP staff met with PG&E executives to discuss the Application, with the intent of safeguarding future fire victims from having PG&E's generation assets unethically walled off from their claims. CalCCA's advocacy in this case highlighted many of these concerns about potential risks to customers, and lack of any corresponding benefit from the proposed transaction.

In July of 2023, the Federal Energy Regulatory Commission (FERC) approved PG&E's proposal to transfer 5.6 GW of generation assets to a new subsidiary. The assets

proposed include 3.8 GW of hydroelectric facilities, 1.4 GW of gas generation, 182 MW of battery storage, and 152 MW of solar generation. Based on this approval, PG&E's CEO stated that she expected the CPUC to issue a Proposed Decision on the proposal early in 2024.

However, the FERC approval does not supersede the CPUC's ultimate decision on this Application. The Proposed Decision was ultimately issued in March of 2024 by ALJ Park and found no ratepayer benefit to this proposed transaction. All parties but PG&E were supportive of the judge's determination. Despite this, PG&E issued a press release announcing that they were entering into exclusive negotiations with KKR, a private equity firm, to proceed with the sale. That press release also estimated ratepayer savings of \$100 million over 20 years even though this figure was not supported by the legal record nor any quantitative analysis.

The Proposed Decision was held by CPUC staff on for one Commission meeting and is now on the agenda for May 9th.

Legislative Updates

All bills have passed (or failed) in their policy committee hearings in the house of origin by now. The next steps are the fiscal committee and then the floor of the house of origin before they are sent over to the second house toward the end of the month. The Governor's "May Revise" budget plan will come out in early May, with more cuts expected.

Existing Legislative Positions

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

Would authorize 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 2292 (Petrie-Norris) - Transmission - Support**

AB 2292 would delete a duplicative requirement that the Public Utilities Commission consider the cost-effectiveness of new transmission projects for a second time, after the Commission as well as the California Independent System Operator have already reviewed the cost-effectiveness of such projects earlier in the approval process. This small but important tweak should help speed up approvals of new transmission lines, which are critical to bringing more clean energy online in time to meet our ambitious

climate goals.

- **AB 2666 (Boerner) - Investor-owned utility revenue - Support**

This bill would require the Public Utilities Commission to look at the actual costs an electric or gas corporation has incurred in the past, not just their authorized costs, in future general rate cases and other authorizations to collect revenue. For example, if a utility may be authorized to collect \$100,000 plus profit in anticipation of spending \$100,000 on Activity X. If they only spend \$70,000 on Activity X, they may get to keep the extra \$30,000, creating an incentive to inflate cost estimates in advance as much as possible. This bill would help address that problem by requiring the Public Utilities Commission to consider the fact that they only spent \$70,000 the last time around when authorizing future cost recovery for Activity X.

For background, a 2023 state audit found that utilities are routinely bringing in revenues well above their authorized rates of return. For example, San Diego Gas & Electric was found to have received revenues above its authorized rate of return in nine of the ten years surveyed. (Pacific Gas & Electric had a more even record of coming in above or below the authorized rate of return.) The audit also found that the Public Utilities Commission and CalAdvocates (public advocate's office) lack adequate processes and procedures to prevent excessive revenue collection from taking place. A major driver of this issue is the types of situations described above.

- **AB 2891 (Friedman) - Virtual power plants - Support**

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.

AB 2891 would make it easier for electricity providers to use virtual power plants to provide meet their clean reliability needs in a manner that qualifies for official compliance obligations. Specifically, this legislation would require the Public Utilities Commission - in consultation with other relevant state agencies and power providers - to issue a series of technical requirements and load modification protocols that virtual power plants would need to meet to serve as a power-providing resource that "counts" toward various compliance obligations. This language is similar to what we

had requested in SB 1305 (Stern), which has since died.

- **AB 3256 (Irwin) - Balancing and Memorandum Accounts - Support**

In recent years, balancing and memorandum accounts – through which investor-owned utilities can recover costs outside of the usual General Rate Case process – have grown significantly in size, number, and scope. AB 3256 would increase transparency around the use of these accounts and their impacts on ratepayers, as well as granting the Public Utilities Commission additional direction to close accounts that are no longer serving their intended purpose to protect ratepayers. Sonoma Clean Power’s support letter for this legislation is attached to this item. Sonoma Clean Power staff were also able to provide technical feedback to the author’s office to clarify and strengthen the bill.

- **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 like 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 adding immunocompromization to the list of health exemptions from previous legislation. The support position carries over from 2023.

- **SB 1003 (Dodd) - Wildfire risk reduction - Support**

This bill would improve assessments of the cost-benefit ratio of wildfire risk reduction projects by incorporating consideration of how long these projects take to complete as well as their cost-effectiveness. Right now, utilities are often pursuing projects regardless of how long they might take to complete or what the impact on ratepayers might be. That also means that scarce dollars are spent on fewer, more expensive projects. This bill would ensure consideration of all relevant factors when making wildfire risk reduction investments – not just what is best for the utility.

- **SB 1006 (Padilla) - Grid-enhancing technologies - Support**

Grid-enhancing technologies (GETs) have significant potential to help increase the capacity of existing transmission lines, which would allow more clean energy to be interconnected to the grid and delivered to customers. For example, reconductoring an existing transmission line with more advanced conductors could increase a line’s

capacity while saving ratepayers significant amounts of money by allowing cleaner, cheaper power to come to market. SB 1006 would require investor-owned transmission utilities to develop strategic plans to deploy GETs in a more programmatic way.

Sonoma Clean Power staff has shared feedback with the author's office that the bill would be most effective if it also looked at ways to improve the California Independent System Operator's Transmission Planning Process. Right now, that process takes a very rigid, prescriptive view of what technologies will be available and when. There is little recognition of the value that adding optionality and flexibility to the transmission system could provide over the long term, given the potential emergence of new technologies that could lower cost (or the risk of expected technologies falling through). As a result, GETs that add more optionality to the system and could provide significant value to ratepayers as well as the climate are often discounted under the current procedure.

- **SB 1014 (Dodd) - Wildfire risk management - Support**

Current law around wildfire risk reduction creates several perverse incentives for utilities that may not be in the best interest of ratepayers or California residents as a whole. For example, utilities are spending tens of billions of dollars to harden, underground, and fire-proof their equipment while the state is spending a fraction of that money on wildfire risk reduction and vegetation management overall, even though those investments deliver a significantly larger public benefit. Since all this money is coming from the people (as ratepayers or taxpayers), it raises the question of whether California residents are getting the most value from these investments. An example of the problem is a future in which the electric grid is well-protected from igniting fires but communities are still exposed to extreme fire risk because other important measures were not funded.

SB 1014 would require more thoughtful planning and coordination around these questions - without prescribing a solution - under the guidance of the state Fire Marshal. Sonoma Clean Power's support letter for this legislation is attached below.

- **SB 1130 (Bradford) - FERA eligibility - Support**

Generally speaking, the California Alternate Rates for Energy (CARE) program provides investor-owned utility customers who live at or below 200% of the federal poverty line to receive discounts of 30-35% on their electric bills and 20% on their gas bills. The Family Electric Rate Assistance (FERA) Program provides reduced electric

bills to people who don't qualify for CARE but may still need help paying their bills, up to 250% of the federal poverty line.

While anyone who meets those criteria can receive CARE benefits, FERA eligibility is currently limited to households of three people or more. SB 1130 would eliminate that requirement and allow all eligible customers to receive FERA benefits, even if they live in a household of only 1 or 2 individuals. Because eligibility for CARE/FEAR benefits is used as a metric for eligibility for various other clean energy, electric vehicle, and energy efficiency programs targeted at lower-income customers, this bill would have the effect of expanding eligibility for several rebate and incentive programs. This legislation would also require utilities to report on FERA enrollment numbers to help address under enrollment.

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

Under current law, the "AB 205" process provides an expedited path to building clean energy by allowing the Energy Commission to serve as almost the sole siting and permitting authority for projects whose developers opt to use this option. While still very new, this process has shown a lot of potential.

SB 1165 would allow transmission developers to use a similar process in lieu of the current transmission approval process (which mainly takes place at the Public Utilities Commission). Granting this important option to transmission is expected to help speed up development of this urgently needed resource. Sonoma Clean Power staff shared technical amendments with the author's office to make sure that this option is available to third-party transmission developers as well as investor-owned utilities, should the bill be enacted. Sonoma Clean Power's support letter for this legislation is attached.

- **SB 1221 (Min) - Building Decarbonization - Support**

Would make numerous changes aimed at facilitating building decarbonization efforts where feasible, including reform of utilities' "obligation to serve" natural gas

requirements. Sonoma Clean Power's support letter for this legislation is attached below.

Significant amendments are being negotiated at the time of writing that could change the scope of the bill.

Watch List

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

Would request that the California Council on Science and Technology prepare a written analysis of any legislation imposing a mandated program or requirement on investor-owned electric utilities or their customers, when asked to do so by the Legislature. This is somewhat 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 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 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, for which significant amendments are anticipated, 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 946 (McGuire) - Tax exemptions - Watch**

Would exempt payments made through the California Wildfire Mitigation Financial Assistance Program to compensate people for wildfire-related losses from counting as part of a person’s income for tax purposes, through 2029.

- **SB 1177 (Bradford) - Equitable procurement - Watch**

This bill would update reporting requirements applied to all entities subject to Public Utilities Commission jurisdiction, including CCAs, around diversity in the businesses they contract with and procure from.

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

Would require investor-owned utilities to increase transparency around their processes and fees to interconnect new housing to the grid.

- **SB 1298 (Cortese) - Backup generation - Watch**

Authorizes the Energy Commission to exempt large-scale diesel backup generators used at data centers from certain siting and permitting processes, assuming that the Commission finds that there will be no substantial negative effect on the environment.

- **SB 1497 (Menjivar) - Polluting entities - Watch**

Known as the Polluters Pay Climate Cost Recovery Act of 2024, this bill would require fossil fuel companies to pay the state for damages caused by their products from the period 2000-2020.

State Budget & Potential Climate Bond

Governor Newsom released his initial proposed 2024-25 state budget on January 10, and will release an updated plan - the "May Revise" - in early May. This will be heavily negotiated with the Legislature 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, which was much smaller than what the Legislative Analyst's Office had projected. Anticipating a smaller deficit in the initial budget plan is a common tactic to slowly introduce budget cuts in a staggered way in order to blunt the political impact. 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. The state's revenue outlook is still consistent with a very significant deficit, meaning that the May Revise will likely contain further cuts to key programs. In mid-April, the Legislature passed and the Governor signed roughly \$17 billion in deficit-reducing measures (a mix of new revenue, spending cuts, and more) to begin tackling this issue.

Legislators have expressed interest in possible bond measures to offset the impact of budget cuts. The main bond proposals under discussion for the November ballot seem to be some version of climate & natural resources bond, an education (school facilities) bond, and a housing bond, although the prospects for all of these bonds may have dimmed recently. The state's total ability to issue bonds is roughly in the realm of \$15 billion, so it is possible that multiple bonds could appear together on

the November ballot. The Legislature may also not want to use up the entire \$15 billion capacity, given the costs of repayment down the road. Bond discussions among the administration and legislative leadership are still in the early stages. Measures must pass the legislature by June 27 to appear on the November ballot.

Attachments

- Attachment 1 - April 10, 2024, Letter - Re: Support for SB 1014 (Dodd)
- Attachment 2 - April 10, 2024, Letter - Re: Support for SB 1130 (Bradford)
- Attachment 3 - April 10, 2024, Letter - Re: Support for SB 1165 (Padilla)
- Attachment 4 - April 10, 2024, Letter - Re: Support for SB 1221 (Min)
- Attachment 5 - April 10, 2024, Letter - Re: Oppose Unless Amended SB 1305 (Stern)



Sonoma Clean Power

P.O. Box 1030, Santa Rosa, CA 95402

April 10, 2024

The Honorable Bill Dodd
Member of the Senate
1021 O Street, Suite 7610
Sacramento, CA 95814

Re: SB 1014: Support

Dear Senator Dodd,

Sonoma Clean Power (SCP) is pleased to support SB 1014, which will promote a more thoughtful approach to wildfire risk management in California. This long-overdue bill will ensure that already burdened taxpayers and electric ratepayers get the most “bang for their buck” when paying for urgently needed wildfire safety investments.

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

Again, SCP is pleased to support SB 1014 and appreciates your commitment to tackling our ongoing wildfire risk crisis. Should you or your staff have any questions or wish to discuss further, please do not hesitate to contact me directly or reach out to our lobbyist Kate Brandenburg at kate@brandenburglobby.com.

Thank you for your leadership on this important issue.

Sincerely,



Geof Syphers
Chief Executive Officer



P.O. Box 1030, Santa Rosa, CA 95402

April 10, 2024

The Honorable Steven Bradford
Member of the Senate
1021 O Street, Suite 7210
Sacramento, CA 95814

Re: SB 1130: Support

Dear Senator Bradford:

Sonoma Clean Power (SCP) is pleased to support SB 1130, which will expand eligibility for the Family Electric Rate Assistance program (FERA) by eliminating the requirement that a household consist of three or more persons and require electrical corporations to report on program enrollment. The California Public Utilities Commission reported the FERA enrollment participation rates are significantly lower than those in the California Alternate Rates for Energy (CARE) program. SCP believes that, in a time of rising electricity costs, it is critical to ensure that as many households as possible are able to participate in the FERA program.

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Sonoma Clean Power is pleased to support SB 1130 and appreciates your commitment to California ratepayers. Should you or your staff have any questions or wish to discuss further, please do not hesitate to contact me directly or reach out to our lobbyist Kate Brandenburg at kate@brandenburglobby.com.

Thank you for your leadership on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Geof Syphers".

Geof Syphers
Chief Executive Officer



P.O. Box 1030, Santa Rosa, CA 95402

April 10, 2024

The Honorable Steve Padilla
Member of the Senate
1021 O Street, Suite 6640
Sacramento, CA 95814

Re: SB 1165: Support

Dear Senator Padilla,

Sonoma Clean Power (SCP) is pleased to support SB 1165, which will help address the greatest threat to the continued buildout of clean energy resources here in California: lack of transmission capacity. This thoughtful legislation will ensure faster review of urgently needed projects to help bring new renewable energy to market as quickly as possible.

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

Again, SCP is pleased to support SB 1165 and appreciates your commitment to California's clean energy future. Should you or your staff have any questions or wish to discuss further, please do not hesitate to contact me directly or reach out to our lobbyist Kate Brandenburg at kate@brandenburglobby.com.

Thank you for your leadership on this important issue.

Sincerely,

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

Geof Syphers
Chief Executive Officer



P.O. Box 1030, Santa Rosa, CA 95402

April 10, 2024

The Honorable Dave Min
Member of the Senate
1021 O Street, Suite 6710
Sacramento, CA 95814

Re: SB 1221: Support

Dear Senator Min,

Sonoma Clean Power (SCP) is pleased to support SB 1221, which reforms gas utilities' "obligation to serve" customers and requires the California Public Utilities Commission (CPUC) to adopt a planning process for evaluating zero-emission alternatives (ZEA) to gas pipeline replacement projects. SB 1221 encourages investor-owned utilities to pursue cost-effective ZEA pilot projects with strong equity and labor benefits, while creating transparency in the CPUC's Long-Term Gas Planning Rulemaking process.

Recently, the CPUC released a gas transition white paper outlining how the CPUC, California Air Resources Board, and the California Energy Commission will collaborate in a long-term plan to transition California away from natural gas and move toward ZEA sources for heating, cooling, and other energy needs. SB 1221 is a logical and important next step. While we strongly support SB 1221, we do believe that the legislation could benefit from clarification on two important (and interrelated) issues:

- The bill is slightly unclear as to how a utility's savings from not replacing aging gas infrastructure will be transferred to consumers to support the installation of electric appliances.
- Similarly, the bill could be clarified to confirm when the enumerated labor standards would apply vis a vis the installation of customer-sited electric appliances. For example, would a skilled and trained workforce be required to install a customer's electric oven that has been financed by gas utility cost savings?

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Sonoma Clean Power is pleased to support SB 1221 and appreciate your commitment to tackling our climate crisis while protecting disadvantaged communities and California ratepayers. Should you or your staff have any questions or wish to discuss further, please do not hesitate to contact me directly or reach out to our lobbyist Kate Brandenburg at kate@brandenburglobby.com.

Thank you for your leadership on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Geof Syphers".

Geof Syphers
Chief Executive Officer



P.O. Box 1030, Santa Rosa, CA 95402

April 10, 2024

The Honorable Henry Stern
Member of the Senate
1021 O Street, Suite 7710
Sacramento, CA 95814

Re: SB 1305: Oppose Unless Amended

Dear Senator Stern,

Sonoma Clean Power must respectfully oppose SB 1305 unless several amendments are taken. Most notably, we urge removal of the virtual power plant procurement mandate on electrical corporations.

Sonoma Clean Power strongly supports the use of virtual power plants, which are becoming an increasingly important tool for load-serving entities across California. One of the most successful virtual power plants in the state is Sonoma Clean Power's GridSavvy program. We appreciate and support SB 1305's intent to encourage the continued growth of this sector, although we would request modifications to the definition of "virtual power plant" as used in the legislation to more clearly reflect that a virtual power plant could use behavioral modifications and demand response as well as customer-sited batteries or other equipment.

Unfortunately, however, we must strongly oppose SB 1305's mandate that electrical corporations procure an increasing percentage of their resource adequacy from virtual power plants, for several reasons. First, the rules for qualifying demand response programs for resource adequacy are still unfinished, and mandating procurement of a resource that is not clearly defined is premature. Second, SB 1305 would drive up rates by requiring the use of one specific solution to peak load reduction challenges, even when that may not be the most cost-effective solution. Finally, although the mandate does not explicitly apply to Community Choice Aggregators (CCAs) like Sonoma Clean Power, any mandate on electrical corporations will likely either be applied to CCAs in implementation regardless or at the very least impose a new cost on CCA customers via non-bypassable charge or other mechanism. This threatens our ability as a local agency to make the best power procurement decisions possible on behalf of our community, and, therefore, we must strongly oppose the inclusion of this mandate.

SB 1305 would be significantly improved were it amended to focus on clarifying 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 – along with associated clarifications – could help load-serving entities like Sonoma Clean Power use virtual power plants most effectively. Should you or your staff have any questions or wish to discuss further, please do not hesitate to contact me directly or reach out to our lobbyist Kate Brandenburg at kate@brandenburglobby.com.

Thank you for your consideration.

Sincerely,

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

Geof Syphers
Chief Executive Officer

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Staff Report - Item 07

To: Sonoma Clean Power Authority Community Advisory Committee

From: Brant Arthur, Programs Manager
Rebecca Simonson, Director of Programs

Issue: Receive Mobility & Transportation Community Needs Assessment Final Report

Date: May 16, 2024

Staff Recommendation

Receive and file the final report for the Mobility & Transportation Community Needs Assessment.

Background

Community Needs Assessments are the first step in the Board approved Equity Framework. The purpose is to listen first and learn from the community to understand the underlying reasons or causes of issues, existing barriers, and types of resources that are already available to address issues. The Board of Directors approved funding for Community Needs Assessments in December 2022. The sectors covered are residential, commercial, agricultural, and transportation needs. The Community Needs Assessments for all sectors are scheduled to be complete in August 2024.

SCP partnered with EVNoire for the Transportation & Mobility Needs Assessment presented here.

SCP also partnered with Tierra Resource Consultants for the Agricultural Community Needs Assessment which was presented to the Board in March 2024 and Sacramento Municipal Utility District for the residential and commercial interests, which will be presented at a future meeting.

Discussion

In November 2022, SCP chose EVNoire to conduct a Mobility & Transportation Needs Assessment. This assessment aimed to identify current transportation challenges so SCP can create more effective programs and policies.

EVNoire employed several innovative approaches, including their own equity model, the community readiness model, and a demographic analysis framework. These methods helped to ensure that the assessment was thorough and sensitive to equity considerations.

The research used a mixed-methods approach that included both quantitative surveys and qualitative focus groups. The survey sampled SCP customers from various land-use types—rural, urban, and suburban—to ensure a broad representation of the region’s diverse population. This approach was designed to uncover the different transportation needs and challenges experienced by these community segments.

Overall, the study gathered nearly 400 complete survey responses, conducted 8 detailed interviews with key informants, and held 3 focus groups. SCP collaborated with local organizations including the NAACP Santa Rosa - Sonoma County, the North Bay Electric Auto Association, and Bikeable Santa Rosa to facilitate these focus groups.

These discussions provided valuable insights into the transportation issues particularly affecting BIPOC, low-income, rural, and pollution-burdened communities, enriching the overall assessment with a variety of perspectives.

Key Findings

- **Universal car dependency with unequal impacts:** There is a strong reliance on cars due to limited alternatives like biking or public transit. This issue hits lower-income families hardest, with most struggling to afford a car. Short trips under 5 miles, ideal for sustainable travel, continue to be made by cars due to inadequate infrastructure.
- **Alternative modes of transportation are used by half of the population:** Although cars remain the predominant mode of transportation, 51% of residents make weekly trips that include an alternative transportation mode. These residents come from all demographics, illustrating how alternative modes of

transportation are important to a majority of residents regardless of their income, race, or ethnicity.

- **Hispanic residents have notable differences in transportation patterns:** The alternative modes of transportation Hispanic communities use are more varied and diversified compared to non-Hispanic participants. In particular, Hispanic respondents highlighted an increased use of biking and carpooling as secondary transportation modes, which goes beyond economic needs and reflects social or cultural values.
- **Public transit barriers are different for different populations, but universally experienced:** Public transit users come from both high-income and low-income backgrounds and have different types of barriers than non-users. However, the specific barriers faced by transit users are often determined by their income.
- **Safety and distance matter for active transportation:** Distance is a larger barrier to active mobility for high-income and rural residents, while safety was the top concern for Hispanic respondents and those that currently bike. Given that Hispanic participants in particular rely on biking more than the general population, addressing safety concerns is not only an immediate need, but also an equity priority.
- **Bike users have high levels of concern about biking infrastructure:** Over half of bike users are unsatisfied with bike infrastructure, double the rate of non-bike users. Regular bike users feeling unsafe suggests deeper, unseen issues with bike safety that could deter others from biking and ultimately limit alternative transportation use.
- **Evidence suggests that the next generation of electric vehicle (EV) owners will be more reflective of women and Hispanic populations:** While EV owners have many characteristics of early adopters, residents who are considering the purchase of an EV have higher shares of Hispanic representation and the majority are women. EV intenders [participants who are considering buying an EV soon but haven't committed to purchasing one] are also the largest group of any vehicle intention category.
- **Home charging access for EV intenders is a critical gap that will limit EV adoption:** EV intenders have a significantly lower home charging access rate than EV owners and soon-to-be owners. Without charging access parallel to EV

owners, intenders are unlikely to make the transition to electric vehicles, slowing the adoption of these vehicles among a critical, new generation of EV owners.

Recommendations for SCP

- Develop a comprehensive community engagement strategy with community associations. Example actions include:
 - Offer programmatic support to community organizations in the form of grants or funding.
 - Consider supporting efforts that increase organizational efficiency, such as training, or providing workshops to support those efforts.
 - Program and software toolkits could be made available at public/shared spaces for use.
 - Community recommendation: Opening up grants and funding to a variety of organizations, not just 5013(c) /nonprofits.
- Increase alternative transportation diversity with further research and pilots that focus on demographic, social, cultural and lifestyle behaviors. Example actions include:
 - Inclusive visioning workshops to engage all community segments, including priority populations.
 - Support community documentation of experiences with alternative transportation modes.
 - Conduct asset mapping to identify needed assets for alternative transportation users.
 - Community recommendation: Provide informational resources and presentation materials to community partners who want to discuss and share these topics with their communities.
- Find ways to build a community coalition around transportation using this research as a starting point. Example actions include:
 - Plan a series of data walks to raise profile of community concerns and explore research findings.
 - Use ground-truthing to validate findings.

- Conduct photo voice workshops that allow community to bring findings to life while also building on them.
- Community recommendation: SCP sponsoring a program where they explore moving around in the community without a car to demonstrate the struggles.
- Plan engagement around electric vehicles to support new demographics of EV ownership and create spaces to further explore barriers. Example actions include:
 - Tailored outreach to Hispanic communities and women, workshops addressing EV questions.
 - Installing charging stations in diverse areas, with multiple use cases.
 - Introduce shared EV programs, like car-sharing or bike-sharing.
 - Community recommendation: Demonstrate EVs in a variety of use cases, such as custom builds and larger body models to raise interest around EVs from more diverse populations.

Attachments

- Attachment 1 - Mobility and Transportation Needs Assessment Final Report, available at [this link](#), or by request to the Clerk of the Board
- Attachment 2 - Mobility and Transportation Needs Assessment Presentation

Key Finding #1

UNIVERSAL CAR DEPENDENCY WITH UNEQUAL IMPACTS

How do residents use cars to meet their transportation needs?



98% use a car on a weekly basis to meet their needs

94% rely on a car as their primary transportation mode

There is a strong reliance on cars due to limited alternatives like biking or public transit. This issue hits lower-income families hardest, with most struggling to afford a car. Short trips under 5 miles, ideal for sustainable travel, continue to be made by cars due to inadequate infrastructure.

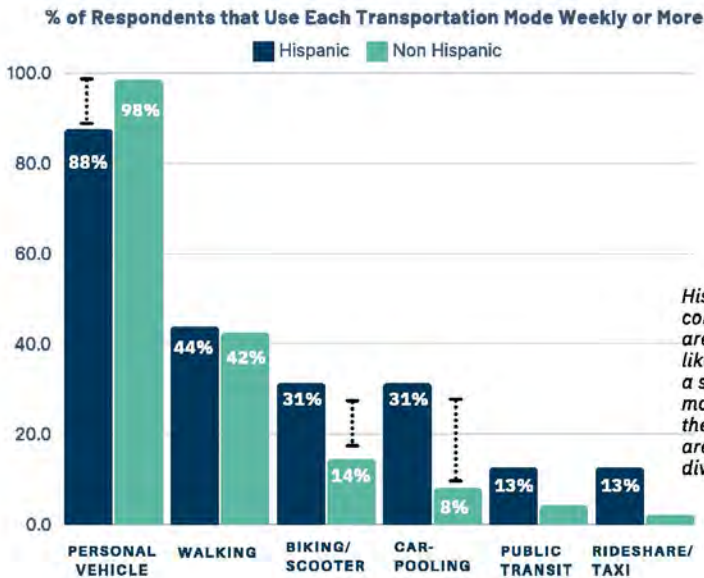


% of residents that use a **personal vehicle** as main mobility type
By income group

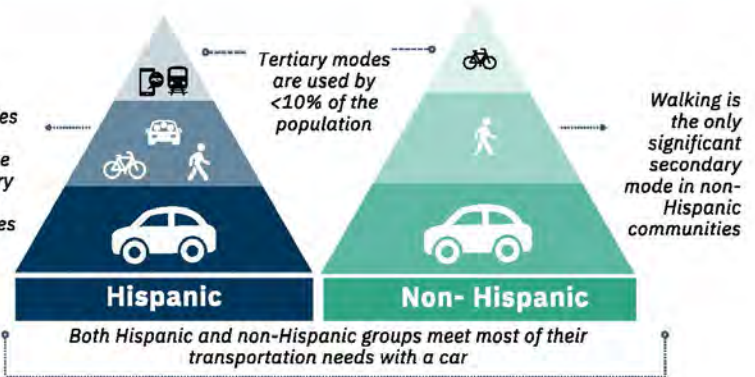
Key Finding #3

HISPANIC RESIDENTS HAVE NOTABLE DIFFERENCES IN TRANSPORTATION PATTERNS

The alternative modes of transportation Hispanic communities use are more varied and diversified compared to non-Hispanic participants. In particular, Hispanic respondents highlighted an increased use of biking and carpooling as secondary transportation modes, which goes beyond economic needs and reflects social or cultural values.



Hispanic communities are more likely to use a secondary mode and these modes are more diverse



Key Finding #7

EVIDENCE SUGGESTS THAT THE NEXT GENERATION OF EV OWNERS WILL BE MORE REFLECTIVE OF WOMEN AND HISPANIC POPULATIONS

While EV owners have many characteristics of early adopters, residents who are considering the purchase of an EV have higher shares of Hispanic representation and the majority are women. EV intenders are also the largest group of any vehicle intention category.

EV INTENDERS



EV OWNERS



EV OPPOSED



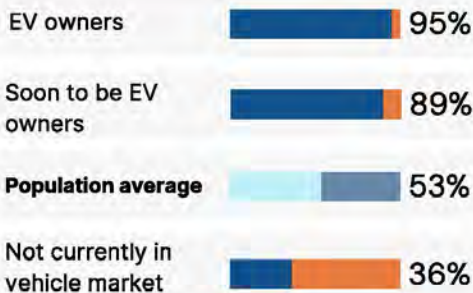
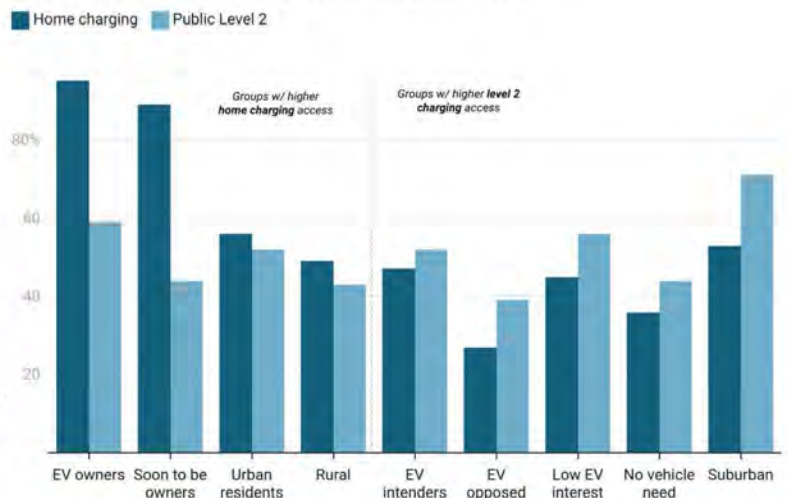
	% in High income Group	% Male	Disability rate	% Hispanic
EV intenders	35%	39%	8%	4%
EV owners	50%	75%	2%	0%
EV opposed	49%	51%	18%	9%
General population	36%	48%	12%	4%

Key Finding #8

DIVIDE IN HOME CHARGING ACCESS FOR EV INTENDERS IS A CRITICAL GAP THAT WILL LIMIT EV ADOPTION

EV intenders have a significantly lower home charging access rate than EV owners and soon-to-be owners, and even had an access rate that was lower than the sample average. Without charging rates parallel to EV owners, intenders are unlikely to make the transition to electric vehicles, slowing the adoption of these vehicles among a critical, new generation of EV owners.

Comparing public and private charging access by population group



% that have accessible home charging
By EV ownership intention

PUBLIC LEVEL 2 VS HOME CHARGING:
WHAT CHARGING TYPE IS MOST ACCESSIBLE?

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Staff Report - Item 08

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: May 16, 2024

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to secure reliable and affordable clean energy for customers by building 600 megawatts of geothermal power capacity in Sonoma and Mendocino Counties. This will enable 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>.

Enhanced Geothermal System (EGS) Awareness

Today, California relies heavily on natural gas fired power plants to keep the lights on. Very few power sources are truly available to run at any hour of the year, and the state has grown increasingly dependent on natural gas power plants for reliability even as it has built out renewable energy sources.

This fact is important because a majority of California's so-called "reliability" resources exist because of a technology called hydraulic fracturing or "fracking" for short. The oil and gas industry has widely deployed this technology in the United

States. SCP has identified a goal of taking the technical know-how from the oil and gas industry and greatly reducing the social and environmental impacts by using the technique to produce low carbon geothermal energy instead of fossil fuels.

To this end, SCP asked for proposals from across the geothermal industry and ultimately selected three partners, including one that is focused on expanding the use of EGS technology, Chevron New Energies.

Chevron New Energies will be the first GeoZone partner ready to engage in project-specific community outreach. The Chevron New Energies project is expected to deploy Enhanced Geothermal System (EGS) technology to enable commercial power generation beyond the current extent of the Geysers field. Chevron is continuing to negotiate a grant award for the project with the Department of Energy (DOE) and plans on leveraging many of the lessons learned from the DOE's own EGS project in Utah.

EGS creates an underground flow path in deep hard rock that allows circulation of fluid to collect underground heat to generate power. EGS creates the flow path by leveraging hydraulic fracturing technology from the oil and gas industry in ways that greatly reduce the environmental risks. SCP is aware that the hydraulic fracturing process in the oil and gas industry is associated with many adverse environmental and social impacts and the local community may be concerned with its application for EGS in the GeoZone, even if it has a very different risk profile. Accordingly, SCP is committed to providing transparency on the risks and benefits of EGS and any other technologies proposed in the GeoZone as early as possible and working with the community to build awareness and facilitate discussion.

As a first step in building local awareness on EGS in the GeoZone, SCP has created a two-page flyer that is attached to this item, though staff understand much more detail will be needed in the coming months.

GeoZone Project Updates

Eavor has completed its feasibility study of applying its Eavor-loop technology in the GeoZone and validated its strategic interest in the project. Eavor is planning on increasing its in-person presence to progress site control opportunities.

Chevron New Energies is currently working on developing a comprehensive community engagement strategy for their GeoZone project. Meanwhile, the Chevron team is completing the technical work needed to inform exploration well

design and permitting.

Cyrq Energy is engaging potential vendors of thermal energy storage systems. The California Energy Commission signaled that they would require a high level of technical readiness when selecting recipients for the Long-Duration Energy Storage grant expected later this year, which has increased the importance of selecting a mature technology for deployment in the GeoZone. Discussions on interconnection, commerciality, and site hosting considerations are occurring in parallel.

Permitting

SCP has been working with Permit Sonoma on scoping a project to leverage California Energy Commission funding to complete geospatial analysis and stakeholder engagement to inform a re-zoning project to better target geothermal and other renewable development with compatible land uses. Meanwhile, SCP is continuing to explore legislative opportunities to address the resource constraints with the current permitting process for geothermal exploration in California—which relies on the California Geologic Energy Management Division as lead agency.

Attachments

- Attachment 1 - “Enhanced Geothermal Systems (EGS) in the GeoZone” Flyer

Enhanced Geothermal Systems (EGS) in Sonoma Clean Power's GeoZone

As the public power producer for nearly all residents and businesses across Sonoma and Mendocino Counties, Sonoma Clean Power formed the Geothermal Opportunity Zone (GeoZone) to **build 600 MW of new reliable renewable energy** to pair with local solar and energy storage. The goal is to affordably meet our region's energy needs with 100% renewable energy every hour of the year.

Why more geothermal?

Despite rapid growth in renewable energy, California has been unable to retire most of its dirtiest natural gas power plants. We still need them to keep the lights on when the sun isn't shining, wind isn't blowing, and batteries are empty—at night and through much of the winter. Geothermal provides the around-the-clock reliable power needed to support solar, wind, hydropower and battery storage and eliminate our dependence on fossil fuel sources.

Eventually, California is aiming to construct offshore wind to help fill some of these same needs, but it would be risky to depend on the optimistic timeline to construct it and costs will need to fall significantly for it to become affordable. Similarly, depending on scaling up batteries to a level that provides multi-day energy storage is neither affordable nor a good use of scarce lithium metal.

Our region is already home to a world-class geothermal resource (the Geysers), but the existing output isn't enough to support the clean energy transition. Expanding local geothermal capacity allows our communities to play a vital role in cleaning up California's electric grid and ensure that our region gets our share of the high-quality jobs and tax revenues.

New more affordable technology

A new technique called "Enhanced Geothermal Systems", or "EGS", enables geothermal energy production in more locations beyond existing geothermal fields, and allows greater flexibility in siting projects in better locations. The use of geologic and drilling expertise from the oil and gas industry is key to making this type of renewable energy a reality and weaning off of those fossil fuels.

An overview of EGS

This fact sheet introduces the basics of EGS and does NOT answer any specific questions about GeoZone projects. As specific projects are proposed in the GeoZone, much more detailed information will be supplied from the project developers.

Underground heat near the Earth's surface exists throughout most of the Western U.S. However, it is not common to find the type of rock formations that enable heat to be extracted with conventional methods.

EGS creates pathways for fluid to move underground similar to the natural pathways found in traditional geothermal fields by creating fractures in deep hard rock far below the earth's

surface. Water is then pumped through the fractures, heated by the rock, and used to drive an electric turbine at the surface.

Although EGS is a new technology, it is rapidly maturing. This is largely due to improvements in horizontal drilling and hydraulic fracturing technologies from the oil and gas industry.

In 2023, the U.S. Department of Energy's Frontier Observatory for Research in Geothermal Energy (FORGE) project proved the technology's potential for scaling up advanced geothermal technology—both practically and financially.

Environmental risks from hydraulic fracturing

California's electric power system heavily depends on fracking for natural gas today because a majority of the resources that can run 24-hours per day are natural gas-fired power plants. This unpleasant fact even applies to most utilities' so-called "100% renewable" power service because of the way California allows power providers to oversupply solar and wind and then rely on natural gas for reliability at night and through the winter.

The negative impacts of the natural gas industry are also disproportionately on poorer communities and on Latino, Black and Indigenous neighborhoods.

The U.S. Department of Energy has identified a number of ways that shifting from using natural gas fracking technology to better deploying it in the geothermal industry can have environmental and social benefits.

Sonoma Clean Power also fully understands that fracking has a bad reputation, and that – even with improvements – the public has a right to know a lot more about how it would be used differently for projects in the GeoZone.

First, all GeoZone projects will be evaluated through a California Environmental Quality Act (CEQA) process and undergo a detailed environmental analysis. In addition, SCP commits to the timely sharing of any information or data we gather on potential environmental risks and benefits.

The principal concern associated with oil and gas fracking is its potential to contaminate groundwater.

To provide clarity on the environmental risks of hydraulic fracturing for EGS relative to oil and gas development, the U.S. Department of Energy¹ shared the following important distinctions:

Fluid Composition

The Department of Energy's report notes that EGS is a chemically distinct process with fluids that can contain fewer additives than those used for oil and gas. Also, the hydraulic fractures for EGS do not occur in rocks bearing hydrocarbons, hence removing the risk of hydrocarbon contamination of shallow freshwater.

¹ US Department of Energy. *Pathways to Commercial Liftoff: Next-Generation Geothermal Power*, 2024. https://liftoff.energy.gov/wp-content/uploads/2024/03/LIFTOFF_DOE_NextGen_Geothermal_v14.pdf

Well Casing

EGS wells are fully encased with steel, from the bottom all the way up to the surface. The wells are also completely sealed, which is not always the case for oil and gas wells.

Reservoir Depth and Type

EGS fractures are made in deep hard rock disconnected hydrologically from groundwater, whereas oil and gas development can occur in shallower sedimentary rock, closer to groundwater.

Fluid Circulation

Whereas fractured oil and gas wells must dispose of excess fluids to operate, EGS fluids are recirculated and completely self-contained with no exposure to the atmosphere or drinking water.

Will EGS increase seismicity felt in nearby communities?

Any movement of fluid through the subsurface, including the existing Geysers operation and EGS, can change rock stress and temperatures that risk causing small earthquakes or “inducing seismicity”.

Induced seismicity risk can be mitigated through balancing underground fluid withdrawal and injection—which is inherent to the self-contained design of EGS and differs from oil and gas development.

The risk can also be managed through seismic monitoring, identifying natural and project-specific hazards, and developing a risk-based mitigation plan. The Department of Energy report notes that their FORGE project has followed this approach and has not experienced any community felt seismicity.

How is EGS being used in the GeoZone?

One of SCP’s GeoZone partners, Chevron New Energies, is planning a pilot EGS project. Chevron New Energies was selected as one of three partners from a competitive solicitation SCP completed in 2022, which evaluated industry proposals to apply new technology and capital to expand local geothermal capacity with commercial scalability.

As part of their cooperation agreement with SCP, Chevron New Energies will develop up to 20 MW in a demonstration project before deciding whether to proceed with a larger system.

In early 2024, Chevron New Energies’ GeoZone project was selected to negotiate a grant award from the Department of Energy’s Geothermal Technology Office which would help fund early demonstration activities.

Contact SCP

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Staff Report - Item 09

To: Sonoma Clean Power Authority Community Advisory Committee

From: Ryan Tracey, Director of Planning & Analytics

Issue: Recommend the Board of Directors Delegate Authority to the Chief Executive Officer or Designee to Finalize Terms and Execute Agreements with Princeton University for a Contract Total of \$325,000 and First Principles Advisory LLC for a Contract Total of \$75,000 for the Transmission Planning Under Uncertainty Project

Date: May 16, 2024

Recommended Action

Staff are requesting the Community Advisory Committee (Committee) recommend that the Board of Directors (Board) authorize the CEO or his designee to finish negotiating terms and execute contracts with Princeton University and First Principles Advisory LLC for a project that incorporates uncertainty into statewide capacity expansion modeling. Agreement language is not yet finalized, but the scope of work and contract total is finalized—with \$325,000 for Princeton University and \$75,000 for First Principles Advisory LLC. The project is expected to last 18 months.

Background: The Problem

SCP is facing increasing difficulty in building new resources, particularly local projects including the pilot projects in the Geothermal Opportunity Zone (GeoZone), due to constraints on the grid. Over the past year, SCP has expanded its engagement in the California Public Utilities Commission (CPUC) Integrated Resource Plan (IRP) proceeding and the California Independent System Operator (CAISO) transmission planning process (TPP) to advocate for infrastructure investments that support deployment of clean energy resources that can improve reliability and affordability. Through this engagement, staff has recognized that a key constraint in the state's transmission planning process is that it is driven by cost-optimization to deliver "just enough" capacity under a very specific set of assumptions with limited robustness

when tested for uncertainty and risk.

Under the existing process, the CPUC develops Preferred System Plan (PSP) each year with assumptions on the cost, location, availability, and timing for resources. As an example, the last PSP assumes up to 14 GW of solar was available in the Imperial Valley region with a build limit of 3 GW per year at a cost of \$1,538 per kilowatt of capacity¹. Similarly specific assumptions are made for each candidate technology, as well as assumptions on load growth, advanced technologies, plant retirements, and fuel cost. The CPUC then uses the RESOLVE capacity expansion model to select the set of resources and transmission upgrade requirements that deliver the desired reliability and emissions reductions at “least cost”. However, if any of the underlying assumptions is invalid (e.g. load grows faster than forecasted, less solar can be developed than assumed, offshore wind costs more, etc.), the resulting portfolio could be far from “least cost”. The current deterministic process is particularly constraining because the RESOLVE results are then used in a “busbar mapping” exercise, where the CPUC assigns resources to substations with available capacity, and then the CAISO identifies additional opportunities in the TPP to reduce cost through remedial action schemes, maintenance, and operational strategies. The result is that the transmission approved by CAISO is very limited in scope and provides no flexibility to adapt if reality diverges from the set of assumptions underlying the PSP.

SCP staff believe the current process of minimizing the initial cost of building transmission projects is already having the effect of driving up overall energy costs due to the increasing scarcity of viable technologies and locations. Staff also believe the current process increases the risk of delays in achieving California’s climate goals and increases the risk of elevated transmission and generation costs later. This work is designed to test that hypothesis and create a tool that can help lower these risks.

The final proposal from the CAISO on proposed reforms to the interconnection process raises the stakes of the PSP and TPP. Starting with the current interconnection cluster, the CAISO will only complete studies on projects in areas with available or planned transmission capacity. In a test run of the process, the CAISO found that of 508 interconnection requests in Cluster 15, 308 are in areas with

¹ Documentation of the full set of assumptions in the last PSP are available here: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2023-irp-cycle-events-and-materials/inputs-assumptions-2022-2023_final_document_10052023.pdf

no planned transmission capacity and ineligible to proceed and an additional 88 would be eliminated in a scoring process that limits accepted requests to only 150% of planned capacity². SCP has been an active participant in the interconnection reform process and is supportive of the CAISO's recommendations to improve the efficiency of the interconnection queue—but if the IRP and TPP process do not drive more infrastructure investment to enable more interconnection requests, SCP is going to have very little optionality in procuring resources which will inevitably result in delays in driving emissions reductions and increased cost.

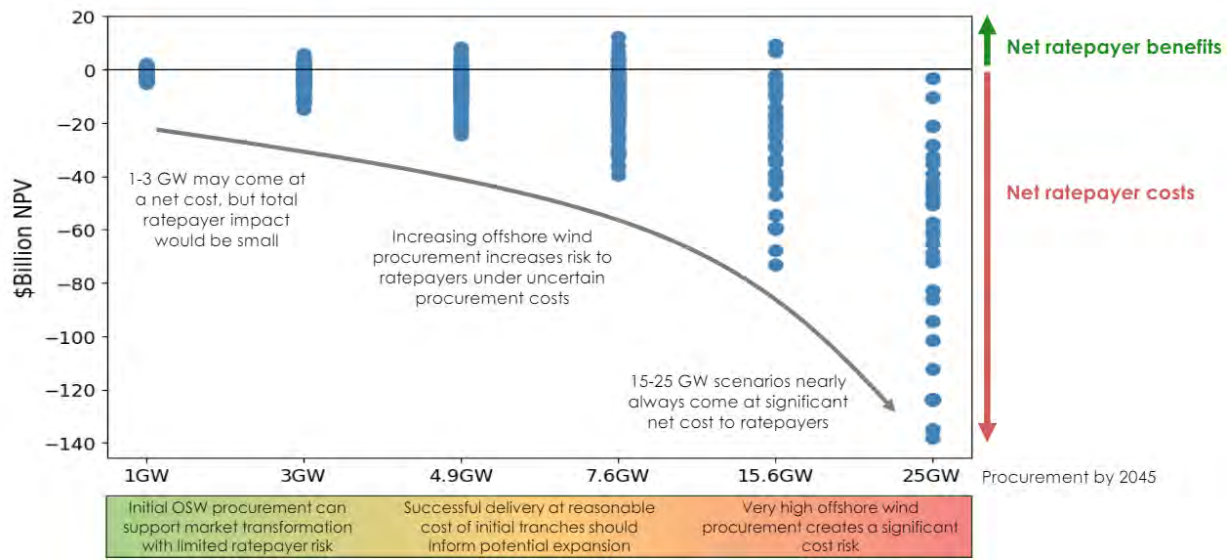
Background: Decision-making Under Uncertainty

Decision-making under uncertainty (DMUU) is an approach to system optimization that explicitly models uncertainty in assumptions and enables decisions to be driven by reducing risk and improving robustness against a variety of uncertain outcomes. Staff believes applying DMUU to California's resource and transmission planning process will lead to selection of a more diverse portfolio and increased infrastructure investment, given the model will appropriately risk the hazard of over-concentrating the dependence on a specific resource type or pre-existing transmission capacity.

At the end of April, the CPUC provided an excellent example of how modeling uncertainty can inform the robustness of a decision. In a ruling contemplating the use of the CPUC's new central procurement authority, the CPUC tested the range of outcomes for different concentrations of offshore wind. The analysis, illustrated in the CPUC's figure below, showed that high offshore wind procurement beyond 3 GW exposes ratepayers to considerable cost risk (each blue dot is a different set of assumptions on cost, alternative resources, etc.)³. This type of observation is only possible by modeling uncertainty—a deterministic model would not have revealed the asymmetric distribution of costs and benefits as concentration grows.

² Page 41 of Track 2 Final Proposal of 2023 Interconnection Process Enhancements available here: <https://www.caiso.com/InitiativeDocuments/FinalProposal-InterconnectionProcessEnhancements2023Track2.pdf>

³ Page 20 of CPUC ALJ Ruling on Centralized Procurement of Specified Long Lead-time Resources available here: <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M530/K323/530323853.PDF>



In the face of uncertainty, many stakeholders are advocating for inaction. This was evident in the latest meeting on the Draft 2023-24 TPP, where comments from a variety of stakeholders voiced concern with moving forward with investment in transmission for Humboldt offshore wind given the level of uncertainty⁴. Without selecting a portfolio that is robust against uncertainty, these types of concerns will continue to arise.

Given the climate stakes, inaction should not be an option.

The opportunity exists to apply DMUU to not just one resource decision, but the entire portfolio of resources and transmission upgrades. A DMUU-derived portfolio will support the upfront approval of more infrastructure that can be leveraged by a diverse set of resources and avoid overconcentrating the state’s climate and affordability goals on a single view of the future.

SCP has used the concept of “least regrets” planning to advocate for specific transmission upgrades in the recent TPP and PSP processes. Although many stakeholders support SCP’s advocacy position, it has become clear that it is necessary to build a working model that demonstrates the value of DMUU and its impact on resource and transmission decisions to gain traction with the CPUC and CAISO.

SCP does not currently have any direct experience with capacity expansion modeling for the state nor with applying DMUU techniques. SCP’s Ascend software has been a

⁴ <https://stakeholdercenter.aiso.com/Comments/AllComments/25e1d041-7a4b-4268-b14f-56ab9fc78149>

critical tool for staff to value different resource types, manage risk in SCP's portfolio, and optimize SCP's own IRP, but the Ascend platform assumes a single CAISO supply stack and is not an appropriate tool for statewide resource planning. Accordingly, SCP needs outside expertise to build a DMUU-capable model that can be used for advocacy. For those needs, staff identified Princeton University's ZERO Lab as an ideal partner.

Princeton University ZERO Lab

Princeton University's Zero-carbon Energy Systems Research and Optimization Laboratory (ZERO Lab) under Professor Jesse Jenkins is renowned for their energy system modeling. Under Jenkins, the ZERO Lab released the Net-Zero America study Rapid Energy Policy Evaluation and Analysis Toolkit (REPEAT)—which has been incredibly influential in guiding federal policymaking.

In September 2022, Jenkins released a report using REPEAT that demonstrated over 80% of the emissions reductions enabled by the Inflation Reduction Act were at risk if the rate of transmission expansion is constrained to its current pace⁵.

The Princeton ZERO Lab and the Massachusetts Institute of Technology co-developed and maintain a capacity expansion model called [GenX](#) that provides similar capabilities to the CPUC's RESOLVE model. GenX is designed with modularity that supports adding capabilities such as DMUU. Unlike RESOLVE, GenX is open source with a growing user community that can collaborate on updating and improving models beyond their initial use.

The ZERO Lab is uniquely positioned to apply DMUU. In 2022, Neha Patankar at Princeton's ZERO Lab published a paper on applying robust optimization—a DMUU technique—to cross-sector decarbonization modeling in the United States⁶. In her study, Patankar demonstrated that applying DMUU to decarbonization decisions could reduce system costs by 12% and uncertainty by 8% relative to a strategy that ignores uncertainty. Patankar is now a professor at Binghamton University in New York but is subcontracted with Princeton to provide DMUU support.

Princeton has proposed PhD candidate and graduate researcher Gabriel Mantegna

⁵ https://repeatproject.org/docs/REPEAT_IRA_Transmission_2022-09-22.pdf

⁶ Patankar's paper "Using robust optimization to inform US deep decarbonization planning" can be accessed here: <https://www.sciencedirect.com/science/article/pii/S2211467X22000888>

as the project manager for SCP's DMUU modeling project. Before joining the ZERO Lab in Fall 2022, Mantegna worked over three years as a consultant at Energy and Environmental Economics (E3) in San Francisco—the primary technical consultant state agencies (including the CPUC) use for energy modeling. In his role at E3, Mantegna led modeling for the California Air Resources Board on evaluating scenarios for the state to reach its 2045 emissions targets. Mantegna is very familiar with RESOLVE and California state planning process.

Project Scope

Princeton's ZERO Lab and SCP have negotiated a draft scope of work that is included as Attachment 1 to this item. Princeton's first task will be to develop a baseline deterministic model in GenX that will align with the CPUC's RESOLVE model. The initial goal is to develop outputs that are consistent with the deterministic output of the CPUC's modeling to build the credibility of the modeling results and demonstrate that different optimization results from applying DMUU later in the project are not the result of modeling approaches.

A key step in building the deterministic modeling will be developing an approach to modeling system reliability, which the CPUC currently accomplishes using a separate proprietary production cost model called SERVM. Princeton will utilize the National Renewable Energy Laboratory's open-source Sienna model for this task—which aligns with the goal of building an analysis that can be completely performed and expanded upon using open-source tools. Princeton expects to complete a deterministic model including reliability functionality by Fall 2024.

Using the deterministic model, Princeton will then perform a sensitivity analysis to identify which uncertainties drive decisions on resource selection, natural gas retirement, and transmission investments. Attachment 1 includes a full list of uncertainties that Princeton will study including ranges in expected resource costs, load growth, offshore wind viability, and much more. The most influential uncertainties will be explicitly modeled in the DMUU model.

By the coming Winter, Princeton expects to have developed a formulation for DMUU and completed an initial demonstration of how DMUU leads to different state planning decisions. The first half of 2025 is allotted to iterating on modeling based on SCP feedback and ultimately delivering a peer-reviewed paper, public-facing report, and an open-source DMUU model that can be used by SCP and other stakeholders for advocacy.

Princeton's entire scope of work will cost \$325,000 and will cover support from Mantegna, Jenkins, and other experienced researchers at the Princeton ZERO Lab. Princeton is also expecting to subcontract support from Patankar for developing a DMUU formulation and budgeted at least one in-person trip at the end of the project to host a summit with stakeholders to review findings.

Staff expects to complete negotiating final contract language very soon. Given the remaining negotiation is limited to legal terms and scope of work and budget and finalized, and interest in progressing the project, staff are asking the Committee to recommend the Board delegate authority to the CEO to finalize terms of the agreement.

CCA Partnership

SCP is in advanced discussions with at least two other CCAs in forming a partnership to help finance this project. Partnering with other CCAs not only reduces the cost to SCP, but also would provide a broader perspective to inform the project's direction, enhance the advocacy of the resulting project, and catalyze a community of practice amongst CCAs on energy system modeling. SCP's expectation is that partner CCAs will contribute at least \$100,000 each to the project's total cost. To minimize the administrative burden, SCP will directly contract with Princeton and handle cost sharing and participant rights through separate partnership agreements with participating CCAs. Given the importance of the project, staff are asking the Committee to recommend moving forward with the project before CCA partnership is finalized.

Maximizing Impact

Staff recognizes that the cost of the proposed project is substantial, particularly with CCA partnership not yet finalized. Accordingly, staff is very committed to maximizing the impact of the project for SCP. Steps to maximize impact include:

- SCP and Princeton hosted a meeting with the CPUC IRP team on May 2nd to discuss SCP's motivation, the project scope, and receive feedback on early project design decisions to improve CPUC buy-in. Staff is working on organizing a similar meeting with the CAISO transmission planning team and plans on maintaining engagement with both entities as the project progresses.
- Princeton ZERO Lab was selected as a partner given their strong reputation, track record of delivering novel and trusted modeling results, and the

influence of Jenkins in energy policy. The project's paper and public report is expected to have much higher visibility coming from the Princeton ZERO Lab than a different institution.

- The project scope includes significant upfront work to align modeling with the CPUC's RESOLVE model and appropriately represent the existing fleet of resources and transmission constraints in California, so that the project is not an academic exercise but rather a reliable model that can be immediately used to inform real world decisions on planning California's grid.
- SCP has required that Princeton complete the project using open-source tools that can be leveraged for SCP long-term to inform advocacy and optimize SCP's portfolio and procurement decisions. Using open-source tools and publicly sharing input data also improves accessibility to other stakeholders that can built upon Princeton's work in guiding more robust energy portfolio decisions for California.
- SCP expects the model to provide the investment case for more upfront infrastructure investment, which may be difficult to message given the current energy affordability crisis. SCP is starting to explore partnerships with different thought-leaders on an effective advocacy approach and alternatives for financing new infrastructure. Ultimately, SCP is confident that a DMUU model will lead to a lower cost energy system and more achievable emissions reductions for Californians—but partnering in advocacy will be important for carrying model learnings to drive change at the CPUC, CAISO, and state legislature.
- SCP has identified a consultant with expertise in energy system modeling, experience with CCA procurement strategies, and strong familiarity with open-source tools and DMUU to serve as an owner's representative during the project. This role is discussed in more detail below but is critical to bridge the current knowledge gap at SCP and validate that Princeton's project continues to progress towards meeting SCP's goals and delivers a model that can be used by CCA staff.

Owner's Representative - First Principles Advisory LLC

SCP Staff do not have any direct experience with capacity expansion modeling. Although staff is intimately familiar with the IRP and TPP process, input assumptions, and results from CPUC modeling, staff does not have the expertise to inform key

modeling design decisions that Princeton is expected to encounter during the project or the ability to validate that the resulting model will be useable for advocacy and portfolio optimization following the project's conclusion. Accordingly, staff has identified the need to contract with an owner's representative that can provide expertise from the perspective of SCP, validate model functionality and results, and mentor SCP staff to develop internal expertise in modeling.

Staff has identified Jim Himelic at First Principles Advisory LLC as the recommended resource for providing owner's representative services for the project. Himelic has over fifteen years of experience in the electric power sector, including trading analytic roles at Xcel Energy, production cost modeling at Pacific Gas & Electric (PG&E), and portfolio and risk management for MCE and Central Coast Community Energy (3CE). Himelic started First Principles Advisory LLC in 2021 and currently provides analytic and modeling services to his clients, which includes several CCAs. Himelic is invested in propagating the use of open-source models like GenX and Sienna and has an extensive network of researchers and practitioners.

Staff has set a budget of \$75,000 for owner's rep services for a total project cost of \$400,000. A scope of services for the owner's rep contract with First Principles Advisory LLC is included as Attachment 2 to this item. Final contract language is expected to be available for the Board to review, but staff is asking staff to recommend approval using the attached scope of work and justification above.

Fiscal Impact

The total project cost, including the contract with Princeton's ZERO Lab and First Principles Advisory LLC, is expected to be \$400,000. The net cost to SCP will be between \$200,000 and \$400,000 depending on whether SCP can secure CCA partners.

The 2024-25 fiscal year budget approved on May 2nd included \$210,000 of consulting services for the Planning & Analytics department related to transmission or supporting the GeoZone. Depending on the success of recruiting CCA partners and the pace of the project, staff may need to ask for a budget adjustment to accommodate the project.

SCP is not required by law or policy to competitively bid these services. In addition, while SCP generally favors some competitive process for these types of procurements, the unique nature of the services and qualifications of Princeton's

ZERO Lab and First Principles Advisory LLC justify a direct contract. A competitive process will not provide an advantage to SCP.

Attachments

- Attachment 1 - Draft Scope of Work from Princeton for Incorporating Uncertainty into California's Generation and Transmission Planning Process, available at [this link](#), or by request to the Clerk of the Board
- Attachment 2 - Scope of Services for Agreement for Professional Services with First Principles Advisory LLC, available at [this link](#), or by request to the Clerk of the Board