



AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, MARCH 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 MARCH 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 February 20, 2025, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Monthly Financial Report (Staff Recommendation: Receive and File) **pg. 11**
3. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 29**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

4. Receive Internal Operations Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 31**
5. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 41**
6. Receive an Update on Educational Partnerships and Youth Workforce Development Efforts (Staff Recommendation: Receive and File) **pg. 45**
7. Receive an Update on Events and Community Engagement Efforts (Staff Recommendation: Receive and File) **pg. 57**
8. Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2025-2026 (Staff Recommendation: Receive and File) **pg. 63**
9. Recommend the Board of Directors Approve Proposed Energy Project Selection Criteria (Staff Recommendation: Approve) **pg. 79**

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, FEBRUARY 20, 2025
1:00 P.M.**

CALL TO ORDER

(1:05 p.m. - Video Time Stamp: 00:03:45)

Chair Morris called the meeting to order.

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

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer; Scott Lawrence, Senior Commercial Accounts Manager; Leif Christiansen, Commercial Accounts Manager; Neal Reardon, Director of Regulatory Affairs; Miles Horton, Legislative Policy & Community Engagement Manager; and Chris Golik, Revenue Manager

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:06 p.m. - Video Time Stamp: 00:04:53)

1. Approve January 16, 2025, Draft Community Advisory Committee Meeting Minutes
2. Receive Generation Rates Effective February 1, 2025
3. Receive Monthly Investment Activity Report
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

Public Comment: None

Motion to approve the February 20, 2025, Community Advisory Committee Consent Calendar by Member Dowd

Second: Member Nicholls

Motion passed by roll call vote.

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

ABSENT: Heffler

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

5. Nominate and Appoint a Chair and Vice Chair of the Community Advisory Committee for 2025

(1:08 p.m. - Video Time Stamp: 00:06:28)

Chair Morris thanked the Committee for her time as Chair and opened nominations for Chair of the Community Advisory Committee by nominating Vice Chair Lipp. Vice Chair Lipp accepted the nomination.

Public Comment: None

Motion to appoint Vice Chair Lipp as the Chair of the Committee by Chair Morris

Second: Member Nicholls

Motion passed by roll call vote.

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

ABSENT: Heffler

Member Morris passed the gavel to Chair Lipp. Chair Lipp then nominated Member Kelly to be Vice Chair of the Committee. Member Kelly accepted the nomination.

Public Comment: None

Motion to nominate and appoint Member Kelly as the Vice Chair of the Community Advisory Committee by Chair Lipp

Second: Member Nicholls

Motion passed by roll call vote.

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

ABSENT: Heffler

Chair Lipp asked Geof Syphers, CEO, to discuss goals that were priorities for Community Advisory Committee (Committee) Members. CEO Syphers explained that the Committee Members shared a lot of goals in common including affordability, customer protections, program designs, the GeoZone, grid capacity, renewable storage, and workforce development. Chair Lipp stated he was impressed by the experience on the Committee.

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

(1:16 p.m. - Video Time Stamp: 00:15:37)

CEO Syphers invited Scott Lawrence, Senior Commercial Accounts Manager and Leif Christiansen, Commercial Accounts Manager, to discuss the Climate Action Commission meeting they attended in Sonoma. Mr. Lawrence then discussed SCP's customer service, and he gave an update on the amount that Customer Service had saved SCP's small business customers, which was nearly \$172,000. CEO Syphers said that this is an example of how SCP is a ratepayer advocate.

Member Hollinshead asked how EverGreen provides 100% renewables in the winter and CEO Syphers explained that geothermal energy supplies most of the winter and nighttime energy. Member Wang asked what industries made up the savings and Mr. Lawrence said that they were from many different areas and added that SCP was continually looking for any customers who would want their rates and bills analyzed. Member Dowd asked if PG&E would transfer the savings to other customers and Mr. Lawrence said it would be spread over the entire base. Member Nicholls mentioned that PG&E has a rate tool. Chair Lipp added that the CPUC was going to look at affordability and when available he would like to see an analysis of the reports. Vice Chair Kelly said he would like to see an analysis of interest rates included and CEO Syphers said that SCP is beginning to do that.

Garth Salisbury, CFO, gave an update on SCP's financials and told the Committee that going forward there would be a new Financial and Investment

report item. Chair Lipp said that he is happy to see money invested in the Local Agency Investment Fund (LAIF).

Public Comment: David Harris discussed the rate plan analysis.

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

(1:41 p.m. - Video Time Stamp: 00:39:59)

Neal Reardon, Director of Regulatory Affairs, congratulated the new Chair and Vice Chair and discussed the CPUC addressing affordability in 2025. CEO Syphers added that lowering electricity costs is also a way of meeting climate objectives because it makes electric appliances more attractive. Miles Horton, Legislative Policy & Community Engagement Manager, gave an update. He stated that March 4, 2025, would be SCP's lobby day in Sacramento and SCP would be adding a second day. Mr. Horton mentioned that because California regulations make it hard to obtain permits, SCP would be focused on geothermal permitting this legislative session. He stated that the bills that SCP was focusing on were AB 526 (Papan) which would pave the way for offshore wind, AB 527 (Papan) which would create a permit exclusion for geothermal well drilling, and AB 531 (Rogers) which would create an opt in process with the California Energy Commission as the sole permitting agency for geothermal.

Member Hollinshead asked if the Trump Administration takes issue with geothermal and Mr. Horton answered that the current administration is favorable to geothermal. Member Hagen asked if the incoming head of the EPA will be favorable, and CEO Syphers answered that it is too soon to know. Vice Chair Kelly asked how other states participate and CEO Syphers explained that the 12 western states are part of the same grid and can purchase together but the constraint is transmission. Member Dowd stated that he was mad about what is happening at Sonoma State University, and he brought attention to SCP's letter regarding the funding cuts.

Public Comment: None

8. Receive Geothermal Opportunity Zone Update

(2:03 p.m. - Video Time Stamp: 01:01:34)

Mr. Horton discussed the GeoZone Townhall that SCP held in Cloverdale in February. He stated that areas of focus included seismic activity and safety, water use, how the drilling for geothermal wells was different than oil and gas fracking, and the local impacts. CEO Syphers thanked the SCP team for their work on the GeoZone.

Chair Lipp said that thoughtful engagement was necessary, and Member Nicholls said he was impressed by the economic consideration that was given by Mayor Todd Lands of Cloverdale. Hollinshead asked what the heating time frame was for the heat storage project and Ryan Tracey, Director of Planning and Analytics answered that it had a 20-hour cycle but could heat quickly. Member Hollinshead asked what long-term storage SCP was looking at and Director Tracey answered that it would be part of this year's Integrated Resource Plan (IRP).

Public Comment: None

9. Recommend the Board Approve Proposed Budget Adjustments for Fiscal Year 2024-2025

(2:17 p.m. - Video Time Stamp: 01:25:37)

CFO Salisbury explained that this item comes from looking at financial information through December 2024 and he introduced Chris Golik, Revenue Manager, to explain the budget adjustments. Mr. Golik explained that the changes were already discussed in the November rate setting parameters. He said that SCP had an increase of \$56 million in its fund balance and costs were down \$38 million. CEO Syphers added that SCP would be switching to the Sacramento Municipal Utilities District (SMUD) as its billing provider.

Public Comment: None

Motion to recommend the Board Approve Proposed Budget Adjustments for Fiscal Year 2024-2025 by Member Dowd

Second: Vice Chair Kelly

Motion passed by roll call vote.

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

ABSENT: Heffler

COMMITTEE MEMBER ANNOUNCEMENTS

(2:26 p.m. - Video Time Stamp: 01:25:18)

Member Soto announced that the Sonoma State Legislative Forum would be live streaming on February 21, 2025, and he encouraged attendance. Member Hagen recommended SCP purchasing closed landfills.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(2:30 p.m. - Video Time Stamp: 01:28:37)

Public Comment: David Harris discussed fixed electric charges.

ADJOURN

(2:32 p.m. - Video Time Stamp: 01:30:39)

The meeting was adjourned by unanimous consent.



Staff Report - Item 02

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

Monthly Financial Report

The Financial Report is to inform the Community Advisory Committee (Committee) of monthly financial results and investment activity. The unaudited monthly financial statements that were previously provided as part of the Internal Operations Report will now be provided in the Monthly Financial Report. Additionally, the Monthly Financial Report will include an Investment Report which is a summary of investments and investment activity in SCP's portfolio. The Investment Report and associated attachments are to inform the Committee pursuant to the requirements of SCP's Financial Policy B.5 Investments and Government Code Section 53607. This is an informational item only.

Monthly Compiled Financial Statements (December 31, 2024)

Due to the migration of SCP's accounting records earlier this month to a cloud-based data management system, January unaudited financial statements were not available in time for the Committee packet. Consequently, the financial statements provided are for December 2024.

The year-to-date change in net position is more than projections by approximately \$35,219,000. Year-to-date revenue from electricity sales is over budget by approximately 12% and cost of energy is under budget projections by approximately 11%. Year-to-date electricity sales reached \$147,323,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$282,967,000. Approximately \$231,889,000 is set aside for operating reserves as of June 30, 2024.

Budgetary Comparison Schedule (December 31, 2024)

The accompanying budgetary comparison includes the 2024/25 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 12% at the end of the reporting period.

Interest earnings continue to trend higher than budget due to the persistence of higher interest rates and because of an investment strategy focused on locking in higher interest earnings over the near to intermediate term (3-5 year) investment horizon.

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. Current actual costs exceed the original budget due to onboarding costs of the new data manager.

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

Monthly Investment Report

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 and stakeholders 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 and stakeholders 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 Committee meetings during the third week

of the month, the investment report will indicate investment transactions that occurred the prior month (February 2025). 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). As of February 28th, CAM managed \$40 million of SCP's reserves. All investments directed by CAM are held at SCP's custodian, USBank. All investments held as of February 28, 2025, at USBank appear as Attachment 3 with new holdings purchased in February highlighted. USBank transaction details for the month of February, including sales and maturities of securities, are in Attachment 4.

River City Bank

A detailed statement of the investments held at River City Bank as of February 28, 2025, appears as Attachment 5. River City Bank transaction details for the month of February, including sales and maturities of securities, are in Attachment 6.

State of California Local Agency Investment Fund

The LAIF investment balance as of February 28, 2025, appears as Attachment 7.

Attachments

- Attachment 1 - December 2024 Financial Statements
- Attachment 2 - December 2024 Budgetary Statement
- Attachment 3 - Statement of Investments Held at USBank
- Attachment 4 - Statement of Transactions at USBank
- Attachment 5 - Statement of Investments Held at River City Bank
- Attachment 6 - Statement of Transactions at River City Bank
- Attachment 7 - Statement of Investments Held at the Local Agency Investment Fund



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 December 31, 2024, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the six 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
February 4, 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 six months ended December 31, 2024, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

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

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

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

Maher Accountancy

San Rafael, CA
February 4, 2025

**SONOMA CLEAN POWER AUTHORITY -
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND -
Six Months Ended December 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
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 130,322,633	\$ 145,746,339	\$ 15,423,706	112%	\$ 239,147,000	\$ 93,400,661
Evergreen Premium (net of allowance)	1,350,000	1,577,009	227,009	117%	2,700,000	1,122,991
Investment returns	3,600,000	7,655,885	4,055,885	213%	7,200,000	(455,885)
Miscellaneous Income	499,800	279,478	(220,322)	56%	1,000,000	720,522
Total revenue and other sources	135,772,433	155,258,711	19,486,278	114%	250,047,000	94,788,289 -
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	99,883,589	88,923,090	(10,960,499)	89%	221,586,000	132,662,910
Data management	1,340,000	1,840,416	500,416	137%	2,680,000	839,584
Service fees- PG&E	495,000	489,601	(5,399)	99%	990,000	500,399
Personnel	5,604,822	5,239,088	(365,734)	93%	11,490,000	6,250,912
Energy Center, marketing & communications	1,689,259	1,217,989	(471,270)	72%	3,379,000	2,161,011
Customer service	137,500	45,453	(92,047)	33%	220,000	174,547
General and administration	924,734	832,435	(92,299)	90%	1,832,000	999,565
Legal	237,500	66,323	(171,177)	28%	475,000	408,677
Regulatory and compliance	230,000	196,449	(33,551)	85%	460,000	263,551
Accounting	184,800	182,900	(1,900)	99%	312,000	129,100
Legislative	110,000	88,000	(22,000)	80%	220,000	132,000
Other consultants	270,200	233,652	(36,548)	86%	535,000	301,348
Industry memberships and dues	444,534	350,451	(94,083)	79%	888,000	537,549
Program implementation	4,893,446	1,387,304	(3,506,142)	28%	10,136,000	8,748,696
Total current expenditures	116,445,384	101,093,151	(15,352,233)	87%	255,203,000	154,109,849
OTHER USES						
Capital outlay	550,000	169,513	(380,487)	31%	1,150,000	980,487
Total expenditures, other uses	116,995,384	101,262,664	(15,732,720)	87%	256,353,000	155,090,336
Net increase (decrease) in available fund balance	\$ 18,777,049	\$ 53,996,047	\$ 35,218,998		\$ (6,306,000)	\$ (60,302,047)

* Represents sales of approximately 1,095,000 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 -
 Six Months Ended December 31, 2024 -**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 53,996,047
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(717,087)
Add back capital asset acquisitions	169,513
Change in net position	\$ 53,448,473

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of December 31, 2024

ASSETS

Current assets

Cash and cash equivalents - unrestricted	\$ 125,429,128
Cash and cash equivalents - restricted for grant purposes	2,166,398
Accounts receivable, net of allowance	19,598,203
Other receivables	2,926,814
Accrued revenue	15,182,868
Prepaid expenses	967,449
Deposits	6,125,436
Investments	58,254,744

Total current assets 230,651,040

Noncurrent assets

Cash and cash equivalents - unrestricted	56,000,000
Investments	62,697,013
Other receivables	988,312
Deposits	16,256
Capital assets, net of depreciation	18,075,352

Total noncurrent assets 137,776,933

Total assets 368,427,973

LIABILITIES

Current liabilities

Accrued cost of electricity	21,341,323
Accounts payable	992,987
Advances from grantors	2,166,398
Other accrued liabilities	2,209,150
User taxes and energy surcharges due to other governments	734,904
Supplier security deposits	636,000

Total current liabilities 28,080,762

Noncurrent liabilities

Supplier security deposits	1,380,121
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Total liabilities 29,460,883

DEFERRED INFLOWS OF RESOURCES

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

Investment in capital assets	18,075,352
Unrestricted	264,891,738
Total net position	<u>\$ 282,967,090</u>

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

OPERATING REVENUES

Electricity sales, net	\$ 145,746,339
Evergreen electricity premium	1,577,009
Miscellaneous income	2,425,310
Grant revenue	215,978
Total operating revenues	149,964,636

OPERATING EXPENSES

Cost of electricity	91,284,900
Contract services	4,566,092
Staff compensation	5,239,088
Program rebates and incentives	1,181,995
Other operating expenses	1,182,886
Depreciation	717,087
Total operating expenses	104,172,048
Operating income	45,792,588

NONOPERATING REVENUES (EXPENSES)

Investment income	7,655,885
Nonoperating revenues (expenses), net	7,655,885

CHANGE IN NET POSITION

	53,448,473
Net position at beginning of year	229,518,617
Net position at end of period	\$ 282,967,090

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Six Months Ended December 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 151,547,688
Receipts of security deposits	3,762,000
Other operating receipts	2,234,322
Payments to electricity suppliers	(93,198,842)
Payments for other goods and services	(5,708,938)
Payments for staff compensation	(5,094,999)
Payments of taxes and surcharges to other governments	(1,824,692)
Payments for program rebates and incentives	(1,153,962)
Net cash provided (used) by operating activities	<u>50,562,577</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	<u>(203,742)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	6,930,349
Proceeds from sales and maturities of investments	148,547,134
Purchase of investments	(91,923,917)
Net cash provided (used) by investing activities	<u>63,553,566</u>

Net change in cash and cash equivalents	113,912,401
Cash and cash equivalents at beginning of year	69,683,125
Cash and cash equivalents at end of period	<u><u>\$ 183,595,526</u></u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents - unrestricted (current)	125,429,128
Cash and cash equivalents - restricted (current)	2,166,398
Cash and cash equivalents - unrestricted (noncurrent)	56,000,000
Cash and cash equivalents	<u><u>183,595,526</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Six Months Ended December 31, 2024

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

Operating income (loss)	\$ 45,792,588
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	717,087
(Increase) decrease in:	
Accounts receivable, net	2,572,344
Other receivables	(638,574)
Accrued revenue	(208,249)
Prepaid expenses	(75,443)
Deposits	(3,470,077)
Increase (decrease) in:	
Accrued cost of electricity	3,268,693
Accounts payable	(75,322)
Advances from grantors	(215,978)
Accrued liabilities	2,427,955
User taxes due to other governments	35,553
Supplier security deposits	432,000
Net cash provided (used) by operating activities	<u>\$ 50,562,577</u>

NONCASH INVESTING ACTIVITIES

Unrealized appreciation and timing differences in investment income \$ 725,536

Sonoma Clean Power
Statement of Investments Held at USBank
 As of February 28, 2025

Investment Description	Issue	Purchase Date	Maturity Date	Par Value \$	Market Value \$	Purchase Price \$	Purchase Yield in %
Cash	Cash	---	---	367	367	367	-
First American Govt Oblig fund	Money Market Fund	---	---	97,201	97,201	97,201	4.0
Government of The United States	US Treasury	10/24/2024	2/28/2025	500,000	489,375	488,516	4.0
Government of The United States	US Treasury	10/24/2024	4/30/2028	500,000	492,832	491,543	4.0
Government of The United States	US Treasury	10/24/2024	4/30/2029	500,000	478,516	476,172	4.0
Government of The United States	US Treasury	10/24/2024	9/30/2026	500,000	495,957	494,824	4.1
Government of The United States	US Treasury	---	10/15/2027	1,000,000	997,500	993,672	4.1
Government of The United States	US Treasury	10/30/2024	2/15/2027	500,000	501,172	500,020	4.1
Government of The United States	US Treasury	10/31/2024	8/15/2027	500,000	497,324	495,137	4.1
Government of The United States	US Treasury	---	6/30/2028	1,000,000	1,000,586	994,473	4.1
Government of The United States	US Treasury	10/24/2024	4/15/2026	500,000	498,066	497,285	4.1
Government of The United States	US Treasury	10/31/2024	1/15/2027	500,000	499,941	498,574	4.1
Government of The United States	US Treasury	---	11/15/2028	1,000,000	970,313	962,734	4.1
Government of The United States	US Treasury	---	6/30/2027	1,000,000	984,258	977,813	4.1
Government of The United States	US Treasury	10/31/2024	2/28/2029	500,000	504,473	501,914	4.2
Government of The United States	US Treasury	10/31/2024	8/31/2028	500,000	506,191	503,809	4.2
Government of The United States	US Treasury	---	6/30/2029	1,000,000	969,844	960,449	4.2
Government of The United States	US Treasury	---	10/31/2026	1,000,000	1,001,563	998,711	4.2
Government of The United States	US Treasury	---	6/15/2026	1,000,000	1,000,859	998,379	4.2
Government of The United States	US Treasury	12/12/2024	10/16/2029	400,000	396,115	393,488	4.3
Government of The United States	Supranational	10/30/2024	1/31/2026	500,000	500,277	499,941	4.3
Government of The United States	US Treasury	10/24/2024	10/2/2025	500,000	487,982	480,635	4.3
Government of The United States	US Treasury	12/30/2024	12/31/2026	1,000,000	1,004,141	999,844	4.3
Government of The United States	US Treasury	10/24/2024	4/30/2027	500,000	487,285	485,039	4.3
Government of The United States	US Treasury	11/12/2024	11/15/2027	1,000,000	1,003,711	995,000	4.3
FHLMC	Agency CMBS	10/25/2024	6/25/2028	400,000	394,593	393,480	4.3
Government of The United States	US Treasury	1/23/2025	4/24/2025	700,000	695,728	692,620	4.3
FHLMC	Agency CMBS	10/25/2024	7/25/2028	400,000	395,170	394,000	4.3
Government of The United States	US Treasury	12/18/2024	12/15/2027	1,000,000	1,000,859	990,156	4.4
Government of The United States	US Treasury	1/7/2025	1/15/2028	1,000,000	1,007,422	996,719	4.4
State of California	Municipal Bonds	---	8/1/2029	400,000	403,788	402,083	4.4
UnitedHealth Group Incorporated	Corporate	10/29/2024	10/15/2027	300,000	289,377	288,213	4.4
Government of The United States	US Treasury	---	10/31/2029	1,000,000	1,004,688	997,285	4.4
FHLMC	Agency CMBS	12/11/2024	12/25/2028	885,000	868,462	864,500	4.4
Deere & Company	Corporate	10/29/2024	9/15/2027	300,000	298,715	297,975	4.4
Caterpillar Inc.	Corporate	10/31/2024	10/15/2027	300,000	300,539	299,919	4.4
FHLMC	Agency CMBS	---	9/25/2028	800,000	793,101	788,161	4.4
Government of The United States	US Treasury	1/23/2025	11/30/2029	1,000,000	1,005,156	985,664	4.5
Government of The United States	US Treasury	10/31/2024	5/1/2025	500,000	496,520	489,177	4.5
FHLMC	Agency CMBS	---	3/25/2029	800,000	776,512	769,713	4.5
Mercedes-Benz Auto Lease Trust	ABS	10/28/2024	1/18/2028	300,000	304,107	304,383	4.5
FHLMC	Agency CMBS	---	9/25/2029	800,000	759,029	751,094	4.5

Investment Description	Issue	Purchase Date	Maturity Date	Par Value \$	Market Value \$	Purchase Price \$	Purchase Yield in %
Bank of America Credit Card Trust	ABS	10/28/2024	5/15/2029	325,000	329,670	328,644	4.5
Prologis, Inc.	Corporate	10/24/2024	2/1/2029	300,000	298,615	298,323	4.5
Government of The United States	US Treasury	1/10/2025	12/31/2029	1,000,000	1,015,625	993,242	4.5
FHLMC	Agency CMBS	11/20/2024	8/25/2028	800,000	789,504	781,563	4.5
State Street Corporation	Corporate	10/31/2024	10/22/2027	300,000	299,960	298,212	4.5
PACCCAR Inc	Corporate	10/29/2024	9/26/2029	300,000	294,772	292,719	4.6
The Home Depot, Inc.	Corporate	10/29/2024	6/15/2029	300,000	282,253	280,077	4.6
The Toronto-Dominion Bank	Corporate	12/10/2024	12/17/2026	500,000	500,693	499,990	4.6
Toyota Auto Receivables Owner Trust	ABS	10/31/2024	10/16/2028	300,000	301,816	301,559	4.6
Honda Auto Receivables Owner Trust	ABS	10/31/2024	8/15/2028	300,000	302,961	303,434	4.6
Honda Motor Co., Ltd.	Corporate	---	10/22/2027	500,000	499,538	498,034	4.6
Bank of Montreal	Corporate	---	9/10/2027	500,000	500,131	499,493	4.6
Royal Bank of Canada	Corporate	---	10/18/2027	500,000	499,709	498,673	4.6
GM Financial Securitized Term	ABS	10/30/2024	12/18/2028	300,000	301,994	301,406	4.6
Ford Credit Auto Owner Trust	ABS	11/19/2024	8/15/2029	240,000	241,595	239,992	4.7
Deere & Company	Corporate	1/6/2025	1/7/2028	340,000	343,639	339,898	4.7
Toyota Motor Corporation	Corporate	---	8/9/2029	500,000	500,356	497,616	4.7
Realty Income Corporation	Corporate	---	12/15/2028	500,000	501,682	500,591	4.7
John Deere Owner Trust	ABS	---	6/15/2029	619,000	615,366	611,120	4.7
GM Financial Securitized Term	ABS	1/9/2025	12/17/2029	160,000	161,111	159,988	4.7
The PNC Financial Services Group, In	Corporate	---	7/23/2027	500,000	503,561	503,401	4.7
Toyota Auto Receivables Owner Trust	ABS	1/22/2025	8/15/2029	240,000	241,932	239,990	4.7
PepsiCo, Inc.	Corporate	2/7/2025	2/7/2030	550,000	553,690	547,091	4.7
Caterpillar Inc.	Corporate	11/14/2024	11/15/2029	300,000	303,229	299,523	4.7
Morgan Stanley	Corporate	---	1/24/2029	500,000	488,048	485,111	4.8
U.S. Bancorp	Corporate	---	7/22/2028	500,000	499,176	497,086	4.8
JPMorgan Chase & Co.	Corporate	---	7/23/2029	500,000	492,108	489,899	4.8
Bank of America Corporation	Corporate	---	7/23/2029	500,000	492,946	490,483	4.8
Wells Fargo & Company	Corporate	1/16/2025	1/24/2028	400,000	402,018	400,000	4.9
Mercedes-Benz Auto Receivables Trust	ABS	1/14/2025	12/17/2029	235,000	237,584	234,950	4.9
Morgan Stanley	Corporate	1/16/2025	1/12/2029	250,000	252,347	250,215	5.0
UnitedHealth Group Incorporated	Corporate	1/10/2025	1/15/2030	250,000	251,665	246,965	5.1
Wells Fargo & Company	Corporate	1/22/2025	1/23/2030	300,000	304,247	300,741	5.1
BMW Vehicle Owner Trust	ABS	10/29/2024	2/26/2029	235,000	237,835	237,882	5.2
Total and Weighted Average Yield				\$ 40,726,568	\$ 40,500,991	\$ 40,238,591	4.4

Sonoma Clean Power
Statement of Transactions at USBank
February 2025

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq./Disp. Yield	Amount	Purchased/Sold Interest	Total Amount	Net Realized Gain/Loss
Buy	2/18/2025	31846V203	89,358	FIRST AMER:GVT OBLG Y	---	---	\$(89,358)	\$	\$(89,358)	\$
Buy	2/10/2025	713448GB8	550,000	PEPSICO INC 4.6 02/07/2030	4.72	4.72	\$(547,091)	---	\$(547,301)	---
Sell	2/10/2025	31846V203	(241,173)	FIRST AMER:GVT OBLG Y	---	---	241,173	---	241,173	---
Sell	2/10/2025	912797NC7	(300,000)	UNITED STATES TREASURY 04/24/2025	4.32	4.32	297,437	---	297,437	2.68

Attachment 5: Statement of Investments Held at River City Bank

Sonoma Clean Power
Statement of Investments Held at River City Bank
 As of February 28, 2025

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%	10,215,967	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, 52 weeks	2/13/2025	2/12/2026	4.39%	10,000,000	4.49%	10,000,000	14%
Total				\$69,000,000		\$69,406,442	100%
Weighted Average Interest and Yield			4.05%		4.13%		

*Most Recent Price (MTM) does not include accrued interest for CDARS

Attachment 6: Statement of Transactions at River City Bank

Sonoma Clean Power
Statement of Transactions at River City Bank
 February 2025

Transaction Type	Investment Description	Effective Date	Maturity Date	Principal	Interest Paid	Total Amount	Realized Gain	Realized Loss	Yield
Maturity	River City Bank CDARS, 13 weeks	11/7/2024	2/6/2025	10,000,000	\$118,869	\$10,118,869	\$118,869	\$0	4.85%
Buy	River City Bank CDARS, 52 weeks	2/13/2025	2/12/2026	10,000,000	-	10,000,000	-	-	4.49%

Attachment 7: 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 February 28, 2025

Investment Description	Ending Balance	Yield	Market Value
Local Agency Investment Fund	\$28,616,581	4.33%	\$28,605,764

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Staff Report - Item 03

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: March 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>.

CPUC State Portfolio Planning

In late February, the California Public Utilities Commission (CPUC) released [draft inputs and assumptions](#) for statewide electric system portfolio planning for the next two years. The inputs and assumptions are the first step in the state's Integrated Resource Plan (IRP) process which will ultimately select a preferred set of resources and guidance to the California Independent System Operator (CAISO) on needed transmission upgrades. The CPUC has made two impactful changes that could reshape the landscape of California's future energy system: 1) for the first time,

Enhanced Geothermal Systems (EGS) are included as a candidate resource and 2) the cost assumptions for offshore wind have been increased substantially compared to previous portfolios. SCP has been advocating for the state to take a more serious look at EGS as a candidate resource for several years, and staff is appreciative of the CPUC's proposed changes—which include leveraging up-to-date and comprehensive data sources for calibrating resource potential and costs. Although the preferred portfolio ultimately used for transmission planning will be dependent on the results of a cost-optimization model, SCP is confident the CPUC's inclusion of 3.5 GW of near-field EGS and 26.6 GW of deep EGS will lead to transmission planning that is more supportive of geothermal development in the GeoZone and beyond.

Staff submitted comments in response to the inputs and assumptions supporting the CPUC's approach. Staff also provided recommendations on several refinements—including separating the deep EGS into two gradational buckets, increasing the potential for conventional geothermal, updating the resource plans from load serving entities, and increasing the cost assumption associated with retaining natural gas capacity.

Partner Updates

Chevron New Energies presented at the Geyserville Planning Committee in February, to answer questions from the community on fire safety, permitting, and the development timeline associated with their GeoZone project at the Pocket Ranch.

All three GeoZone partners have shared that their agreed-to milestones in SCP's GeoZone cooperation agreements are at-risk given project risks and delays. While addressing some of the regulatory causes of project delays through legislative and regulatory advocacy, staff are also currently reviewing strategies for managing existing cooperation agreements or engaging other industry partners to maintain momentum.



Staff Report - Item 04

To: Sonoma Clean Power Authority Community Advisory Committee

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

Issue: Receive Internal Operations Report and Provide Direction as Appropriate

Date: March 20, 2025

2024 ANNUAL REPORT

Sonoma Clean Power is pleased to announce the release of our 2024 Annual Report, which includes financials for fiscal years 2022-2024, as well as highlights of our achievements in clean energy, customer programs, workforce development, and more throughout 2024. Please take a look at the report accessible at the link below, or on our website at www.sonomacleanpower.org.

[2024 Annual Report](#)

PROGRAMS UPDATES

Energy Savings Box - 1,000 Distributed

Launched in September 2024, Energy Savings Box provides free, easy-to-use products that help customers save energy and reduce their bills.

The Energy Savings Box comes with six LED bulbs, a 7-outlet advanced power strip, a Wi-Fi controlled smart outlet, and three weather proofing solutions for doors and windows. This kit also includes a detailed instructional booklet, QR code links to English and Spanish installation videos, and a flyer for SCP's GridSavvy program.

As of February 28, over 800 branded boxes had been mailed to customers' homes. Initial survey feedback has been overwhelmingly positive, with 96% saying they would recommend Energy Savings Box to friends and family.

To better target our underserved communities, SCP created a tote bag version of this offering. In 2024, staff distributed 250 totes through local partner organizations, including the Laytonville and Leggett Valley Family Resource Centers, CA Homemakers Association, Nuestra Comunidad, and Petaluma Blacks for Community Development.

Additionally, SCP staff attended events hosted by Redwood Empire Food Bank and United Way to hand out flyers and help Spanish-speaking customers place orders.

Outreach and marketing efforts are continuing through 2025, with pre-built kits ready to ship to customers.

Smart Thermostat Direct Install - Request for Proposals

SCP launched a Request for Proposals (RFP) on March 3 for providers to deliver residential energy services across SCP's service territory. The program will include:

- Installation of up to 1,000 smart thermostats
- HVAC system tune-ups
- Energy assessments

These services will specifically target low-income customers, with SCP serving as program administrator and covering all costs (equipment, labor, and administration). This will ensure no out-of-pocket cost for participating residents. Funding for the smart thermostat installations comes as part of the recently awarded \$4.9M California Energy Commission grant for Virtual Power Plants for Demand Flexibility (VPP-FLEX).

Businesses that are locally headquartered and/or owned by women, minorities, LGBTQ, and/or disabled veterans are encouraged to respond to this RFP. Please visit <https://thesupplierclearinghouse.com/> to learn more about the Supplier Diversity Program of the California Public Utilities Commission (CPUC).

Proposal Deadline: April 14th by 5:00 PM. For complete details and to access the RFP, visit www.sonomacleanpower.org/solicitations-business-opportunities

GridSavvy Rewards 2025 Event Season - Promotion Begins

SCP is kicking off the 2025 GridSavvy Rewards event season (May–October) with a promotional campaign launching this month. An email campaign will be sent to approximately 130,000 SCP customers, including 35,000 renters, to encourage participation.

Alerts through GridSavvy Rewards help customers reduce energy use during peak times while earning cash rewards. Participants receive:

- \$25 incentive for enrolling
- \$2 per kilowatt-hour saved during requested events (a kilowatt-hour is roughly the energy used for a load of laundry)
- No penalties for non-participation

CITY OF CLEARLAKE REQUESTS CONSIDERATION OF CCA SERVICE

On February 20, 2025, the City Manager of Clearlake, California, sent Chair Barnacle a letter requesting SCP to perform an analysis to evaluate the feasibility of expanding SCP service to that city. Clearlake is the largest incorporated city in Lake County with a population of about 15,600.

For history, the Lake County Administrative Officer requested that SCP evaluate extending service to the County in May 2019. Staff completed the study in February 2020 and found the PCIA for new customers was relatively high, and the prospect for SCP rates above PG&E's bundled rates was a concern. The Lake County Board of Supervisors decided to wait for different conditions as a result. Since then, the economics have likely shifted, and it appears that new customers would have a lower PCIA, meaning that new customers could probably have rates that match other SCP customers without requiring any subsidy. However, such educated guesses would need to be studied further before staff can make a clear recommendation.

With growing statewide interest in building new geothermal energy sources, it is possible that elected officials around Lake County may see value in revisiting the conversation about Lake County collaborating with or joining the GeoZone. Given the improved economics, those discussions are likely to also include the potential for CCA service from SCP as well. As a result, in the March 6 meeting, the SCP Board directed staff to study the detailed economics of potential expansion of service to the City of Clearlake, along with a high-level look at the potential impact of serving other Lake County jurisdictions.

The process for evaluating services to new communities is governed by the Board of Directors' Administrative and General Policy D4 (attached). The next step will be to share and discuss the results of that analysis in the following months with the Board and this Committee.

ATTACHMENTS

- Administrative and General Policy D.4, New Customer Communities
- Letter Requesting Analysis and Feasibility Study from City of Clearlake

UPCOMING MEETINGS

- Board of Directors - April 3, 2025
- Community Advisory Committee - April 17, 2025
- Board of Directors - May 8, 2025 (off cycle, due to CalCCA annual conference)
- Community Advisory Committee - May 15, 2025

Administrative and General Policy D.4

New Customer Communities

Whereas, the Sonoma Clean Power Authority's (SCPA) purposes include:

- Reducing greenhouse gas emissions related to the use of power in Sonoma County and neighboring regions;
- Providing electric power and other forms of energy to customers at a competitive cost;
- Carrying out programs to reduce energy consumption;
- Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
- Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources; and

Whereas, creating opportunities for new communities to benefit from community choice aggregation programs may allow SCPA to further progress towards these purposes; and

Whereas, SCPA's default CleanStart service reduces greenhouse gas emissions when compared to the incumbent utility's default service; and

Whereas, the addition of new communities to SCPA's service territory will accelerate progress toward SCPA's and the State of California's goals on renewable energy and greenhouse gas reductions;

Therefore, in light of these considerations, it is SCPA's policy to consider providing electric service in new communities to further SCPA's goals, consistent with the criteria set forth below.

Applications to serve new communities will be considered if all of the following criteria are met:

1. The community is relatively close to existing SCPA service territory, so that regular meeting attendance and community engagement is practical.
2. The community agrees to abide by the SCPA Joint Powers Agreement, all existing SCPA adopted policies, and any conditions of service proscribed by SCPA's Board of Directors, and to take all steps required by the Joint Powers Agreement and California law to participate in the SCP program, with governance representation determined by the existing SCPA Board of Directors.
3. The SCPA Board of Directors finds that service to the new region:
 - a. will decrease greenhouse gas emissions;
 - b. will not increase costs or financial risks to existing SCP customers;
 - c. will be consistent with SCPA's purposes of promoting renewable energy, energy efficiency and conservation

4. There should be significant political and public alignment of values between existing and proposed participants, so that fundamental conflicts over key underlying issues are less likely. This would be important, for example, in determining the balance of environmental and economic goals.
5. The addition of the new community is likely to increase the voice of SCPA in legislative and regulatory matters at the California Public Utilities Commission, California Energy Commission, California Air Resource Board, the California State Legislature and other relevant venues.
6. The addition of the new community will not harm SCPA's autonomy over its portfolio of power sources, customer programs, and its ability to serve local, community interests.
7. The addition of the new community will not harm the quality of service to existing SCPA customers and will not give rise to operational risks that could significantly harm SCPA's existing functions.

An applicant community that initially appears to meet the above criteria may be referred by the SCPA Board of Directors to SCPA staff for a more detailed analysis of the applicability of above criteria, and any other relevant issues, following the New Customer Community Application Procedure set forth below.

Sonoma Clean Power
New Customer Community Application Procedure

- Step 1 Governing body of applicant community submits letter to SCP requesting consideration for service.
- Step 2 Staff evaluates timing of request to determine if internal resources are available to consider request, and to ensure no impact to core agency functions.
- Step 3 Staff submits request to SCPA Board of Directors along with staff's initial opinion, and the Board determines whether a full analysis is warranted. If so, staff sends a letter of acknowledgement to the applicant region.
- Step 4 Staff executes contract with governing body of new community to fund costs of membership analysis and other SCPA costs relating to adding community (e.g., cost of updating Implementation Plan). These costs would be deducted from program funding that normally would flow to the new territory until startup costs are reimbursed to SCPA's operating fund. Staff undertakes and completes a full analysis.
- Step 5 Results of membership analysis presented to governing body of new community and to SCPA Board of Directors. SCPA Board determines whether providing service to new community is consistent with Policy D-4, whether new community will be offered representation on the Board, and what other conditions will apply to new service.
- Step 6 A 60-day period will be provided for SCPA Board members to request a presentation by SCPA staff before their city or town councils or county board of supervisors, and to allow adequate time for city/town and county staff to evaluate the proposed extension of service.
- Step 7 SCPA Board of Directors votes on whether to extend a formal offer for service.
- Step 8 Governing body of new community approves resolution requesting membership and ordinance authorizing community choice aggregation service through SCPA, and takes any other actions required by the SCPA Board of Directors as a condition of service.
- Step 9 SCPA Board of Directors adopts resolution authorizing membership of the additional community, and staff submits updated Implementation Plan to CPUC.

Adopted: December 3, 2015

Step 10 SCPA Staff develops service plan and schedule, begins buying additional energy, and starts community outreach.



City of Clearlake

14050 Olympic Drive, Clearlake, California 95422
(707) 994-8201 Fax (707) 995-2653
www.clearlake.ca.us

February 20, 2025

Sonoma Clean Power
PO Box 1030
Santa Rosa, CA 95402

Dear Chair Barnacle,

The City of Clearlake is requesting that Sonoma Clean Power perform a membership analysis to evaluate the feasibility of expanding service to the City of Clearlake. The results of the membership analysis will provide the City Council with the necessary information to consider whether to request participation in Sonoma Clean Power.

Clearlake shares many of the same economic and environmental challenges as Sonoma and Mendocino counties, including increasing energy costs and volatility, wildfires, and infrastructure constraints. We are interested in learning more about the opportunity to directly address these challenges by offering our community an alternative non-profit power provider, increasing access to customer programs, and improving Clearlake's representation in energy-related advocacy. The City of Clearlake could in turn provide Sonoma Clean Power an expanded customer base, increased opportunities for electrification, and local investment opportunities.

The City of Clearlake has reviewed Sonoma Clean Power's Administrative and General Policy D.4 of New Customer Communities and acknowledges that the decision to expand service will be dependent on mutual approval of the City of Clearlake and the Sonoma Clean Power Board of Directors after review of the membership analysis. The City of Clearlake also acknowledges the policy's determination that costs associated with conducting the membership analysis will be borne by Sonoma Clean Power but reimbursed through temporary deductions to program funding should the expansion proceed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alan Flora'.

Alan Flora
City Manager
City of Clearlake

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Staff Report - Item 05

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: March 20, 2025

Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

Regulatory Updates

[Sonoma Clean Power Advocates that Utilities Approach Neighborhood Decarbonization in Strategic and Transparent Manner](#)

On March 11th, a Joint CCA group submitted comments in a new CPUC proceeding (R.24-09-012) tasked with establishing policies and rules to ensure safe and reliable planning of the gas system. This proceeding, following the passage of SB 1221, directs the utilities to begin planning for targeted decarbonization of specific neighborhoods by replacing gas infrastructure with increased electrical capacity. Specifically, the legislation requires the utilities to identify and propose 30 pilot projects by 2026. To do this, they will begin by establishing criteria and processes by which to evaluate potential neighborhoods. CPUC staff issued a proposal for stakeholder comment which outlined their vision of how this process should proceed.

Overall, the Joint CCA group is supportive of both the intent of SB 1221 and most of the elements of how CPUC staff envision implementing it. Our comments recommend specific refinements to the process, many of which focus on requiring utilities to provide transparent and consistent information about areas under consideration. In addition, we note the intersection between natural gas and electrical distribution planning. Specifically, the comments recommend that:

- Maps should include interactive, accessible layers with inputs that are updated at least semi-annually.
- To align with state climate goals and assess for impacts, the maps should integrate granular data from existing electrification maps.
- Alignment between load-serving entities, CCAs, and local government electrification initiatives is critical to plan for needs on impacted electric circuits. The mapping effort should also account for predicted gas/load service reductions in line with planned building electrification initiatives.
- To effectively prioritize pipeline replacement across the utilities, the Commission should establish a standardized risk score calculation methodology which considers electrification efforts to reduce extended reliance on gas infrastructure.
- The utilities should coordinate with CCAs, local governments and tribal authorities during the mapping process and include overlays of disadvantaged communities on the maps. Additionally, the utilities should solicit community input on mapping accuracy and completeness through periodic public workshops.

The Commission intends to establish specific guidance for utility mapping of gas distribution infrastructure by this Summer. Doing so will support the utilities' efforts to identify specific pilot communities by July of 2026.

California Public Utilities Commission Approves Portfolio of Expected Resources for Transmission Study

On February 20, 2025, the California Public Utilities Commission (CPUC) approved a portfolio of expected future resources for the California Independent System Operator (CAISO) to study in its 2025-2026 Transmission Planning Process. The decision directs the CAISO to reserve deliverability on the transmission system for specific resources that are needed to meet future climate and reliability goals yet are geographically limited and take longer to develop. The portfolio is designed to achieve a greenhouse gas (GHG) emissions target for the electricity sector of 25 million metric tons (MMT) by 2035. It includes the resources contained in the individual integrated resource plans submitted to the Commission by the load serving entities (LSEs) in November 2022. The portfolio includes geothermal, biomass, non-battery long duration energy storage, and both onshore and offshore

wind resources. If developed as planned, it would provide 99 percent clean energy by 2035 (though still with a significant dependency on natural gas for reliability), with approximately 63 gigawatts of new storage and clean energy needed to come online between now and 2035. It represents the CPUC's best estimate of the most effective portfolio based on assumptions about resource costs, energy imports, and transmission constraints.

The CAISO will now begin studying that additional transmission investments are necessary to begin developing to support the development of this portfolio. This iterative process will continue annually, with planning assumptions updated to reflect procurement by load serving entities, emerging transmission constraints, new forecasts of future resources costs, etc.

Legislative Updates

Sonoma Clean Power is sponsoring three geothermal bills in the California Legislature this year, in partnership with Fervo Energy, the International Union of Operating Engineers, and others: Assembly Bills 526 (Papan), 527 (Papan), and 531 (Rogers). AB 526 & 531 have been referred to both the Utilities & Energy and Natural Resources Committees, while AB 527 has been referred to the Natural Resources Committee. SCP staff have begun engagement with a wide variety of stakeholders and potential supporters and opponents.

In addition, the SCP team conducted outreach and education efforts on those bills, as well as CCA, geothermal, and transmission issues generally, over the course of two lobby days, March 4 and March 11. The team met with key legislators and staff, including Assembly Speaker Robert Rivas, Assembly Utilities & Energy Committee Chair Cottie Petrie-Norris, key staff for Senate leader Mike McGuire, and many others.

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Staff Report - Item 06

To: Sonoma Clean Power Authority Community Advisory Committee

From: Sean Dalton, Events Manager
Kate Kelly, Director of Public Relations and Marketing

Issue: Receive an Update on Educational Partnerships and Youth Workforce Development Efforts

Date: March 20, 2025

Recommendation

Receive a presentation on the summary of Sonoma Clean Power Authority's educational partnerships, and youth workforce development efforts.

Background

Sonoma Clean Power Authority engages with several organizations in a variety of capacities to support local environmental and STEM education, as well as career technical education, financial assistance, and youth workforce development.

Attachments

- Attachment 1 - Summary of all education, workforce development, and financial assistance efforts
- Attachment 2 - Education & Youth Workforce Development PowerPoint Presentation

Summary of SCP Youth Education & Youth Workforce Development Efforts

<u>Effort</u>	<u>Age Group</u>	<u>Category</u>
Sonoma Water ZunZun Academy Program	Elementary School	STEM, Environment
Sonoma Water Energy & Water Classroom Education Program	Elementary School, Middle School, High School	STEM, Environment
Sonoma Water Climate Action Field Trips	High School	STEM, Environment
CTE Foundation Switch Labs Partnership	Middle School, High School	STEM, CTE, Workforce Development
Mike Hauser Academy	High School	STEM
The Duck Curve Challenge	High School	STEM
LIME Foundation NextGen Trades Academy Partnership	Young Adult (16 - 24)	CTE, Workforce Development
Sonoma Clean Power Internship Program	Recent High School Graduates, College-Age	Workforce Development
Scholarships (Mendocino College, SRJC, and SSU)	College	Financial Assistance, Workforce Development

Executive Summary

Throughout the 2023-2024 academic year, Sonoma Clean Power (SCP) made significant strides in supporting education and workforce development initiatives across Sonoma and Mendocino counties. Through strategic partnerships and programs, SCP reached over 17,000 K-12 students with environmental education during this school year alone. SCP also provided vocational training and job placement assistance to over 60 young adults and awarded \$11,000 in scholarships to college students. SCP's internship program has evolved into a comprehensive, three-phase model that has launched 26 interns into careers in the energy sector to date. Additionally, over the course of 2023 and 2024, SCP hosted training workshops for over 300 local contractors at its Customer Center, educating professionals on electrification and energy efficiency. These efforts, combined with staff leadership on relevant boards and committees, demonstrate SCP's unwavering commitment to building a skilled, sustainable workforce and fostering environmental stewardship in our communities.

Sonoma Water: Water and Energy Education Program

The Water and Energy Education Program, now in its sixth year, is a partnership between SCP and Sonoma Water that enhances environmental awareness and stewardship in Sonoma, and

Mendocino counties by providing free classroom visits, field trips, contests, grants, teacher workshops, and supplies to schools, fostering scientific inquiry and hands-on learning. During the 2023-2024 academic year, Sonoma Water educators reached 5,922 students in 250 classrooms and facilitated 18 field trips where 463 students participated in the Climate Action Challenge at SCP's Customer Center. The program expanded its reach through a new Pathways Program (a collaboration with other environmental education providers in Sonoma County), registering 9 new underserved schools. Additionally, the ZunZun musical assembly, which promotes conservation and renewable energy, reached 11,445 Kindergarten-6th grade students, including 21 sessions conducted in Spanish. The small grants program "A Call to Action" supported 11 stewardship projects for \$8,964 in funding, including one that helped Summerfield Waldorf School convert a gas-powered tractor to all-electric. 13 teachers participated in The Climate Resilience in the North Bay teacher workshop, and over 65,000 items of school supplies promoting clean energy and conservation were distributed through the school supplies program.

In Mendocino County, the program provided climate lessons to 101 students and educators who participated in the Mendocino County Office of Education (MCOE) STEAM Fair, offering hands-on activities with wind and solar energy. Looking ahead to the 2024-2025 school year, the focus will shift from the 4th-grade program to expand the popular 3rd grade and middle school programs, continuing the high-quality youth outreach that has received enthusiastic support from educators.

Mike Hauser Academy

Sonoma Clean Power serves as a host business for the Mike Hauser Academy, an award-winning program that collaborates with the Chambers of Commerce in Santa Rosa, Healdsburg, Rohnert Park, and Sebastopol. This three-week summer program is designed for incoming 9th-grade English Language Learner (ELL) students and those who could use extra help with math and science. It gives students the chance to visit local STEM-focused companies, where they can interact with industry professionals and take part in hands-on activities. Through this experience, students see firsthand how the lessons they learn in school apply to STEM careers. The Mike Hauser Academy provides them with real-world applications for STEM education. Each summer Sonoma Clean Power hosts two classes of 15-20 8th and 9th grade students for 2 days of hands-on activities, classroom lessons, and presentations culminating in a career panel with SCP staff.

CTE Foundation: Switch EV Program

The Career Technical Education (CTE) Foundation of Sonoma County is a partnership focused on providing hands-on, work-based learning opportunities to local students. According to surveys administered by YouthTruth, Santa Rosa City Schools cited an increase in graduation rates from 88.6% to 91.3% for students who completed one CTE class, with a further jump to

96.9% for those who completed a two-sequence CTE pathway. Support from Sonoma Clean Power has primarily gone to the purchase, maintenance, and teacher training necessary to operate the Switch EV program which is currently operating in 9 local high schools and 1 middle school. CTE also used funding from SCP to support their Tinker Academy, a free STEM-focused summer camp for middle school students in Sonoma County. 48 6th-9th graders participated with 65% attendance by female students. Students were surveyed, and results showed that most left the program with a higher interest in STEM subjects, especially engineering, and an interest in how things are made. You can find a writeup about the Tinker Academy in the Press Democrat: [Sonoma County middle schoolers show off STEM skills from Tinker Academy summer program](#).

Data shows that students with access to work-based learning are less anxious and feel more prepared for life after high school, whether it be joining the workforce, attending a tech/trades program or going to a four-year college. Another program that CTE supports for students is the New School Model currently implemented at Casa Grande High School and Ridgway High School. Both schools offer an elective for seniors that provides financial literacy, resume building, interviewing skills, and takes the student to different local employers to learn about them. The students that complete the class, with help from CTE and local employers, are offered gap year internships. In June 2024, SCP hired two fantastic interns that graduated from this program. They will spend their year working with different departments at SCP.

LIME Foundation: NextGen Trades Academy

Sonoma Clean Power is proud to support the LIME Foundation's NextGen Trades Academy, a youth workforce development program in the North Bay focused on helping students aged 16-24 from low-income and disadvantaged communities find careers in the trades. Letitia Hanke and her team operate a holistic program that combines workforce training, resume writing/interviewing skills workshops, financial literacy, nutrition education, and job placement in 24 different vocational trades. Each cohort of students receives 3 weeks of instruction and graduates receive 18 months of support from the LIME foundation while they look for work in their chosen trade.

From July 2023 to June 2024, the program successfully conducted five training cohorts in Sonoma County, enrolling 61 students, of which 52 graduated (85%). Notably, 86% of students identified as Black, Indigenous, and People of Color (BIPOC), including 18% female students and 92% from low to moderate-income backgrounds. These efforts have significantly enhanced career readiness among students, with many aspiring to careers in construction, HVAC and sustainable energy. The program's impact extended beyond classroom training. SCP facilitated several tours at the SCP Customer Center, providing firsthand exposure to home electrification technologies. Additionally, a career panel focused on climate and construction was hosted at the Customer Center in May 2024. Based on

follow up surveys, as of the end of 2023, 81% of work-eligible NextGen Trades Academy graduates have been placed in full-time work in the trades.

Sonoma Clean Power Internship Program

SCP has consistently embraced internships, integrating interns into our business operations since our inception. To date 26 interns have been hired by Sonoma Clean Power, with many going on to take jobs with various companies and other California CCA's including Calpine Energy Solutions, Peninsula Clean Energy, Silicon Valley Clean Energy, Tesla, the City of Napa, San Diego Clean Energy, and several have been hired as full-time staff at SCP.

As the agency has grown, so has the scope of opportunities we offer. What started primarily as a work experience program has evolved into a structured, three-phase model that emphasizes valuable learning experiences and professional development. Initially focused on students in Environmental Studies and Energy Management and Design, the program has since broadened to include a variety of majors and now partners with the Career Technical Education (CTE) Foundation to offer internships to newly graduated high school students, expanding our reach and impact.

The program's three-phase structure provides a well-rounded experience for interns. Phase I begins with a comprehensive onboarding and training process that introduces interns to SCP's culture, policies, and operations while equipping them with the skills needed to succeed, particularly at the Customer Center. When the interns are based at the Customer Center, they focus on developing customer service skills through in-person interactions, phone calls, and email communication. They gain hands-on experience with new technologies, learning how to explain these to customers and offer energy-saving solutions. Additionally, interns assist with event planning and execution at the Customer Center, while gaining a comprehensive understanding of working in a professional business environment. In Phase II, interns apply their knowledge to real-world projects, such as analyzing energy usage data, allowing them to directly contribute to SCP's goals while gaining valuable hands-on experience. In Phase III, the focus shifts to career readiness, where interns explore different departments, attend team meetings, and participate in networking events to broaden their professional skills and knowledge. This phased approach is supported by dedicated mentors throughout all phases, offering feedback, guidance, and support, ensuring that interns not only grow professionally but also develop personally in preparation for their future careers.

Scholarships

Sonoma Clean Power is dedicated to sustainable and clean energy solutions with a focus on local economic and environmental benefits. To advance education in renewable energy and the building trades, SCP has set up scholarship programs at Mendocino College, Sonoma State University, and the Santa Rosa Junior College. These initiatives underscore SCP's commitment to fostering careers in the STEM and building trades, offering deserving

students the chance to receive a scholarship based on academic achievement, community involvement, demonstrated financial need, and a genuine interest in STEM and building trades careers. Through this program, one \$1500 scholarship is awarded to a student at Mendocino College each year, with three \$1500 scholarships being awarded at the SRJC, and one \$5000 scholarship awarded at SSU. These scholarships, totaling \$11,000 a year are targeted at approximately one year's tuition for each of the 5 recipients. They are permanently funded through endowments at each institution, requiring no further SCP budget for continued support.

Contractor Training

Sonoma Clean Power has made the Customer Center available as a popular venue for local contractors to attend workshops, training, and certification courses. Over the last 2 years, the Customer Center has seen over 300 local professionals attend classes on topics including home electrification, architectural design and energy efficiency, current rebates and incentives available, and the value of efficient electric homes in the housing market. Through working with organizations such as the Architects Institute of America Redwood Empire chapter, FlowTech, the National Association of Realtors, Electrify my Home, Mitsubishi and many others, Sonoma Clean Power continues to deliver a consistent message to our community, both customers and professionals, about the importance of fighting climate change through reducing our reliance on gas in our homes and transportation.

Serving of Boards of Directors

Many Sonoma Clean Power staff members serve on boards of committees or serve in other ways for various educational and workforce development focused organizations within our communities. A non-exhaustive list includes:

- Mike Koszalka: Made in Santa Rosa Education Foundation
- Kate Kelly: The Zones
- Erica Torgerson: Career Technical Education Foundation
- Neal Reardon: Petaluma Education Foundation
- Beau Anderson: SunRidge Educational Foundation
- Carolyn Glanton: Construction Specifications Institute
- Sean Dalton: Santa Rosa High School Construction Pathway Advisory Board
- Kimberly Beltran: SRJC HVACR Advisory Committee & SRHS Construction Pathway Advisory Board
- Tania Gibbons: Children's Museum of Sonoma County
- Monica Arroyo: Young Professionals Network

YOUTH EDUCATION & WORKFORCE DEVELOPMENT

Building the Clean Energy Pipeline



1

Our Impact: By the Numbers

- **17,000+** K-12 students reached with environmental education ('23-'24)
- **60+** young adults provided vocational training & job placement
- **\$11,000** in scholarships awarded annually
- **26** interns launched into energy sector careers to date
- **300+** local contractors trained over the past 2 years



2

Sparking Interest

Elementary & Middle School Programs

- **Sonoma Water Partnership:**
 - 5,922 students in 250 classrooms across
 - 18 field trips to the Customer Center with 463 participants
- **ZunZun Academy:**
 - 11,445 students at 53 assemblies
 - 21 assemblies delivered partially or fully in Spanish
- **Language & Accessibility:**
 - Bilingual materials & communication
 - 9 new underserved schools reached through Pathways Program
 - Small grants program funded 11 school environmental projects

Building the foundation: Creating early interest in environmental stewardship and STEM



3

Hands on Exploration

Middle & High School Programs

- **Climate Action Field Trips:** 463 students visited SCP Customer Center
- **Mike Hauser Academy:** Two classes of 20 8th-9th graders annually
- **The Duck Curve Challenge:** Applied problem-solving for high schoolers
- **CTE Foundation & Switch EV Program:**
 - Practical experience in 9 high schools and 1 middle school
 - Tinker Academy: 48 middle school students (65% female participation)

Building technical skills: Connecting classroom learning to real-world applications



4

Skills Development

Career Technical Training

- **CTE Foundation Outcomes:**

- *Students completing CTE pathways: 96.9% graduation rate*
- *New School Model: Financial literacy, resume building interviewing skills*

- **LIME Foundation NextGen Trades Academy:**

- *61 students enrolled (ages 16-24), 52 graduated (85%)*
- *86% BIPOC students, 18% female students, 92% low-to-moderate income*
- *81% job placement rate in the trades (as of end of 2023)*

Building career readiness: Developing specific skills for clean energy workforce



5

Higher Education Support

College & Continuing Education

- **Annual Scholarships (Permanently Funded):** \$11,000 total

- *Mendocino College: One \$1,500 scholarship*
- *Santa Rosa Junior College: Three \$1,500 scholarships*
- *Sonoma State University: One \$5,000 scholarship*

- **Contractor Training:**

- *300+ professionals attended trainings at the Customer Center*
- *Focus on electrification, energy efficiency, and rebates*

Building expertise: Supporting advanced education in energy fields



6

Workforce Entry

Internship to Career Pipeline

- **Three-Phase Internship Model:**
 - *Skills acquisition & customer service*
 - *Real-world project application*
 - *Career preparation & networking*
- **Evolution:**
 - *Originally focused on Environmental Studies majors*
 - *Now includes diverse majors and recently graduated high school students*
 - *Expanded through partnership with CTE Foundation*
- **Outcomes:**
 - *26 interns to date*
 - *Placement at CCAs, energy companies, and SCP*
 - *Recently expanded to include high school graduates*

Building careers: Direct pathway to clean energy employment



7

Circle

Staff Community Engagement

- **SCP staff serve on:**
 - *Educational foundations*
 - *Technical education advisory boards*
 - *Construction industry committees*

Our team contributes expertise back to educational systems, strengthening the pipeline



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Thank you

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Staff Report - Item 07

To: Sonoma Clean Power Authority Community Advisory Committee
From: Sean Dalton, Events Manager
Kate Kelly, Director of Public Relations and Marketing
Issue: Receive an Update on Events and Community Engagement Efforts
Date: March 20, 2025

Recommendation

Receive a presentation on the summary of Sonoma Clean Power Authority's events and community engagement efforts for 2024.

Background

Sonoma Clean Power Authority engages with the communities we serve through many channels including events at our Customer Center, participating in external community events, volunteering in the community, and serving on various boards. This report serves as an update for the community engagement efforts for 2024.

Attachments

- Attachment 1 - Community Engagement PowerPoint Presentation

Events and Engagements

2024



1

2024 At a Glance

Key Metrics

- **2,000+** hours staff engaged with the community in 2024
- **5,895** customers engaged by SCP staff in 2024 at events
- **2,280** customers attended events at the Customer Center
- **3,615** customers engaged at community events



2

Event Distribution

- **208** Events in 2024
- **109** Community Events Attended
 - **78%** Sonoma County
 - **22%** Mendocino County
- **97** Events hosted at the customer center

Events in **English, Spanish,** and **Bilingual** formats



3

Customer Center Success

- **97** Events with **2,280** attendees
- **21** Field trips with **460** students
- **21** Unique workshop topics including:
 - *Induction Cooking*
 - *Trades/Professional Trainings*
 - *Clean Energy Transition*
 - *Customer Education and more*



4

Community Support

- **219** Staff volunteer hours
 - *Redwood Empire Food Bank*
 - *Adopt A Road*
 - *Food for Thought*
- **24** Organizational memberships
 - *Chambers of Commerce*
 - *Community Organizations*
- **16** Staff members on over **20** boards and committees
 - *Educational foundations*
 - *Advisory boards*
 - *Training and pathway program boards*



5

Summary

Strong community presence through:

- Balanced event strategy between customer center and offsite community engagement
- Strong regional presence across both counties
- Diverse programming and educational offerings
- Significant community support through volunteering and giving



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Thank You

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Staff Report - Item 08

To: Sonoma Clean Power Authority Community Advisory Committee

From: Garth Salisbury, CFO
Geof Syphers, CEO
Chris Golik, Senior Finance Manager

Issue: Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2025-2026

Date: March 20, 2025

Recommendation

Review and provide feedback on the Draft Fiscal Year 2025-2026 Annual Budget.

Summary

Staff present a draft budget for Fiscal Year 2025-2026 from July 1, 2025, through June 30, 2026, that:

- Plans for SCP's next rate change on or about February 1, 2026
- Aims to provide SCP customer bill savings of 7% on total electric bills relative to PG&E's bundled customers through January 31, 2026 (subject to no surprises)
- Returns a portion of excess collections above SCP's long-term reserve target to ratepayers

Background

Staff presents a budget for Fiscal Year 2025-2026 that continues to fulfill SCP's adopted goals for providing electricity from very low greenhouse gas sources, investing in renewables, operating the Customer Center, beginning to utilize the local investment fund, and delivering a broad set of customer services and incentives.

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

From its inception until early 2020, SCP had been able to provide customers with lower overall bills each year. This was achieved by offering significantly lower electric generation rates to all customer classes to more than offset the Power Charge Indifference Adjustment (PCIA) fee PG&E charges SCP customers. These low generation rates have resulted in tens of millions in customer bill savings since 2014. From May 2020 through March 2022, SCP had to set rates resulting in customer bills slightly above PG&E, with the premium ranging up to 5% of total electric bills. SCP was able to eliminate that premium in April of 2022, and began targeting a 5% savings on total electric bills with the rate adjustment on February 1, 2023. Since then, SCP has been able to offer its customers a total bill savings between 3% and 7% below PG&E's bundled customers.

SCP's Board of Directors voted on December 5, 2024, in favor of amending Financial Policy B.2 to increase target reserves from 280 days to 365 days of annual budgeted operating expenses, setting rates following Board-approved parameters, and to make an allocation to SCP's local investment fund.

SCP's rate adjustment on February 1, 2025, increased total electric bill savings for customers to a target of 7%.

It is important to note that this forecast is based on the best information available at this time, and that the PCIA fee is extremely difficult to forecast for several reasons. First, the PCIA can be influenced by PG&E's decisions, for example, whether to offer excess resource adequacy (RA) into the market or not. Those decisions impact the PCIA fee on our customers and are made solely at the discretion of the investors of a company that has a history of working to oppose CCAs. Second, the regulatory rules of how the PCIA is calculated can change rapidly and will likely continue to change over the coming years. And finally, the PCIA is highly dependent on the market price of natural gas power and capacity, which itself fluctuates significantly with the commodity price of gas. For these reasons, staff will regularly update the Committee and Board on the PCIA as new information becomes available.

Rate Setting

This item is limited to SCP's annual budget. But since rate setting and budgeting are closely linked, it is important to understand how SCP sets rates.

Step 1. Revenue Requirement. Identify the Revenue Requirement for SCP to provide its essential services and meets its Board's adopted plans and policies. The budgeting process is used to identify the Revenue Requirement.

Step 2. Ratesetting. Ratesetting is generally done in November or December for implementation on or about February 1 of the following year. This delay allows any necessary mid-year correction to the Revenue Requirement before setting rates. Importantly, the allocation of the Revenue Requirement is made by setting a particular percentage premium or savings on total electric charges relative to the most recently authorized CPUC rates for PG&E, and then adjusting that premium or savings until SCP's forecast revenues match the agency's Revenue Requirement.

At this time, staff does not expect to recommend a rate adjustment until February 1, 2026. However, SCP's rates are always subject to change as forecasts of expenses and revenues are never perfect.

Budget Overview

The Fiscal Year 2025-2026 draft budget presented in this item seek to:

- Procure a supply portfolio of electricity generation that meets the Board's adopted plans and policies. Note that a detailed review of SCP's long-term procurement plan will occur as part of updating the agency's Integrated Resource Plan late in 2025.
- Emphasize customer incentives and education that help cut the use of gasoline and natural gas, as these actions are often the most affordable ways to cut greenhouse gas emissions today.
- Expand customer outreach through improved market research and listening to our various communities.
- Expand community education activities.

- Increase emphasis on ensuring all of SCP's communities know about and have access to incentives and education.
- Promote the Customer Center and further develop the Center into a valuable community resource.

Draft Budget

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

	Revised Budget FY24-25	DRAFT Budget FY25-26	Comments
REVENUES & OTHER SOURCES			
Electricity Sales ¹ (net of allowance)	\$ 258,001,000	\$228,694,000	SCP customer target savings of approximately 7% vs. PG&E on total electric bill through January 2026
EverGreen Premium ² (net of allowance)	2,700,000	3,150,000	
CEC Grant Proceeds	-	863,000	California Energy Commission (CEC) grant for Virtual Power Plant Approaches for Flexibility (VPP-FLEX)
Investment Returns	13,853,000	12,000,000	
Miscellaneous Income	1,000,000	-	- California Public Utilities Commission (CPUC) funds for program implementation ended in FY24-25
Total Revenues	275,554,000	244,707,000	
EXPENDITURES			
Product			
Cost of Energy & Scheduling ³	183,989,000	234,986,000	Higher market price of energy, severe weather contingency, and expiration of favorable contract
Data Management	3,670,000	3,359,000	Full year with new service provider
Service Fees to PG&E	990,000	990,000	
Product Subtotal	188,649,000	239,335,000	
Personnel	11,490,000	12,781,000	See details in write-up
Marketing & Communications	3,379,000	3,915,000	Website and program campaigns
Customer Service	220,000	220,000	
General & Administration	1,832,000	2,309,000	Credit facility undrawn fees and software licenses
Other Professional Services			
Legal	475,000	525,000	Procurement contracts
Regulatory & Compliance	460,000	360,000	Lower fees for regulatory consulting
Accounting	312,000	340,000	
Legislative	220,000	220,000	
Other Consultants	535,000	535,000	
Other Professional Services Subtotal	2,002,000	1,980,000	

	Revised Budget FY24-25	DRAFT Budget FY25-26	Comments
EXPENDITURES - continued			
Industry Memberships & Dues	888,000	888,000	
Program Implementation ⁴	10,136,000	6,481,000	See details in write-up
Total Expenditures	218,596,000	267,909,000	
Revenues Less Expenditures	56,958,000	(23,202,000)	
OTHER USES			
Capital Outlay	500,000	7,022,000	Utilization of local investment fund and upgrades to office building purchased in FY23-24
Total Expenditures, Other Uses	219,096,000	274,931,000	
Net Increase/(Decrease) in Fund Balance	\$ 56,458,000	\$ (30,224,000)	

Notes on the Draft Budget Table:

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

Further detail on each of the proposed budget categories follows.

Information Only - Supplemental to the Draft Budget

Revenues and Other Sources

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

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

PG&E is currently expected to reduce their generation rates and increase the PCIA fee that they charge to SCP customers on January 1, 2026. Correspondingly, staff anticipates that SCP will reduce rates on or about February 1, 2026 which will tend to reduce SCP's customer bill savings.

Staff estimates uncollectable billings at 2.1%.

Expenditures

Product

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

SCP has entered into renewable and low carbon contracts with suppliers that will meet approximately 45% of its expected energy. SCP's cost of energy is expected to increase in 2025 when an existing fixed-price contract ends, and SCP is more exposed to current higher market prices of energy. Compared to recent years, SCP has a higher cash-flow exposure to the monthly fluctuations in energy market prices, but a lower actual long-term financial exposure due to the delayed offsetting nature of the PCIA.

SCP closed a renewable energy prepayment transaction in November 2024, which will help to offset higher power costs. It will save SCP's ratepayers a total of \$47 million over the initial 7 ½ years of the transaction, including savings of over \$6 million in fiscal year 2025-2026.

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

Based on current rates of participation, the total payout amount for SCP's NetGreen and Solar Billing Plan solar customers is estimated to be about \$1,750,000 for the fiscal year.

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

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

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

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

Personnel

Personnel costs include direct salaries, benefits, workers compensation premiums, Social Security, and payroll taxes. During late 2024 and early 2025, Sonoma Clean Power leadership continued to look to the future and added a Capital Projects Director to research local renewable power and storage opportunities. An engineer will be hired during 2025 to fill out that team. We have expanded and strengthened our Legislative, Risk, Finance, Regulatory and Public Relations and Marketing teams, along with adding in-house expertise in transmission-related aspects of new generation and storage resource development activities. In addition, staff salaries were adjusted to remain competitive with other energy-related employers.

Marketing and Communications

In fiscal year 2025-2026, Sonoma Clean Power will focus on increasing awareness and engagement with our suite of customer programs, with GridSavvy Alerts as the flagship initiative. Our annual and seasonal GridSavvy Alerts campaign will be complemented by additional efforts supporting the California Energy Commission's VPP Flex Grant, a four-year initiative awarded to SCP.

A comprehensive website redesign will be a significant initiative, planned to begin this fiscal year, aimed at improving navigation, functionality, and the overall effectiveness of our primary communication platform. This redesign will enhance customer engagement and better support our communication efforts.

To deepen our understanding of customer needs, SCP will continue conducting market and demographic research through surveys and focus groups. Insights from this research will guide a new customer onboarding campaign designed to increase awareness of SCP's offerings, personalize communications, and boost participation in programs and services.

SCP is expanding our commitment to youth education and workforce development, particularly in the STEM fields, the building trades, and clean energy careers. This year, we are investing in Schools Rule Mendocino County and the North Coast Builders

Exchange’s North Bay Construction Corps, alongside our ongoing partnerships with Sonoma Water, the Career Technical Education Foundation, and the LIME Foundation. These efforts empower students to build a sustainable future while pursuing meaningful careers.

Throughout the fiscal year, our marketing strategy will focus on enhancing public understanding of SCP’s mission and the benefits we provide to customers, our communities, and the environment. This will be achieved through targeted marketing campaigns driven by customer insights, strategic public and media relations efforts, community engagement through sponsorships and service/volunteerism, listening and responding to customer needs through thoughtful communications.

By leveraging data-driven strategies and strengthening community partnerships, SCP aims to maximize our impact and continue leading the transition to a clean energy future.

A breakdown of budgeted spending is provided below. Note that a significant majority of all Marketing, PR & Events funds also go to local organizations and contractors, including printers, writers, graphic designers, radio stations, social media support, web programmers, caterers, photographers, carpenters, painters, etc.

Marketing, PR, & Events	\$2,983,000
Partnerships	\$600,000
Sponsorships	\$272,000
Memberships	\$60,000
Total	\$3,915,000

Customer Service

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

Customer Noticing

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

- Move-in notice postcard (weekly)
- Move-in notice letter (weekly)

- EverGreen confirmation notices (weekly)
- NetGreen welcome (weekly)
- Solar Billing Plan welcome (weekly)
- Opt-out confirmation - immediate notice (weekly)
- Opt-out confirmation - 6-month notice (weekly)
- Late payment notice (monthly)
- Pre-collections notice (monthly)
- Re-enrollment welcome letter (weekly)
- Opt-down to CleanStart (weekly)

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

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

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

Other Professional Services

Legal

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

Regulatory & Compliance

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

Accounting

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

Legislative

Staff retain a Sacramento legislative lobbyist. These costs also include coverage for tracking and advancing bills in the legislative session that affect SCP and the energy industry directly. The statewide CalCCA trade association continues to allow SCP to track and participate in legislative work that affects CCAs across the state, and the addition of a Legislative Manager in 2024 further strengthens SCP's state engagement. Some very limited federal and state lobbying on the GeoZone is also included. One change of note this year is SCP's retention of K Street Consulting. This Sacramento-based advocacy firm has extensive experience advocating on behalf of Tribal communities across the State. By virtue of this work, K Street has strong collaborative relationships with many Tribes. SCP retained K Street to strategically advise staff on outreach to sovereign Tribes in SCP's service territory. This work is underway and staff, working in conjunction with our Board, have had initial engagement meetings with two Tribes.

Other Consultants

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

Industry Memberships and Dues

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

SCP is a member of CC Power, the joint powers authority formed with other CCAs to jointly procure power. SCP is also a member of the American Public Power Association (APPA). This is a nationwide association of public power entities, with a membership category for CCAs nationwide. In 2024, SCP became a member of California Community Choice Financing Authority (CCCFA) to facilitate energy prepayment transactions that will enable SCP to deliver meaningful cost savings to customers over the long-term.

Programs

The Programs portfolio budget is less than the previous fiscal year primarily due to two programmatic changes. SCP halted a battery storage optimization program because it did not meet performance objectives, and a CPUC-funded energy efficiency program ends on June 1, 2025.

Despite the discontinuation of these two offers, the Programs portfolio is expanding in other ways and intends to maintain momentum from the previous fiscal year. SCP will be increasing incentives and strategies to install automated devices with GridSavvy Rewards for low-income customers in a manner that produces lower total capacity costs for all ratepayers. This work will be funded, in part, by a California Energy Commission grant. SCP will continue to offer numerous programs that assist our customers with their energy-related needs. These including Energy Savings Boxes, GridSavvy Rewards, Non-Profit EV Incentives, Electrification rebates Advanced Energy Build, Multifamily Housing Electric Panel Upgrades, EV Daily Managed Charging, Community Charge, and Workplace Charging Research Project. For a complete list of SCP's offer and incentives, rationale, and performance metrics, reference the [2025 Strategic Action Plan](#).

Consistent with the Board of Directors' input in the FY 24-25 budget, the Programs portfolio includes a goal to expend 25% of the budget towards CARE, FERA, and Empower communities to support SCP's most vulnerable customers in their energy needs.

Other Uses

Capital Outlay includes upgrades and renovations for the office building adjacent to the Business Office that was purchased in FY23-24, new projects identified by the Capital Projects department, as well as equipment costing more than \$5,000.

Debt Service

SCP currently carries no debt. SCP is in the process of securing a line of credit to further mitigate short-term variability in power costs and the consequent effect on customer rates.

Net Increase / (Decrease) in Available Fund Balance

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

THREE-YEAR OUTLOOK

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

	Revised Budget FY24-25	DRAFT Budget FY25-26	Forecast FY26-27	Forecast FY27-28	Forecast FY28-29
REVENUES & OTHER SOURCES					
Electricity Sales (net of allowance)	\$ 258,001,000	\$228,694,000	\$263,200,000	\$299,330,000	\$317,310,000
EverGreen Premium (net of allowance)	2,700,000	3,150,000	3,180,000	3,210,000	3,240,000
CEC Grant Proceeds	-	863,000	1,370,000	1,370,000	1,370,000
Investment Returns	13,853,000	12,000,000	8,400,000	6,750,000	6,750,000
Miscellaneous Income	1,000,000	-	-	-	-
Total Revenues	275,554,000	244,707,000	276,150,000	310,660,000	328,670,000
EXPENDITURES					
Product					
Cost of Energy & Scheduling	183,989,000	234,986,000	259,600,000	270,200,000	286,700,000
Data Management	3,670,000	3,359,000	3,390,000	3,420,000	3,450,000
Service Fees to PG&E	990,000	990,000	1,000,000	1,020,000	1,040,000
Product Subtotal	188,649,000	239,335,000	263,990,000	274,640,000	291,190,000
Personnel	11,490,000	12,781,000	13,680,000	14,500,000	15,370,000
Marketing & Communications	3,379,000	3,915,000	3,660,000	3,810,000	3,960,000
Customer Service	220,000	220,000	220,000	220,000	220,000
General & Administration	1,832,000	2,309,000	2,400,000	2,500,000	2,600,000
Other Professional Services					
Legal	475,000	525,000	540,000	560,000	580,000
Regulatory & Compliance	460,000	360,000	370,000	380,000	390,000
Accounting	312,000	340,000	350,000	360,000	370,000
Legislative	220,000	220,000	230,000	240,000	250,000
Other Consultants	535,000	535,000	550,000	570,000	590,000
Other Professional Services Subtotal	2,002,000	1,980,000	2,040,000	2,110,000	2,180,000
Industry Memberships & Dues	888,000	888,000	910,000	940,000	970,000
Program Implementation	10,136,000	6,481,000	7,210,000	7,440,000	7,680,000
Total Expenditures	218,596,000	267,909,000	294,110,000	306,160,000	324,170,000
Revenues Less Expenditures	56,958,000	(23,202,000)	(17,960,000)	4,500,000	4,500,000
OTHER USES					
Capital Outlay	500,000	7,022,000	4,500,000	4,500,000	4,500,000
Total Expenditures, Other Uses	219,096,000	274,931,000	298,610,000	310,660,000	328,670,000
Net Increase/(Decrease) in Fund Balance	\$ 56,458,000	\$ (30,224,000)	\$ (22,460,000)	\$ -	\$ -



Staff Report - Item 09

To: Sonoma Clean Power Authority Community Advisory Committee
From: Geof Syphers, Chief Executive Officer
Issue: Recommend the Board of Directors Approve Proposed Energy Project Selection Criteria
Date: March 20, 2025

Recommendation

Receive a presentation and recommend criteria for selecting energy, capacity and energy storage projects.

Background

A group of advocates for organized labor and environmental justice under the umbrella of the CCA Workforce and Environmental Justice Alliance is calling on some of California's CCAs to adopt new energy resource procurement criteria. Their goal is to emphasize benefits to local project areas and workers. As a public agency, SCP's staff understand the value of this goal while also recognizing that placing new restrictions and obligations on project developers could limit SCP's ability to meet its adopted climate goals and result in increased costs for our customers. Balancing all of these important goals is therefore the challenge in crafting a set of criteria.

This Background section provides some of the history and engagement on this topic. A Discussion section follows, clarifying some of the tradeoffs. Finally, an attachment to this report provides the recommended language for procurement criteria, and includes notes about where the CCA Workforce and Environmental Justice Alliance propose alternate language.

On November 3, 2023, California Community Power (CC Power) hosted a workshop to explore how California can meet its climate, reliability and energy affordability goals while improving past industry practices related to selecting energy resources in ways that support workers, communities and the environment.

CEO Syphers emceed the event billed as “Getting it Built Right” and hosted speakers from Defenders of Wildlife, Brightline Defense Project, Authorized Personnel & Labor, San Francisco Electrical Construction Industry, the CCA Workforce and EJ Alliance, The California Independent System Operator, the California Energy Commission, REV Renewables, and the California Community Choice Association. Numerous additional people participated from unions, CCAs and environmental justice organizations.

The event acknowledged that the growth of CCAs has been rapid due to the broad public benefits relating to lowering energy costs, accelerating the construction of renewable energy sources, and innovation in diverse services like demand response and microgrids. Speakers from unions and environmental justice groups advocated for CCAs to add more of a clear focus on providing public benefits specifically at energy resource project locations. They also called on CCAs to help California improve industry practices by selecting project locations to support workers and avoid unnecessary community and environmental impacts.

The workshop was largely prompted by a growing awareness that California is rapidly transitioning from for-profit utilities procuring most power resources to not-for-profit CCAs doing most of the state’s new procurement. With only a 15-year track record, CCAs are comparatively new, and some groups have not yet forged deep relationships with them. In addition, CCAs have not generally made a transition to owning and operating power resources yet, and therefore have less-developed relationships with labor unions and environmental justice organizations.

The context for the workshop also acknowledged the fast-increasing energy costs of the for-profit utilities and the growing lack of adequate transmission capacity across the state. CEO Syphers and several other speakers remarked on the growing challenges the state faces to meet its goals in transitioning to all-electric buildings and cars due to the slow pace of planning, permitting and building new transmission capacity.

Initial conversations between labor unions, environmental justice organizations and CC Power met with a challenge when those groups asked CC Power to establish procurement criteria for its member CCAs, including Sonoma Clean Power. Since CC Power’s board is made up of the unelected staff of CCAs and not the policy-making boards of directors of CCAs, the staff was concerned with approving criteria that would appear to bind their own governing boards.

Instead, on March 20, 2024, following the “Getting it Built Right” workshop, Geof Syphers as Chair of CC Power, asked for and received approval from that agency’s

staff-led board to a set of agreements designed to encourage CCAs to consider advanced procurement criteria.

Those agreements are:

1. CC Power Members agree to abide by their governing board's policies when engaging in joint action through CC Power. CC Power is not and cannot be a conduit for circumventing locally adopted policies.
2. CC Power agrees to distribute Member CCA procurement policies and practices in an ongoing manner.
3. CC Power Members individually agree to regularly review model policies and practices and consider whether recommending updates to their governing boards regarding such policies and practices are appropriate for their own jurisdictions.
4. CC Power agrees to host a webpage with links to each Member CCA's procurement policies, and/or relevant plan.

The SCP Board of Directors provided initial input on guidelines for drafting project selection criteria during the November 7, 2024, and some additional input at the February 6, 2025, meetings. However, before the Board considers adopting the proposed criteria, a discussion here at the Community Advisory Committee is prudent.

Staff Engagement and Research

Over the past six months, SCP staff have engaged with other CCAs, the CCA Workforce and EJ Alliance, IBEW Local 551, and also separately held related meetings about SCP's local geothermal work with the North Bay Building Trades, North Bay Labor Council, Plumbers & Pipefitters Local 38, State Building & Construction Trades Council, NorCal Carpenters Union, Operating Engineers Local 3, International Union of Operating Engineers and Teamsters of California. Staff also briefed environmental organizations on SCP's local geothermal work and began a conversation about best practices for energy project development with California Environmental Justice Alliance, Clean Air Task Force, Climate Action Mendocino, Laguna de Santa Rosa Foundation, Mendocino Land Trust, NextGen Policy, Russian Riverkeeper, Sonoma County Conservation Action, Sonoma Land Trust, The Nature Conservancy and US Green Building Council CA.

SCP staff have also reviewed industry practices for project selection by the investor-owned utilities and more recent practices, criteria and policies adopted by the following CCAs: Central Coast Community Energy (3CE), Ava in Alameda County, Peninsula Clean Energy (PCE) in San Mateo County, and MCE in Marin, Napa, Solano and Contra Costa Counties.

Staff have found that the investor-owned utilities and municipal power providers do not have comparable policies governing project selection.

Investor-owned utilities were required to sell most of their power resources in the late 1990s as part of California's failed attempt at deregulation, so they are now in similar positions to CCAs, contracting with merchant power providers for a majority of their energy. As a result, one concern with advanced procurement criteria is that it could put SCP at a competitive disadvantage relative to PG&E for purchasing clean power resources at affordable prices.

How Projects are Selected Today

The selection of energy and storage resources in California is broadly done today based on cost, locational market value, and the capability to reliably deliver the resource into the state's largest load center (Los Angeles) during critical peak load conditions. This is due to the fact that the state's biggest grid balancing authority, CAISO, will not provide full financial value for any resource that cannot help meet the state's largest reliability challenge, regardless of where the customers of that power provider live and work. A large number of other factors are also considered in selecting resources, including the seller's credit, experience and reputation, permitting and interconnection risk, and how the generation technology helps meet the power provider's compliance obligations and voluntary goals for climate protection, among other factors.

More recently, CPUC procurement mandates have had a growing influence on procurement decisions. As an example, orders to procure "firm clean" resources led power providers to compete for the very few available geothermal projects in the market, and nearly all of those were outside California, meaning that if SCP had a policy emphasizing the value of in-state resources, it would have been overridden by the CPUC order.

Today, California power providers generally do not have additional voluntary criteria on top of the state's laws and regulations on project location, labor and environmental impacts, likely for two reasons: (1) a perception that California's

mandatory protections for workers, communities and the environment are already strong, and (2) a resistance to far-away energy buyers making local decisions about local impacts and protections in the project area.

Project Location

Generally, project locations are established well before power providers solicit for bids through the state's Integrated Resource Plan process and through early-stage developer acquisition of land, often years before the resource is bid into any solicitation. Today's planning process, which begins with the Integrated Resource Plans at the CPUC and then leads to various CEC and CAISO engineering and cost management exercises, determines generally where resources should be built. Some attempts have been made to introduce "Least Conflict" mapping of resources, especially for extremely large solar projects using a lot of land, but those efforts have also become more challenging and less effective as the transmission grid has become more and more constrained, and choices about where projects can be built are more limited.

Environment & Community

Project area environmental protections today are generally established through the California Environmental Quality Act processes for assessing, reporting and mitigating environmental impacts. These impacts include impacts on air, water, noise, visual impacts, tribal cultural resources, disruption to wildlife habitats, and the potential for displacement of local residents. For projects in federally designated tribal areas, tribal consultation is required to mitigate impacts on cultural and historical resources. Projects on federal land undergo a similar process, but through the National Environmental Policy Act.

Community Benefits Agreements are sometimes negotiated between the local community and project developers as part of the permitting phase and can serve as an important tool for delivering local project area benefits. The influence of a purchaser like SCP on such agreements is likely limited because most negotiations are substantially complete by the time offtake contracts are negotiated and signed. However, staff believe there could be some value in signaling that CCAs value of such agreements and other forms of community engagement, particularly if California can restore a competitive energy market through expanding access to the transmission grid in more locations.

Workforce

California and the U.S. have labor rules that carry certain requirements, which often apply to utility-scale energy and storage resources. These include:

Inflation Reduction Act - The "IRA" incentivizes payment of prevailing wages to workers involved in the construction of energy projects, apprenticeship programs, the use of Project Labor Agreements for larger projects, and compliance with Buy American provisions, which ensure a majority of materials used are sourced from within the U.S. Broadly, projects complying with the labor requirements under the IRA are eligible for federal funding covering 30% or more of the total project costs. This funding is contingent on meeting the standards outlined for prevailing wage, apprenticeship, and local hire provisions. Note that continued implementation of the IRA is potentially at risk.

California Prevailing Wage - California requires that workers be paid prevailing wages when energy projects are owned by public agencies or are funded (even partially) with public funds. Public-private partnerships generally trigger the prevailing wage requirement as well.

Discussion

Sonoma Clean Power is committed to improving California's energy impacts on ratepayers, workers, community health and the environment. The history of energy extraction, refining, transport and combustion is well known to be the primary cause of the climate crisis and air pollution, a major cause of childhood asthma, drinking water pollution, habitat loss, exploitation of labor and one of the causes of poverty in disadvantaged communities. It has *also* enabled modern society with telephones, computers, cars, airplanes, lighting, cooling, running water and sewage treatment; things that provide extraordinary benefits we do not want to live without.

SCP was created to make progress in sustaining all of the valuable services that energy provides while reducing the negative impacts. In reviewing SCP's formation documents, integrated resource plan, board policies and its practices over the past decade, staff believe SCP's public benefits to date can largely be summarized as:

- **Lowering Energy Cost Burden.** Rate stability, competitive energy costs and proactive customer support for lowering all customers' bills. Legislative and regulatory advocacy for lowering systemwide energy costs to improve

affordability and to strengthen the economic case for electrification of homes and cars.

- **Public Safety via Climate Protection.** Direct actions to reduce the risk of harm and cost associated with drought, flood, and extreme heat by purchasing resources with lower emissions, customer education and incentives, as well as legislative and regulatory advocacy.
- **Air & Water Quality Protections.** Legislative and regulatory advocacy, and also direct actions like power procurement and customer programs to reduce reliance on power plants causing harmful air and water pollution.
- **Sonoma & Mendocino Investments.** Development of local power resources, and non-energy contracting with a focus on small local businesses for services.
- **Sonoma & Mendocino Community Benefits.** Free classes and support at the Customer Center, local donations to non-profits, disaster relief, customer incentives, college and trade scholarships and local community partnerships.
- **Grid Reliability & Safety.** SCP advocates for California energy reliability, security and resilience with a focus on lowering upgrade costs and accelerating grid repairs and upgrades.
- **Planning for Fossil and Nuclear Retirements.** SCP advocates for cutting California's energy costs for all ratepayers through actions that allow the permanent retirement of natural gas and nuclear resources. Such actions include the GeoZone effort, transmission planning, and procurement of long-duration storage.

In drafting the proposed Procurement Criteria, staff have attempted to ensure there are pathways to protect all of the above objectives while working to add new benefits for the energy industry workforce, and environmental protections and community benefits specifically for areas at and adjacent to newly constructed energy resources.

Proposal

The proposed Procurement Criteria are attached.

Fiscal Impact

The impact of adopting the proposed procurement criteria is unknown but will likely reduce the number of bids SCP receives in solicitations and tend to increase costs for

ratepayers. An exception to this is where SCP has many years to prepare for a large-scale local construction effort far in advance of any permitting processes, such as in the GeoZone. In that case, the high bar standards in the proposed Procurement Criteria have the potential to improve community support and lower the risks of litigation and delays, potentially reducing ratepayer costs.

Attachments

- Proposed Project Selection Criteria, with comments about where SCP staff and advocates disagree on language

PROPOSED LANGUAGE

Mar 20, 2025

PROJECT SELECTION METHODOLOGY

Sonoma Clean Power Authority (SCP) exists to provide public benefits, including protecting customers from sudden large changes in costs, lowering energy costs for all customers, reducing greenhouse gas emissions, investing in SCP's local service territory, creating high quality jobs in SCP's service territory, providing community services in SCP's territory, and advocating for improved grid reliability and safety. This project selection methodology adds goals relating to the workforce constructing new energy, capacity and energy storage resources and the community and environmental impacts of those construction projects.

It is the goal of SCP to sustain all of the agency's existing public benefits while seeking to add these new project-related goals. The Board recognizes that adding new project selection criteria could, at times, increase costs and customer rates and therefore seeks to minimize any new costs.

[Notes: Advocates argue that since these criteria are waivable, they should be as strong and aspirational as possible. Staff believe that criteria should be set with an expectation that they can often be met, and sometimes at the highest levels. This document highlights where these two perspectives differ, and show both options.]

I. DEFINITIONS

- A. **Energy Offtake Agreement:** Power purchase agreements, energy storage agreements, or resource adequacy only agreements for new-build, in front of the meter, wholesale resources where SCP does not own or construct the resource. Instead, SCP's participation in the project is limited to receiving energy and any applicable attributes at a set price and term. Energy offtake agreements for *existing* resources are not a part of this criteria.
- B. **Journeyman:** Is a worker who either:
 - 1) Graduated from a California state-approved apprenticeship program for the applicable occupation or, when located outside California, is approved for federal purposes pursuant to

PROPOSED DRAFT – NOT AN ADOPTED POLICY

apprenticeship regulations adopted by the Secretary of Labor, or

- 2) Has at least as many hours of on-the-job experience in an applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the California Division of Apprenticeship Standards.

C. **Local Hire:** Is a worker who is either:

- 1) A resident within the nearest communities in proximity to the project, as reasonably determined on a project-by-project basis (for example, further distances are allowable for rural projects); or
- 2) Is a resident of Sonoma or Mendocino counties.

D. **Priority Worker:** means an individual who resides in one of SCP's designated Empower communities or is otherwise designated as a targeted hire or priority worker through a state-certified career training and placement program.

E. **Small and Local Business:** means a business that meets both of these criteria:

- 1) Has a fixed place of business with a street address in Sonoma or Mendocino Counties and having a valid business license issued by a jurisdiction in Sonoma or Mendocino Counties for at least the past six months; and
- 2) A business which has been certified to meet the U.S. Small Business Administration (SBA) size standards for its classification, OR meets any other official small business criteria established by Sonoma or Mendocino Counties.

F. **Targeted Hire Program:** is pipeline program which:

- 1) Partners with a Multi-Craft Core Curriculum (MC3) pre-apprenticeship program or programs, or equivalent industry and state-recognized certificated career training and placement program that recruits, supports and places Priority Workers in skilled construction trades; and
- 2) Creates opportunities for a Priority Worker to enter registered apprenticeship programs and/or obtain work hours needed to successfully complete their apprenticeship; or
- 3) Recruits and places income-qualified Journeypersons.

II. PROJECT SELECTION METHODOLOGY

SCP considers responses to questions relating to the following criteria when selecting resources, while reserving the right to contract for resources that do not provide all requested information.

SCP procurement must comply with the procurement obligations in (A) and must also contribute to SCP's mission in some manner, as delineated in (B). The considerations of which resources to procure that meet both (A) and (B) are then described in no particular order in (C) through (I).

A. Comply with Procurement Obligations

- 1) SCP's first obligation is to comply with state mandates to procure energy and related resources.
- 2) SCP's second obligation is to procure resources to fulfill the governing Board of Directors' adopted Integrated Resource Plan.

B. Contribution to SCP's mission of Affordable, Renewable and Reliable Service

- 1) Assessment of affordability and value. Assessment of the project's projected revenues and avoided costs across all relevant day-ahead, real-time and ancillary markets, considering the project's expected change in value over the term of the contract, and its ability to manage, shift, or arbitrage existing SCP generation to maximize revenue and achieve SCP's systemwide greenhouse gas reduction goals.
- 2) Assessment of the contribution of the resource to clean grid reliability.
- 3) Assessment of counterparty risk. Assessment and evaluation of the risk that a counterparty will fail to perform, or adequately remedy, its obligations.
- 4) Assessment of development risk. Assessment of the risk that the project is unable to obtain interconnection, deliverability, site control, entitlements, financing, or other necessary development milestones required to deliver the project by the anticipated online date.

C. Workforce: Energy Offtake Agreements

SCP will prioritize new Energy Offtake Agreements where the developer is committed to:

- 1) Highest priority projects will commit to a multi-trade project labor agreement. Within this category, projects having the following goals will be ranked higher:
 - i. A goal of 30% of all project labor hours performed by Local Hires.
 - ii. Participation in a Targeted Hire Program with a goal of 10% of all project labor hours performed by Priority Hires.
- 2) Medium-priority projects will commit to utilization of prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations for California projects, and the greater of state or federal prevailing wage and benefit rates for out-of-state projects.

[Notes: Staff accept and recommend the labor advocates' edit on out-of-state wages shown in redline, above. Labor advocates ask to insert additional criteria for medium-priority projects: "Utilization of apprentices at the same ratio of apprentice hours to journeyman hours as required for public works projects." Staff have received strong pushback from developers who note that many Energy Offtake Agreements are not built as public works, and that the specific apprenticeship criteria should not be included.]

- 3) Low-priority projects would fail to meet the previous criteria, but may include other workforce commitments and goals.

D. **Workforce: Large Owned Resources**

When considering contractors or developers for SCP-owned generation or storage projects requiring a Large Generator Interconnection Agreement from the California Independent System Operator (currently 20MW and larger), SCP will use commercially reasonable efforts to negotiate a multi-trade project labor agreement having:

[Notes: Labor advocates ask to strike “use commercially reasonable efforts” to negotiate a multi-trade PLA. Staff have concerns this language could be used to delay or cancel projects, for example where one union does not agree to work with other unions. Staff believe the “reasonable effort” language establishes the clear intent, while allowing projects to proceed when labor disagreements prevent a timely PLA.]

- 1) A goal of 30% of all project labor hours performed by Local Hires.
- 2) Participation in a Targeted Hire Program with a goal of 10% of all project labor hours performed by Priority Hires.
- 3) A commitment to subcontracting with Small and Local Businesses.

E. **Workforce: Small Owned Resources**

When considering contractors or developers for SCP-owned generation or storage projects requiring a Small Generator Interconnection Agreement from the California Independent System Operator (currently less than 20MW), SCP will commit to:

[Notes: Labor advocates ask to reduce the size threshold for Small Owned Resources to 1 MW. Staff disagree on the basis that this does not align with state permitting processes or energy market businesses, which are all organized around the 20 MW threshold.]

- 1) Utilization of prevailing hourly wage and benefit rates as determined by the California Department of Industrial Relations.

[Notes: Labor advocates ask SCP to make commercially reasonable efforts to negotiate a Project Labor Agreement for Small Owned Resources. Staff anticipate that union contractors would be competitive in SCP solicitations requiring certified prevailing wages, but argue against criteria excluding our significant non-union workforce, which is a majority of contractors in Sonoma and Mendocino Counties.]

- 2) Utilization of apprentices at the same ratio of apprentice hours to journeyperson hours as required for public works projects. Generally, this is one apprentice hour per every five hours of journeywork per craft.
- 3) Demonstrated commitment to Local and Priority Hires:
 - i. A goal of 30% of all project labor hours performed by Local Hires while incenting, through a negotiated contract structure, the contractor or developer to achieve a minimum of 60% of all project labor hours performed by Local Hires, and;
 - ii. A goal of 10% of all labor hours performed by Priority Hires.
- 4) Demonstrated effort to subcontract with Small and Local Businesses.

F. **Innovation**

SCP recognizes that achieving its adopted climate goals will require significant improvements and innovation in geothermal energy, pumped hydropower energy storage, offshore wind, imported wind, long duration battery energy storage, scaling up demand response, transmission and distribution infrastructure and potentially many other technologies that have potential to lower customer costs while also lowering greenhouse gas emissions and air and water pollution.

SCP will prioritize projects that accelerate decarbonization and/or reduce costs for SCP customers while remaining cost competitive with for-profit power providers. Priority will be given to technologies that solve multiple problems and have potential to scale regionally or globally.

G. **Location**

Subject to a careful consideration of systemwide value and ratepayer costs, SCP prioritizes projects in accordance with the following priority order:

- 1) Projects located within Sonoma or Mendocino counties.
- 2) Projects ~~located within the State of California delivering directly into the California Independent System Operator.~~
- 3) All other projects delivering to the California Independent System Operator.

[Notes: Labor advocates asked that G2 be amended to limit to projects located within California. Staff concede that this should be a priority while noting that substantially most of California's critical near-term wind and geothermal resources will be constructed outside of California. This situation reinforces SCP's work to reduce development risks of critical reliability resources in California, including the three legislative efforts this year SCP co-sponsored with the International Union of Operating Engineers.]

H. Environmental Stewardship

SCP is committed to leading by providing customers with affordable energy that delivers benefits for air, water, the climate and the natural environment.

Without diminishing or interfering with permitting, planning land use, or development requirements of any authority having jurisdiction, including local, state and federal agencies, SCP prioritizes projects that:

- 1) Have the potential to enable the permanent retirement of once-through cooling power plants when sufficient similar projects reach scale in California, or
- 2) Are in urban areas or on previously developed, disturbed, or contaminated land that can be re-purposed, or
- 3) Where the developer and local land use authority have established an enforceable development agreement which, in part, sets forth measures to mitigate impacts to sensitive habitats or environmentally sensitive areas and comply with any adopted habitat conservation plans, or
- 4) Which provide other specific environmental benefits prioritized by SCP's Board of Directors.

I. Benefits Accruing to Underserved and Low-Income Communities

SCP is committed to helping communities overcome barriers to their access to public investments, resources, education, and information about energy service and policy. SCP will prioritize projects that:

- 1) Demonstrate having established contacts with local community organizations and stakeholder groups representing a broad diversity of demographics and interests with which it intends to

collaborate with to identify and address benefits and impacts of projects and ensure project benefits are communicated and accessible to the local community.

- 2) Commit to meaningful engagement with local communities throughout the entitlement and construction processes to identify and address the impacts of projects and ensure project benefits are communicated and accessible to the local community.

[Notes: CCA Workforce & EJ Alliance ask to amend #2 to require meaningful engagement "for the entire project lifecycle." Staff note that while this language sounds helpful, it is not at all clear how SCP would or could monitor compliance with third party developers over 20 years or more. Staff believe this language is not practical and recommend against it.]

III. REPORTING

SCP will assess project proposals in accordance with this Project Selection Methodology and disclose completed procurement efforts to the Board in the next meeting.

[Notes: Added disclosure in the next Board meeting since the last version reviewed by the Board.]

IV. RESERVATION OF AUTHORITY TO WAIVE PROJECT SELECTION METHODOLOGY

The SCP Board Chair and Vice Chair may waive this Project Selection Methodology, or any portion thereof, to:

- J. Address an emergency or unforeseen situation that jeopardizes the safety or feasibility of a project; or
- K. Comply with a California State or Federal executive or regulatory order or law.

V. CONSISTENT APPLICATION

SCP staff shall abide by this policy when procuring resources, regardless of whether those resources are procured directly or through a third party.