



**AGENDA**  
**COMMUNITY ADVISORY COMMITTEE MEETING**  
**THURSDAY, JANUARY 16, 2025**  
**1:00 P.M.**

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EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE JANUARY 16, 2025, 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](mailto:meetings@sonomacleanpower.org). For detailed public comment instructions, [please visit this page](#). Please note that live remote public comment will not be taken unless required by Government Code section 54953(f). If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

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

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

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

*Staff recommendations are guidelines to the Committee. On any item, the Committee may take action which varies from that recommended by staff.*

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

**COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve November 21, 2024, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Scope of Work and Terms and Conditions with the California Energy Commission for Virtual Power Plant Approaches for Flexibility Grant Committing \$1,091,000 in Sonoma Clean Power Match Funds Over Four Years (Staff Recommendation: Receive and File) **pg. 13**

**COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

3. Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 17**
4. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 29**
5. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 31**
6. Recommend the Board Adopt Purchasing Policy for Local Energy Projects (Staff Recommendation: Approve) **pg. 35**

**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	Community Advisory Committee
CAISO	California Independent Systems Operator - the grid operator
CCA	Community Choice Aggregator - a community-owned public power provider
CEC	California Energy Commission
CleanStart	SCP's default power service
CPUC	California Public Utilities Commission
DER	Distributed Energy Resource
ERRA	Energy Resource Recovery Account - one of PG&E's rate cases at the CPUC
EverGreen	SCP's 100% renewable, 100% local energy service, and the first service in the United States providing renewable power every hour of every day.
Geothermal	A locally available, low-carbon baseload renewable resource
GHG	Greenhouse gas
GRC	General Rate Case - one of PG&E's rate cases at the CPUC
GridSavvy	GridSavvy Rewards are available to SCP customers for reducing household energy use to help California increase power reliability.
IOU	Investor-Owned Utility - for-profit distribution utilities like 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.
PCIA	Power Charge Indifference Adjustment - a fee charged by PG&E to all electric customers to ensure PG&E can pay for excess power supply contracts that it no longer needs.
RA	Resource Adequacy - a required form of capacity that helps ensure there are sufficient power resources available when needed.
RPS	Renewables Portfolio Standard refers to certain kinds of renewable energy which qualify to meet state requirements, including wind, solar, geothermal.
SCP	Sonoma Clean Power
TOU	Time of Use, used to refer to rates that differ by time of day

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**DRAFT MEETING MINUTES  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, NOVEMBER 21, 2024  
1:00 P.M.**

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**CALL TO ORDER**

(1:03 p.m. - Video Time Stamp: 00:02:52)

Chair Morris called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer; Miles Horton, Legislative Policy & Community Engagement Manager; Chris Golik, Revenue Manger; and Caludia Sisomphou, Public Affairs and Advocacy Manager.

**COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

(1:04 p.m. - Video Time Stamp: 00:03:38)

1. Approve October 17, 2024, Draft Community Advisory Committee Meeting Minutes
2. Approve Community Advisory Committee Meeting Dates for 2025 Calendar Year
3. Recommend the Board of Directors Approve Revisions to the Net Billing Tarriff
4. Receive Geothermal Opportunity Zone Update
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

Public Comment: None

Michael Heffler requested a correction to Item 1, of the October 17, 2024, Meeting Minutes.

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

Second: Member Nicholls

Motion passed by roll call vote.

AYES: Morris, Hollinshead, Soto, Dowd, Wang, Kelly, Hagen, Heffler, Nicholls

ABSENT: Lipp

## **COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

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

(1:06 p.m. - Video Time Stamp: 00:06:12)

Michael Koszalka, COO, discussed the data collected of visitors to the Customer Center (Center) and mentioned that there will be a change to the Center's hours to better reflect documented times of customer traffic. Garth Salisbury, CFO, discussed the 1<sup>st</sup> Prepayment transaction that will net savings of \$47 million for SCP ratepayers over eight years. Geof Syphers, CEO, thanked Garth for his work on the Prepayment transaction. He mentioned that the Board of Directors (Board) had cancelled their January meeting, and because of this, recommended the Community Advisory Committee (Committee) cancel their December meeting.

Chair Morris, after seeing no opposition to cancelling the December Committee meeting, gave the direction for it to be cancelled.

Member Kelly asked how Prepay transactions affect SCP's balance sheets. And CFO Salisbury explained how prepay transaction works and that the savings are locked in. Member Kelly then asked what SCP's exposure to tariffs is and CEO Syphers explained that the exposure would be related to future contracts, and not related to any existing contracts in the prepay transaction. Member Hollinshead asked what SCP's exposure to a large market change in the economy would be and CEO Syphers said it is too early to tell but staff would discuss more as part of the financial items. Member Hollinshead asked if

geothermal projects could insulate SCP to create financial resiliency and CEO Syphers answered that it is possible.

Public Comment: None

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

(1:23 p.m. - Video Time Stamp: 00:23:42)

Miles Horton, Legislative Policy & Community Engagement Manager, gave a brief legislative update and announced that a third of the Legislature would be made up of new members including former Director Chris Rogers of Santa Rosa and a large incoming contingent of female legislators.

Chair Morris expressed gratitude for more gender parity in the California State Legislature.

CEO Syphers then gave a regulatory update and discussed the CPUC's limit on resource adequacy and the effect it would have on ratepayers.

Member Nicholls asked what the effect would be on other CCAs, and CEO Syphers said they would be in the same circumstances as SCP. Member Wang asked if anything could change with PG&E and CEO Syphers responded that it is difficult to change a for-profit utility, and the focus needs to be on what we can do to make SCP as strong as we can.

Public Comment: None

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

(1:34 p.m. - Video Time Stamp: 00:34:24)

Chris Golik, Revenue Manager, gave an update to SCP's reserve policy and explained the plan to increase the target reserve. Mr. Golik then told the Committee that SCP would report on reserves at the end of 2025. CEO Syphers added that establishing rates through parameters allows rate settings to be implemented quickly, following PG&E's rate changes, thereby helping protect customers from unnecessary charges.

Member Nicholls asked why the reserve goal was 280 days but now it would be 365 days and CEO Syphers responded that it is due to safety and credit ratings. Member Hollinshead asked what 5% savings were to SCP customers and Mr. Golik responded that it was roughly a savings of \$5.5 million which is about \$184 per customer annually. Member Hollinshead then asked what acquisitions make sense and CEO Syphers answered that SCP's next decade would be about acquiring assets. Member Kelly asked what PG&E's exposure was to a high tariff environment and CEO Syphers answered that this was hard to know. Chair Morris then asked about the Local Investment Fund and CEO Syphers answered that staff recommended that the funds should protect our reserves, work towards goals, and maintain our credit rating.

Public Comment: None

The vote for Item 8 was split into two votes.

Motion to approve the first two items of the proposal: Amendments to Financial Policy B.2 and Rate Setting Parameters by Member Hollinshead

Second: Member Heffler

Motion passed by roll call vote.

AYES: Morris, Hollinshead, Soto, Dowd, Wang, Kelly, Hagen, Heffler, Nicholls

ABSENT: Lipp

Motion to approve the third item in the proposal regarding SCP's Local Investment Fund and recommend an alternative proposal to allocate 4% of Revenues in 2025 to SCP's Local Investment Fund by Member Hollinshead

Second: Member Kelly

Motion passed by roll call vote.

AYES: Morris, Hollinshead, Soto, Dowd, Kelly

ABSENT: Lipp

ABSTAIN: Wang, Hagen, Heffler, Nicholls

9. Review Programs Strategic Action Plan and Provide Feedback as Appropriate  
(2:06 p.m. - Video Time Stamp: 01:05:56)



Felicia Smith, Director of Programs, gave a presentation on the Strategic Action Plan.

Member Kelly asked if there was an opportunity to involve the workforce when discussing buildings and CEO Syphers said yes, and SCP staff is open to suggestions from the Committee. Member Nicholls said that he was proud of the growth in GridSavvy and stated he would like to know how many EV drivers used the program. Chair Morris thanked staff for the report and asked what the percentage of Net Green+ customers the 30,000 customers made and stated that she would like to know how much the program has paid out. Member Soto stated that he liked seeing what doesn't work along with what does.

Public Comment: Stephen Pierce encouraged SCP to use different metrics for programs with measurable objectives, the comment is attached.

Vice Chair Lipp commended SCP for the Strategic Action Plan, the comment is attached.

10. Receive Update on Sonoma Clean Power Authority's Tribal Engagement Efforts  
(2:26 p.m. - Video Time Stamp: 01:26:03)

Claudia Sisomphou, Public Affairs and Advocacy Manager, introduced Pamela Lopez of K St. Consulting to give a presentation on SCP's Tribal Engagement efforts.

Member Heffler asked how many people are being discussed and Ms. Lopez answered that it depends on the tribe. Member Dowd asked if there are any plans to follow up with other low-income communities and Ms. Sisomphou answered that yes, there is an agency-wide attempt to connect with these communities. Member Kelly asked if there are strategic assets that SCP can utilize that don't include casinos and Ms. Lopez answered yes, because the tribes value diversification of their investments. Member Soto asked if tribal sovereignty creates paths to energy resources and CEO Syphers answered that because tribes permit through the Federal government permit times can be faster. Member Wang asked if the Koi Nation project is going to damage relations with other tribes and Ms. Lopez answered no, but she wanted the Committee to be aware of it. Member Kelly asked if the Federal government had the right to impose tariffs on tribal lands and Ms. Lopez answered that she

wasn't sure, but they are discussing what the incoming administration will do to tribal rights.

Public Comment: None

### **COMMITTEE MEMBER ANNOUNCEMENTS**

(3:00 p.m. - Video Time Stamp: 01:59:43)

Member Dowd would like to see the gravel in front of SCP replaced. Member Hagen said she was having trouble with her smart thermostat and CEO Syphers said that staff would reach out to her.

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

(3:01 p.m. - Video Time Stamp: 02:00:36)

Public Comment: None

### **ADJOURN**

(3:02 p.m. - Video Time Stamp: 02:01:34)

The meeting was adjourned by unanimous consent.

It is encouraging to see that SCP is planning to complete various program metrics as part of the Program Strategic Action Plan. To date, this has not been a strong suite of SCP. I encourage SCP to start this process with measurable objectives, so the metrics can help us determine program effectiveness. The metrics should also include dollars spent on a particular program including staff time and incentives. We need to know how much of bang we are getting for the buck.

Looking at building electrification, the biggest thing that will be moving the needle and bringing in more revenue to SCP is the upcoming 2027 Air Resource Board requirement that replacement gas storage water heaters be electric and then the same for gas furnace replacement in 2029 needing to be electric. Our region is not adequately preparing for this major change. We do not have the trained workforce or interest from our local contractors. I encourage SCP to examine Silicon Valley Clean Energy's approach to incentivizing contractor electrification training and installation incentives.

Thank You

Steve Pierce

SCP Clerk,

SCP Staff should be commended for the Strategic Action Plan outlining the Customer Offers and Incentives. Energy programs and offers are very confusing to customers. Like past Strategic Action Plans, this document does an excellent job of outlining all the potential offerings to customers in one easy to read document. It provides the right level of detail in non-energy program expert language so that the public can understand the programs offered and how they may be applicable to their energy goals.

It might be helpful to include website links on the current program offerings in case members of the public would like to access more detailed information on a program.

Thank you,

Spencer Lipp



## Staff Report - Item 02

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

**From:** Felicia Smith, Director of Programs  
Carolyn Glanton, Program Operations Manager

**Issue:** Receive Scope of Work and Terms and Conditions with the California Energy Commission for Virtual Power Plant Approaches for Flexibility Grant Committing \$1,091,000 in Sonoma Clean Power Match Funds Over Four Years

**Date:** January 16, 2024

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### Recommendation

Receive scope of work and terms and conditions with the California Energy Commission's (CEC) Electric Program Investment Charge (EPIC) for Virtual Power Plant Approaches for Flexibility (VPP-FLEX) grant contract committing \$1,091,000 in SCP match funding over four years. Due to the CEC's docket timeline, SCP staff were unable to bring the draft agreement to the Community Advisory Committee (Committee). The grant contract was approved by the Board of Directors (Board) meeting on December 5, 2024, providing authority to the CEO to negotiate and make minor changes to the scope of work and terms and conditions.

### Background

On June 6, 2024, the Board was provided an overview of the California Energy Commission's Electric Program Investment Charge (EPIC) for Virtual Power Plant Approaches for Flexibility (VPP-FLEX) grant opportunity and provided feedback on the proposed project that prioritizes demand response in low-income and disadvantaged communities. Due to the grant application timeline, staff were unable to provide an overview of the proposed projects or request feedback from the Community Advisory Committee.

Inclusive of the Board's feedback, SCP's VPP-FLEX application was selected and awarded \$4,995,640 in grant funding on October 4, 2024. SCP proposed \$1,091,000 in match funding over four years towards the total grant budget.

## **Discussion**

The objective of the VPP-FLEX grant is to fund demonstrations of community-based virtual power plant approaches. SCP's approved project focuses on equity, expanding automated smart devices in GridSavvy Rewards in low-income and disadvantaged communities (DACs). To date, participation from low-income and DACs remains very limited for SCP's GridSavvy smart device options due to factors such as lack of awareness, time, money, and empowerment, especially among renters. To address these barriers, this project will strategically target the deployment of smart devices for DACs, low-income, multifamily, and affordable housing, prioritizing simplicity, affordability, and accessibility. The project will consist of:

- Demonstration of smart panels with battery storage in a multifamily affordable housing complex in southeast Santa Rosa.
- Direct Install of smart thermostats for low-income customers. The goal is to install 1,000 smart thermostats.
- 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 program.
- Integrating small businesses into low-income and disadvantaged communities into GridSavvy Rewards.

SCP was awarded \$4,995,640 in grant funding, with an additional \$1,091,000 in matching funds committed by SCP, for a total of \$6,086,640 over a four-year contract term. SCP's match contribution will be funded through excess ratepayer collections as directed by the Board on November 2, 2023.

SCP's VPP-FLEX grant contract will be reviewed and approved by the California Energy Commission during their Business Meeting on February 12, 2025. Following approval by both the SCP Board of Directors and the CEC, SCP staff anticipate launching the projects covered under the grant in the second quarter of 2025.

## **Fiscal Impact**

The grant agreement with the California Energy Commission is for \$6,086,640, with a SCP match commitment of \$1,091,000. The match amount is within the Board approved FY24/25 budget that includes 10% excess ratepayer collections for customer incentives primarily geared towards low-income and disadvantaged communities.

## **Attachments**

- Attachment 1 - Scope of Work, available at [this link](#) or by request to the Clerk of the Board.
- Attachment 2 - Contract Terms and Conditions, available at [this link](#) or by request to the Clerk of the Board.
- Attachment 3 - Proposed Budget, available at [this link](#) or by request to the Clerk of the Board.

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### Staff Report - Item 03

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

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

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

**Date:** January 16, 2025

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#### **DECEMBER 2024 EARTHQUAKE RESPONSE**

On December 5, 2024, a magnitude 7.0 earthquake near Humboldt County triggered a tsunami warning, impacting parts of Mendocino County with widespread outages and evacuation orders. Governor Gavin Newsom declared a State of Emergency for Del Norte, Humboldt, and Mendocino Counties. As a precaution, Sonoma Clean Power (SCP) enacted emergency consumer protections, pausing late payment notices, non-payment drops, collections, and related activities for Mendocino County customers. Over the following month, SCP collaborated with PG&E to assess property impacts, confirming no red-tagged premises and no protections enacted by PG&E. On January 7, 2025, SCP lifted its protections and resumed standard operations.

#### **PROPERTY AT 421 E STREET, UPDATE**

SCP Staff issued a Request for Proposals (RFP) on October 1, 2024, for architectural and engineering design services for the renovation of 421 E Street. The building will serve as office space, meeting rooms, and storage for SCP staff. SCP received three responses to the RFP on October 22, 2024. AXIA Architects was awarded the project based on their qualifications, experience, references, budget, and timeline. AXIA Architects is a local firm based on Mendocino Avenue in Santa Rosa. The AXIA team also includes local engineering services for mechanical, electrical, structural, and cost estimating. The process will include concept design, design development, and full construction documents required for permitting and bidding.

Concept design kicked off on December 9, 2024, and construction documents are expected to be completed by June 2025, with a public contract bidding process commencing thereafter. Once a contractor is selected and under contract, the construction timeline is expected to take 3-4 months to complete.

### **MONTHLY COMPILED FINANCIAL STATEMENTS (October 2024)**

The year-to-date change in net position is more than projections by approximately \$26,243,000. Year-to-date revenue from electricity sales is over budget by approximately 14% and the cost of energy is under budget projections by approximately 11%. Year-to-date electricity sales reached \$102,476,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$269,280,000, which indicates healthy growth as SCP continues to make progress towards its financial goals. Approximately \$231,889,000 is set aside for operating reserves.

### **BUDGETARY COMPARISON SCHEDULE (October 2024)**

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 of 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 the budget by approximately 14% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 11%. 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**

- October 2024 Financial Statements
- Audit of Financial Statements for years ending June 30, 2024 and June 30, 2023, available at [this link](#) or by request to the Clerk of the Board

## **UPCOMING MEETINGS**

- Board of Directors - February 6, 2025
- Community Advisory Committee - February 20, 2025
- Board of Directors - March 6, 2025



## 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 four months ended October 31, 2024, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

*Maher Accountancy*

San Rafael, CA  
December 5, 2024

**SONOMA CLEAN POWER AUTHORITY -  
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND -  
Four Months Ended October 31, 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
<b>REVENUE AND OTHER SOURCES:</b>						
Electricity (net of allowance) *	\$ 89,060,715	\$ 101,410,565	\$ 12,349,850	114%	\$ 239,147,000	\$ 137,736,435
Evergreen Premium (net of allowance)	900,000	1,065,078	165,078	118%	2,700,000	1,634,922
Investment returns	2,400,000	5,568,139	3,168,139	232%	7,200,000	1,631,861
Miscellaneous Income	333,200	259,478	(73,722)	78%	1,000,000	740,522
Total revenue and other sources	92,693,915	108,303,260	15,609,345	117%	250,047,000	141,743,740
<b>EXPENDITURES AND OTHER USES:</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy and scheduling	67,308,065	60,139,034	(7,169,031)	89%	221,586,000	161,446,966
Data management	893,333	1,105,629	212,296	124%	2,680,000	1,574,371
Service fees- PG&E	330,000	321,718	(8,282)	97%	990,000	668,282
Personnel	3,736,548	3,390,515	(346,033)	91%	11,490,000	8,099,485
Energy Center, marketing & communications	1,126,173	895,385	(230,788)	80%	3,379,000	2,483,615
Customer service	116,000	33,451	(82,549)	29%	220,000	186,549
General and administration	624,912	537,797	(87,115)	86%	1,832,000	1,294,203
Legal	158,333	43,048	(115,285)	27%	475,000	431,952
Regulatory and compliance	153,333	97,418	(55,915)	64%	460,000	362,582
Accounting	84,800	92,000	7,200	108%	312,000	220,000
Legislative	73,333	56,000	(17,333)	76%	220,000	164,000
Other consultants	181,967	160,918	(21,049)	88%	535,000	374,082
Industry memberships and dues	295,600	263,528	(32,072)	89%	888,000	624,472
Program implementation	3,418,204	927,776	(2,490,428)	27%	10,136,000	9,208,224
Total current expenditures	78,500,601	68,064,217	(10,436,384)	87%	255,203,000	187,138,783
<b>OTHER USES</b>						
Capital outlay	366,667	169,513	(197,154)	46%	1,150,000	980,487
Total expenditures, other uses	78,867,268	68,233,730	(10,633,538)	87%	256,353,000	188,119,270
Net increase (decrease) in available fund balance	\$ 13,826,647	\$ 40,069,530	\$ 26,242,883		\$ (6,306,000)	\$ (46,375,530)

\* Represents sales of approximately 712,000 MWh for 2024/25 YTD actual.

	Balance - as of June 30, 2024	Long-Term Targeted	% of Long-Term Target
<b>RESERVES</b>			
Operating Reserve	\$ 231,889,000	\$ 255,203,000	91%

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 40,069,530
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(477,749)
Add back capital asset acquisitions	169,513
Change in net position	\$ 39,761,294



## ACCOUNTANTS' COMPILATION REPORT

Management  
Sonoma Clean Power Authority

Management is responsible for the accompanying financial statements of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the statement of net position as of October 31, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the four months 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  
December 5, 2024

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of October 31, 2024

### ASSETS

#### Current assets

Cash and cash equivalents - unrestricted	\$ 136,685,000
Cash and cash equivalents - restricted for grant purposes	2,166,398
Accounts receivable, net of allowance	20,118,405
Other receivables	2,845,488
Accrued revenue	11,136,793
Prepaid expenses	1,064,450
Deposits	121,858
Investments	58,315,333

Total current assets 232,453,725

#### Noncurrent assets

Cash and cash equivalents - unrestricted	56,000,000
Investments	48,807,753
Other receivables	1,025,782
Deposits	16,256
Capital assets, net of depreciation	18,292,739

Total noncurrent assets 124,142,530

Total assets 356,596,255

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	18,281,219
Accounts payable	1,069,677
Advances from grantors	2,166,398
Other accrued liabilities	7,498,108
User taxes and energy surcharges due to other governments	716,821
Supplier security deposits	204,000

Total current liabilities 29,936,223

#### Noncurrent liabilities

Supplier security deposits	1,380,121
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Total liabilities 31,316,344

### DEFERRED INFLOWS OF RESOURCES

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

Investment in capital assets	18,292,739
Unrestricted	250,987,172
Total net position	<u>\$ 269,279,911</u>



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

**OPERATING REVENUES**

Electricity sales, net	\$ 101,410,565
Evergreen electricity premium	1,065,078
Miscellaneous income	43,500
Grant revenue	215,978
Total operating revenues	<u>102,735,121</u>

**OPERATING EXPENSES**

Cost of electricity	60,139,034
Contract services	2,939,390
Staff compensation	3,390,515
Program rebates and incentives	793,953
Other operating expenses	801,325
Depreciation	477,749
Total operating expenses	<u>68,541,966</u>
Operating income	<u>34,193,155</u>

**NONOPERATING REVENUES (EXPENSES)**

Investment income	5,568,139
Nonoperating revenues (expenses), net	<u>5,568,139</u>

**CHANGE IN NET POSITION**

	39,761,294
Net position at beginning of year	<u>229,518,617</u>
Net position at end of period	<u><u>\$ 269,279,911</u></u>

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Four Months Ended October 31, 2024

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 109,708,528
Receipts of security deposits	2,729,879
Other operating receipts	441,163
Payments to electricity suppliers	(59,458,652)
Payments for other goods and services	(3,744,928)
Payments of staff compensation	(3,344,039)
Payments of tax and surcharges to other governments	(1,325,447)
Payments for program rebates and incentives	(766,070)
Net cash provided (used) by operating activities	<u>44,240,434</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(197,516)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	5,425,139
Proceeds from investment sales and maturities	148,547,134
Purchase of investments	(72,846,918)
Net cash provided (used) by investing activities	<u>81,125,355</u>

Net change in cash and cash equivalents	125,168,273
Cash and cash equivalents at beginning of year	69,683,125
Cash and cash equivalents at end of period	<u>\$ 194,851,398</u>

### Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted (current)	136,685,000
Cash and cash equivalents - restricted (current)	2,166,398
Cash and cash equivalents - unrestricted (noncurrent)	56,000,000
Cash and cash equivalents	<u>194,851,398</u>

**SONOMA CLEAN POWER AUTHORITY**

**STATEMENT OF CASH FLOWS**

**(Continued)**

**Four Months Ended October 31, 2024**

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

Operating income (loss)	\$ 34,193,155
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	477,749
(Increase) decrease in:	
Accounts receivable, net	2,052,142
Other receivables	(1,035,804)
Accrued revenue	3,837,826
Prepaid expenses	(172,444)
Deposits	2,533,501
Increase (decrease) in:	
Accrued cost of electricity	(942,195)
Accounts payable	17,093
Advances from grantors	(215,978)
Accrued liabilities	3,477,919
User taxes due to other governments	17,470
Net cash provided (used) by operating activities	<u>\$ 44,240,434</u>

**NONCASH INVESTING ACTIVITIES**

Unrealized appreciation and timing differences in investment income	\$ 143,000
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## Staff Report - Item 04

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**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:** January 16, 2025

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### Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

### Regulatory Updates

#### **PG&E Withdraws CSU Monterey Bay Campus Electrification Pilot**

On January 7<sup>th</sup> PG&E submitted a Motion to Withdraw Application 22-08-033 for a zonal electrification pilot project at California State University Monterey Bay (CSUMB). The utility initially proposed this pilot in collaboration with CSUMB in August of 2022. It would have de-carbonized 400 housing units at the campus and avoided costly upgrades to PG&E's natural gas, also known as the fossil methane (FM) distribution system.

PG&E cited several reasons for now deciding to withdraw from the pilot. These included operational challenges and delays in procuring equipment for FM pipeline replacements, as well as higher than expected environmental remediation costs. Disagreements over cost-effectiveness, legal precedent, and recovery of project costs were also factors. The utility also acknowledged negative feedback from stakeholders and a new CPUC proceeding developing metrics and priorities for similar projects as rationale for withdrawing.

Sonoma Clean Power was supportive of this pilot to pursue building decarbonization on a significant scale. Fortunately, the recently initiated proceeding to evaluate

strategic gas line decommissioning will provide SCP with the opportunity to engage in advocacy to inform statewide planning and ensure consideration of pilots in our territory. The goal of that proceeding is to identify 30 pilot projects, likely at a smaller scale than the CSUMB proposal, by 2026. Consistent with the policy directives adopted by this Board, SCP staff will continue to advocate for proactive and strategic replacement of aging FM infrastructure with enhanced electrical capacity to enable cost-effective fuel switching.

## **Legislative Updates**

The 2025-2026 legislative session has kicked off, and the Legislature will be working through mid-September of this year before adjourning until next January. The service territory of Sonoma Clean Power is represented by five Democratic legislators: Mike McGuire and Christopher Cabaldon in the Senate; Cecilia Aguiar-Curry, Damon Connolly, and Chris Rogers in the Assembly. Senator McGuire currently serves as President Pro Tempore (Leader) of the Senate, although he will be leaving the Legislature in 2026 due to term limits.

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. Sonoma Clean Power staff will continue to advocate on those issues at CalCCA's state legislative "lobby day" on January 29<sup>th</sup>, as well as a later Sonoma Clean Power lobby day where we can get more in-depth on our issues (date to be determined).



## Staff Report - Item 05

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

**From:** Ryan Tracey, Director of Planning & Analytics  
Geof Syphers, Chief Executive Officer  
Miles Horton, Legislative Policy & Community Engagement Manager  
Claudia Sisomphou, Public Affairs & Advocacy Manager

**Issue:** Receive Geothermal Opportunity Zone Update

**Date:** January 16, 2024

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### 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>.

### Partner Updates

SCP has cooperation agreements with three private companies to progress geothermal exploration and development in the GeoZone. Below are partner-specific updates for progress in the GeoZone.

#### ***Chevron New Energies***

At the end of last year, Chevron New Energies publicly disclosed that they acquired property known as the Pocket Ranch, which is located between Geyserville and the

Geysers, with the intent to explore for geothermal energy. This information was shared with Geyserville organizations, including the Geyserville Alexander Valley Municipal Advisory Council. Chevron New Energies is planning on participating in an upcoming Geyserville Planning Committee meeting to answer community questions.

Chevron New Energies also recently shared with SCP that while the company continues to support geothermal development in the GeoZone, they are uncertain as to when activity will commence. Some additional learning from global and U.S. research into EGS will be valuable before this particular site is proposed for exploration. In the meantime, Chevron New Energies has let us know they are in contact with local authorities to ensure proper land and fire management. Chevron New Energies' decision to delay active exploration in the GeoZone will require them to be withdrawn from consideration for the Department of Energy Enhanced Geothermal System grant for which they were selected.

Although staff are disappointed by the delay and decision to forgo grant funding, they are focused on capturing lessons learned and opportunities from Chevron New Energies to inform regulatory and political advocacy opportunities to further promote development interest in the GeoZone. Chevron New Energies' cooperation agreement with SCP requires completion of several key milestones, including permitting and interconnection, by March 2026 which may be at risk with a project delay. Staff appreciate Chevron's continued interest in future development for the GeoZone but will be considering a variety of options in early 2025 on how to sustain forward progress on the GeoZone's objectives.

### **Eavor**

Eavor has completed its technical feasibility study of developing a closed-loop system in the GeoZone and prioritizing the GeoZone project within its portfolio of global projects. Eavor is continuing to evaluate potential site host opportunities. Eavor's cooperation agreement milestones, which include site control for a pilot and submission of an interconnection application, are due June 30, 2025. It is not expected that Eavor will meet all these milestones, and as with Chevron, staff will be considering options early this year on how to proceed. Eavor has expressed that its GeoZone project is still a strategic priority for the company, is technically feasible, and continues to be promising commercially.



## **Cyrq Energy**

SCP submitted two grant abstracts in late 2024 for the GeoZone thermal energy storage system at the Geysers to both the California Energy Commission (CEC) and the Department of Energy (DOE). The abstract to the CEC was not selected to proceed. After meeting with the CEC staff, SCP learned that the abstract score was very high and was of strategic interest but declined due to the CEC's decision to enforce a strict 50% round-trip efficiency cut-off for applications. SCP is working on an advocacy strategy to educate the CEC on why a round-trip efficiency cutoff is not a good measure of performance for thermal storage, which can charge very quickly with low or even negatively priced energy.

SCP's grant abstract to the DOE, which was part of a very competitive solicitation with 141 submissions, was encouraged as one of only 41 projects to proceed to a full application. To proceed to a full application, the grant team will need to receive a formal commitment from an existing geothermal operator at the Geysers to host the demonstration. The project team is engaging site hosts early this month as well as weighing the risk of DOE funds in the new administration before deciding whether to proceed with a full application which would be due in March.

Meanwhile, SCP staff met with the CEC staff working on revisions to the guidelines for counting Renewable Portfolio Standard (RPS) energy. A key risk to the project is that the current guidelines would unfairly reduce the RPS-eligible energy from a geothermal plant that hosts a thermal energy storage system. SCP has started aggressive advocacy on the need for guidelines that allow the RPS-eligibility of a geothermal plant to be preserved. The reception from CEC staff on this issue has been positive, and they've followed up with multiple questions that suggest they are actively considering the changes needed to address the issue.

## **Community Engagement**

SCP's outreach to key stakeholders and community groups on the GeoZone is continuing. In the past several months, SCP staff have met with and briefed several local groups in the GeoZone early interest area, including the Geyserville/Alexander Valley Municipal Advisory Council and the Alexander Valley Association, in addition to continuing to build relationships with key labor and environmental organizations, elected officials, and others. In addition, SCP staff, with the help of K Street Consulting, are beginning the consultation process with local tribal governments.

SCP will also be hosting a town hall meeting on the GeoZone at the Cloverdale Veterans Building on Thursday, February 6 from 5:30 - 7:00 PM. The event will feature Sonoma County Supervisor James Gore, Cloverdale Mayor and SCP Board member Todd Lands, North Bay Building Trades Secretary/Treasurer Michael Allen (tentative), and others. All are welcome to attend.

### **Regional Planning Grant**

SCP is collaborating with the counties of Sonoma, Mendocino, and Lake in submitting a grant application to the California Energy Commission due in late January to fund subsurface modeling, analysis of remote sensing data, surface constraint analysis, community engagement, planning staff development, and surveillance surveys to proactively plan for geothermal development in the region. The National Renewable Energy Laboratory (NREL) has agreed to participate as the main provider of technical services for the project. If awarded, SCP is excited about the potential for the project to augment the capabilities of county staff in planning and permitting geothermal development, as well as guide the geothermal industry to site projects that minimize ecological and cultural impacts. SCP will be providing staff time without reimbursement to the grant project to provide its perspective as a power provider and expertise from the GeoZone, as well as support in administering contracts to NREL and subcontractors.



## Staff Report - Item 06

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

**From:** Geof Syphers, Chief Executive Officer  
Mike Koszalka, Chief Operating Officer  
Rebecca Simonson, Director of Capital Projects and Engineering

**Issue:** Recommend the Board Adopt Purchasing Policy for Local Energy Projects

**Date:** January 16, 2025

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### Recommendation

Recommend that the Board adopt a Purchasing Policy for Local Energy Projects.

### Background

The Board established SCP's local investment fund at their meeting on November 2, 2023. The fund is intended to provide funds for SCP to own assets with a goal of generating revenues for the purpose of lowering customer rates over the long term. At the same meeting, the Board also approved a process for investing additional dollars into the fund in years when costs and rates are favorable.

The local investment fund will be used to acquire, build, own, and operate revenue generating assets. Such assets may require time-sensitive and expedited action, such as placing offers or bids on land for the development of energy assets.

Recently, an auction was held for a previously developed site in Mendocino County. Due to the timing of the auction, SCP staff were unable to secure prior approval from the Board to place a bid, which resulted in a missed opportunity.

To prevent this situation from occurring in the future, staff seeks the Board's approval to delegate authority to the CEO to make binding offers or bids on behalf of SCP, within certain limitations established and approved by the Board.

## **Discussion**

Staff recommend that the Board delegate authority to the CEO to make binding offers or bids on assets subject to the following limitations:

1. The investment shall not cause the cumulative total of investments to exceed 33% of the Local Investment Fund balance at the beginning of the fiscal year.
2. The property or asset is located in Sonoma or Mendocino counties;
3. The property or asset is for the purpose of constructing energy generating and/or storage assets;
4. The Board Chair and Vice Chair and the SCP Board Director representing the jurisdiction the parcel is in are notified prior to making any offer/bid;
5. If the offer/bid is accepted, all expenditures in excess of \$250,000 are reported at the next Board meeting.

## **Attachments**

- Proposed Purchasing Policy for Local Energy Projects

## **Purchasing Policy for Local Energy Projects**

Power procurement expenditures are governed by Policy C.1 Energy Risk and all other expenditures are governed by Policy B.1 CEO Spending Authority. For acquiring assets for the development and/or ownership of Sonoma Clean Power local energy projects, the CEO is authorized to make binding offers or bids on assets without prior Board of Directors or Community Advisory Committee review or approval provided that:

1. The investment shall not cause the cumulative total of investments to exceed 33% of the Local Investment Fund balance at the beginning of the fiscal year.
2. The property or asset is located in Sonoma or Mendocino counties;
3. The property or asset is for the purpose of constructing energy generating and/or storage assets;
4. The Board Chair and Vice Chair and the SCP Board Director representing the jurisdiction the parcel is in are notified prior to making any offer/bid;
5. If the offer/bid is accepted, all expenditures in excess of \$250,000 are reported at the next Board meeting.