



**AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, FEBRUARY 20, 2025
1:00 P.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE FEBRUARY 20, 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. 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 January 16, 2025, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Generation Rates Effective February 1, 2025 (Staff Recommendation: Receive and File) **pg. 11**
3. Receive Monthly Investment Activity Report (Staff Recommendation: Receive and File) **pg. 13**
4. Recommend the Board Approve and Authorize the Chief Executive Officer or his Designee to Execute an Amendment to the Legal Services Agreement with Keyes & Fox LLP, for Legal Services with a Not-to-Exceed Amount of \$300,000 for a Term of 1 year (Staff Recommendation: Approve) **pg. 21**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

5. Nominate and Appoint a Chair and Vice Chair of the Community Advisory Committee for 2025 (Staff Recommendation: Approve) **pg. 25**
6. Receive Internal Operations Report and Monthly Financial Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 27**
7. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 39**
8. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 45**
9. Recommend the Board Approve Proposed Budget Adjustments for Fiscal Year 2024-2025 (Staff Recommendation: Approve) **pg. 49**

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, JANUARY 16, 2025
1:00 P.M.**

CALL TO ORDER

(1:02 p.m. - Video Time Stamp: 00:02:10)

Chair Morris called the meeting to order.

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

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

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:03 p.m. - Video Time Stamp: 00:03:21)

1. Approve November 21, 2024, Draft Community Advisory Committee Meeting Minutes
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

Public Comment: None

Motion to approve the January 16, 2025, Community Advisory Committee Consent Calendar by Member Nicholls

Second: Member Heffler

Motion passed by roll call vote.

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

ABSENT: Lipp, Kelly

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

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

(1:05 p.m. - Video Time Stamp: 00:05:28)

1:06 p.m. Member Kelly entered the meeting.

Stephanie Reynolds, Director of Internal Operations, congratulated the new members of the Board of Directors (Board) who had been seated and thanked outgoing Board members for their service. Director Reynolds discussed the December 5, 2025, Earthquake response and she requested that the Community Advisory Committee (Committee) submit their 2025 member statements for inclusion in the next month's agenda packet. Kimberly Beltran, Technical Programs Manager, gave an update on the Juice Box charging station program and explained the outreach and transition that SCP is planning. Director Reynolds discussed SCP's audited financials.

Member Heffler asked what can be done with his charger at this point and Ms. Beltran explained that there is a new pilot program in the works but recommended that people check online with their daily power management in the program. Member Hollinshead asked what the total customer base for the Juicebox program was and Ms. Beltran answered that it was about 220,000 meters. Geof Syphers, CEO, mentioned that there would be an upcoming item discussing strategies for EV charging. CEO Syphers then thanked Member Heffler for the invitation to the Sonoma Rotary meeting. Geof mentioned that Constellation is buying Calpine and that Calpine's call center for SCP customers is being transitioned to the Sacramento Municipal Utilities District. Member Hollinshead asked if the purchase of Calpine will affect GeoZone projects, and CEO Syphers responded that it is too early to tell. Chair Morris encouraged all members to think about taking on a leadership role in the Committee.

Public Comment: None

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

(1:29 p.m. - Video Time Stamp: 00:29:27)

Neal Reardon, Director of Regulatory Affairs, discussed the California State University Monterey Bay Campus which PG&E had announced would be all electric, then recently submitted a motion to pull out of the agreement because of difficulty in completing the project. Director Reardon also discussed how SCP will be leading advocacy at the California Public Utilities Commission (CPUC) for CCA pilot programs throughout the state.

Member Soto asked if there was any insight regarding decommissioning or upgrades from PG&E and Director Reardon said that SCP is trying to get data from PG&E regarding their plans for decommissioning. Member Hollinshead asked what portion of Sonoma County was plumbed for natural gas and CEO Syphers responded that a majority of Sonoma County is and all incorporated cities in Sonoma County are plumbed.

Miles Horton, Legislative Policy & Community Engagement Manager, announced that the legislative season was kicking off and that SCP was going to attend the CalCCA Lobby Day in Sacramento on January 29, 2025. Mr. Horton also let the Committee know that SCP would be having its own lobby day in March.

Public Comment: None

5. Receive Geothermal Opportunity Zone Update

(1:41 p.m. - Video Time Stamp: 00:41:35)

Ryan Tracey, Director of Planning and Analytics, announced that Chevron had disclosed its site in the GeoZone as Pocket Ranch, but at the same time Chevron made an internal decision to defer their decision on drilling an exploration well on the site. Director Tracey explained that delays are to be expected but this is still disappointing because Chevron would be unable to receive the Department of Energy's geothermal grant. Director Tracey also announced that there will be a GeoZone Town Hall meeting on February 6, 2025. CEO Syphers added that it is difficult for our partners in the GeoZone to permit in California so one of SCP's goals is to look for strategies to streamline the permitting process.

Member Hollinshead asked if this was pushing completion back and CEO Syphers responded that it was hard to know at this point. Member Soto asked if the uniqueness of the GeoZone is a drawback to many companies and CEO Syphers responded that he didn't think so but there are drilling challenges for every different type of rock. Member Hollinshead asked if awareness was growing for the need to enhance the permitting process because of climate change and CEO Syphers responded that the conversation is growing in Sacramento and Washinton, D.C. CEO Syphers added that SCP is working with Chevron to understand how to improve the process and what would be helpful in the future. Member Kelly asked how the Geysers are depleted and Director Tracey answered that whenever you extract water and heat from a traditional hydrothermal system, the water level lowers, but the water recharge program helped to stabilize the Geysers. Chair Morris asked how large Chevron's property is west of the Geysers and Director Tracey answered that it was over 1,000 acres.

Public Comment: None

6. Recommend the Board Adopt Purchasing Policy for Local Energy Projects

(2:01 p.m. - Video Time Stamp: 01:00:58)

Rebecca Simonson, Director of Capital Projects and Engineering, gave a presentation on the Draft Purchasing Policy for Local Energy Projects for SCP. Director Simonson stated that SCP currently has a local investment fund, and the funds would be used for SCP to own and operate its own energy projects with the goal of lowering customer rates. CEO Syphers added that SCP will see purchasing opportunities in the future and want the funds to be ready when they arise.

Chair Morris said that the parameters of the policy look good, and Member Dowd said that the policy allows SCP to be nimble.

Public Comment: Ben Peters discussed the Petaluma Climate Action Commission and SCP's technical review process.

Motion to recommend the Board adopt purchasing policy for local energy projects by Member Hollinshead

Second: Member Nicholls

Motion passed by roll call vote.

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

ABSENT: Lipp

COMMITTEE MEMBER ANNOUNCEMENTS

(2:16 p.m. - Video Time Stamp: 01:16:48)

None

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(2:17 p.m. - Video Time Stamp: 01:17:23)

Public Comment: None

ADJOURN

(2:17 p.m. - Video Time Stamp: 01:17:46)

The meeting was adjourned by unanimous consent.

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Staff Report - Item 02

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, Chief Executive Officer
Garth Salisbury, Chief Financial Officer
Chris Golik, Senior Finance Manager

Issue: Receive Generation Rates Effective February 1, 2025

Date: February 20, 2025

Recommended Action

Staff are notifying the Community Advisory Committee (Committee) of the generation rate change shown in Attachment 1 that was implemented February 1, 2025. This rate adjustment fell under the Board of Directors' (Board) rate setting parameters approved on December 5, 2024. Rates are now set so that SCP customer total bills have a target of 7% below PG&E's bundled service total bills effective February 1, 2025.

The Board ratified the rates at their February 6, 2025, meeting.

Background

The Board voted on December 5, 2024, in favor of new customer rates to be implemented as soon as is feasible after PG&E's changes to PCIA 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 equal percentage savings from PG&E's bundled service total bills.

Discussion

PG&E updated the PCIA as well as their generation and delivery rates on January 1, 2025. The SCP rates effective February 1, 2025, shown in Attachment 1, are set so that SCP customer total bills have a target of 7% below PG&E's bundled service total bills.

The actions effective February 1, 2025, represent a reduction in SCP's rates and an increase in SCP customer total bill savings at a target of 7% below PG&E bundled service bills, up from the prior target of 3% below.

Attachments

- Attachment 1 - SCP Rate Schedule Effective February 1, 2025, available at [this link](#) or by request to the Clerk of the Board



Staff Report - Item 03

To: Sonoma Clean Power Authority Community Advisory Committee
From: Garth Salisbury, Chief Financial Officer & Treasurer
Chris Golik, Senior Finance Manager
Issue: Receive Monthly Investment Activity Report
Date: February 20, 2025

Requested Action

This report and associated attachments are to inform the Community Advisory Committee (Committee) pursuant to the requirements of SCP's Financial Policy B.5 Investments and Government Code Section 53607. This is an informational item only.

Background and Reporting Requirements

This report is to verify and report in writing to the Board regarding the responsibilities designated to the SCP Treasurer pursuant to SCP Financial Policy B.5 Investments. The Investment Policy was amended in 2024 expanding the definition of Permitted Investments, adding several investment diversification requirements, best practices and requiring additional reporting requirements to the Board as follows.

Monthly Obligation to Report on New Investment Transactions

Government Code Section 53607 and SCP's Investment Policy require SCP to report to the Board any investment transactions (defined as purchases, sales or exchanges of securities) made during the month as soon as is practicable after the end of the month. Given the scheduling of the SCP's Board meetings during the first week of the month, the investment report will indicate investment transactions that occurred two months prior to the Board Meeting. SCP currently maintains bank accounts and investments at River City Bank (RCB), Summit State Bank, the State of California Local Agency Investment Fund (LAIF) and USBank. Active individual securities are held at both RCB and USBank. Staff will provide Statements of Investments as required throughout the year.

Reportable Activities

USBank

In November of 2024, the Board approved amendments to SCP Investment Policy as recommended by SCP's investment advisor, Chandler Asset Management (CAM). CAM currently manages \$40 million of SCP's reserves. All investments directed by CAM are held at SCP's custodian, USBank. All investments held as of December 31, 2024, at USBank appear as Attachment 1 with new holdings purchased in December highlighted. USBank transaction details for the month of December, including sales of securities, are in Attachment 2.

River City Bank

Staff attached a Statement of Investments as of December 31, 2024. A detail of the investments held at River City Bank appears as Attachment 3. There were no investment transactions in the month of December at River City Bank.

State of California Local Agency Investment Fund

The LAIF investment balance as of December 31, 2024, appears as Attachment 4.

Attachments

- Attachment 1 - Statement of Investments Held at USBank
- Attachment 2 - Statement of Transactions at USBank
- Attachment 3 - Statement of Investments Held at River City Bank
- Attachment 4 - Statement of Investments Held at the Local Agency Investment Fund

Sonoma Clean Power
Statement of Investments Held at USBank
 As of December 31, 2024

Investment Description	Issue	Purchase Date	Maturity Date	Par Value \$	Market Value \$	Purchase Price \$	Purchase Yield in %
First American Govt Oblig fund	Money Market Fund	11/4/2024	12/31/2024	\$ 1,520,366	\$ 1,520,366	\$ 1,520,366	4.1
Cash	Cash	---	12/31/2024	24,556	24,556	24,556	-
Government of The United States	US Treasury	12/19/2024	1/7/2025	5,000,000	4,997,158	4,989,446	4.3
Government of The United States	US Treasury	10/31/2024	5/1/2025	500,000	493,128	489,177	4.5
Government of The United States	US Treasury	10/24/2024	10/2/2025	500,000	484,720	480,635	4.3
Government of The United States	US Treasury	10/30/2024	1/31/2026	500,000	500,010	499,941	4.3
Government of The United States	US Treasury	10/24/2024	4/15/2026	500,000	496,831	497,285	4.1
Government of The United States	US Treasury	---	6/15/2026	1,000,000	998,282	998,379	4.2
Government of The United States	US Treasury	10/24/2024	9/30/2026	500,000	493,702	494,824	4.1
Government of The United States	US Treasury	---	10/31/2026	1,000,000	997,724	998,711	4.2
The Toronto-Dominion Bank	Corporate	12/10/2024	12/17/2026	500,000	498,728	499,990	4.6
Government of The United States	US Treasury	12/30/2024	12/31/2026	1,000,000	1,000,082	999,844	4.3
Government of The United States	US Treasury	10/31/2024	1/15/2027	500,000	497,542	498,574	4.1
Government of The United States	US Treasury	10/30/2024	2/15/2027	500,000	498,637	500,020	4.1
Government of The United States	US Treasury	10/24/2024	4/30/2027	500,000	483,387	485,039	4.0
Government of The United States	US Treasury	---	6/30/2027	1,000,000	976,547	977,813	4.1
The PNC Financial Services Group, In	Corporate	---	7/23/2027	500,000	502,416	503,401	4.7
Government of The United States	US Treasury	10/31/2024	8/15/2027	500,000	493,648	495,137	4.1
Bank of Montreal	Corporate	---	9/10/2027	500,000	498,449	499,493	4.6
Deere & Company	Corporate	10/29/2024	9/15/2027	300,000	297,099	297,975	4.4
Caterpillar Inc.	Corporate	10/31/2024	10/15/2027	300,000	298,823	299,919	4.4
Government of The United States	US Treasury	---	10/15/2027	1,000,000	989,490	993,672	4.1
UnitedHealth Group Incorporated	Corporate	10/29/2024	10/15/2027	300,000	287,108	288,213	4.4
Royal Bank of Canada	Corporate	---	10/18/2027	500,000	498,134	498,673	4.6
Honda Motor Co., Ltd.	Corporate	---	10/22/2027	500,000	496,303	498,034	4.6
State Street Corporation	Corporate	10/31/2024	10/22/2027	300,000	298,146	298,212	4.5
Government of The United States	US Treasury	11/12/2024	11/15/2027	1,000,000	995,587	995,000	4.3
Government of The United States	US Treasury	12/18/2024	12/15/2027	1,000,000	992,309	990,156	4.4
Mercedes-Benz Auto Lease Trust	ABS	10/28/2024	1/18/2028	300,000	303,566	304,383	4.5
Government of The United States	US Treasury	10/24/2024	4/30/2028	500,000	487,387	491,543	4.0
FHLMC	Agency CMBS	10/25/2024	6/25/2028	400,000	389,890	393,480	4.3
Government of The United States	US Treasury	---	6/30/2028	1,000,000	989,660	994,473	4.2
U.S. Bancorp	Corporate	---	7/22/2028	500,000	495,909	497,086	4.8
FHLMC	Agency CMBS	10/25/2024	7/25/2028	400,000	390,425	394,000	4.3
Honda Auto Receivables Owner Trust	ABS	10/31/2024	8/15/2028	300,000	303,110	303,434	4.6
FHLMC	Agency CMBS	11/20/2024	8/25/2028	800,000	779,266	781,563	4.5
Government of The United States	US Treasury	10/31/2024	8/31/2028	500,000	500,397	503,809	4.2
FHLMC	Agency CMBS	---	9/25/2028	800,000	782,676	788,161	4.4
Toyota Auto Receivables Owner Trust	ABS	10/31/2024	10/16/2028	300,000	301,544	301,559	4.6
Government of The United States	US Treasury	---	11/15/2028	1,000,000	956,886	962,734	4.1
Realty Income Corporation	Corporate	---	12/15/2028	500,000	497,494	500,591	4.7
GM Financial Securitized Term	ABS	10/30/2024	12/18/2028	300,000	301,544	301,406	4.6

Investment Description	Issue	Purchase Date	Maturity Date	Par Value \$	Market Value \$	Purchase Price \$	Purchase Yield in %
FHLMC	Agency CMBS	12/11/2024	12/25/2028	885,000	856,371	864,500	4.4
Morgan Stanley	Corporate	---	1/24/2029	500,000	482,182	485,111	4.8
Prologis, Inc.	Corporate	10/24/2024	2/1/2029	300,000	294,869	298,323	4.5
BMW Vehicle Owner Trust	ABS	10/29/2024	2/26/2029	235,000	237,773	237,882	5.2
Government of The United States	US Treasury	10/31/2024	2/28/2029	500,000	497,663	501,914	4.2
FHLMC	Agency CMBS	---	3/25/2029	800,000	764,255	769,713	4.5
Government of The United States	US Treasury	10/24/2024	4/30/2029	500,000	470,629	476,172	4.0
Bank of America Credit Card Trust	ABS	10/28/2024	5/15/2029	325,000	328,141	328,644	4.5
The Home Depot, Inc.	Corporate	10/29/2024	6/15/2029	300,000	278,208	280,077	4.6
John Deere Owner Trust 2024-C	ABS	11/20/2024	6/15/2029	369,000	364,864	364,460	4.6
Government of The United States	US Treasury	---	6/30/2029	1,000,000	954,227	960,449	4.2
Bank of America Corporation	Corporate	---	7/23/2029	500,000	487,138	490,483	4.8
JPMorgan Chase & Co.	Corporate	---	7/23/2029	500,000	486,549	489,899	4.8
State of California	Municipal Bonds	---	8/1/2029	400,000	399,260	402,083	4.4
Toyota Motor Corporation	Corporate	---	8/9/2029	500,000	493,884	497,616	4.7
Ford Credit Auto Owner Trust	ABS	11/19/2024	8/15/2029	240,000	239,767	239,992	4.7
FHLMC	Agency CMBS	---	9/25/2029	800,000	745,641	751,094	4.5
PACCAR Inc	Corporate	10/29/2024	9/26/2029	300,000	290,161	292,719	4.6
Government of The United States	US Treasury	10/24/2024	9/30/2029	500,000	481,097	488,516	4.0
International Bank for Recon and Dev	Supranational	12/12/2024	10/16/2029	400,000	389,747	393,488	4.2
Government of The United States	US Treasury	---	10/31/2029	1,000,000	988,484	997,285	4.4
Caterpillar Inc.	Corporate	11/14/2024	11/15/2029	300,000	298,888	299,523	4.7
Total and Weighted Average Yield				\$ 40,498,922	\$ 39,918,463	\$ 40,040,646	4.3

Sonoma Clean Power
Statement of Transactions at USBank
 December 2024

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq./Disp.	Yield	Amount	Purchased/Sold Interest	Total Amount	Net Realized Gain/Loss
								\$	\$	\$	\$
Buy	12/16/2024	3137FKUP9		FHMS K-087 A2 3.771 12/25/2028			4.39				
Buy	12/3/2024	31846V203	40,716	FIRST AMER:GVT OBLG Y			---	(40,716)		(865,890)	(40,716)
Buy	12/16/2024	31846V203	1,335	FIRST AMER:GVT OBLG Y			---	(1,335)		(1,335)	(1,335)
Buy	12/19/2024	31846V203		FIRST AMER:GVT OBLG Y			---	(38)		(38)	(38)
Buy	12/26/2024	31846V203	13,244	FIRST AMER:GVT OBLG Y	98		---	(13,244)		(13,244)	(13,244)
Buy	12/13/2024	459058LN1		INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPM 3.875 10/16/2029			4.25			(395,942)	(395,942)
Buy	12/17/2024	89115A3A8		TORONTO-DOMINION BANK 4.568 12/17/2026	100		4.57			(499,990)	(499,990)
Buy	12/20/2024	912797MW4		UNITED STATES TREASURY 01/07/2025	100		4.29			(4,989,446)	(4,989,446)
Buy	12/19/2024	91282CMB4		UNITED STATES TREASURY 4.0 12/15/2027			4.35			(990,596)	(990,596)
Buy	12/31/2024	91282CME8		UNITED STATES TREASURY 4.25 12/31/2026	100		4.26			(999,844)	(999,844)
Sell	12/10/2024	31846V203	(2,005)	FIRST AMER:GVT OBLG Y			---	2,005		2,005	2,005
Sell	12/13/2024	31846V203	(357,231)	FIRST AMER:GVT OBLG Y			---	357,231		357,231	357,231
Sell	12/13/2024	31846V203	(38,711)	FIRST AMER:GVT OBLG Y			---	38,711		38,711	38,711
Sell	12/16/2024	31846V203	(820,747)	FIRST AMER:GVT OBLG Y			---	820,747		820,747	820,747
Sell	12/16/2024	31846V203	(1,335)	FIRST AMER:GVT OBLG Y			---	1,335		1,335	1,335
Sell	12/17/2024	31846V203	(499,990)	FIRST AMER:GVT OBLG Y			---	499,990		499,990	499,990
Sell	12/19/2024	31846V203	(990,558)	FIRST AMER:GVT OBLG Y			---	990,558		990,558	990,558
Sell	12/19/2024	31846V203	(38)	FIRST AMER:GVT OBLG Y			---				
Sell	12/20/2024	31846V203	(4,989,446)	FIRST AMER:GVT OBLG Y			---	4,989,446		4,989,446	4,989,446
Sell	12/20/2024	31846V203	(934,099)	FIRST AMER:GVT OBLG Y			---	934,099		934,099	934,099
Sell	12/31/2024	31846V203	(13,244)	FIRST AMER:GVT OBLG Y			---	13,244		13,244	13,244

Attachment 3: Statement of Investments Held at River City Bank

Sonoma Clean Power
Statement of Investments Held at River City Bank
 As of December 31, 2024

Investment Description	Purchase Date	Maturity Date	Interest Rate	Purchase Price	Yield to Maturity	Most Recent Price (MTM)	% Total Portfolio
River City Bank CDARS, 52 weeks	8/22/2024	8/21/2025	4.53%	\$7,000,000	4.63%	\$7,000,000	10%
River City Bank CD, 2 years	9/1/2024	9/1/2026	4.25%	10,000,000	4.40%	10,108,003	14%
River City Bank CD, 2 years	9/10/2024	9/10/2026	3.75%	20,000,000	3.88%	20,190,475	29%
River City Bank CDARS, 26 weeks	9/26/2024	3/27/2025	4.46%	3,000,000	4.56%	3,000,000	4%
River City Bank CDARS, 52 weeks	9/26/2024	9/25/2025	3.59%	12,000,000	3.66%	12,000,000	17%
River City Bank CDARS, 52 weeks	10/17/2024	10/16/2025	4.28%	7,000,000	4.37%	7,000,000	10%
River City Bank CDARS, 13 weeks	11/7/2024	2/6/2025	4.74%	10,000,000	4.85%	10,000,000	14%
Total				\$69,000,000		\$69,298,478	100%

Weighted Average Interest and Yield **4.10%** **4.21%**

Attachment 4: Statement of Investments Held at the Local Agency Investment Fund

Sonoma Clean Power
Statement of Investments Held at the Local Agency Investment Fund
As of December 31, 2024

Investment Description	Ending Balance	Yield	Market Value
Local Agency Investment Fund	\$28,287,589	4.43%	\$28,276,896

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Staff Report - Item 04

To: Sonoma Clean Power Authority Community Advisory Committee

From: Hannah Rennie, Portfolio Manager

Issue: Recommend the Board Approve and Authorize the Chief Executive Officer or his Designee to Execute an Amendment to the Legal Services Agreement with Keyes & Fox LLP, for Legal Services with a Not-to-Exceed Amount of \$300,000 for a Term of 1 year

Date: February 20, 2025

Recommendation

Recommend that the Board Approve and Authorize the CEO or his designee to execute an amendment (Attachment 1) to the legal services agreement with Keyes & Fox LLP (Attachment 2) for legal services with a not-to-exceed amount of \$300,000 for a term of 1 year.

Background

SCP is asking to amend its current legal agreement with Keyes & Fox LLP to continue ongoing legal work for transactional work for the procurement team and compliance work.

Discussion

SCP has many transactional items that it is currently engaged with the Keyes & Fox LLP, legal team that need additional time before the end of the fiscal year to complete. To continue working with Keyes & Fox LLP, SCP needs additional funds to be able to pay future invoices. SCP is suggesting an increase in the not-to-exceed amount of \$100,000 from the current value of \$200,000, due to a significant amount of outstanding legal work prior to the contract rolling over at the end of June.

Fiscal Impact

The \$100,000 request will come from the legal budget. This will fit within the current fiscal year budget.

Attachments

- Attachment 1 - Draft Keyes & Fox LLP Legal Services Agreement Amendment
- Attachment 2 - Keyes & Fox LLP Legal Services Agreement, available at [this link](#) or by request from the Clerk of the Board

**DRAFT AMENDMENT NO. 1
TO LEGAL SERVICES AGREEMENT
BETWEEN
SONOMA CLEAN POWER AUTHORITY
AND
KEYES & FOX LLP**

This Amendment No. 1 to Legal Services Agreement (“Amendment No. 1”) is made and entered into as of this [] day of [], 2025, by and between Sonoma Clean Power Authority (“SCP”) and Keyes & Fox LLP (“Consultant”). SCP and Consultant are sometimes individually referred to as “Party” and collectively as “Parties.”

Recitals

- A. **Original Agreement.** The Parties have entered into an agreement entitled “Legal Services Agreement” dated May 11, 2024 (“Original Agreement”), which is incorporated herein by reference as if fully set forth herein, for the purpose of Authority retaining Consultant to provide the Services set forth therein.
- B. **Amendment Purpose.** SCP and Consultant wish to amend the Original Agreement to increase not to exceed amount.
- C. **Amendment Authority.** This Amendment No. 1 is authorized pursuant to Section 2 of the Original Agreement.

Amendment

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

- 1. **Definitions.** All capitalized terms used in this Amendment No. 1 not defined in this Amendment No. 1 shall have the same meaning as set forth in the Original Agreement if defined in the Original Agreement.
- 2. **Replace Section.** Section 2 of the Original Agreement hereby replaced with:

Compensation; Payment Terms.

- (a)** Compensation to Attorney for services shall not exceed three hundred thousand dollars (\$300,000). Only Attorneys or other legal staff expressly identified in Exhibit A, at the rates specified therein are eligible for compensation under this Agreement, except as expressly agreed to in advance by SCPA in writing.
- (b)** SCPA agrees to make monthly payments, based on invoices received for services satisfactorily performed, and for authorized reimbursable expenses. Payment terms are Net Thirty (30) days, upon receipt of an invoice that complies with all the requirements of this Agreement. Without limiting the foregoing, Attorney (1) acknowledges that its failure to submit an invoice within sixty (60) days of the occurrence of the event to which a charge contained therein relates is an express condition precedent to any right it may have to payment in connection therewith, and (2) hereby stipulates that Attorney’s failure

to strictly comply with such condition precedent is a waiver and release of any right Attorney might otherwise have to payment in connection therewith.

3. Continuing Effect of Agreement. All provisions of the Original Agreement otherwise remain in full force and effect and are reaffirmed. From and after the date of this Amendment No. 1, whenever the term "Agreement" appears in the Original Agreement, it shall mean the Original Agreement as amended by this Amendment No. 1.
4. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment No. 1.
5. Severability. If any portion of this Amendment No. 1 is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

SONOMA CLEAN POWER AUTHORITY

KEYES & FOX LLP

Approved By:

Approved By:

Michael Koszalka,
Chief Operating Officer

Kevin Fox,
Partner

Date

Date

Approved as to form:

General Counsel



Staff Report - Item 05

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, Chief Executive Officer
Darin Bartow, Clerk of the Board

Issue: Nominate and Appoint a Chair and Vice Chair of the Community Advisory Committee for 2025

Date: February 20, 2025

Recommendation

Staff requests the Committee nominate and appoint a Chair and Vice Chair for 2025.

Background

The Community Advisory Committee (Committee) has traditionally appointed a Chair and Vice Chair for the Committee each calendar year.

A short form was sent to all Committee Members to complete with a brief bio of themselves and goals for the Committee. The form also asked if that Member intends to continue through the end of the current term and if there is interest in serving as Chair or Vice Chair for the upcoming 12 months. The forms were distributed to all Members of the Committee and completed forms are attached to this report.

Attachments

- Attachment 1 - Committee Member Statement Forms - 2025, available at [this link](#) or by request from the Clerk of the Board

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Staff Report - Item 06

To: Sonoma Clean Power Authority Community Advisory Committee

From: Stephanie Reynolds, Director of Internal Operations
Mike Koszalka, Chief Operating Officer
Garth Salisbury, Chief Financial Officer & Treasurer

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

Date: February 20, 2025

HELPING COMMERCIAL CUSTOMERS SAVE ON POWER COSTS

To achieve an agency goal to directly serve customer needs by helping them reduce costs, SCP's Commercial Customer Service staff identified and contacted thirty-four small commercial customers paying considerably more for their power than we would expect.

These customers were charged a PG&E rate meant for larger-use customers. They were essentially mis-rated and paid higher PG&E daily fixed charges, along with demand charges that only large-use customers are required to pay.

By advising these customers directly that they are better served by changing their accounts from rate B-10 to rate B-1, they collectively would reduce their expected annual power bills by \$172,000. These were charges predominantly paid to PG&E for transmission and delivery. The impact on generation by changing rates meant that the SCP's annual revenue would only fall by \$1,200.

One customer provides not-for-profit housing for seniors, and they were paying the B-10 fixed charges for a meter that only registers 87 kWh annually.

The greatest cost reductions were achieved for a warehouse that occasionally powers a fire protection pump for just minutes a month. But for the limited kilowatt-hours used, they were charged \$20,500 more than they needed to pay.

PG&E controls rates, and the utility has rules in place that make the customer responsible for choosing their best rate option.

PROGRAMS UPDATES

Inflation Reduction Act (IRA) Heat Pump Heating and Cooling Incentives

California received \$45 million through the IRA for Phase I of the Home Electrification and Appliance Rebates (HEEHRA) program, which provided incentives up to \$8,000 to income-qualified single and multi-family homes for heat pump heating and cooling systems. The program is managed by the California Energy Commission (CEC) and Phase I is in partnership with the TECH Clean California rebate program. As these funds have already been received by the State of California, they are not at risk of being rolled back.

To help support SCP customers in applying for these rebates, SCP aligned its rebate qualifications and income-eligibility to match HEEHRA's for ease and simplification. Marketing developed a promotional campaign to raise awareness and encourage customers to take advantage of available rebates. The marketing campaign included direct mail, targeted email campaigns, and digital ads to drive customers to SCP via phone or web, confirm eligibility, and provide step-by-step assistance. To date, SCP has incentivized 8 HEEHRA projects.

As of January 29, 2025, funds for HEEHRA Phase I incentives have been fully allocated in the Northern Region (including Sonoma and Mendocino counties) and are no longer accepting new applications.

Heat Pump Water Heater Incentives for Public Buildings

PG&E currently funds the Government and K-12 Energy Efficiency program, managed by Willdan, that purchases and installs residential-sized heat pump water heaters (HPWH) in public agency buildings at a low cost. In 2022, Sonoma Clean Power partnered with Willdan to provide gap funding to install these projects at no-cost. SCP's funding provides up to \$3,100 per installed HPWH. To date, 24 HPWHs have been installed in public buildings including public works yards, recreation centers, senior centers, and fire stations.

Given the significant impact of this offer, SCP has budgeted an additional \$160,000 in funding for two years that would fund 52 additional HPWHs. In addition to upgrading government buildings, this program is now more accessible for schools to participate.

Each HPWH unit installed through the program participates in load management and demand response programs, helping to lower peak electricity demand. These water

heaters can adjust their electricity use based on grid conditions, heating water when demand is lower, or renewable energy availability is higher and pausing heating when there is strain on the grid, avoiding the need to activate carbon-intensive power plants. By leveraging PG&E funding and layering it on top, SCP is making an impact while maximizing ratepayer dollars.

Weatherization Education Collaboration with the California Indian Museum and Cultural Center

The California Indian Museum and Cultural Center (CIMCC) requested that Sonoma Clean Power provide weatherization education in accordance with their CalEPA Emergency Preparedness grant. SCP's staff, Kimberly Beltran and Aubrie Hunt, will provide six educational workshops on weatherization techniques with a focus on mitigating wildfire smoke infiltration. These workshops will take place between 2025 and 2026 and expect to reach 120 attendees.

MONTHLY COMPILED FINANCIAL STATEMENTS (November 2024)

The year-to-date change in net position is up more than projections by approximately \$31,473,000. Year-to-date revenue from electricity sales is over budget by approximately 13% and the cost of energy is under budget projections by approximately 11%. Year-to-date electricity sales reached \$123,664,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$276,264,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Approximately \$231,889,000 is set aside for operating reserves.

BUDGETARY COMPARISON SCHEDULE (November 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 13% 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

- November 2024 Financial Statements

UPCOMING MEETINGS

- Board of Directors - March 6, 2025
- Community Advisory Committee - March 20, 2025
- Board of Directors - April 3, 2025
- Community Advisory Committee - April 17, 2025



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 November 30, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the five 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
January 6, 2025

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of November 30, 2024

ASSETS

Current assets

Cash and cash equivalents - unrestricted	\$ 131,640,708
Cash and cash equivalents - restricted for grant purposes	2,166,398
Accounts receivable, net of allowance	16,602,772
Other receivables	2,955,965
Accrued revenue	14,333,169
Prepaid expenses	1,013,792
Deposits	125,586
Investments	58,318,716

Total current assets 227,157,106

Noncurrent assets

Cash and cash equivalents - unrestricted	56,000,000
Investments	58,815,601
Other receivables	1,014,408
Deposits	16,256
Capital assets, net of depreciation	18,173,057

Total noncurrent assets 134,019,322

Total assets 361,176,428

LIABILITIES

Current liabilities

Accrued cost of electricity	21,433,864
Accounts payable	1,359,499
Advances from grantors	2,166,398
Other accrued liabilities	1,720,209
User taxes and energy surcharges due to other governments	648,823
Supplier security deposits	204,000

Total current liabilities 27,532,793

Noncurrent liabilities

Supplier security deposits	1,380,121
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Total liabilities 28,912,914

DEFERRED INFLOWS OF RESOURCES

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

Investment in capital assets	18,173,057
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Unrestricted	258,090,457
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Total net position \$ 276,263,514

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

OPERATING REVENUES

Electricity sales, net	\$ 122,359,388
Evergreen electricity premium	1,305,375
Miscellaneous income	63,500
Grant revenue	215,978
Total operating revenues	<u>123,944,241</u>

OPERATING EXPENSES

Cost of electricity	73,359,071
Contract services	3,847,311
Staff compensation	4,263,920
Program rebates and incentives	890,743
Other operating expenses	988,144
Depreciation	597,431
Total operating expenses	<u>83,946,620</u>
Operating income	<u>39,997,621</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	6,747,276
Nonoperating revenues (expenses), net	<u>6,747,276</u>

CHANGE IN NET POSITION

Net position at beginning of year	46,744,897
Net position at beginning of year	<u>229,518,617</u>
Net position at end of period	<u><u>\$ 276,263,514</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Five Months Ended November 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 131,429,532
Receipts of security deposits	3,330,000
Other operating receipts	472,537
Payments to electricity suppliers	(69,893,165)
Payments for other goods and services	(4,855,338)
Payments of staff compensation	(4,209,643)
Payments of tax and surcharges to other governments	(1,606,072)
Payments for program rebates and incentives	(862,860)
Net cash provided (used) by operating activities	<u>53,804,991</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	6,145,311
Proceeds from investment sales and maturities	148,547,134
Purchase of investments	(88,175,939)
Net cash provided (used) by investing activities	<u>66,516,506</u>

Net change in cash and cash equivalents	120,123,981
Cash and cash equivalents at beginning of year	<u>69,683,125</u>
Cash and cash equivalents at end of period	<u><u>\$ 189,807,106</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted (current)	131,640,708
Cash and cash equivalents - restricted (current)	2,166,398
Cash and cash equivalents - unrestricted (noncurrent)	56,000,000
Cash and cash equivalents	<u><u>189,807,106</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Five Months Ended November 30, 2024

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

Operating income (loss)	\$ 39,997,621
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	597,431
(Increase) decrease in:	
Accounts receivable, net	5,567,775
Other receivables	(747,930)
Accrued revenue	641,450
Prepaid expenses	(121,786)
Deposits	2,529,773
Increase (decrease) in:	
Accrued cost of electricity	2,472,778
Accounts payable	306,915
Advances from grantors	(215,978)
Accrued liabilities	2,827,470
User taxes due to other governments	(50,528)
Net cash provided (used) by operating activities	<u>\$ 53,804,991</u>

NONCASH INVESTING ACTIVITIES

Unrealized appreciation and timing differences in investment income \$ 601,965



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 five months ended November 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
January 6, 2025

**SONOMA CLEAN POWER AUTHORITY -
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND -
Five Months Ended November 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) *	\$ 108,115,990	\$ 122,359,388	\$ 14,243,398	113%	\$ 239,147,000	\$ 116,787,612
Evergreen Premium (net of allowance)	1,125,000	1,305,375	180,375	116%	2,700,000	1,394,625
Investment returns	3,000,000	6,747,276	3,747,276	225%	7,200,000	452,724
Miscellaneous Income	416,500	279,478	(137,022)	67%	1,000,000	720,522
Total revenue and other sources	112,657,490	130,691,517	18,034,027	116%	250,047,000	119,355,483
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	82,441,595	73,359,071	(9,082,524)	89%	221,586,000	148,226,929
Data management	1,116,667	1,585,203	468,536	142%	2,680,000	1,094,797
Service fees- PG&E	412,500	411,441	(1,059)	100%	990,000	578,559
Personnel	4,670,685	4,263,920	(406,765)	91%	11,490,000	7,226,080
Energy Center, marketing & communications	1,407,716	1,060,879	(346,837)	75%	3,379,000	2,318,121
Customer service	126,750	33,451	(93,299)	26%	220,000	186,549
General and administration	772,423	683,412	(89,011)	88%	1,832,000	1,148,588
Legal	197,917	50,900	(147,017)	26%	475,000	424,100
Regulatory and compliance	191,667	143,603	(48,064)	75%	460,000	316,397
Accounting	134,800	159,900	25,100	119%	312,000	152,100
Legislative	91,667	72,000	(19,667)	79%	220,000	148,000
Other consultants	226,083	187,594	(38,489)	83%	535,000	347,406
Industry memberships and dues	369,500	304,732	(64,768)	82%	888,000	583,268
Program implementation	4,339,404	1,033,083	(3,306,321)	24%	10,136,000	9,102,917
Total current expenditures	96,499,374	83,349,189	(13,150,185)	86%	255,203,000	171,853,811
OTHER USES						
Capital outlay	458,333	169,513	(288,820)	37%	1,150,000	980,487
Total expenditures, other uses	96,957,707	83,518,702	(13,439,005)	86%	256,353,000	172,834,298
Net increase (decrease) in available fund balance	\$ 15,699,783	\$ 47,172,815	\$ 31,473,032		\$ (6,306,000)	\$ (53,478,815)

* Represents sales of approximately 893,000 MWh for 2024/25 YTD actual.

	Balance - as of June 30, 2024	Long-Term Targeted	% of Long-Term Target
RESERVES			
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 -
 Five Months Ended November 30, 2024 -**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 47,172,815
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(597,431)
Add back capital asset acquisitions	169,513
Change in net position	\$ 46,744,897



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: February 20, 2025

Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

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 and 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 is engaging with those legislators and many others on several fronts, including at CalCCA's state legislative "lobby day" on January 29th; Geothermal Rising's lobby day on February 13th; and Sonoma Clean Power's own lobby day on March 4th.

Sponsored Legislation

Last year, Sonoma Clean Power was the proud sponsor of Assembly Bill 1359 (Papan), which was signed into law by Governor Newsom. This new law allows local

governments to serve as the lead agency for approving new geothermal exploration wells and resolved a significant legal threat to the success of SCP's GeoZone effort.

Today, California's regulatory environment continues to present a challenge to the success of new geothermal projects across our state, including through the GeoZone. For background, California's renewable energy policies have done an excellent job of creating very high demand for clean resources like geothermal power that can run at night and in the winter. But while the demand side of the equation is positive - and even while California has a superior geology and workforce for geothermal development as compared to other states - the perceived regulatory challenges nonetheless mean that many geothermal developers are choosing to site their projects in places like Nevada and Utah and sell into the California market. (See, for example, Fervo Energy's recent deal to sell hundreds of megawatts from their Cape Station project in Utah to Southern California Edison.) SCP believes that encouraging more geothermal development in California could have several benefits, including reinvesting customer money and creating well-paid, highly skilled jobs locally; building reliability and energy independence in our communities, not elsewhere; and avoiding transmission costs associated with shipping power across the West. California should also be the tip of the spear in terms of incubating the next generation of clean energy technologies and should probably not rely on local governments in other states to approve projects for our climate ambitions to become reality.

Sonoma Clean Power is now sponsoring several pieces of legislation at the state level for this year, in partnership with Fervo Energy, the International Union of Operating Engineers, and others:

- *AB 526 (Papan): Geothermal action plan:* In 2021, the Governor signed Assembly Bill 525 (Chiu), which directed the state to create a strategic roadmap for bringing offshore wind development into California. While the relevant offshore wind proposals continue to face a variety of challenges, AB 525 was successful at its intended purpose - paving the way for needed changes to law and regulation to begin. AB 526 would initiate a similar process for the in-state development of new geothermal resources (both conventional hydrothermal as well as next-generation technologies). State agencies would be required to identify state lands to lease for geothermal development; review geothermal lease rental and royalty rates to ensure competitiveness with other states; harmonize relevant permitting timelines;

and take a variety of other steps to improve the regulatory environment around geothermal, all as part of a comprehensive action plan.

- *AB 527 (Papan): NEPA/CEQA alignment:* Several months ago, President Biden drafted a new categorical exclusion from the National Environmental Policy Act (NEPA) for geothermal exploration projects meeting the gold standard of environmental stewardship. This was based on the Bureau of Land Management's assessment that geothermal exploration projects, when completed under a high-bar environmental standard, have a minimal environmental impact. Over 60% of Utah and over 80% of Nevada is federal land where this exclusion applies. AB 527 would similarly create a narrow, targeted exemption from the California Environmental Quality Act (CEQA) - our equivalent to NEPA - to align with the federal exclusion. This legislation also requires that a geothermal exploration project meets the gold standard of environmental protection and would mandate that all workers on a project benefiting from the proposed exemption be paid the prevailing wage.

AB 531 (Rogers): Allowing geothermal power to use the "opt-in" process: Today, renewable energy developers can choose to site and permit their projects through what is typically called the "opt-in" process at the California Energy Commission. The idea is that the Energy Commission serves as a "one-stop shop" for all siting, permitting, and regulatory issues to move projects more quickly. A high level of community engagement and review are still required. Because only projects 50 MW in size or greater can use this process, most geothermal power plants (which are typically more in the range of 10, 20, or 30 MW in size) are functionally excluded. This is even though a geothermal power plant running around the clock can produce as much energy as a far larger solar or wind project that is intermittent. AB 531 would simply clarify that a geothermal power plant of any size can be approved through the "opt-in" process.

Local Political Update

On January 22, Sonoma State University announced serious budget cuts designed to address the university's lower enrollment rates and the California State University System's overall 8% cut in funding. The proposed cuts eliminate numerous staff and professors, entire departments and many of the majors that Sonoma Clean Power

staff have earned over the years. CEO Syphers' letter to the Board of Trustees calling for a more thoughtful plan is attached.

Attachments

- Attachment 1 - SCP Letter re: SSU Cuts



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

January 28, 2025

Chairman Jack B. Clarke Jr. and Board of Trustees
California State University
401 Golden Shore
Long Beach, CA 90802

Dear Chairman Clarke,

I am writing to express my deep concern regarding the risk that would be created by implementing the disproportionate financial cuts recently announced for Sonoma State University (SSU). The scale of these cuts without a long-term plan for addressing the root cause of declining enrollment jeopardizes the university's existence. As an alumnus of SSU in the applied physics program and the CEO of Sonoma Clean Power, I have witnessed firsthand the vital role this university plays in our region's economy.

SSU's contributions extend far beyond the campus. For decades, its programs—such as the Masters in Public Administration, Physics, Economics, and Earth and Environmental Sciences—have served as a pipeline for highly skilled professionals in Northern California. These programs have been instrumental in workforce development, supporting local businesses, governments, and organizations like mine that rely on SSU graduates for their expertise. Sonoma Clean Power hires many of these graduates. The elimination of these programs will have ripple effects across the region, crippling industries that depend on a steady flow of educated professionals.

A Long-Term Plan

The enrollment decline at SSU begs for a clear long-term plan, one that does not *just* involve budget cuts, but one that also lowers the risk of exacerbating the decline. SSU's current identity as a liberal arts institution would be thrown into question with the proposed elimination of so many departments and majors. So what is its new identity? This question should not *follow* budget cuts; it should precede them.

Proven Methods for Increasing Enrollment

The *breadth* of the cuts also creates new risks for the continued viability of SSU. Historically, the CSU has mitigated budget shortfalls at underenrolled campuses by directing applicants elsewhere in the system to the underenrolled campuses. I've also seen expanded partnerships with community colleges, such as at CalPoly Humboldt, alleviate some expenses while preserving critical majors. A newer problem is that the CalState Apply online application process is rejecting students for overly rigid reasons and inviting them to appeal after they are rejected, a process that is daunting and leaving many seeking admission elsewhere. Repairing that online process would increase access and enrollment. Strategies such as these could bolster enrollment and preserve critical majors at SSU, but they appear absent in this proposal.

The North Bay has no other institution like SSU. Eliminating core academic programs, all athletics and entire departments jeopardizes not only the university's ability to attract students but also its mission to serve the workforce needs of our region.

I respectfully request that the Board of Trustees support a rapid effort to articulate the long-term vision for SSU and then ensure any budget cuts support that vision. Additionally, I urge the Board to reinstate proven strategies, such as enrollment management, deeper partnerships with our community college, and fixing the online application tool to help close the budget gap without sacrificing the educational and economic lifeblood of the North Bay.

Thank you for your attention to this matter. I am confident that with thoughtful consideration and creative solutions, we can preserve the North Bay's only educational institution of its kind.

Sincerely,



Geof Syphers, CEO

Cc: ! CSU Board of Trustees
Chancellor Mildred Garcia
Interim SSU President Emily F. Cutrer
Senator pro Tempore Mike McGuire
Senator Christopher Cabaldon
Assemblymember Damon Connelly
Assemblymember Cecilia Aguiar-Curry
Assemblymember Chris Rogers



Staff Report - Item 08

To: Sonoma Clean Power 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: February 20, 2025

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 eventually 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>.

Cloverdale GeoZone Townhall

Sonoma Clean Power hosted its second GeoZone Town Hall on Thursday, February 6, 2025, at the Cloverdale Veterans Memorial Building. Despite the unfavorable weather, the event still had over 60 in-person attendees and 28 virtual attendees on Zoom. Refreshments and Spanish translation services were provided.

Guest speakers included Sonoma County District 4 Supervisor James Gore, SCP Director and Mayor of the City of Cloverdale Todd Lands, and Michael Allen of the

North Bay Building Trades Council. The agenda included welcome remarks from SCP staff and Supervisor Gore, followed by a presentation on the GeoZone initiative, and then comments and questions from the audience for panelists.

Overall, it was a productive evening, and staff received a lot of good questions and engagement from the crowd. The biggest topics/concerns were the risk of seismic activity and how to guarantee oversight from the community and elected officials as these projects are developed. Other common themes were water use, land use, and impacts to existing infrastructure (e.g. roads).

Geothermal Legislation Package

SCP's Board of Directors unanimously approved moving forward with sponsorship of three bills to support geothermal development in California. These three bills were introduced earlier this month: [AB 526](#) (strategic state planning for new geothermal), [AB 527](#) (categorical exclusion for CEQA for geothermal exploration), and [AB 531](#) (expand eligibility for environmental leadership projects to all geothermal projects). SCP participated in a Geothermal Rising industry lobby day on February 13th to raise awareness in Sacramento of geothermal challenges and opportunities and will be leading a lobby day specifically targeted at progressing SCP's geothermal legislative package in March.

Partner Updates

SCP has cooperation agreements with three private companies to progress geothermal exploration and development in the GeoZone. In the January Committee meeting, staff shared that both Chevron New Energies and Eavor are unlikely to meet their upcoming cooperation agreement milestones. Staff are committed to maintaining forward momentum on the GeoZone and considering a variety of options, including negotiating extended cooperation agreement with existing partners, pursuing new GeoZone partnerships, or both. Staff have asked Chevron New Energies and Eavor to take a first step at proposing the structure of extended cooperation agreements in the next month. Staff also attended the Stanford Geothermal Workshop in early February to reach out to other potential partners from the geothermal industry.

In late January, SCP collaborated with Cyrq Energy and Rondo Energy on completing a robust commercial economic model of the proposed thermal storage project at the Geysers. Due to reduced energy market volatility, the lack of a market signal for long-

duration storage, technical limitations, and increased costs the project team found that the proposed thermal storage project at the Geysers would be economic but not deliver a compelling return commensurate with the project's risks. Given the commercial study outcome and the large uncertainty associated with current federal funding, the project team does not expect to pursue the Department of Energy grant for which it was down selected. Staff will be deciding whether to continue progressing the thermal storage project in the next few months.

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Staff Report - Item 09

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, Chief Executive Officer
Garth Salisbury, Chief Financial Officer
Chris Golik, Senior Finance Manager

Issue: Recommend the Board of Directors Approve the Proposed Budget Adjustments for Fiscal Year 2024-2025

Date: February 20, 2025

Recommendation

Recommend that the Board of Directors approve the proposed budget adjustments to the Fiscal Year 2024-2025 Budget as detailed in Attachment 1 of this report.

Background

SCP commonly brings a mid-year budget adjustment to the Board to account for changes in energy prices, actual customer energy usage, customer participation rates, bank interest rates, and regulatory decisions relating to the Power Charge Indifference Adjustment (PCIA) and utility retail rates. The current Sonoma Clean Power Authority budget for July 2024 through June 2025 was adopted on May 2, 2024.

When SCP updated rates in August 2024, 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.

When PG&E ultimately updated the PCIA as well as their generation and delivery rates on January 1, 2025, there was not a significant change to the PCIA. This was a result of the high cost of resource adequacy and renewable energy offsetting the relatively low market cost of energy.

SCP generation rates were then updated February 1, 2025, so that SCP customer total electric bills have a target of 7% below PG&E's bundled service total electric bills.

Discussion

The proposed budget adjustments are shown in Attachment 1. The budget categories are intentionally general enough to allow some measure of staff discretion, without requiring frequent budget adjustments. Additional detail on the most significant changes is provided here:

Revenues

SCP was able to increase total electric bill savings for customers from a target of 3% up to a target of 7% on February 1, 2025. The proposed Electricity Sales adjustment reflects the rate setting that the Board approved on December 5, 2024.

Investment Returns are projected to be significantly higher than the original budget due to high interest rates that have persisted and Staff's efforts to capture those higher interest rates throughout the fiscal year.

Cost of Energy

Year-to-date, Cost of Energy inclusive of energy cost, resource adequacy (RA) renewable portfolio credits, etc., has been under budget by 11%. This was primarily due to the lack of a severe weather event between July 2024 and December 2024 that was assumed in the original budget. Cost of Energy is currently expected to be 17% below the original budget for the total fiscal year based on 1) the latest projections of lower market prices, and 2) evolving changes to the regulatory regime affecting resource adequacy allocations which allowed SCP to recognize and account for RA more efficiently during the year. These allocations have resulted in the ability to sell excess RA on the market which had the effect of reducing the net cost of RA relative to the original budget.

Data Management

The Data Management adjustment represents transition costs related to changing service providers.

Capital Outlay

The adjustment to Capital Outlay is a result of updated timing for upgrades to the office building adjacent to SCP's Business Office as well as SCP's Customer Center.

Fiscal Impact

These budget adjustments reflect a Net Increase in Fund Balance of \$56,458,000 for the fiscal year 2024-2025, up \$62,764,000 from the original budget of -\$6,306,000.

Attachments

- Attachment 1 - FY24-25 Budget Adjustment Table

Table 1

	Approved Budget FY24-25	Proposed Adjustment FY24-25	Revised Budget FY24-25	Comments
REVENUES & OTHER SOURCES				
Electricity Sales (net of allowance)	\$ 239,147,000	\$ 18,854,000	\$ 258,001,000	SCP customer target savings of approximately 7% vs. PG&E on total electric bill
EverGreen Premium (net of allowance)	2,700,000	-	2,700,000	
Investment Returns	7,200,000	6,653,000	13,853,000	Interest rates have remained high
Miscellaneous Income	1,000,000	-	1,000,000	
Total Revenues	250,047,000	25,507,000	275,554,000	
EXPENDITURES				
Product				
Cost of Energy & Scheduling	221,586,000	(37,597,000)	183,989,000	Updated outlook for market price of energy
Data Management	2,680,000	990,000	3,670,000	Transition costs associated with changing service providers
Service Fees to PG&E	990,000	-	990,000	
Product Subtotal	225,256,000	(36,607,000)	188,649,000	
Personnel	11,490,000	-	11,490,000	
Energy Center, Mktg & Comm	3,379,000	-	3,379,000	
Customer Service	220,000	-	220,000	
General & Administration	1,832,000	-	1,832,000	
Other Professional Services				
Legal	475,000	-	475,000	
Regulatory & Compliance	460,000	-	460,000	
Accounting	312,000	-	312,000	
Legislative	220,000	-	220,000	
Other Consultants	535,000	-	535,000	
Other Professional Services Subtotal	2,002,000	-	2,002,000	

Table 1

	Approved Budget FY24-25	Proposed Adjustment FY24-25	Revised Budget FY24-25	Comments
EXPENDITURES – continued				
Industry Memberships & Dues	888,000	-	888,000	
Program Implementation	10,136,000	-	10,136,000	
Total Expenditures	255,203,000	(36,607,000)	218,596,000	
Revenues Less Expenditures	(5,156,000)	62,114,000	56,958,000	
OTHER USES				
Capital Outlay	1,150,000	(650,000)	500,000	Revised timing for upgrades to office building purchased in FY23-24
Total Expenditures, Other Uses	256,353,000	(37,257,000)	219,096,000	
Net Increase/(Decrease) in Fund Balance	\$ (6,306,000)	\$ 62,764,000	\$ 56,458,000	