



AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, NOVEMBER 21, 2024
1:00 P.M.

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE NOVEMBER 21, 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 Committee. On any item, the Committee may take action which varies from that recommended by staff.

CALL TO ORDER (Any private remote meeting attendance will be noticed or approved at this time)

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve October 17, 2024, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Approve Community Advisory Committee Meeting Dates for 2025 Calendar Year (Staff Recommendation: Approve) **pg. 9**
3. Recommend the Board of Directors Approve Revisions to the Net Billing Tariff (Staff Recommendation: Approve) **pg. 11**
4. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 19**
5. Recommend the Board of Directors Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Best Best & Krieger LLP in the Amount Not-To-Exceed of \$275,000 through December 31, 2027 (Staff Recommendation: Approve) **pg. 21**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

6. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 23**
7. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 35**
8. Recommend the Board Approve Parameters for Customer Rate Reductions Following Changes to Distribution Utility Rates and Fees on or After January 1, 2025, and Amendments to Financial Policy B.2 (Staff Recommendation: Approve) **pg. 39**
9. Review Programs Strategic Action Plan and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 45**
10. Receive Update on Sonoma Clean Power Authority's Tribal Engagement Efforts (Staff Recommendation: Receive and File) **pg. 73**

COMMITTEE MEMBER ANNOUNCEMENTS

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.)

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 not 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, OCTOBER 17, 2024
1:00 P.M.**

CALL TO ORDER

(1:02 p.m. - Video Time Stamp: 00:02:12)

Chair Morris called the meeting to order.

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

Member Nicholls notified the Committee and public that he was participating remotely pursuant to AB 2449 guidelines.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer; Stephanie Reynolds, Director of Internal Operations; Ryan Tracey, Director of Planning & Analytics; Miles Horton, Legislative Policy & Community Engagement Manager; and Kimberly Beltran, Technical Programs Manager.

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:04 p.m. - Video Time Stamp: 00:03:56)

1. Approve September 19, 2024, Draft Community Advisory Committee Meeting Minutes
2. Recommend the Board of Directors Approve the Updated Financial Policy B.5 - Investments
3. Receive the Updated AG-5-B and AG-5-E Rates Effective October 1, 2024

Public Comment: None

Motion to approve the October 17, 2024, Community Advisory Committee Consent Calendar by Member Dowd

Second: Member Heffler

Motion passed by roll call vote.

AYES: Morris, Lipp, Hollinshead, Soto, Dowd, Hagen, Heffler, Nicholls

ABSENT: Wang, Kelly

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

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

(1:06 p.m. - Video Time Stamp: 00:06:23)

Geof Syphers, CEO, introduced Rebecca Simonson as the Director of SCP's new Capital Projects and Engineering Department. Stephanie Reynolds, Director of Internal Operations, announced that the Customer Center was in Phase 1 of changes being made in order to better serve customers. Director Reynolds gave an update on SCP's events and invited Kimberly Beltran, Technical Programs Manager, to give an update on GridSavvy. Ms. Beltran mentioned that Enel X Way USA (Enel X) would be ending their Juice Box Charger service, but she clarified that the chargers would still function for vehicle charging, however the software would no longer transfer usage data. She also mentioned that the timing of the announcement by Enel X caught SCP by surprise and more information was likely to unfold.

Member Hollinshead asked if SCP knew why Enel X made this decision and Ms. Beltran stated that their explanation was the company is changing management and focus. Member Hollinshead said he hadn't been given any advance notice as a customer. Chair Morris mentioned that she had received a message from Enel X that the box would still work, but she asked if it would have an impact on public chargers. Ms. Beltran answered that it would. Member Soto said that it is a problem if this could happen without warning. CEO Syphers added that it was still possible for another company to take over the software management capability.

CEO Syphers mentioned that SCP had just received a California Energy Commission grant for Virtual Power Plant Flex which would work on automated demand response within low-income communities, and that more information would be shared in upcoming meetings. Director Reynolds discussed financials and mentioned SCP would be receiving the annual external audit in December.

Public Comment: None

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

(1:25 p.m. - Video Time Stamp: 00:25:32)

CEO Syphers stated that the Board of Directors (Board) had reluctantly accepted the allocation of energy from Diablo Canyon, which the legislature had mandated SCP's customers to pay for. Miles Horton, Legislative Policy & Community Engagement Manager, gave a legislative update and mentioned SCP's sponsored bill AB 1359 (Papan) was signed into law.

Chair Morris asked what happened with affordability bills and Mr. Horton replied that some passed, and some failed. Member Heffler congratulated SCP on its legislative victories. Member Hollinshead asked if the environmental exemption for large-scale data center backup power bill had been quashed and Mr. Horton confirmed that it had.

Public Comment: None

6. Receive Geothermal Opportunity Zone Update

(1:41 p.m. - Video Time Stamp: 00:41:25)

Ryan Tracey, Director of Planning and Analytics, announced that he had attended a workshop with the Department of Energy (DOE) in Washington D.C. Director Tracey discussed the California Environmental Quality Act (CEQA) and transmission. He discussed the California Energy Commission's upcoming grant workshop and stated that he would be working on a joint regional grant with Sonoma, Mendocino, and Lake Counties.

Member Dowd stated that he wants SCP to keep up the good work with GeoZone. Member Hagen asked what the major roadblocks for GeoZone are, and Director Tracey answered it is mostly timelines for CEQA and exploratory drilling. Chair Morris asked if there have been any legislative attempts to streamline CEQA and Director Tracey said there have been bills, but most were happening at the federal level. Chair Morris then asked if the Federal report on transmission was coming out soon, and Director Tracey stated the DOE was taking an approach as to what makes sense. Member Nicholls stated that it would be beneficial for SCP to work with Sonoma and Mendocino County's Economic Development Districts and CEO Syphers stated he would like to discuss the GeoZone with them. Member

Hollinshead asked if fracking is used at the Geysers and Director Tracey described the methods used in the GeoZone and the differences between oil and gas fracking, versus the methods used for geothermal. Member Soto asked if the GeoZone could end up in capital projects and CEO Syphers answered that it is too soon to know, but having the capacity to build and operate facilities is something SCP is working toward over the coming years.

Public Comment: None

7. Receive an Update Regarding the Five-Year Contract with Sacramento Municipal Utility District for Data Management, Billing, and Contact Center Services

(2:16 p.m. - Video Time Stamp: 01:16:34)

CEO Syphers thanked staff for their work on this item and discussed the Sacramento Municipal Utility District (SMUD) and its history. CEO Syphers discussed SMUD's customer satisfaction ratings, SCP's history using Calpine Energy Solutions' billing, data management services, and call center software. The contract was approved by the Board at the October meeting, but unfortunately negotiations hadn't been completed in time for the Committee to review ahead of the Board.

Public Comment: None

COMMITTEE MEMBER ANNOUNCEMENTS

(2:25 p.m. - Video Time Stamp: 01:25:24)

Michael Heffler discussed billing and community benefits.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(2:31 p.m. - Video Time Stamp: 01:31:05)

Public Comment: None

ADJOURN

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

The meeting was adjourned by unanimous consent.



Staff Report - Item 02

To: Sonoma Clean Power Authority Community Advisory Committee
From: Darin Bartow, Clerk of the Board
Stephanie Reynolds, Director of Internal Operations
Issue: Approve Community Advisory Committee Meeting Dates for 2025
Calendar Year
Date: November 21, 2024

Recommendation

Approve Community Advisory Committee Meeting Dates for 2025 Calendar Year.

Background

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

Discussion

The proposed schedule, included as an attachment, would continue to schedule the Committee meetings on the 3rd Thursday of each month. Planning the dates in advance would not prohibit the Chair or Vice Chair from cancelling a meeting should there be a light agenda and/or a lack of a quorum on the pre-determined meeting date. Over the past several years, the August meeting has usually been cancelled when possible. The decision whether to cancel the August meeting will be made in June or July of 2025. Staff anticipate continuing to conduct hybrid meetings under AB 2449 rules barring changes to legislation that would affect public meetings.

Attachments

- 2025 SCPA Community Advisory Committee Meeting Schedule



**Sonoma Clean Power Authority
Community Advisory Committee
Schedule of Meetings
January - December 2025
1:00 p.m. - 3:00 p.m.**

(The CAC normally meets on the 3rd Thursday of each month)

January 16, 2025

February 20, 2025

March 20, 2025

April 17, 2025

May 15, 2025

June 12, 2025 (2nd Thursday due to the Juneteenth holiday)

July 17, 2025

August 21, 2025 (tentative)

September 18, 2025

October 16, 2025

November 20, 2025

December 18, 2025



Staff Report - Item 03

To: Sonoma Clean Power Authority Community Advisory Committee
From: Danielle McCants, Customer Operations Manager
Issue: Recommend the Board of Directors Approve Revisions to the Net Billing Tariff
Date: November 21, 2024

Recommendation

Recommend the Board of Directors (the Board) approve the revisions to the Net Billing Tariff.

Background

In October 2023, the Board approved the initial version of the Net Billing Tariff, designed to establish a billing mechanism and export rates for customers who interconnected an eligible renewable generating system after April 14, 2023. At that time, both SCP and the incumbent utility, PG&E, had only a high-level understanding of how the billing structure and plan would function in practice.

Discussion

As SCP has begun issuing bills to customers, several pain points have been identified. A significant issue is the upcoming process of performing an Export Credit Reversal "clawback", as outlined in Section 2g of the tariff. This process is anticipated to be a source of errors, leading to billing delays and negatively impacting the customer experience. Due to these challenges, we recommend removing this requirement to enhance accuracy, reduce delays, and improve overall customer satisfaction.

Fiscal Impact

The fiscal impact of this change will vary depending on when customers are billed. However, it is expected to be minimal and should not significantly affect SCP's financial operations.

Attachments


- Attachment 1 - Redlined Net Billing Tariff
- Attachment 2 - Final Net Billing Tariff



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

Net Billing Tariff Solar Billing Plan

- APPLICABILITY:** This Net Billing Tariff (NBT) provides the billing mechanism by which customers can receive credit for self-generated renewable energy exported to the grid. The customer facing name Solar Billing Plan (SBP) is available to customers operating solar, wind, biomass, geothermal, or other renewable resources as defined by the California Energy Commission’s Renewables Portfolio Standard Eligibility Guidebook. The customer must participate in PG&E’s SBP (or successor) for non-generation services such as transmission and distribution. SCP’s SBP program applies to all PG&E SBP customers receiving electric generation services from SCP, including customers with battery storage, renewable fuel cells, or under future aggregated or virtual designs.
- New customers who apply to connect their solar system to the electric grid after April 14, 2023, will be enrolled on the Solar Billing Plan.
- TERRITORY:** This tariff is available to active Sonoma Clean Power (SCP) customers located in SCP’s service territory, which includes the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, the Town of Windsor, and the unincorporated areas of Sonoma County and Mendocino County (excludes the Cities of Healdsburg & Ukiah).
- RATES:** All SCP rates charged under this schedule will be in accordance with the customer-generator’s CleanStart Rate Schedule (“OAS”). A customer-generator served under this schedule is responsible for all applicable SCP charges from its CleanStart Rate Schedule including energy and demand charges, EverGreen premium (for EverGreen customers), taxes, and surcharges. Charges or credits for energy (kWh) supplied or delivered to SCP will be based on usage in accordance with the customer CleanStart Rate Schedule and this Tariff.
- PG&E’s net billing tariffs, requirements, and rates still apply. SCP customers will continue to be subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.
- SCP rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long-term decisions based on rate structures that are currently in place.
- BILLING:** For customer-generators taking service on the CleanStart Rate Schedule, any net monthly consumption or generation shall be valued as follows:

 1 (855) 202-2139

 info@sonomacleanpower.org

 sonomacleanpower.org

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

- a. "Net Electric Consumption" is defined as when customer energy usage exceeds generation during any billing cycle and shall be billed in accordance with applicable TOU period-specific rates/charges, as described in the CleanStart Rate Schedule and Rates.
- b. "Net Electric Generation" is defined as when customer energy generation exceeds usage during any billing TOU period and shall be credited in accordance with applicable TOU period-specific rates/charges, as described in the customer-generator's CleanStart Rate Schedule.
- c. "Imported Electricity" is defined as when a customer uses any metered energy supplied by SCP.
- d. "Exported Electricity" is defined as when a customer supplies any metered energy to the electric grid.
- e. "Exported Rates" are defined as the appropriate credit for any Exported Electricity, based on the sum of the applicable interval Energy Export Rate and any applicable credit surcharges.
- f. "Export Credit Balance" is defined as when a customer has excess export credits carried into the next month, or into the SCP Annual Cash-Out process.
- g. "EverGreen Premium" is defined as SCP's voluntary 100% renewable service. The EverGreen Premium is charged on all net consumption of energy during a billing cycle. It is not credited to customers for over-generation.
- h. Any charges due for Net Electric Consumption will be assessed in each monthly statement. If the customer's account has available credits from current or previous Net Electric Generation, these credits will be applied against usage charges first before any charges are assessed.
- i. Any excess Net Electric Generation credits will be tracked by SCP on the customer's bill as a credit and will be applied to future billing cycles within the same SCP Annual Cash Out period as defined below.
- j. Credit balances do not have any cash value except as defined in the Cash Out process below.

2. SCP Annual Cash Out and True-Up:

- a. Following the final date and bill for each customer's April billing cycle (if the customer does not have an April meter read, the prior or next available month will be used), SCP will initiate a True-Up of each customer account's balance. Any accrued credit balance will be reset to zero for the beginning of the next 12-month period.
- b. A review will be conducted for each customer's kilowatt-hour consumption and generation during the spring to spring annual true-up. If the customer's Exported Electricity is greater than their Imported Electricity during the

annual cash out period, the customer is eligible for a Cash Out payment at SCP's Net Surplus Compensation (NSC) rate.

- c. SCP's NSC rate will be updated each January for the remainder of the calendar year based on PG&E's average NSC for the previous calendar year. PG&E's NSC is set monthly at the rolling average of PG&E's default load aggregation point price from 7 a.m. to 5 p.m.
- d. The NSC rate is located on SCP's Rate Sheets displayed on its website at www.sonomacleanpower.org.
- e. NSC payments are subject to a cap of \$5,000 per account annually.
- f. Customers will receive NSC payments automatically, paid by check if they have \$200 or more in credits, to the customer's mailing address on their PG&E account. Credit balances of less than \$200 will instead be credited to the customer's new account balance.

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

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

3. Transition from NEM to SBP Service

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


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

- a. SCP customers with SBP service may opt out and return to PG&E bundled service at any time, subject to SCP and PG&E's terms and conditions for return to bundled service. Customers are advised that PG&E will perform a True-Up of their account for any PG&E charges at the time of return to PG&E bundled service.
- b. Customers returning to PG&E service or closing their PG&E account will have an SCP True-Up to determine if the customer is eligible for NSC. NSC will be paid automatically (if applicable) by check to the customer's PG&E mailing addresses unless another address is provided by the customer. There is no minimum threshold for receiving a NSC check, but the maximum NSC is \$5,000 and any credits above that will be forfeited.

TERMS AND
CONDITIONS:

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

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

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Net Billing Tariff Solar Billing Plan

APPLICABILITY:	<p>This Net Billing Tariff (NBT) provides the billing mechanism by which customers can receive credit for self-generated renewable energy exported to the grid. The customer facing name Solar Billing Plan (SBP) is available to customers operating solar, wind, biomass, geothermal, or other renewable resources as defined by the California Energy Commission’s Renewables Portfolio Standard Eligibility Guidebook. The customer must participate in PG&E’s SBP (or successor) for non-generation services such as transmission and distribution. SCP’s SBP program applies to all PG&E SBP customers receiving electric generation services from SCP, including customers with battery storage, renewable fuel cells, or under future aggregated or virtual designs.</p> <p>New customers who apply to connect their solar system to the electric grid after April 14, 2023, will be enrolled on the Solar Billing Plan.</p>
TERRITORY:	<p>This tariff is available to active Sonoma Clean Power (SCP) customers located in SCP’s service territory, which includes the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, the Town of Windsor, and the unincorporated areas of Sonoma County and Mendocino County (excludes the Cities of Healdsburg & Ukiah).</p>
RATES:	<p>All SCP rates charged under this schedule will be in accordance with the customer-generator’s CleanStart Rate Schedule (“OAS”). A customer-generator served under this schedule is responsible for all applicable SCP charges from its CleanStart Rate Schedule including energy and demand charges, EverGreen premium (for EverGreen customers), taxes, and surcharges. Charges or credits for energy (kWh) supplied or delivered to SCP will be based on usage in accordance with the customer CleanStart Rate Schedule and this Tariff.</p> <p>PG&E’s net billing tariffs, requirements, and rates still apply. SCP customers will continue to be subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.</p> <p>SCP rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long-term decisions based on rate structures that are currently in place.</p>
BILLING:	<p>For customer-generators taking service on the CleanStart Rate Schedule, any net monthly consumption or generation shall be valued as follows:</p>

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- g. "EverGreen Premium" is defined as SCP's voluntary 100% renewable service. The EverGreen Premium is charged on all net consumption of energy during a billing cycle. It is not credited to customers for over-generation.
- h. Any charges due for Net Electric Consumption will be assessed in each monthly statement. If the customer's account has available credits from current or previous Net Electric Generation, these credits will be applied against usage charges first before any charges are assessed.
- i. Any excess Net Electric Generation credits will be tracked by SCP on the customer's bill as a credit and will be applied to future billing cycles within the same SCP Annual Cash Out period as defined below.
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annual cash out period, the customer is eligible for a Cash Out payment at SCP's Net Surplus Compensation (NSC) rate.

- c. SCP's NSC rate will be updated each January for the remainder of the calendar year based on PG&E's average NSC for the previous calendar year. PG&E's NSC is set monthly at the rolling average of PG&E's default load aggregation point price from 7 a.m. to 5 p.m.
- d. The NSC rate is located on SCP's Rate Sheets displayed on its website at www.sonomacleanpower.org.
- e. NSC payments are subject to a cap of \$5,000 per account annually.
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TERMS AND
CONDITIONS:

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



Staff Report - Item 04

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: November 21, 2024

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to secure affordable, reliable clean energy for our customers by building 600 megawatts of new 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>.

No Substantive Updates - Placeholder for Discussion

Staff have no substantive updates to share on the GeoZone but are preserving the GeoZone item on the consent agenda as an opportunity for the Committee or public to request discussion. By the next meeting, staff expect to have more information on the ramifications of the 2024 election on the GeoZone, as well as updates on the 2025 legislative platform and news on project progress from GeoZone partners.

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Staff Report - Item 05

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, Chief Executive Officer

Issue: Recommend the Board of Directors Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Best Best & Krieger LLP in the Amount Not-To-Exceed of \$275,000 through December 31, 2027

Date: November 21, 2024

Requested Action

Staff requests that the Community Advisory Committee recommend the Board of Directors delegate authority to the Chief Executive Officer or his designee to execute a Legal Services Agreement with Best Best & Krieger LLP with a not-to-exceed budget of \$275,000 through December 31, 2027.

Background

Sonoma Clean Power utilizes several firms for its legal service needs. This includes Best Best & Krieger LLP, which currently provides Special Counsel services to Sonoma Clean Power. Special Counsel performs many functions provided by other agencies' county counsel, city attorney, or general counsel, including attending Board of Directors meetings and providing advice on the Brown Act and similar transparency laws. SCP uses different counsel for specialized energy and other regulatory matters.

Special Counsel serves at the pleasure of the Board of Directors. Over the years, Sonoma Clean Power has utilized different models for this role, including an in-house counsel. Since 2020, BB&K has served in this function with Harriet Steiner acting as the named Special Counsel until mid-2021 when Josh Nelson assumed this role.

Discussion

Historically, SCP has entered into annual agreements with BB&K for Special Counsel services. This item approves the agreement for a proposed three-year term through

December 31, 2027. This agreement would remain terminable by SCP at its election with written notice.

Fiscal Impact

The total proposed not-to-exceed amount for the agreement is \$275,000 but BB&K has generally been under \$50,000 per year. BB&K is requesting a rate increase this year, but the agreement allows the CEO to approve inflationary or similar rate adjustments in future years at his discretion.

Attachments

- Draft Legal Services Agreement with Best Best & Krieger LLP, available at [this link](#) or by request from the Clerk of the Board.



Staff Report - Item 06

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: November 21, 2024

PUBLIC RELATIONS AND MARKETING

HOLIDAY PROGRAMS & EFFORTS

SCP continues to focus on raising awareness and funds for local food banks in our service territory, including donations to several food banks and media encouraging the community to aid in fighting local food insecurity.

Outside of the many holiday and winter events, here is a snapshot of other recent and upcoming community outreach efforts by our team:

COMMUNITY EVENTS & SPONSORSHIPS

- 11/02 - Mending Indigenous Spirits (Market & Wellness Gathering), Forestville
- 11/02 - Elsie Allen High School Foundation Fiesta
- 11/08 - Community Child Care Council of Sonoma County - Champions for Children
- 11/10 - North Bay Jobs with Justice Fall Fundraiser
- 11/20 - Food For Thought Volunteering

CUSTOMER CENTER EVENTS

- 11/08 & 11/09 - Master Food Preservers Gifts from the Kitchen Class

- 11/13 - Mitsubishi Diamond Certification Class
- 11/14 - Understanding the Latino Market Workshop with Nexo Media
- 11/18 - Free to Be Teen Innovators Workshop
- 11/19 - Free to Be Mental Health First Aid Training Workshop
- 11/21 - Climate California Screening & Focus Group with PBS & NorCal Public Media
- 11/23 - Threads of Our Culture Teen Event with the Sonoma County AAPIC

CUSTOMER PROGRAM UPDATES

At the request of the Board of Directors, staff reached out to senior centers in Sonoma and Mendocino counties to provide in-person educational presentations. All of the 11 senior centers (3 Mendocino - 8 Sonoma) were enthusiastic about hosting SCP and have scheduled presentations from August 2024 to January 2025.

In these presentations, staff inform the public about various bill payment assistance programs offered through the federal government and PG&E that they may be eligible for. Additionally, staff aid attendees in the enrollment of SCP programs such as GridSavvy Rewards and Energy Savings Boxes. This in turn helps promote long-term energy bill savings.

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 detailed in SCP's Investment Policy (Financial Policy B.5).

As of September 30, 2024, SCP maintained 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 figures for the three months ending September 30, 2024.

Investment Summary

Three Months Ended September 30, 2024

Investment Type	Avg. Balance	Interest Earned	Avg. Annual Percentage Yield
Money Market ⁽¹⁾	\$11,141,180	\$126,853	4.62%
Certificate of Deposit (CD) ⁽¹⁾	\$51,480,260	\$636,856	5.03%
Insured Cash Sweep (ICS) ⁽²⁾	\$77,781,129	\$907,874	4.74%
Certificate of Deposit Account Registry Service (CDARS) ⁽²⁾	\$58,151,083	\$797,697	5.59%
Local Agency Investment Fund (LAIF) ⁽³⁾	\$27,956,060	\$331,529	4.82%
Sonoma County Treasury Investment Pool ⁽³⁾	\$38,289,061	\$365,268	3.86%
Total ⁽⁴⁾	\$264,798,772	\$3,166,077	4.86%

Investment Location	Avg. Balance
Summit State Bank	\$29,304,230
River City Bank	\$169,249,422
Local Agency Investment Fund (LAIF) ⁽³⁾	\$27,956,060
Sonoma County Treasury Investment Pool ⁽³⁾	\$38,289,061
Total ⁽⁴⁾	\$264,798,772

(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 (September)

The year-to-date change in net position is more than projections by approximately \$21,162,000. Year-to-date revenue from electricity sales is over budget by approximately 12% and cost of energy is under budget projections by approximately 13%. Year-to-date electricity sales reached \$79,947,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$262,602,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. As of June 30, 2023, approximately \$163,190,000 has been set aside for operating reserves.

BUDGETARY COMPARISON SCHEDULE (September)

The accompanying budgetary comparison includes the 2024/25 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, 2024/25 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration

for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates, and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers exceeded budget by approximately 12% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 13%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

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

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

ATTACHMENTS

- September 2024 Financial Statements

UPCOMING MEETINGS

- Board of Directors - December 5, 2024
- Community Advisory Committee - December 19, 2024
- Board of Directors - January 9, 2025
- Community Advisory Committee - January, TBD



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying Budgetary Comparison Schedule for the Operating Fund of Sonoma Clean Power Authority (a California Joint Powers Authority) for the period ended September 30, 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
November 5, 2024

**SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Three Months Ended September 30, 2024**

	2024/25 YTD Budget	2024/25 YTD Actual	2024/25 YTD Budget Variance (Under) Over	2024/25 YTD Actual / Budget %	2024/25 Budget	2024/25 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 70,690,582	\$ 79,166,530	\$ 8,475,948	112%	\$ 239,147,000	\$ 159,980,470
Evergreen Premium (net of allowance)	675,000	780,899	105,899	116%	2,700,000	1,919,101
Investment returns	1,800,000	4,544,112	2,744,112	252%	7,200,000	2,655,888
Miscellaneous Income	249,900	43,500	(206,400)	17%	1,000,000	956,500
Total revenue and other sources	<u>73,415,482</u>	<u>84,535,041</u>	<u>11,119,559</u>	<u>115%</u>	<u>250,047,000</u>	<u>165,511,959</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	52,360,994	45,615,011	(6,745,983)	87%	221,586,000	175,970,989
Data management	670,000	670,899	899	100%	2,680,000	2,009,101
Service fees- PG&E	247,500	241,718	(5,782)	98%	990,000	748,282
Personnel	2,802,411	2,527,819	(274,592)	90%	11,490,000	8,962,181
Energy Center, marketing & communications	844,629	557,272	(287,357)	66%	3,379,000	2,821,728
Customer service	98,250	22,819	(75,431)	23%	220,000	197,181
General and administration	477,990	391,946	(86,044)	82%	1,832,000	1,440,054
Legal	118,750	33,138	(85,612)	28%	475,000	441,862
Regulatory and compliance	115,000	75,644	(39,356)	66%	460,000	384,356
Accounting	63,600	69,000	5,400	108%	312,000	243,000
Legislative	55,000	40,000	(15,000)	73%	220,000	180,000
Other consultants	137,850	132,901	(4,949)	96%	535,000	402,099
Industry memberships and dues	221,700	172,825	(48,875)	78%	888,000	715,175
Program implementation	2,763,646	543,636	(2,220,010)	20%	10,136,000	9,592,364
Total current expenditures	<u>60,977,320</u>	<u>51,094,628</u>	<u>(9,882,692)</u>	<u>84%</u>	<u>255,203,000</u>	<u>204,108,372</u>
OTHER USES						
Capital outlay	275,000	115,222	(159,778)	42%	1,150,000	1,034,778
Total expenditures, other uses	<u>61,252,320</u>	<u>51,209,850</u>	<u>(10,042,470)</u>	<u>84%</u>	<u>256,353,000</u>	<u>205,143,150</u>
Net increase (decrease) in available fund balance	<u>\$ 12,163,162</u>	<u>\$ 33,325,191</u>	<u>\$ 21,162,029</u>		<u>\$ (6,306,000)</u>	<u>\$ (39,631,191)</u>
<i>* Represents sales of approximately 534,000 MWh for 2024/25 YTD actual.</i>						
RESERVES						
Operating Reserve	<u>\$ 163,190,000</u>	<u>Long-Term Targeted</u>	<u>\$ 195,770,000</u>	<u>% of Long-Term Target</u>		
				<u>83%</u>		

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION
Three Months Ended September 30, 2024

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 33,325,191
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(357,239)
Add back capital asset acquisitions	<u>115,222</u>
Change in net position	<u><u>\$ 33,083,174</u></u>



ACCOUNTANTS' COMPILATION REPORT

Management
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of September 30, 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
November 5, 2024

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of September 30, 2024

ASSETS

Current assets

Cash and cash equivalents - unrestricted	\$ 87,959,573
Cash and cash equivalents - restricted for grant purposes	2,382,376
Accounts receivable, net of allowance	22,396,339
Other receivables	2,238,794
Accrued revenue	14,176,402
Prepaid expenses	1,026,031
Deposits	160,218
Investments	109,830,850
Total current assets	<u>240,170,583</u>

Noncurrent assets

Cash and cash equivalents	56,000,000
Investments	30,000,000
Other receivables	1,039,742
Deposits	16,256
Capital assets, net of depreciation	18,358,957
Total noncurrent assets	<u>105,414,955</u>
Total assets	<u>345,585,538</u>

LIABILITIES

Current liabilities

Accrued cost of electricity	18,684,479
Accounts payable	1,861,121
Advances from grantors	2,382,376
Other accrued liabilities	1,670,948
User taxes and energy surcharges due to other governments	800,702
Supplier security deposits	204,000
Total current liabilities	<u>25,603,626</u>

Noncurrent liabilities

Supplier security deposits	1,380,121
Total liabilities	<u>26,983,747</u>

DEFERRED INFLOWS OF RESOURCES

Rate Stabilization Fund	<u>56,000,000</u>
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NET POSITION

Investment in capital assets	18,358,957
Unrestricted	244,242,834
Total net position	<u>\$ 262,601,791</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Three Months Ended September 30, 2024

OPERATING REVENUES

Electricity sales, net	\$ 79,166,530
Evergreen electricity premium	780,899
Miscellaneous income	43,500
Total operating revenues	<u>79,990,929</u>

OPERATING EXPENSES

Cost of electricity	45,615,011
Contract services	1,931,822
Staff compensation	2,527,819
Program rebates and incentives	455,205
Other operating expenses	564,771
Depreciation	357,239
Total operating expenses	<u>51,451,867</u>
Operating income	<u>28,539,062</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	4,544,112
Nonoperating revenues (expenses), net	<u>4,544,112</u>

CHANGE IN NET POSITION

	33,083,174
Net position at beginning of year	229,518,617
Net position at end of period	<u>\$ 262,601,791</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS
Three Months Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 81,518,029
Receipts of security deposits	2,729,879
Other operating receipts	387,603
Payments to electricity suppliers	(44,215,174)
Payments for other goods and services	(1,837,578)
Payments of staff compensation	(2,490,525)
Payments of tax and surcharges to other governments	(896,824)
Payments for program rebates and incentives	(439,824)
Net cash provided (used) by operating activities	34,755,586

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Payments to acquire capital assets	(130,723)
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	5,033,961
Proceeds from certificates of deposit matured	89,000,000
Purchase of investments	(52,000,000)
Net cash provided (used) by investing activities	42,033,961

Net change in cash and cash equivalents	76,658,824
Cash and cash equivalents at beginning of year	69,683,125
Cash and cash equivalents at end of period	\$ 146,341,949

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted (current)	87,959,573
Cash and cash equivalents - restricted (current)	2,382,376
Cash and cash equivalents (noncurrent)	56,000,000
Cash and cash equivalents	146,341,949

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Three Months Ended September 30, 2024

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

Operating income (loss)	\$ 28,539,062
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	357,239
(Increase) decrease in:	
Accounts receivable, net	(225,792)
Other receivables	(473,245)
Accrued revenue	798,217
Prepaid expenses	(134,025)
Deposits	2,495,141
Increase (decrease) in:	
Accrued cost of electricity	(574,701)
Accounts payable	796,036
Accrued liabilities	3,076,303
User taxes due to other governments	101,351
Net cash provided (used) by operating activities	<u>\$ 34,755,586</u>

NONCASH INVESTING ACTIVITES

Unrealized appreciation and timing differences in investment income	\$ (489,849)
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Staff Report - Item 07

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: November 21, 2024

Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

Regulatory Updates

CPUC Directs Investor-Owned-Utilities to Adopt Multi-property Microgrid Tariffs

On November 7th the CPUC unanimously approved a Decision directing the three investor-owned-utilities to develop and offer tariffs for customers who wish to develop microgrids across multiple adjacent properties. To do so, the CPUC ultimately required Southern California Edison (SCE) and San Diego Gas and Electric Company (SDG&E) to offer a tariff mirroring PG&E's Community Microgrid Enablement Tariff.

As background, this was the culmination of Senate Bill 1339 (Stern, 2018) which required the Commission to develop methods to reduce barriers for microgrid deployment. However, that legislation included one provision which proved to be an almost insurmountable barrier: that non-participating customers could not be exposed to any cost increases. This led the presiding judge to reject all proposals put forth by microgrid industry participants, such as Clean Coalition, Green Power Institute, Microgrid Resources Coalition, PearlIX, and Sunnova. The CPUC also denied petitions for modification of previous decisions filed by the California Solar & Storage Association and the Green Power Institute. To date, only one multi-property microgrid has been developed under PG&E's tariff: the joint Redwood Coast Energy Authority/PG&E project at the Humboldt Airport. The proceedings are now closed.

CPUC Judge Rules PG&E Proposal to Reduce Financial Credits for CCA Customers Out of Scope

On August 1, 2024, the assigned Administrative Law Judge (ALJ) on PG&E's 2025 Energy Resources Recovery Account (ERRA) Forecast Application (A. 24-05-009) ruled the utility's proposal to increase CCA customer rates by reducing the credit paid to them was rejected as out of scope.

As background, for-profit utilities are granted the ability to recover both their costs and allowed levels of shareholder profits from the customers in their service territory. There are three over-arching types of rate cases in which Commission staff and interested stakeholders like CCAs can evaluate these utility requests: ERRA Forecast Proceedings, ERRA Compliance Proceedings, and General Rate Cases. In this current ERRA Forecast Proceeding, PG&E estimates and proposes a given amount of funds to be included in all customer rates beginning in January of 2025. The utility's actual costs are then recorded throughout 2025 and compared with this estimate. If these costs are deemed in compliance with the approved methodology, any under or over-collections are included as a debit or credit to future rates.

In this 2025 ERRA Forecast Application, PG&E proposed to modify the methodology used to calculate the financial credit CCA customers receive in exchange for the costs they pay to maintain PG&E's assets. Specifically, PG&E proposed to lower the bill credit paid for Resource Adequacy (RA). All load-serving entities, including CCAs and for-profit utilities, are required to purchase RA and share the underlying contract information with the CPUC and CAISO. The intent is to ensure that all electricity providers have enough capacity under contract to maintain a reliable grid. Between 2019 and 2023, the average market cost of RA surged nearly 500%. This resulted in higher costs for load-serving entities like CCAs which are actively purchasing RA in the market. PG&E, on the other hand, has existing long-term contracts for resources that provide the bulk of their RA needs. Since CCA customers pay an equal share for these contracts but are not granted the RA attribute itself, they receive a financial credit. The value of that financial credit is based on weighted-average market prices. Thus, when market prices increase, PG&E is required to grant CCA customers a higher credit. This puts downward pressure on CCA customer bills. In this 2025 ERRA Case, PG&E proposed to put a ceiling on the maximum amount they would credit CCA customers.

SCP customer bills would have increased by \$125 million in 2025 under PG&E's proposal. This equates with a typical residential customer paying an additional \$500

over the year.

Fortunately, the assigned Administrative Law Judge issued a Ruling which agreed with CCA advocacy that PG&E should not be allowed to implement this change. Specifically, it stated that "we are persuaded by CalCCA and DACC that this proceeding is the incorrect venue to address these issues." However, the Judge did not decide on the merit of PG&E's proposal and invited the utility to introduce this in another venue, stating that the proposal "may merit consideration in another rulemaking."

Legislative Updates

The 2025-2026 legislative session kicks off in early December, with the Legislature beginning work in earnest in January. The Governor has also convened a special legislative session to allocate costs for litigation against anticipated Trump administration actions. At the time of writing, Democrats look likely to lose a handful of seats in the Legislature for the first time in several cycles but will maintain their supermajorities in both houses. The Legislature may also reach gender parity for the first time in California history.

Sonoma Clean Power staff are working to identify opportunities to sponsor legislation over the year ahead in the realms of geothermal power, transmission issues and associated climate and affordability impacts, climate adaptation, and more. It seems likely that affordability and infrastructure issues in the electric sector will once again be top of mind for the Legislature.

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Staff Report - Item 08

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, Chief Executive Officer
Garth Salisbury, Chief Financial Officer & Treasurer
Chris Golik, Revenue Manager

Issue: Recommend the Board Approve the Parameters for Customer Rate Reductions Following Changes to Distribution Utility Rates and Fees on or After January 1, 2025, and Amendments to Financial Policy B.2

Date: November 21, 2024

Recommendation

Recommend that the Board approve the following three items.

1. Amend Financial Policy B.2 to increase Target Reserves to 365 days of annual budgeted operating expenses per the redlines in Attachment 1.
2. Set rates as soon as is feasible after PG&E's changes to PCIA (Power Charge Indifference Adjustment) and rates expected on January 1, 2025, using the following parameters:
 - Establish SCP rates to achieve the maximum savings on total customer bills between 5% and 7% below PG&E's bundled service total bills, while projecting a 2025 year-end reserve balance of not less than 365 days of annual budgeted operating expenses; and
 - Reset all rate classes so SCP customer total bills have an equal percentage savings from PG&E's bundled service total bills; and
 - Requires that staff return to the Board following rate implementation to have the final rates ratified for continued use.
3. Allocate 4% of Revenues in 2025 to SCP's local investment fund.

Background

SCP's goals with customer rate setting include:

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

Over the past ten-and-a-half years, SCP has had rates that were lower than PG&E over 80% of the time while supplying a consistently more environmentally preferred portfolio of power sources. Today, SCP customers have total bills that are between 1% and 3% lower than those of customers who have chosen PG&E for their power generation needs.

SCP reached its long-term financial reserves target between July and August 2023 about nine months ahead of the ten-year goal. In February 2024 and August 2024, SCP set rates to allocate the excess ratepayer collections above SCP's reserve target as of January 31, 2024, based on the following:

- 60% to rate reductions in 2024 and 2025 such that the savings relative to PG&E's bundled customers is expected to be about the same in both calendar years based on then-current regulatory filings and known market information
- 30% to establish a local investment fund
- 10% for customer incentives in 2024 and 2025

SCP customer total bills were below PG&E's bundled service total bills by 7% in February 2024 and 3% since August 2024. These savings levels were expected to return excess reserves to ratepayers by the end of calendar year 2025, leaving the reserve balance at the reserve target.

When rates were set in August, a large increase in the PCIA was projected for 2025. This resulted in a further increase in SCP's reserve balance in 2024 that was expected to be necessary to maintain SCP customer savings vs. PG&E in 2025.

The latest estimate of PCIA in 2025 is significantly lower than it was estimated to be just a few months ago. This proposal aims to enhance SCP customer savings by implementing further rate savings as well as align SCP's reserve target with its strategy of long-term risk reduction.

PG&E is expected to implement changes to the Power Charge Indifference Adjustment (PCIA) and PG&E's rates on January 1, 2025, or soon after that. While SCP does not expect to have final numbers for these changes until December 31, 2024, the most recent PG&E forecast indicates:

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

It is important to take all estimated PG&E charges and bill adjustments with caution. Previous years have seen increases of tens of millions of dollars in SCP customer charges, changes in calculation methodologies, and delays in implementation. As detailed in this month's regulatory report, PG&E recently sought CPUC approval to charge SCP customers an additional \$125 million in 2025 alone. That equates to approximately \$500 per residential household. While that proposal was ruled as out of scope in the judge's initial proposal, it remains a potential threat and is a policy directive PG&E will likely continue to pursue. This enormous financial risk driven by regulatory uncertainty leads staff to recommend that the Board continue to take a fiscally conservative approach to budget and rate-setting decisions.

Had the CPUC approved PG&E's request to charge SCP customers an additional \$125 million in 2025, SCP would have had to zero-out all bill savings and spend down roughly \$80 million of reserves in 2025 alone. That same risk remains in the future, since the CPUC has not yet ruled on PG&E's request.

SCP's cost of energy is expected to increase in 2025 when some of the existing fixed-price contracts end and SCP is more exposed to current higher market prices of energy.

Discussion

As used in the past, staff is recommending the use of rate setting parameters to facilitate the implementation of new customer rates as soon as possible following PG&E's expected changes on January 1, 2025. If PG&E's final numbers are available on December 31, 2024, SCP expects to be able to implement new rates on February 1, 2025. If PG&E's updates are delayed, then staff propose to make SCP's rate change as soon as feasible after the information becomes available.

As a result of the high cost of resource adequacy (RA) and Renewable Energy Credits (RECs) offsetting the relatively low market cost of energy, PG&E is not expected to make significant changes to the PCIA in 2025. This presents an opportunity for SCP to both offer customers savings and to ensure SCP's cash reserves are sufficient to weather the greater monthly volatility in energy market expenses staff expect to see in 2025 and beyond.

The suggested increase to the Target Reserve, from 280 to 365 days expenses, reflects an increased need for operating liquidity in order to reduce the long-term risk of changes in the market price of energy and the consequent inverse changes to the PCIA. The volatility in the market prices for system energy, resource adequacy and renewable energy warrant a larger reserve target to better insulate ratepayers from the risk of future large changes to rates.

See Attachment A for proposed amendments to Financial Policy B.2 Financial Reserves. SCP also intends to secure a line of credit to further mitigate this short-term variability, but staff believe it's prudent to avoid interest expense when possible by maintaining sufficient reserves for this purpose. The ratepayer cost of using cash reserves is fundamentally lower than the cost of borrowed money.

Staff will provide a report to the Board after calendar year 2025 to assess how well SCP's operating liquidity is meeting the needs of SCP's risk-reduction strategy, along with suggestions for any adjustments that might be needed to reserve fund target balances in the future.

When SCP implements new rates, staff is recommending the use of the following parameters:

- Establish SCP rates to achieve the maximum savings on total customer bills between 5% and 7% below PG&E's bundled service total bills, while projecting a 2025 year-end reserve balance of not less than 365 days of annual budgeted operating expenses; and

- Reset all rate classes so SCP customer total bills have an equal percentage savings from PG&E's bundled service total bills; and
- Requires that staff return to the Board following rate implementation to have the final rates ratified for continued use.

Financial Impact

An expected return to ratepayers of about \$10 million in excess ratepayer collections above SCP's reserve target. These parameters allow for an additional allocation of 4% of Revenues to SCP's local investment fund, resulting in a projected reserve balance at the end of calendar year 2025 of about \$255 million.

The Board established SCP's local investment fund at their meeting on November 2, 2023. The fund is intended to own assets with a goal of generating non-rate revenues for the purpose of lowering customer rates over long time periods. At the same meeting, the Board also approved ongoing local investments during years when costs and rates are favorable. Consistent with the approved guidance, staff is proposing an allocation of 4% of Revenues to SCP's local investment fund.

Attachments

- Attachment 1 - B.2 Financial Reserves Amended - Redline

Financial Policy B.2

Financial Reserves

Purpose

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

Reserves are defined as unrestricted cash and investments excluding funds designated by the Board of Directors to be invested in income-producing investments with the purpose of offsetting rates over time. Reserves include funds held in the Rate Stabilization Fund.

Reserve Balances

- Minimum Reserves: 180 days of the annual budgeted operating expenses.
- Target Reserves: ~~280~~365 days of the annual budgeted operating expenses.
- Rate Stabilization: Any excess revenues above the Target Reserve balance shall be deferred to stabilize rates in subsequent years.

Building Reserves and Rate Setting

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

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

Use of Reserves

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

Investing Reserve Balances

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

Adopted: June 5, 2014

Amended: Jan 8, 2015, Jun 4, 2015, Apr 5, 2018, Apr 2, 2020, May 5, 2022, Oct 3, 2024



Staff Report - Item 09

To: Sonoma Clean Power Authority Community Advisory Committee

From: Felicia Smith, Director of Programs
Carolyn Glanton, Programs Operations Manager
Geof Syphers, Chief Executive Officer
Mike Koszalka, Chief Operating Officer

Issue: Review Programs Strategic Action Plan and Provide Feedback as Appropriate

Date: November 21, 2024

Recommendation

Review the 2025 Programs Strategic Action Plan and provide comments, feedback, and direction to staff.

Background

The first customer programs Strategic Action Plan (the Plan) was received by the Board of Directors in February 2018. The Plan was updated and presented to the Board every six months. In 2022, SCP revised and updated the Plan to integrate the Equity Framework to incorporate valuable planning and implementation elements alongside goals to support customer energy solutions.

Steps from the Equity Framework built into the Plan include:

- Assessing community needs and setting goals
- Establishing community led decision making
- Developing a plan and metrics for tracking
- Ensuring funding and program leverage and
- Improving outcomes

In 2023, SCP initiated Community Needs Assessments with residential, commercial, agricultural customers, and for transportation and mobility needs. Since the outcomes of the needs assessment are integral for strategic planning and goal setting, the Plan was not updated until the results were received in 2024.

Discussion

The customer programs Strategic Action Plan is included as Attachment A to this report. The Plan includes multiple updates and elements:

1. Named Strategic Action Plan *Offers and Incentives*, to clearly denote the focus of the Plan. Market research indicates SCP customers don't associate the word "programs" with SCP's customer energy solutions and thus was removed from the Plan.
2. SCP's methodology to incorporate equity and community needs into customer energy solutions, offers, and incentives.
3. Key focus areas that support SCP as an electric utility, mitigate climate change, and facilitate reliability and affordability.
4. Current customer offerings and associated metrics.
5. Next steps from Community Needs Assessment illustrates concepts and ideas that meet SCP's utility goals and customer input. Many of these concepts will be developed through a community-led decision-making process as suggested in the Plan.

Fiscal Impact

No fiscal impacts related to this item. Budgeting for programs is accomplished through the annual budget process.

Attachments

- Attachment A - Draft Strategic Action Plan *Offers and Incentives*



Strategic Action Plan

Customer Offers & Incentives

2025



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1. Sonoma Clean Power

1.1 Agency Mission

Sonoma Clean Power (SCP) serves residents and businesses in Sonoma and Mendocino counties (except for the cities of Healdsburg and Ukiah who have their own municipal utilities). We provide clean electricity from renewable sources such as solar, wind, and geothermal.

Our mission is to turn the tide on the climate crisis through bold ideas and practical programs. Climate change affects everyone, so we design our services to be practical and inclusive. SCP provides incentives so customers can reduce their utility bills and help clean up California's electric grid.

2. About this Strategic Action Plan

SCP developed the Strategic Action Plan for Customer Offers & Incentives ("Plan") to support our mission to turn the tide on the climate crisis through bold ideas and practical programs. This Plan outlines the strategies and goals of our customer offerings and incentives.

2.1 Strategic Action Plan Alignment With SCP Goals

Our priority is to provide stable energy costs and minimize the impact of electricity rates on customers. Our goal is to provide competitively priced electricity while reducing greenhouse gas emissions and meeting our emission reduction targets. To achieve this, we work to set generation rates that stabilize bills and strategically implement customer offerings and incentives to reduce SCP costs and help customers manage their bills.

Customer offerings and incentives also inform SCP's Integrated Resource Plan. The Integrated Resource Plan outlines how SCP can meet expected electricity demand in the future while managing costs and risks and achieving greenhouse gas targets. SCP's customer offerings and incentives can be used as a tool to optimize and shape how and when customers use electricity, which is important to achieving a 100% carbon-free electricity future.

SCP customer offerings and incentives aim to:

- Help customers manage their energy bills
- Promote and encourage behaviors, technologies, and actions that alleviate stress on the grid
- Reduce greenhouse gases by shifting away from fossil fuel end uses (including appliances and transportation)
- Decrease energy use
- Encourage shifting energy use away from evening and nighttime hours to times of the day when renewable energy supply is abundant, reducing the need for natural gas power plants.

2.2 Equity

2.2.1 Empower Communities

Equity within the Plan provides for the inclusion of Empower Communities – census tracts that are most impacted by pollution, socioeconomic challenges, and affordability issues. SCP's portfolio of customer offers shall be designed, implemented, and evaluated with the goal of being practical and inclusive of Empower Communities. For the list of Empower Communities and the methodology used to determine them, see Appendix A.

2.2.2 Importance of Addressing Equity

Low-income households and those in Empower Communities are more vulnerable to high energy costs, spending a larger percentage of their income on utility bills and causing financial stress. These customers are also more likely to feel the harsh effects of climate change, as these communities are more likely to be flood-prone, heat-affected, or polluted areas, with older, less efficient housing. SCP is dedicated to creating offers and incentives that benefit all customers and will continue to invest additional time and funds to ensure that our services foster equity.

2.2.3 Equity Framework

The Plan integrates steps outlined in SCP's Equity Framework for developing and implementing inclusive offers and incentives. These steps are listed below. For more information on Equity Framework, please visit www.sonomacleanpower.org/program-equity-framework.

Step 1: Assess the Communities' Needs

Learn what's preventing community members from participating in SCP services and offers, and what they need and want when it comes to energy efficiency and electrification.

Step 2: Establish Community-Led Decision-Making

Getting input from the community helps create better programs that reflect local needs and values. Partnering with community organizations ensures that decisions are based on community priorities, leading to more local support and benefits.

Step 3: Develop Metrics and a Plan for Tracking

Establish ways to measure both clean energy benefits, like reducing greenhouse gas emissions, and community benefits, such as hiring locally and helping people pay their energy bills without sacrificing other essentials.

Step 4: Ensure Funding and Program Leveraging

Some low-income energy programs fall short because of unpredictable funding, poor program design that does not reach qualifying customers, or lack of coordination with complementary services. SCP will make sure funding is reliable and offers and services work well together to the extent possible.

Step 5: Improve Outcomes

Using the metrics plan described in Step 3, SCP will keep checking how well the program works and make changes as needed to ensure it reaches the people it seeks to reach and delivers the intended benefits.

2.2.4 Community Needs Assessments

As mentioned in the section above, the first step in the Equity Framework and Plan is to engage the community in considering new offers (based on the Joint Powers Authority's stated purposes). This means conducting Community Needs Assessments to listen to our customers and our community and learn about their unique needs, the underlying reasons or causes of issues, existing barriers, and the types of resources that are already available to support and assist customers. Community Needs Assessments provide meaningful inquiries into the possible benefits that energy-related services and incentives can deliver to Empower Communities, low-income customers, and renters and the challenges that residents will face in switching from fossil fuels to clean energy, improving energy efficiency, and reducing cost.

SCP completed Community Needs Assessments in 2024 in the following categories:

1. Transportation and mobility needs
2. Residential energy use and resiliency needs
3. Commercial building energy use and resiliency needs
4. Agricultural energy use

These Community Needs Assessments have informed this iteration of the Plan. The full Community Needs Assessment Reports can be found on SCP's website at www.sonomacleanpower.org/strategic-action-plan.

2.2.5 Actions Resulting from Community Needs Assessments

Now that SCP has reviewed and publicly presented the Community Needs Assessments and is developing strategies and ideas from the results of those assessments. The next step is establishing community input processes to refine development and implementation of offers and incentives.

When determining ideas resulting from the Community Needs Assessments, key questions are considered. The following are some representative key questions that can be customized for different people representing our customer base:

- How might a [local organic farmer] who is struggling with rising costs lower their cost of utility bills?
- How might a [small, family-owned restaurant] reduce energy use during peak times in a practical and cost-effective way?
- How might a [low-income individual] easily purchase/lease an electric vehicle that is affordable? How might that same individual lower the costs of charging their vehicle?
- How might a [low-income family living in an Empower Community] easily and affordably upgrade their home with energy efficient measures that lower their bills?

Ideas and concepts that answer these questions and others will be developed with the community in the phases outlined below, with adjustments made as needed based on lessons learned or input received to improve the process.

Phase 1: Identify Ideas from Existing Insights

- Look closely at industry information to identify gaps, trends, and opportunities.
- Identify the types of customers and their personas that would benefit, including businesses that might employ target audiences.
- Present findings to community partners and stakeholders for feedback to ensure alignment with their perspectives. Potential stakeholders include, but are not limited to:
 - Agricultural: Local cooperative extensions, industry associations, conservation districts, local farm bureaus, and other advocacy organizations.
 - Transportation: Low-income customers and residents of Empower Communities, women and Hispanic customers related to their specific challenges and needs around electric vehicles (EVs), community-based organizations that provide services to these residents.
 - Commercial: Local contractors, chambers of commerce, small business development centers, and other business organizations.
 - Residential: Local contractors, community-based organizations that provide services to low-income customers, those who live in Empower Communities, and underserved populations.

Example: SCP's workplace charging initiative was designed to address the needs of current and prospective EV drivers while optimizing the use of low-carbon electricity during the day. Recognizing gaps in EV charging access, particularly for multi-family renters—SCP launched a research project to support commercial customers and their employees who could benefit from this service.

Phase 2: Co-Design Solutions with the Community

- Based on insights identified in Phase 1 and using internal expertise, develop concept designs for offers and incentives.
- Partner with and compensate community organizations to co-host focus groups or workshops for feedback, focusing on customer pain points and opportunities in the customer journey.
- Incorporate community organization and focus groups for further feedback and refine the concept and/or implementation strategies.
- If not supported by community organizations or focus groups, consider discontinuing or not advancing.
- Partner with and compensate community organizations for educating customers and providing awareness, outreach, and application assistance.

Example: SCP hosted and paid participants of a focus group to evaluate the contents, instructions, and value of SCP's Energy Savings Boxes. The instruction manual and contents were revised as a result of their invaluable feedback.

Phase 3: Develop and Test Solutions

- Create prototypes or pilot versions of proposed services, offers, or incentives. Test them with select customer groups or beta testers to assess viability and address unforeseen issues.
- Define and set metrics and criteria for success as set out in Phase 4 below, such as participation rates, application ease, customer experience, energy and peak power savings, and emissions reductions.
- Implement prototypes or pilots, collect performance data, and gather qualitative feedback.
- Analyze results, adjust prototypes or pilots as needed, and re-test.

Example: SCP provides a smart EV charging service designed to reduce nighttime charging peaks, optimize the use of low-carbon daytime solar energy, and help customers charge at the lowest rates. The pilot program aims to involve 500 participants to test the smart EV charging capabilities and analyze the results before expanding enrollment.

Phase 4: Establish Metrics for Success

- The performance of any given program must be measured to ensure that it is delivering the intended impact.
- SCP will monitor data that reports on each Empower community, low-income customers, affordable housing projects, non-profit/community organizations, net energy metering (NEM) customers, EverGreen customers, each county, each incorporated area, each unincorporated area by county, and the overall customer base. Example metrics are:
 - Dollars spent (\$ and percent of overall incentive dollars)
 - Participation (quantity and percentage of overall participants)
 - Energy saved (kilowatt-hours and therms)
 - Peak demand saved (kilowatts)
 - Emissions saved (pounds of carbon dioxide equivalent)
 - Customer bills savings
 - Qualitative metrics such as ease of participation, customer satisfaction, customer perception and sentiment.

Example: SCP's electrification rebates for residential and commercial electrification were designed to encourage market transformation by replacing fossil fuels with high-efficiency electric appliances. Since the rebates were introduced in 2021, success metrics have evolved. Initially, success was measured by the number of fuel-switching rebates and emissions reductions. However, as electric appliances have become more widely adopted, the focus has shifted to participation by customer type, location, and funds allocated to income-qualified and Empower customers.

Phase 5: Full Implementation

- Scale successful pilots or prototypes to broader customer groups, ensuring the intended impact is reached.
- Scale successful pilots or prototypes to broader customer groups, ensuring the intended impact is reached.
- Continuously monitor performance metrics such as participation, customer satisfaction, and energy savings.
- Refine and optimize based on data, customer feedback, and evolving needs to ensure long-term success as needed.

Example: GridSavvy Rewards was created in 2017 and launched as an automated demand response option with EV chargers first and then smart thermostats. As of 2024, GridSavvy Rewards has expanded to behavioral demand response to eliminate technological and costly barriers to participate.

Phase 6: Continuous Improvement Based on Feedback

SCP offers and incentives will be continuously assessed against defined metrics of success to determine if there are improvements to be made to better reach the intended communities, provide the intended benefits, and mitigate any unintended consequences or barriers.

SCP will:

- Regularly incorporate performance metrics and feedback from users to make adjustments and improve overall performance to achieve intended goals.
- Maintain engagement with community organizations and community members to ensure that offers evolve in response to their needs and remain effective over time by:
 - encouraging and applying recommendations, research, ideas, and feedback to improve current and future offerings and incentives
 - maintaining a customer feedback loop and adjusting the offers and incentives, as needed based on customer input.
- Continue to engage with our community members to better understand their needs and priorities by:
 - attending public events
 - hosting education classes
 - inviting people to SCP's Customer Center
 - inviting and collecting comments and feedback through our website, public meetings, and all interactions with customers.

Example: In 2021, SCP provided an income-qualified e-bike voucher to 400 participants. Surveys revealed that the e-bikes did not reduce vehicle miles traveled as intended. In response, the workplace e-bike grant was developed in 2024 to promote e-bikes as a viable commuting solution.

2.3 Design Objectives

SCP acknowledges that design for customer offerings and incentives consists of various motivations and strategies to achieve our mission of turning the tide on the climate crisis. It is important to acknowledge the necessity for distinct and different approaches as our progress toward targets evolves. Specifically, we'd like to highlight the need for both market transformation initiatives and avoided cost initiatives.

Market transformation initiatives provide offerings and incentives to customers to instigate long-term change by providing incentives and access to new and emerging technologies and services. Providing support to our customers through offerings and incentives can create a lasting shift in consumer and energy markets, making cleaner technologies and services more accessible and affordable for consumers in the future. This requires an injection of money at the onset that may not provide financial returns initially.

Avoided cost initiatives provide offerings and incentives to customers that are sustainable and scalable because they reduce costs for SCP. In other words, the financial incentive or investment made by SCP to promote technologies and services is less than the cost of energy procurement. This means that these customer offerings and incentives reduce rates for all regardless of whether a customer is participating or not, and the incentives are not subsidized by customers.

2.4 Focus Areas

SCP has developed five focus areas to turn the tide on the climate crisis. SCP integrates equity, inclusion, and supplemental funding sources into each of the focus areas listed below. The rest of this Plan will focus on the work we are doing on each of these focus areas.

1. Electrify transportation and gas-powered equipment
2. Accelerated building efficiency and electrification
3. Reduce peak demand and shift energy use towards low-carbon electricity
4. Educate and engage customers, residents, your, and workforce within our community
5. Foster innovation through research and development

These focus areas will be covered in the following sections.

3. Electrify Transportation and Gas-Powered Equipment

Transportation produces most of the air pollution and greenhouse gas emissions in Sonoma and Mendocino counties. Most of these emissions are created by the cars and trucks we drive every day. Replacing our gasoline and diesel cars and trucks with electric vehicles (EVs) will reduce greenhouse gas emissions and air pollution, including smog. EVs are cleaner and produce fewer emissions. They need very little maintenance and can be less expensive to operate than gas cars.

Other gas-powered equipment such as yard tools and agricultural tractors and implements are another source of greenhouse gas emissions and local air (and noise) pollution. New battery-powered equipment, lawnmowers, and leaf blowers, for example, are quieter, don't pollute, and work as well as conventional equipment.

The SCP offerings outlined in this chapter address these opportunities.

3.1 Current Customer Offerings

3.1.1 Non-Profit Electric Vehicle Incentives

SCP offers reimbursement to non-profits to help them transition from gas-powered vehicles to clean EVs. SCP offers a \$15,000 incentive for EV passenger vehicles and a \$22,500 incentive for vehicles with payloads over 1,500 pounds (vans and trucks).

2017 - 2024 METRICS

- 23 reimbursements have been issued to non-profits.
- 17% (4 EVs) are located in Mendocino County.
- 83% (19 EVs) are located in Sonoma County.
- 4 of the 23 incentives went towards electric pickup trucks or vans.

3.1.2 Sonoma Coast Incentive Program (CALeVIP)

SCP partnered with the California Electric Vehicle Infrastructure Program (CALeVIP) in 2020, to provide rebates for EV Level 2 & DC Fast Charger purchase and installation costs. This initiative promotes public charging infrastructure in the region.

2020 - 2024 METRICS

- 54 projects sites have been awarded funding including.
 - 279 Level 2 Chargers
 - 54 DC Fast Chargers
- 136 chargers have been installed and completed.
 - 126 Level 2 Connectors
 - 10 DC Fast Chargers
- 6% of funds have been reserved for locations in Empower Communities.

3.1.3 Fast Charge for All

In June 2022, SCP offered a special incentive of up to \$80,000 for EV fast-charging stations serving coastal and low-income residents. Valid CALeVIP applications that were wait-listed due to high demand for the Sonoma Coast Incentive were eligible if they met rural or low-income community siting criteria.

2022 - 2024 METRICS

- 1 site has been constructed and 2 projects are in progress to install 7 fast-charging stations serving rural and low-income residents.

3.1.4 Local EV Partnerships

In addition to rebates and incentives, SCP also supports customers with technical and funding resources. SCP's subject matter expertise fosters partnerships with local organizations and assists customers in their electrification needs.

2020 - 2024

- 14 EV chargers to local businesses and non-profits.
- 18 EV chargers to municipalities for fleet and public charging.
- 200 attendees at SCP's National Drive Electric Week EV showcase events in 2023 and 2024.

3.1.5 Workplace Charging Research Project

Shifting EV charging from nighttime to daytime, when solar and other renewable energy sources are abundant, has significant benefits for the grid. Daytime charging reduces the need for fossil fuel generation, helps manage evening energy demand, and supports higher EV adoption by lowering greenhouse gas emissions and reducing the need for extensive battery storage.

SCP's Workplace Electric Vehicle Charging Research Project partners with local employers to install grid-enabled EV chargers. It focuses on providing cost-effective workplace charging for disadvantaged and low-to-moderate-income employees, while testing strategies for a larger regional initiative.

2023 - 2024 METRICS

- 4 research sites, total of 36 Level 2 EV chargers.
- Installation to begin at the end of 2024.

3.1.6 EV Charging Optimization Pilot

In June 2024, Sonoma Clean Power added the option for customers to enroll their EVs in GridSavvy Rewards as a pilot to help customers optimize their EV charging. SCP partnered with ev.energy to provide an app that automates charging, ensuring customers' EVs are ready when needed while charging at the cheapest and greenest times.

By charging when renewable energy is most available, the program helps reduce local emissions and shifts demand away from peak hours (4-9 pm), lowering electricity costs for participants and easing strain on the grid. For SCP customers, the benefits include saving money, earning monthly rewards, and remotely managing their charging through the ev.energy app.

2024 METRICS

- 50 participating EVs.
- 207 megawatt-hours (MWhs) of actively managed energy use.
- 27% of smart sessions use rooftop solar.

3.1.7 E-Bike Commuter Grant

In 2024, the E-Bike Commuter Grant made funding available to businesses, non-profits, and other organizations to encourage their staff to commute using electric bikes. Ten grants were approved totaling \$167,000 in funding. The grantees will report to SCP over the two-year grant period on e-bike usage, maintenance issues, and employee satisfaction.

2024 METRICS	<ul style="list-style-type: none">• 10 grants were awarded.• 2 grants were awarded to Mendocino County entities.• 8 grants were awarded to Sonoma County entities.• 21 total electric bikes have been provided to local businesses and non-profits, serving 24 commuters.
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3.2 Discontinued Offers and Incentives

3.2.1 Discontinued Free Residential Electric Vehicle Chargers

In response to current market trends, increased availability of EV charging equipment, and other available funding resources promoting transportation electrification and access to level 2 charging equipment, SCP's EV charging equipment discounts were discontinued on May 1, 2024.

2016 - 2024 METRICS	<ul style="list-style-type: none">• SCP has provided over 5,022 free EV chargers to customers.
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3.3 Next Steps from Community Needs Assessments

During the Community Needs Assessments conducted in 2023 and 2024, SCP listened to our community and customers to better understand the barriers to electrifying transportation. Using this information, SCP will also respond to specific needs, desires, and concerns that arose.

Potential ideas may include supporting women and Hispanic communities—who represent a large portion of future EV owners—and customers qualifying for the used EV tax credit. This could provide these groups with better access to clear and useful information when shopping for EVs. Additionally, SCP may collaborate with partner organizations to explore ways to improve non-car transportation options, addressing mobility needs for those who rely on alternatives to personal vehicles.

4. Accelerate Building Efficiency And Electrification

Using fossil fuels in our homes and buildings for space heating, water heating, and cooking is a large source of greenhouse gas emissions. We can replace these gas-using appliances with high-performance electric appliances that produce far fewer emissions, especially when powered by clean renewable electricity.

Burning fossil fuels in our homes and buildings also creates fire risks and unhealthy indoor air, potentially contributing to health issues including asthma. Replacing gas appliances with high-performance electric options will improve indoor air quality and reduce the risk of hazards associated with combustion appliances.

Building electrification must be pursued equitably, ensuring that Empowering Communities justice communities are not left behind. During the Community Needs Assessments conducted in 2023 and 2024, SCP listened to our community and customers to better understand the barriers to electrifying their homes. Using this information, SCP will also respond to specific needs, desires, and concerns around electrification and energy efficiency.

4.1 Current Customer Offerings

4.1.1 SCP's Customer Center (Formerly the Advanced Energy Center)

In 2021, SCP opened the Advanced Energy Center to provide customers with an immersive demonstration space showcasing technologies that they can install to save money and reduce their carbon footprint. In 2023, SCP began making changes to improve how we serve customers through the space, including renaming it to SCP's Customer Center. SCP's Customer Center serves as a resource for customers to learn more about their energy bill, get questions answered, and learn how to save energy and reduce their costs. SCP's Customer Center continues to be a resource hub to showcase high-efficiency electric technologies and appliances.

2021 - 2024 METRICS

- 13,800+ visitors have experienced Sonoma Clean Power's Customer Center
- 7,500+ visits have been walk-ins (remainder through events)

4.1.2 Residential and Commercial Electrification Incentives

To make clean energy solutions more accessible, SCP provides discounts and incentives on a variety of technologies, including heat pump space conditioning, heat pump water heaters, heat recovery ventilators, and induction cooking. SCP also provides a set of free cookware for customers who purchase and install an induction cooking appliance.

Higher incentives are available for income-qualified customers enrolled in energy bill discount programs such as California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA).

2021 - 2024 METRICS

- 429 heat pump water heaters
- 1,082 heat pumps for space heating and cooling
- 6 air-to-water heat pump space conditioning and hot water systems
- 1 heat recovery ventilation system
- 457 induction cooktops and sets of free cookware

4.1.3 Government Heat Pump Water Heater Incentives

SCP layers funding for heat pump water heaters on top of a PG&E rebate to deliver projects at low to no-cost to government and K-12 educational facilities. Eligible public facilities include education buildings, community and convention centers, library/museums/performing arts centers, public work yards, and more.

2022 - 2024 METRICS

- 24 heat pump water heaters in local public facilities have received gap funding to make these projects free or nearly free.
- Over 30 heat pump water heater projects are reserved.

4.1.4 Induction Cooktop Lending

To promote induction cooking as an alternative to gas cooking, SCP offers customers a free portable induction cooktop to borrow for up to 2 weeks, along with compatible cookware.

2019 - 2024 METRICS

Since the service began, 560 customers have borrowed an induction cooktop. Yearly data is available for the last two years:

- 108 in 2023
- 42 in 2024

4.1.5 Commercial Energy Assistance

To reduce energy use, energy costs, and encourage site electrification, SCP offers no-cost energy assessments to qualifying commercial SCP customers.

2022 - 2024 METRICS

- Energy efficiency and electrification assessments were conducted at 33 commercial sites for 29 customers, with recommendations provided in reports.

4.1.6 Advanced Energy Build

Starting in 2020, SCP began offering incentives for the construction of resilient, affordable, and all-electric homes in Sonoma and Mendocino County. Through this effort, SCP has partnered with affordable housing developers, builders, and homeowners most of which are all-electric and affordable.

2020 - 2024 METRICS

- 450 total units of housing constructed
 - 100% are all-electric and 98% are low income
 - 205 have solar PV
- \$1.3M in incentives provided
 - \$1.28M toward low-income affordable development

4.1.7 Multifamily Housing Electric Panel Upgrades

To support electrification retrofits of multifamily housing, SCP partnered with BayREN's Multifamily Program to provide incentives of \$500 per in-unit panel upgrade (\$750 for income-qualified customers) and \$5,000 per central building panel upgrades. This effort launched in January 2022, with three projects completed to date, and several more enrolled in the offering.

2022 - 2024 METRICS

- Supported electrification of 85 local affordable housing units
 - \$68,750 in incentives provided

4.1.8 Energy Savings Box

SCP's Energy Savings Box is designed to empower renters and lower-income customers to improve their energy efficiency, save electricity, and reduce their carbon impact through actions within their control. This free offer provides LED light bulbs, a smart power strip, weather stripping solutions, and a smart outlet. Residential SCP customers can request an Energy Savings Box by completing a simple order form on the SCP website.

2024 METRICS

- Pre-built 750 Energy Savings Box kits for direct shipping to customers.
- Assembled 250 tote bag versions for our community partners to distribute.

4.2 Discontinued Offers and Incentives Offerings

4.2.1 On-Bill Financing

To reduce the barriers of up-front costs associated with electrification, SCP offered customers 0% interest financing of up to \$10,000 for the purchase and installation of select technologies, payable through the utility bill.

On-bill financing was available from March 2021 to April 2023 and exceeded the lending goal of \$1,000,000. Overwhelmingly the approved loans went to Net Energy Metering (NEM) and EverGreen customers. However, the loans were designed to support low- and middle-income households which have a lower incidence of PV solar and EverGreen election. Since the financing tool did not reach the intended audience, the offer was closed. To date, financing customers are in good standing without lapse in payments.

2021 - 2023 METRICS

- 155 loans were administered, 3 loans have been repaid in full.
- A total of \$1,347,105 was loaned.
 - The outstanding loan balance is \$1,086,960.
- 8% of the loans went to income-qualified CARE customers.
- 64% of the borrowers were NEM customers.
- 63% of projects involved installing heat pump heating and cooling systems, 30% were heat pump water heaters, and 5% were induction stoves.

4.2.2 FLEXmarket

SCP received California Public Utility Commission energy efficiency funding to implement an incentive for energy efficiency projects in existing buildings. The funding term was three years (June 2022 - Jun 2025). Incentives were based on time of day avoided energy costs for projects that reduce total energy peak load. This funding incentivized permanent energy reduction and permanent shifting energy use away from peak hours.

2022 - 2024 METRICS

- 17 commercial projects enrolled; building types include grocery stores, municipal buildings, indoor and outdoor agriculture, shopping centers.
- 15 projects are located in Sonoma County, and 2 are located in Mendocino County.
 - 2 projects are in an Empower community.
- 354 MWh of energy saved in year 1 and 55 kW peak demand reduction.

4.3 Next Steps From Community Needs Assessments

Potential ideas may include directly installing energy efficiency and energy saving measures for low-income businesses and households in Empower Communities and expanding rebates for commercial customers to help reduce the upfront costs of energy upgrades.

5. Reduce Peak Demand And Shift Energy Use Towards Low-Carbon Electricity

In the last decade, an increasing number of solar photovoltaic (PV) resources have been added to the grid. Solar is a clean, renewable energy source, but only generates electricity during the day. Yet, energy demand is the highest in the evening (currently 4-9PM), when people return home, adjust their thermostat, and turn on lights.

The increased need for electricity happens around the time the sun sets and solar production falls. Dirty fossil fuel power plants are used to provide this energy in the evening to address peak demand. Fossil fuel power plants increase air pollution and greenhouse gas emissions, contributing to climate change.

provides offers and incentives to:

- Reduce energy usage between peak demand (4-9PM).
- Shift energy usage to midday and hours where solar and other clean energy is abundant.

5.1 Current Customer Offerings

5.1.1 Alerts Through GridSavvy Rewards

In response to summer grid reliability concerns, SCP added an option to GridSavvy Rewards in 2022 where no smart devices are needed to participate. Customers receive alert notifications through phone or email to save energy during hours of high demand on the grid through any means that works for them.

GridSavvy Rewards pays customers for every kilowatt-hour (kWh) saved from their baseline energy use during an energy saving event. Customers may also choose to donate their rewards to a selection of local Community Partners.

SCP reached customers that have historically been left out of utility initiatives; most notably Spanish speakers and customers that do not have services (e.g., internet, email, cell phones).

2022 - 2024 METRICS

- 11,415 customers enrolled,
 - 27% are low-income CARE/FERA
 - 14% live in an Empower community
 - 15% are in Mendocino County, 85% are in Sonoma County.
 - 412 customers have chosen to receive all communications in Spanish
- SCP called 34 Energy Saving Events from May through September 2024.
- For the 2024 season, spanning from May to October, participants reduced and saved:
 - An average peak demand reduction of 3,800 kilowatts (kW) on the 2024 peak day.
 - A cumulative total of approximately 119,000 kilowatt-hours (kWh) saved or shifted.

5.1.2 Smart Thermostats and EVs Through GridSavvy Rewards

To help automate reducing and shifting energy use away from peak times, SCP offers discounts and incentives to purchase and/or connect smart devices, such as EV chargers and smart thermostats. These smart devices can receive a remote signal from SCP, which automatically adjusts usage to make energy-savings easy.

2017 - 2024 METRICS

- 5,022 discounted EV chargers have been provided to customers.
- 1,416 EV chargers are currently enrolled
- 453 smart thermostats are enrolled (The total includes devices purchased at a discount through the GridSavvy Rewards webstore and existing smart thermostats that customers enrolled)

5.1.3 NetGreen+

To incentivize customers to install solar and solar plus battery storage, SCP pays customers who generate more electricity than they use during a billing cycle the retail rate plus a 1¢ bonus per kilowatt-hour (kWh). SCP also pays out double the PG&E incentive if a customer generates more electricity than they use on an annual basis.

2024 METRICS

- Approximately 30,350 customers are enrolled

5.1.4 EverGreen

SCP customers have the option to power their homes with SCP's EverGreen offering. EverGreen is 100% renewable, locally generated energy provided 24/7 from geothermal and solar resources developed in Sonoma and Mendocino counties. The additional cost is 2.5 cents per kilowatt-hour (about \$13/month extra based on an average residential customer). EverGreen eliminates nearly all greenhouse gases from electricity use. Customers that do not have the ability to install solar or battery storage on their residences or businesses can choose this option to help reduce their carbon emissions and fight the climate crisis.

2024 METRICS

- 4,259 customer accounts are powered by EverGreen
 - 146 are CARE or FERA participants

5.1.5 Workplace Charging Research Project

See Section 3.1.5

5.1.6 EV Charging Optimization Pilot

See Section 3.1.6

5.1.7 FLEXmarket

See Section 4.2.2

5.2 Discontinued Customer Offerings

5.2.1 Self-Generation Incentive Program Assistance

SCP started helping battery installers and customers apply to the Statewide Self-Generation Incentive Program (SGIP). This was to solve the problem of PG&E, the local implementer, taking a long time to provide incentives, which made it harder for people to participate in the program. SCP provided financial assistance to submit the SGIP applications and aimed to send rebate checks to customers faster than PG&E, reducing their waiting time. SCP was later reimbursed by PG&E for the approved incentive amount. As delays in PG&E's rebate issuance are no longer a significant obstacle, SCP decided in November 2023 to no longer assist with new SGIP applications and is now redirecting its support to more effective areas.

2020 - 2023 METRICS

- More than 215 battery storage applications have been submitted.
- Over \$3.5M of incentives have been reserved.
- Approximately \$3.14M of incentives have been paid back to SCP through the State.

5.3 Next Steps From Community Needs Assessments

In response to findings from the community needs assessment highlighting the importance of offers and incentives accessibility, SCP will continue targeted and broad promotion of the Alerts through the GridSavvy Rewards. Additionally, enrollment incentives will be extended through 2024 to support current promotional efforts.

SCP is also exploring further expansion of eligible technology types to enhance accessibility for customers and increase GridSavvy Reward's impact on grid reliability. For instance, SCP is considering the development of battery storage optimization for residential and commercial customers with existing or planned battery energy storage systems paired with solar photovoltaic installations. Additionally, SCP is investigating other technological and

6. Educate and Engage Customers, Residents, Youth, and Workforce Within Our Community

Energy is an important issue, and one that allows everyone to make a difference. By learning how to use less energy, customers can save money. By learning how to live an all-electric lifestyle, customers can reduce their carbon footprint.

California has ambitious goals for building a clean economy. There are industry demands for a workforce with a blend of technical skills and business management abilities. Skills are needed in construction, electrical work, plumbing, heating and cooling, and renewable energy technologies, such as photovoltaics, geothermal, and wind.

SCP promotes public education involving energy efficiency, electrification, and electric vehicles.

6.1 Current Customer Offerings

6.1.1 SCP's Customer Center (Formerly the Advanced Energy Center)

See Section 4.1.1

6.1.2 Do-It-Yourself Home Energy Toolkit

To help customers identify quick home upgrades to save energy, water, and money, SCP partnered with local agencies to create the do-it-yourself (DIY) Energy and Water Savings Toolkit. This toolkit can be checked out at a local library branch and comes with a guidebook and tools. Our partners include Sonoma Water, Sonoma Marin Saving Water Partnership, County of Sonoma Energy and Sustainability Division, Sonoma County Library, County of Mendocino, and the Mendocino County Library.

2017 - 2024 METRICS

- 1,708 toolkits borrowed through Sonoma County Libraries.
- 208 toolkits borrowed through Mendocino County Libraries (launched 2018).

6.1.3 Energy Education in Schools

To inspire future energy leaders in Sonoma and Mendocino counties, SCP partners with Sonoma Water to teach K-12 students about electricity, power sources, and climate change.

2023 - 2024 METRICS

- Over 5,900 students participated in over 250 lessons at 50 schools.
- 11,445 students participated in one of the 53 musical assemblies at 31 schools through the ZunZun Academy. 21 of these assemblies were in Spanish.
- The Climate Action Challenge field trip saw over 450 students including 18 field trips to SCP's Customer Center.

6.1.4 CTE Foundation Switch Lab

To teach students (middle school, high school, and college) the fundamentals of EV design, assembly, manufacturing, and maintenance, SCP partners with the Career Technical Education (CTE) Foundation and the Sonoma County Office of Education. SCP funds kits at select local schools, allowing students an opportunity to assemble a street-legal electric vehicle. Kits last up to 5 years and are assembled and disassembled each class.

2024 METRICS

- 10 Switch Lab EV kits have been distributed to schools throughout Sonoma and Mendocino counties.

6.1.5 NexGen Trade Academy

To increase green building industry knowledge, SCP partners with the LIME Foundation's NextGen Trades Academy. NexGen Trades provides diverse vocational construction training and work/life skills to youth. It offers training and helps students find gainful employment in the trade fields, while providing a workforce for local contractors.

2023 - 2024 METRICS	<ul style="list-style-type: none">• 5 cohorts in Sonoma County with 61 students in the NextGen Trades training from July 2023-June 2024.• 52 (85%) of students graduated.• As of the end of 2023, 81% of work-eligible NextGen Trades Academy graduates have been placed in full-time positions.
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6.1.6 'Duck Curve' Challenge

SCP collaborates with the Sonoma County Office of Education to deliver a 'call to action' project that engages high school students in a challenge focused on the 'duck curve'. This term describes the average daily electricity use profile in California where there is a significant decrease in electricity use during the daylight hours due to customer-sited solar and then a steep increase in the evening hours (4-9pm) as solar energy production is decreasing while residential electricity use is increasing.

Students investigate the causes and effects of the 'duck curve' and work in small groups to propose innovative solutions to mitigate the negative impacts. Awards are provided to winning solutions. SCP will continue this initiative in Spring 2025.

2023 METRICS	<ul style="list-style-type: none">• 6 Sonoma County schools participated, engaging over 150 students resulting in 33 submitted solutions.
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6.1.7 SCP Internship Program

SCP has consistently embraced internships, integrating interns into business operations and evolving from a work experience program into a structured, three-phase model that emphasizes valuable learning experiences and professional development. Initially focused on students in Environmental Studies and Energy Management and Design, the program has broadened to include various majors and now partners with the Career Technical Education (CTE) Foundation to offer internships to newly graduated high school students, expanding SCP's reach and impact. Phase I begins with comprehensive onboarding and training to introduce interns to SCP's culture, policies, and operations while equipping them with essential skills, particularly in the Customer Center. In Phase II, interns apply their knowledge to real-world projects, such as analyzing energy usage data. Phase III focuses on career readiness, where interns explore different departments, attend team meetings, and participate in networking events to broaden their professional skills and knowledge.

2013 - 2024 METRICS	<ul style="list-style-type: none">• 26 paid interns in total• 2-5 paid interns working at the same time.
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6.2 Next Steps From Community Needs Assessment

For future planning, SCP will continue to listen to our community members and customers. Partnerships and workforce development are essential to the work that we do. They help us better understand our customers' needs, connect with our community, and respond to emerging issues within our service territory. SCP can be part of the solution by supporting the incredible efforts and services already being led and offered by local organizations, agencies, and community groups.

7. Foster Innovation Through Research And Development

Innovation is needed to make the switch to 100% clean electricity and energy-efficient all-electric living. Embracing new technology, new processes, new behaviors, and new ways of thinking will help meet our goals. SCP will investigate new and potential technologies to reduce greenhouse gas emissions. SCP may pilot new offerings and ideas to explore these ideas.

7.1 Current Research and Development

7.1.1 Investigate Vehicle-To-Building And Vehicle-To-Grid Technology

SCP is exploring how electric vehicles could potentially power buildings and better support the grid. In addition to working with partners on the California Energy Commission's Responsive, Easy Charging Products with Dynamic Signals (REDWDS) grant, SCP's focus is on better coordinating EV charging with statewide grid needs, optimizing EV charging with on-site solar, and monitoring progress on affordable bi-directional charging equipment and new rates. SCP will stay informed on statewide policies related to these technologies to best serve customers and assess new opportunities as they emerge.

7.1.2 California Energy Commission's Virtual Power Plant Demand Flexibility Grant

Sonoma Clean Power was awarded a grant from the California Energy Commission's (CEC) Electric Program Investment Charge (EPIC) for Virtual Power Plant Approaches for Flexibility (VPP-FLEX) for \$4,995,640. The grant projects seek to increase automated demand response devices in GridSavvy Rewards within low-income and disadvantaged communities. The anticipated start date is Q2 2025.

The grant will consist of:

- Demonstration of smart panels with battery storage in a multifamily affordable housing complex in a Disadvantage Community (DAC).
- Direct installation of smart thermostats for low-income customers.
- Integrating small businesses in low-income and disadvantaged communities into GridSavvy Rewards.
- Incentivizing and integrating new smart devices (e.g. smart thermostats, electric vehicle charging, battery storage, heat pump water heaters) in SCP's existing GridSavvy Rewards offering.

7.1.3. The Inflation Reduction Act

The Inflation Reduction Act provides rebates and tax credits through the federal government to financially support residents and small businesses with the following:

- Home weatherization and energy efficiency upgrades
- Installation of new electric appliances
- Purchase of electric vehicles
- Installation of rooftop solar systems

These financial incentives aim to accelerate the U.S. transition to clean energy, lower household electricity bills, promote equitable access to the benefits of electrification, reduce nationwide carbon pollution, and support domestic manufacturing of technologies.

SCP is evaluating how to align our incentives to be combined with rebates with Inflation Reduction Act.

7.2 Completed Funding

7.2.1 Lead Locally (California Energy Commission EPIC funding)

SCP has been conducting research on homes and businesses throughout Sonoma and Mendocino Counties on various emerging technologies for energy efficiency and electrification through a CEC grant, "Lead Locally". SCP has worked with partners to install technologies in homes and businesses and measure the energy savings from pre- and post-installation.

2018 - 2024 METRICS

- Financially supported the creation of SCP's Customer Center, formally the Advanced Energy Center
- 1,391 electrification rebates funded by grant reimbursable and SCP match contribution.
- 10 technologies were tested at 62 demonstration sites. Technologies included induction cooking, heat recovery dishwasher, aerosol envelop sealing, and tubular daylighting devices. The demonstrations sites yielded energy savings data, non-energy impacts, and rates of return.

7.3 Next Steps From Community Needs Assessments

Next steps for identify and apply for grants and research opportunities that align with SCP's strategic action plan and the themes outlined in the community needs assessment. By aligning grant applications with SCP's strategic goals—such as promoting sustainability, enhancing community resilience, and improving energy efficiency—SCP can secure financial support for initiatives that directly benefit the community. Additionally, engaging with stakeholders and community members during the application process will ensure that the proposed projects address local needs and priorities, ultimately strengthening SCP's impact and fostering greater collaboration within the community. Regularly monitoring and evaluating the outcomes of funded projects will also provide valuable insights that can inform future applications and enhance SCP's overall mission.

Appendix A Empower Communities and Methodology

Empower Communities

Empower Communities are census tracts within SCP service area that are most vulnerable to, and impacted by, pollution, socioeconomic challenges and affordability issues.

Mendocino County

- Covelo/Round Valley
- Fort Bragg
- Willits
- Ukiah (unincorporated)
- Laytonville
- Calpella
- Potter Valley
- Boonville
- Cleone
- Redwood Valley
- Hopland
- Brooktrails

Sonoma County

- Taylor Mountain (Santa Rosa)
- Roseland (Santa Rosa)
- Bellevue (Santa Rosa)
- Kawana Springs (Santa Rosa)
- Comstock (Santa Rosa)
- Bicentennial Park (Santa Rosa)
- Rohnert Park B/C/R Section
- West End (Santa Rosa)
- Railroad Square (Santa Rosa)
- Sheppard (Santa Rosa)
- Feters Springs/Agua Caliente West
- Dry Creek
- East Cloverdale
- Downtown Santa Rosa

Methodology

The Empower Communities were identified by more than one of the following national, state, and local methodologies and datasets.



- Human Development Index (HDI)
- CalEnviroScreen 4.0
- California Public Utilities Commission's Affordability Ratio/Socioeconomic Vulnerability Index Analysis
- Senate Bill (SB) 535 Disadvantaged Communities



sonomacleanpower

P.O. Box 1030
Santa Rosa, CA 95402



Updated 11.9.24



Staff Report - Item 10

To: Sonoma Clean Power Authority Community Advisory Committee

From: Claudia Sisomphou, Public Affairs and Advocacy Manager
Miles Horton, Legislative Policy and Community Engagement Manager

Issue: Receive Update on Sonoma Clean Power Authority's Tribal Engagement Efforts

Date: November 21, 2024

Recommendation

This is an informational item. No discussion or action is required. However, comments from the Committee and public are encouraged. The presentation is attached as Attachment 1.

Background

With the guidance of the Board, Sonoma Clean Power has been continuing to make progress on its Empower initiative over the past few years. Empower is an agency-wide initiative to improve the relevance, reach, and impact of SCP's:

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

The main challenges that Empower set out to address include frequent misinformation and confusion around the role of SCP, limited engagement from SCP customers (both in program participation and input opportunities), and a desire to build deeper trust with the public.

The purpose of Empower is to better reach and serve *all* SCP customers and improve on having customer needs and input shape our efforts. The four overarching strategies for accomplishing these goals are to:

- Build partnerships with community organizations and service providers.
- Go “back to basics” with SCP’s customer education (i.e., how to read your bill, easy ways to save energy, reviewing rate plans, promoting CARE/FERA, etc.).
- Ensure SCP’s limited resources (including time and expertise) are being equitably distributed throughout its service area, and to hard-to-reach customer groups and communities.
- Engaging youth through education and workforce development opportunities.

As part of the implementation plan, SCP identified 26 geographic areas of priority - also referred to as Empower Communities - which are the census tracts within Sonoma and Mendocino counties that are most vulnerable to, and impacted by, pollution, socioeconomic issues, and challenges of affordability.

One of the methodologies used by SCP in identifying Empower Communities was SB 535 Disadvantaged Communities. This data set includes all Federally recognized Tribal areas located within SCP’s service area.

Prioritizing Tribal engagement is essential to fulfilling the purpose of the Empower initiative. However, SCP has yet to establish strong relationships with the nearly 20 Tribes within its service area (including non-recognized, and State or Federally recognized Tribes). Today, staff are pleased to bring what we believe is a critical step to building a foundation from which we can forge those relationships.

Discussion

SCP recently brought on consultant [K Street Consulting, LLC.](#), a full-service public affairs and governmental relations firm, to assist staff in engaging with local Tribes. Their practice areas of focus include Tribal Advocacy, Engagement/Outreach to Ethnic Communities, and Technology & Energy. Their experience working directly with Tribes as their ambassadors to the California Government on cultural and natural resource issues particularly stood out to staff.

K Street has assisted SCP in gathering information about local Tribes, identifying appropriate contacts for initial Tribal consultations, educating staff on cultural etiquettes and Tribal sovereignty. Additional tasks K Street will assist with include

arranging and facilitating Tribal consultations, drafting a Tribal communications and engagement protocol, supporting long-term relationship building with Tribes, and evaluating and advising SCP's Tribal engagement efforts.

Staff have invited K Street Partner, Pamela Lopez, to provide the Community Advisory Committee with an update on SCP's efforts thus far, an overview of Tribal sovereignty and best practices for engaging with Tribes, and a brief update on local Tribal issues.

Fiscal Impact

None

Attachments

- Attachment 1 - Tribal Engagement PowerPoint Presentation

Sonoma Clean Power: Tribal Outreach 101

Pamela Lopez, K Street Consulting
Ph: (916) 996-1329 | pamela@kstreet.us.com



1

Goals for Tribal Outreach

Goal 1: Develop open lines of communication with tribes in Sonoma and Mendocino Counties

Goal 2: Increase tribal participation in Sonoma Clean Power clean energy programs.

- *Tribal Governments, including government and administration buildings*
- *Tribally-owned casinos and hotels*
- *Individual tribal households*

2

Why learn about tribes before meeting with them?

- Not all tribes are the same, each has a unique culture and history
- Many tribes share a mistrust of "outsiders," including government and pseudo-government entities, following a long history of colonization and genocide
- Although each tribe is unique, many tribes know and value the process of "tribal consultation." For new entities, "tribal consultation" is a way to convey respect and good intentions when approaching a new tribe.

3

Tribal consultation:

A formal request by an entity or organization to seek feedback from a tribal government.

Key elements of tribal consultation are:

1) Showing honor and respect to the tribal government or representatives of that government. Honoring the "sovereignty" of that government by acknowledging they are a co-equal government with the State of California and other local government entities.

4

Tribal consultation:

A formal request by an entity or organization to seek feedback from a tribal government.

(cont. from Page 4) Key elements of tribal consultation are:

2) Willingness to listen. Tribal leaders value the opportunity to teach about their tribe, their history, and their people. Some tribal leaders believe any new entity should be willing to learn about their people before discussing potential opportunities to work together.

5

Tips for Honoring Tribal Culture

1) "Time is a colonial construct": ensure that there is enough available time in any meeting to listen first to the subjects that tribal leaders wish to discuss.

2) Share values. Remember that tribes were the first, and best, stewards of California land and resources. Make it clear that Sonoma Clean Power is driven by conservation values. Look for shared conservation values among tribal leaders.

3) Listen, be patient, don't interrupt.

6

Situational Awareness: Key Issues and Concepts

Federal recognition: Federal recognition is a lengthy and complicated process by which the U.S. Department of the Interior formally recognizes a tribal entity's aboriginal and historical status as a functioning government and ties to a region of land.

Tribes must be federally recognized to achieve sovereignty for their government, and to have land taken into trust by the federal government, which is the first step in opening a casino.

7

Situational Awareness: Key Issues and Concepts

Tribal land conservation movements: Tribes in California are leading efforts to conserve land, including multiple national monument campaigns.

Tribes oppose many proposed clean energy projects throughout the state because they require industrial-scale installations (such as solar panels) on, or transmission lines to run through, land that tribes are advocating to protect and conserve.

8

Situational Awareness: Koi Nation Shiloh Resort and Casino

- The Koi Nation of California is a Federally recognized tribe with ancestral roots in Northern California.
- Koi has proposed a large resort and casino near Windsor, CA.
- Koi is currently moving toward the later steps in the federal process to have land which the tribe owns in Windsor taken into trust by the federal government so that they can build the Shiloh Resort and Casino.