



**AGENDA  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, MARCH 19, 2026  
1:00 P.M.**

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EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953.8, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE MARCH 19, 2026, MEETING AT THE LOCATION SHOWN BELOW.

**SONOMA CLEAN POWER BUSINESS OFFICE  
431 E STREET  
SANTA ROSA, CA 95404**

MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THE MEETING AT THE ABOVE PHYSICAL LOCATION OR VIEW REMOTELY THROUGH:

- Webinar link: <https://us06web.zoom.us/j/89591222887>
  - Telephone number: 1 (669) 444-9171
  - Meeting ID: 895 9122 2887

How to Submit Public Comment:

Comments may be provided in person at the physical meeting location. Comments may be submitted in writing to [meetings@sonomacleanpower.org](mailto:meetings@sonomacleanpower.org). For detailed public comment instructions, [please visit this page](#). Please note that live remote public comment will not be taken unless required by Government Code section 54953.8. If required, it will be announced by the Chair. Members of the public should attend in person or provide written comment to ensure they can provide public comment.

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

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

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

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

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

### **COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

1. Approve February 15, 2026, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 4**
2. Receive Monthly Financial Report (Staff Recommendation: Receive and File) **pg. 9**
3. Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Sonoma County Counsel in the Amount Not-To-Exceed of \$100,000 through December 31, 2028 (Staff Recommendation: Approve) **pg. 21**

### **COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

4. Receive Internal Operations Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 23**
5. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 25**
6. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 29**
7. Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2026-2027 (Staff Recommendation: Receive and File) **pg. 33**
8. Review Strategic Action Plan and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 49**

### **COMMITTEE MEMBER ANNOUNCEMENTS**

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

(Comments are restricted to matters within the Committee's jurisdiction. Please be brief and limit spoken comments to three minutes, or 300 words if written.)

### **ADJOURN**

## COMMONLY USED ACRONYMS AND TERMS

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



**DRAFT MEETING MINUTES  
COMMUNITY ADVISORY COMMITTEE MEETING  
THURSDAY, FEBRUARY 19, 2026  
1:00 P.M.**

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**CALL TO ORDER**

(1:00 p.m. - Video Time Stamp: 00:02:45)

Chair Lipp called the meeting to order.

Committee Members present: Chair Lipp, Members Hollinshead, Wang, Young, Hagen, Heffler, Morris and Nicholls. Members Soto, Pollard, and Baird were absent.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Garth Salisbury, Chief Financial Officer and Treasurer; Ryan Tracey, Chief Strategy Officer; Stephanie Reynolds, Director of Internal Operations; Neal Reardon, Director of Policy & Legislative Affairs; Miles Horton, Legislative Policy & Community Engagement Manager; Chris Golik, Senior Finance Manager; Karen Flores, Clerk of the Board

**COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR**

(1:03 p.m. - Video Time Stamp: 00:03:25)

*1:03p.m. Member Soto entered the meeting*

1. Approve January 15, 2026, Draft Community Advisory Committee Meeting Minutes
2. Receive Monthly Financial Report
3. Receive update on PG&E's Base Service Charge - Formerly Known as the "Graduated Income Fixed Charge"
4. Generation Rates Effective February 1, 2026
5. Receive Internal Operations Report and Provide Feedback as Appropriate

Public Comment: None

Motion to approve the February 19, 2026, Community Advisory Committee Consent Calendar by Member Morris

Second: Member Hollinshead

Motion passed by roll call vote.

AYES: Lipp, Hollinshead, Soto, Wang, Young, Hagen, Heffler, Nicholls, Morris

## **COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR**

6. Nominate and Appoint a Chair and Vice Chair of the Community Advisory Committee for 2026

(1:05 p.m. – Video Time Stamp: 00:05:12)

The committee voted to keep Chair Lipp as the Chair for 2026 and nominated member Heffler as Vice Chair for 2026.

Public Comment: None

Motion to nominate and approve Spencer Lipp as Chair of the Community Advisory Committee by Member Nicholls.

Second: Member Morris

Motion passed by roll call vote.

AYES: Lipp, Hollinshead, Soto, Wang, Young, Hagen, Heffler, Nicholls, Morris

Motion to nominate and approve Michael Heffler as Vice Chair of the Community Advisory Committee by Chair Lipp.

Second: Member Hagen

Motion passed by roll call vote.

AYES: Lipp, Hollinshead, Soto, Wang, Young, Hagen, Heffler, Nicholls, Morris

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

(1:10 p.m. – Video Time Stamp: 00:09:45)

Neal Reardon, Director of Policy & Legislative Affairs, provided an update on recent California Public Utilities Commission (CPUC) appointments. Director Reardon spoke about an update on the CPUC's Integrated Resource Planning (IRP) proceeding and a proposed procurement order requiring 6,000 MW of new statewide resources by 2032, noting that such orders tend to increase costs due to competition for a limited number of viable projects

Miles Horton, Legislative Policy & Community Engagement Manager, provided an update on the three bills SCP is sponsoring in 2026. Mr. Horton described a 4<sup>th</sup>

bill that SCP is interested in sponsoring this year. This bill would address the issue of transmission capacity constraints. The goal of the bill is to allow more resources to be added to the grid by not requiring resources to meet resource adequacy 100% of the time.

Public Comment: None

8. Recommend the Board of Directors Approve the Proposed Guidelines for New Public-Private Partnerships for the Geothermal Opportunity Zone

(1:41 p.m. – Video Time Stamp: 00:41:30)

Ryan Tracey, Chief Strategy Officer, briefed the committee on lessons learned from last year's termination of agreements with Chevron and Cyrq and outlined a new strategy for advancing the Geothermal Opportunity Zone. CSO Tracey highlighted progress on a parallel statewide initiative through California Community Power, which recently executed "GEODE" agreements to support geothermal development and provide early commercial signals to the industry. SCP plans to shift from broad public solicitations to targeted bilateral agreements in the next round, supported by newly proposed guidelines emphasizing local project focus, partner expertise, scalability, ratepayer benefits, workforce and labor commitments, environmental safeguards, and transparency.

Public Comment: Fred Allebach asked staff to clarify the differences between Calpine's technology and closed-loop geothermal systems, the technologies SCP is considering for the GeoZone, and what authority SCP has in Mendocino County to pursue its 600 MW geothermal goal compared with private developers like Chevron. Woody Hastings with the Climate Center expressed support for SCP's evolving GeoZone work and its inclusion of workforce, environmental, and transparency criteria, while raising questions about the rationale for using bilateral agreements instead of open solicitations and suggesting SCP also consider midscale geothermal solutions that support community level resilience rather than focusing solely on large utility-scale projects. Bill Brockenborough, a Mendocino County resident, expressed strong support for the GeoZone effort and urged SCP to prioritize financially capable partners and to require developers to bring major firms with substantial balance sheets to ensure geothermal projects can be successfully financed and built. Dan McCullough of the North Coast Carpenters Union requested that the Carpenters, Pile Drivers, and Millwrights be directly included in any project labor agreement negotiations, noting they are not part of the building trades council. Jay Goldin asked for more detail on why SCP's agreements with Cyrq Energy and Chevron were terminated and what those companies were unable to find in local geothermal resources, and he also echoed support for exploring smaller scale geothermal options for community resilience.

Motion to Recommend the Board of Directors Approve the Proposed Guidelines for New Public-Private Partnerships for the Geothermal Opportunity Zone and to Include Public Participation and Transparency by Member Nicholls

Second: Member Hollinshead

Motion passed by roll call vote.

AYES: Lipp, Hollinshead, Soto, Wang, Young, Hagen, Heffler, Nicholls, Morris

9. Recommend the Board of Directors Approve the Proposed Budget Adjustments for Fiscal Year 2025-2026

(2:26 p.m. – Video Time Stamp: 01:26:02)

Garth Salisbury, Chief Financial Officer and Treasurer, introduced the item and explained that there is about a month's delay when seeing financial results. Chris Golik, Senior Finance Manager, reported that the revised budget reflects a \$38 million increase in fund balance, \$69 million better than originally budgeted, driven primarily by a \$72 million reduction in energy costs due to lower market prices, mild weather, project delays, and the absence of severe events, along with lower-than-expected electricity sales and higher investment income.

Public Comment: None

Motion to Recommend the Board of Directors Approve the Proposed Budget Adjustments for Fiscal Year 2025-2026 by Member Nicholls

Second: Member Heffler

Motion passed by roll call vote.

AYES: Lipp, Hollinshead, Soto, Wang, Young, Hagen, Heffler, Nicholls, Morris

10. 2026 Integrated Resource Plan (IRP) Public Input and Alternatives Discussion

(2:42 p.m. – Video Time Stamp: 01:41:50)

CSO Tracey presented the scope, assumptions, and modeling approach for the 2026 Integrated Resource Plan (IRP), outlining regulatory requirements, recent market shifts, and SCP's transition to a decision making under uncertainty framework. Staff reviewed progress since the 2022 IRP— including major new solar, storage, wind, geothermal, small hydro, and storage contracts— and described candidate supply side resources, emerging technologies, local development opportunities through GeoZone and the Capital Projects team, and proposed customer-facing solutions such as expanded GridSavvy demand response and largescale load shifting. Committee members discussed the

importance of capturing behind-the-meter storage and virtual power plant potential, exploring long-duration storage options, addressing permitting and interconnection barriers, and balancing local development with affordability.

Public Comment: Bob Anderson thanked the Community Advisory Committee members for the work they do and asking the hard questions.

### **COMMITTEE MEMBER ANNOUNCEMENTS**

(4:02 p.m. - Video Time Stamp: 03:02:28)

Member Hagen shared that Woody Hastings will be speaking about geothermal energy in Sebastopol at “Science Buzz Café,” a forum hosted a few times a month on Mondays at HopMonk regarding science.

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

(4:03 p.m. - Video Time Stamp: 03:03:21)

Public Comment: None

### **ADJOURN**

(4:04 p.m. - Video Time Stamp: 03:03:35)

The meeting was adjourned by unanimous consent.



## Staff Report – Item 02

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

**From:** Garth Salisbury, Chief Financial Officer & Treasurer  
Chris Golik, Senior Finance Manager  
Jennifer Rafferty, Financial Analyst

**Issue:** Receive Monthly Financial Report

**Date:** March 19, 2026

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### Monthly Financial Report

The Financial Report is to inform the Community Advisory Committee (Committee) of monthly financial results and includes a summary of investments and investment activity in SCP's portfolio. The Investment Report and associated attachments are to inform the Board pursuant to the requirements of SCP's Financial Policy B.5 Investments and Government Code Section 53607. This is an informational item only.

SCP utilizes River City Bank for most of its operations. To mitigate potential operational issues and bolster business continuity, SCP has opened an account with J.P. Morgan for backup banking services.

The January 2026 financial results below are compared against revision 1 of the FY2025/26 Budget, which was adopted by Sonoma Clean Power's Board of Directors (Board) on October 2, 2025. Financial results will be compared against revision 2 of the FY2025/26 Budget, which was adopted by the Board on March 5, 2026, beginning with February 2026 financial results.

### Monthly Compiled Financial Statements (January 31, 2026)

The year-to-date change in net position is more than projections by approximately \$79,837,000. Year-to-date revenue from electricity sales is above budget by approximately 2% and cost of energy is under budget projections by approximately 47%. Year-to-date electricity sales reached \$155,498,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$302,429,000. Approximately \$324,252,000 is set aside for operating reserves as of June 30, 2025.

Other operating expenses continued near or slightly below planned levels for the year.

### **Budgetary Comparison Schedule (January 31, 2026)**

The accompanying budgetary comparison includes the 2025/26 Amended Budget approved by the Board of Directors.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2025/26 YTD Amended Budget, allocates the Board approved annual budget at expected levels throughout the year with consideration for the timing of additional customers, usage volumes, staffing needs etc. This column represents our best estimates, and this granular approach was not part of the Board approved budget.

Revenue from electricity sales to customers is greater than budget by approximately 2% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 47%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases as well as supplier delivery delays related to long-term Power Purchase Agreements (PPAs).

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

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 Committee 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 2026).

SCP currently maintains bank accounts and investments at River City Bank (RCB), Summit State Bank, the State of California Local Agency Investment Fund (LAIF), USBank, and J.P. Morgan. Active individual securities are held at RCB, USBank and JPMorgan. 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 about \$84 million of SCP's reserves. All investments directed by CAM are held at SCP's custodian, USBank. All investments held as of February 28, 2026, 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, 2026, 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, 2026, appears as Attachment 7.

### J.P. Morgan

The J.P. Morgan investment balance as of February 28, 2026, appears as Attachment 8.

## **Agency Goals**

SCP's Financial Report, and more broadly, its financial decisions, directly support two of the Agency's 2026 goals.

1. Recommend and take all necessary actions to protect customers from rate shock in 2026.
7. Maintain SCP's 'A' credit rating to support cost-effective power procurement.

## Attachments

- Attachment 1 – January 2026 Financial Statements
- Attachment 2 – January 2026 Budgetary Statement
- Attachment 3 – February 2026 Statement of Investments Held at USBank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 4 – February 2026 Statement of Transactions at USBank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 5 – February 2026 Statement of Investments Held at River City Bank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 6 – February 2026 Statement of Transactions at River City Bank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 7 – February 2026 Statement of Investments Held at the Local Agency Investment Fund, available at [this link](#) or by request to the Clerk of the Board
- Attachment 8 – February 2026 Statement of Investments Held at J.P. Morgan, available at [this link](#) or by request to the Clerk of the Board



## 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 January 31, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the seven 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  
March 5, 2026

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF NET POSITION

As of January 31, 2026

### ASSETS

Current assets	
Cash and cash equivalents	\$ 237,967,851
Accounts receivable, net of allowance	15,579,006
Other receivables	3,974,408
Accrued revenue	8,418,295
Prepaid expenses	1,102,411
Loan receivable	6,101
Deposits	930,008
Investments	97,424,482
Total current assets	<u>365,402,562</u>
Noncurrent assets	
Investments	79,542,816
Loan receivable	3,319,560
Other receivables	806,006
Deposits	16,000
Capital assets, net of depreciation	18,173,060
Total noncurrent assets	<u>101,857,442</u>
Total assets	<u>467,260,004</u>

### LIABILITIES

Current liabilities	
Accrued cost of electricity	20,516,686
Accounts payable	2,196,237
Other accrued liabilities	2,204,326
User taxes and energy surcharges due to other governments	571,829
Supplier security deposits	510,000
Total current liabilities	<u>25,999,078</u>
Noncurrent liabilities	
Supplier security deposits	1,332,121
Total liabilities	<u>27,331,199</u>

### DEFERRED INFLOWS OF RESOURCES

Rate stabilization fund	<u>137,500,000</u>
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### NET POSITION

Investment in capital assets	17,813,545
Unrestricted	284,615,260
Total net position	<u>\$ 302,428,805</u>

**SONOMA CLEAN POWER AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**Seven Months Ended January 31, 2026**

**OPERATING REVENUES**

Electricity sales, net	\$ 153,646,506
Evergreen electricity premium	1,851,384
Liquidated damages	15,032,388
Grant revenue	355,174
Total operating revenues	170,885,452

**OPERATING EXPENSES**

Cost of electricity	91,018,840
Contract services	5,626,542
Staff compensation	7,073,359
Program rebates and incentives	1,629,692
Other operating expenses	1,737,401
Depreciation	834,891
Total operating expenses	107,920,725
Operating income	62,964,727

**NONOPERATING REVENUES (EXPENSES)**

Investment income	9,866,873
Charitable contribution	(250,000)
Nonoperating revenues (expenses), net	9,616,873

**CHANGE IN NET POSITION**

	72,581,600
Net position at beginning of year	229,847,205
Net position at end of period	\$ 302,428,805

# SONOMA CLEAN POWER AUTHORITY

## STATEMENT OF CASH FLOWS Seven Months Ended January 31, 2026

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 160,898,747
Receipts from grantors	301,811
Receipts of security deposits and liquidated damages revenue	19,651,124
Receipts from wholesale sales and other operating activities	26,240,975
Payments to electricity suppliers	(113,858,440)
Payments for other goods and services	(7,670,291)
Payments for staff compensation	(7,140,149)
Payments for program rebates and incentives	(1,541,435)
Payments of taxes and surcharges to other governments	(2,128,475)
Deposits and collateral paid	<u>(2,054,000)</u>
Net cash provided (used) by operating activities	<u>72,699,867</u>

### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	<u>(1,056,432)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	7,286,016
Proceeds from sales and maturities of investments	13,485,980
Loan principal received	1,323
Purchase of investments	(28,037,885)
Loan issued	<u>(3,326,984)</u>
Net cash provided (used) by investing activities	<u>(10,591,550)</u>

Net change in cash and cash equivalents	61,051,885
Cash and cash equivalents at beginning of year	<u>176,915,966</u>
Cash and cash equivalents at end of period	<u>\$ 237,967,851</u>

### SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 359,515
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### NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ 2,594,448
Change in interest receivable	\$ (13,591)

**SONOMA CLEAN POWER AUTHORITY**

**STATEMENT OF CASH FLOWS**

**(Continued)**

**Seven Months Ended January 31, 2026**

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

Operating income (loss)	\$ 62,964,727
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	834,891
Charitable contributions considered an operating activity for cash flow purposes only	(250,000)
(Increase) decrease in:	
Accounts receivable, net of allowance	(866,938)
Other receivables	2,442,849
Accrued revenue	4,211,670
Prepaid expenses	422,594
Deposits	5,599,065
Increase (decrease) in:	
Accrued cost of electricity	872,312
Accounts payable	193,218
Other accrued liabilities	284,182
User taxes due to other governments	(72,350)
Supplier security deposits	(3,936,353)
Net cash provided (used) by operating activities	<u>\$ 72,699,867</u>



## 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 seven months ended January 31, 2026, 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  
March 5, 2026

**SONOMA CLEAN POWER AUTHORITY  
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND  
Seven Months Ended January 31, 2026**

	2025/26 YTD			2025/26 YTD			2025/26 YTD			2025/26		
	Amended Budget	Actual	Amended Budget Variance (Under) Over	Actual	Amended Budget Variance (Under) Over	Actual / Amended Budget %	Amended Budget	Amended Budget	Amended Budget	Amended Budget	Amended Budget	Budget Remaining
<b>REVENUE AND OTHER SOURCES:</b>												
Electricity (net of allowance) *	\$ 150,750,101	\$ 153,647,253	\$ 2,897,152			102%	\$ 228,694,000	\$ 75,046,747				
Evergreen Premium (net of allowance)	1,837,500	1,851,384	13,884			101%	3,150,000	1,298,616				
CEC Grant Proceeds	576,523	355,174	(221,349)			62%	863,000	507,826				
Investment returns	7,000,000	9,866,873	2,866,873			141%	12,000,000	2,133,127				
Total revenue and other sources	160,164,124	165,720,684	5,556,560			103%	244,707,000	78,986,316				
<b>EXPENDITURES AND OTHER USES:</b>												
<b>CURRENT EXPENDITURES</b>												
Cost of energy and scheduling	143,880,689	75,987,200	(67,893,489)			53%	234,986,000	158,998,800				
Data management	1,959,300	1,964,103	4,803			100%	3,359,000	1,394,897				
Service fees- PG&E	577,500	580,691	3,191			101%	990,000	409,309				
Personnel	7,278,439	7,073,359	(205,080)			97%	12,781,000	5,707,641				
Marketing & communications	2,633,604	1,817,636	(815,968)			69%	4,415,000	2,597,364				
Customer service	153,250	110,925	(42,325)			72%	220,000	109,075				
General and administration	1,365,099	1,154,356	(210,743)			85%	2,309,000	1,154,644				
Legal	306,250	310,921	4,671			102%	525,000	214,079				
Regulatory and compliance	210,000	84,285	(125,715)			40%	360,000	275,715				
Accounting	219,050	214,200	(4,850)			98%	340,000	125,800				
Legislative	128,333	127,000	(1,333)			99%	220,000	93,000				
Other consultants	404,525	321,718	(82,807)			80%	535,000	213,282				
Industry memberships and dues	518,462	582,949	64,487			112%	888,000	305,051				
Program implementation	4,084,380	1,974,850	(2,109,530)			48%	6,481,000	4,506,150				
Total current expenditures	163,718,881	92,304,193	(71,414,688)			56%	268,409,000	176,104,807				
<b>OTHER USES</b>												
Capital outlay	4,258,667	1,392,947	(2,865,720)			33%	7,022,000	5,629,053				
Total expenditures, other uses	167,977,548	93,697,140	(74,280,408)			56%	275,431,000	181,733,860				
Net increase (decrease) in available fund balance	\$ (7,813,424)	\$ 72,023,544	\$ 79,836,968				\$ (30,724,000)	\$ (102,747,544)				

\* Represents sales of approximately 1,233,000 MWh for 2025/26 YTD actual.

	Balance - as of June 30, 2025	Long-Term Targeted	% of Long-Term Target
RESERVES	\$ 324,252,000	\$ 267,909,000	121%
Reserves and Rate Stabilization Funds			

**SONOMA CLEAN POWER AUTHORITY**  
**BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)**  
**RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE**  
**TO CHANGE IN NET POSITION**  
**Seven Months Ended January 31, 2026**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 72,023,544
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(834,891)
Add back capital asset acquisitions	1,392,947
Change in net position	\$ 72,581,600



### Staff Report – Item 3

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

**From:** Geof Syphers, Chief Executive Officer  
Rebecca Simonson, Director of Capital Projects & Engineering

**Issue:** Recommend the Board of Directors Approve and Delegate Authority to the Chief Executive Officer or His Designee to Execute a Legal Services Agreement with Sonoma County Counsel in the Amount Not-To-Exceed of \$100,000 through December 31, 2028

**Date:** March 19, 2026

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#### **Requested Action**

Staff requests that the Community Advisory Committee recommend that the Board of Directors approve and delegate authority to the Chief Executive Officer or his designee to execute a Legal Services Agreement with Sonoma County Counsel with a not-to-exceed budget of \$100,000 through December 31, 2028.

#### **Background**

Sonoma Clean Power utilizes several firms for its legal service needs. This includes Sonoma County Counsel, which currently provides Special Counsel services to Sonoma Clean Power's Capital Projects and Engineering Department. SCP uses different counsels for SCP's other departments, attending Board of Directors meetings, providing advice on Brown Act and similar transparency laws, and for energy and other regulatory matters.

SCP previously entered into a Legal Services Agreement with Sonoma County Counsel in September of 2025 to provide specialized counsel on public works projects. This contract was within the CEO's authority to execute without Board Approval (<\$50,000 with a member agency of SCP).

## **Discussion**

SCP Capital Projects & Engineering department has been working with Sonoma County Counsel since September 2025 to provide legal advice for specific public works projects.

SCP is pleased with the services provided to date and would like to enter a contract with an increased dollar value to enable Sonoma County Counsel to continue this work.

This agreement would remain terminable by SCP at its election with written notice.

## **Fiscal Impact**

The total proposed not-to-exceed amount for the agreement is \$100,000 through December 31, 2028.

## **Attachments**

- Draft Legal Services Agreement with Sonoma County Counsel, available at [this link](#) or by request from the Clerk of the Board.



**Staff Report – Item 04**

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

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

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

**Date: March 19, 2026**

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**CUSTOMER ENERGY SOLUTIONS UPDATES**

**Redwood Bike Share Partnership**

Sonoma County Transportation and Climate Authorities (SCTCA) received an \$826,000 grant from the Metropolitan Transportation Commission for a two-year electric bikeshare pilot. In support of micromobility, SCP sponsored the Redwood Bikeshare hub station at 4th St & E St (across from the SCP Customer Center) through a two-year agreement that started in May 2025. As a sponsor, Sonoma Clean Power helps promote the e-bikes and receives free ride passes.

The SCP-sponsored hub has generated 660 one-way trips (20% of all Santa Rosa bikeshare activity), with 37% of trips at the hub connecting to the SMART Downtown Station during commute hours. These usage patterns suggest that employees adopt e-bikes for commuting when infrastructure makes it practical and that e-bikes can help address first and last mile barriers for using public transit.

County-wide, the program has recorded 11,500+ trips since October 2024 with 3,000 unique riders. More than 60% of all trips connect to SMART stations, and monthly members average 14.5 trips per user, indicating regular commuter adoption. Additional participation and performance data, as well as program continuation will be reviewed at a SCTCA board meeting this spring.

**CALeVIP Final Results**

From 2020 to 2025, Sonoma Clean Power partnered with the California Energy Commission and the Northern Sonoma County Air Pollution Control District through the California Electric Vehicle Infrastructure Program (CALeVIP) to provide rebates for installing public Level 2 and DC fast chargers. Over the five-year program, 225 chargers were installed across the region (196 Level 2 connectors and 29 DC fast

chargers) with 29% of completed site funding directed to disadvantaged or low-income communities.

In June 2022, SCP launched a complementary initiative, Fast Charge for All, offering up to \$80,000 for fast-charging stations serving coastal and low-income residents. Drawing from wait-listed CALeVIP applicants who met rural or low-income siting criteria, the program delivered two completed sites in Fort Bragg and Bodega Bay, with nine fast chargers now serving those communities.

In total, \$3,300,000 was provided in the SCP service territory through CALeVIP.

### **UPCOMING MEETINGS**

- Board of Directors – April 2, 2026
- Community Advisory Committee – April 16, 2026
- Board of Directors – May 7, 2026
- Community Advisory Committee – May 21, 2026

### **AGENCY GOALS**

This Internal Operations update, which is provided monthly to the Board of Directors and Community Advisory Committee provides background on how all SCP staff support several Agency Goals, such as taking actions to protect customers, working on outreach to underrepresented communities, and maintaining a strong credit rating. We work to support our Board, Committee and all internal staff in their various work.



## Staff Report – Item 05

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

**From:** Neal Reardon, Director of Policy & Legislative Affairs  
Miles Horton, Legislative Policy & Community Engagement Manager  
Geof Syphers, Chief Executive Officer

**Issue:** Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Recommendation: Receive and File)

**Date:** March 19, 2026

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### Requested Action

Receive legislative and regulatory updates and provide feedback as appropriate.

### Regulatory Updates

#### Governor Newsom Appoints New CPUC President and CPUC Commissioner

On February 18<sup>th</sup>, Governor Newsom named a new CPUC President and CPUC Commissioner. The current President, Alice Reynolds, is stepping down to join the California Independent System Operator Board of Governors. Her six-year term at the CPUC was scheduled to run through December 31, 2027. She will be replaced by John Reynolds, a current CPUC Commissioner first appointed in December of 2021. Mr. Reynolds' term as President will run through December of 2028. The press release from Newsom's Office emphasized the continued need for focus on affordable service, and highlighted Commissioner Reynolds' experience overseeing rate cases.

The newly appointed Commissioner, Christine Harada of Los Angeles County, has served as the Undersecretary of the California Government Operations Agency since 2025. Prior to that role, she served as Senior Advisor at the United States Office of Management and Budget from 2023-2025 and was the Executive Director at the Federal Permitting Improvement Steering Council from 2021 to 2023. While she has yet to be confirmed by the Senate, she can begin performing her duties as a Commissioner in March.

#### CPUC Adopts Decision Requiring New Resource Procurement

On February 26<sup>th</sup>, the CPUC approved a Decision requiring all load serving entities (LSEs) to procure additional resources between 2029-2032. Two days prior to the vote, the assigned judge issued a suite of changes to the proposal she'd issued in January.

The Decision requires an additional 2,000 MWs of capacity to come online in 2030, 2031, and 2032 – for a statewide total of 6,000 MW. Sonoma Clean Power's proposed share of the total requirement, which is based on our territory's share of electric load, is 23 MW in 2030 and 45 MW in 2032 for a total of 68 MW. A new stipulation in the Decision is that at least one quarter of the 6,000 MW total procurement must come from either:

- 1) Clean firm resources which have a capacity factor of at least 80 percent and/or
- 2) Long-duration storage resources which are able to discharge for at least 8 hours

Additionally, the Decision now directs the California Independent System Operator to plan transmission around 750 MW of new geothermal resources in Northern Nevada – instead of in California. The System Operator is directed to study the required transmission infrastructure to import capacity between Nevada and the Malin substation in California.

The proposal did not come as a surprise. It followed a Ruling last September seeking input from stakeholders on the need for additional resources. CalCCA submitted a response on behalf of all CCAs and advocated that if CCAs were already exceeding procurement requirements, that excess capacity should be eligible to count towards the requirements in this order. In addition, CalCCA recommended that any procurement order start with 4,000 MW and re-evaluate the need for additional resources in the future.

Sonoma Clean Power staff joined CalCCA in meeting with 4 Commission Offices and highlighted the negative impacts procurement orders have on market prices and, correspondingly, customer bills. While the Decision did not adopt the lower 4,000 MW procurement amount, it did state that the intent is not to require procurement at any cost and provided a framework for LSEs to show evidence that they put forward a good faith effort but were unable to find reasonable prices in response to solicitations.

Importantly, it also specified that any procurement in excess of previous orders would be counted as eligible to meet the capacity targets in the instant order. However, existing procurement would have to match the required online dates as well as the new provision that a quarter of the resources come from clean firm or long duration storage.

Existing legislation requires that all load serving entities provide a minimum of 90% clean electricity by 2035.

## Legislative Updates

Sonoma Clean Power staff are continuing to work on our four sponsored legislative efforts this year. The Board of Directors had previously approved advancing these three bill proposals, and most recently approved sponsorship of AB 2369 at their March 5 meeting pursuant to the Committee's recommendation:

- Another attempt to exempt geothermal exploration wells meeting a high standard of environmental, labor, and tribal resource and cultural protections from review under the California Environmental Quality Act. Federal policy already exempts these types of wells from environmental review under the National Environmental Policy Act, putting California at a significant competitive disadvantage. This bill would be similar to AB 527, which was vetoed last year. Assemblymember Diane Papan has introduced AB 2234 as a placeholder to move this idea forward.
- Securing roughly \$40-50 million in state funding, possibly through the Greenhouse Gas Reduction Fund, for new geothermal exploration wells in areas of California that have high potential for next-generation geothermal development, including Sonoma and Mendocino Counties. The goal would be to develop better geologic data for these areas and lower the risk of future geothermal development, similar to how the federal government's "Utah FORGE" project galvanized new development in that region.
- AB 2111 (Papan), which aims to revamp the transmission planning process in California to produce a more flexible, adaptable system that can lower ratepayer costs over the long term and allow faster interconnection of new renewable energy resources. This is based off the research that SCP and Peninsula Clean Energy sponsored through Princeton University's ZERO Lab.
- AB 2369 (Rogers), which is still a non-substantive placeholder bill at the time of writing. This bill aims to allow resources that are not "fully deliverable" to still interconnect and deliver resource adequacy value to the grid under an approach similar to a "connect & manage" framework.

Both AB 2111 and AB 2369 are co-sponsored by the Abundance Network. AB 2111 is also co-sponsored by Peninsula Clean Energy.

Separately, our statewide association, CalCCA, is also sponsoring two pieces of legislation this year. While they were not in print in time for the most recent Committee meeting, the Board voted to support both of these pieces of legislation at their March 5 meeting:

- AB 1761 (Rogers): This legislation would improve transparency around the calculation of the Power Charge Indifference Adjustment (PCIA). The PCIA has a significant impact on anyone who pays an electric bill (not just CCA customers), but the ways in which it is set each year are often obscure. AB 1761 is a commonsense measure that would simply increase transparency around the inputs into the valuation of the PCIA so that this important process is happening in the public eye.
- SB 1138 (Padilla): Today, load-serving entities like SCP are required to secure resource adequacy on an hourly basis (for example, a load-serving entity should not be able to count an overproduction of solar power during the day toward its resource adequacy requirements in the middle of the night). Unfortunately, load-serving entities can only buy or sell resource adequacy on a monthly basis, meaning that they may need to buy a whole extra month's worth of supply to cover just a few additional hours. This is like having to buy a whole carton of lemons when you only want one slice to put in your iced tea. The extra expense ultimately falls on ratepayers, who are paying hundreds of millions of dollars each year for this legal inanity. SB 1138 is another commonsense measure that simply allows resource adequacy to be bought and sold on an hourly basis.

### **Agency Goals**

This item aligns with several agency goals. The achievement of Goals 3 & 4 (reducing reliance on natural gas power, including through development of “clean firm” power sources like geothermal as part of our GeoZone effort) is heavily reliant on statutory changes that make it more straightforward and cost-effective to build new geothermal power plants in California. Goal 10 (continuing to develop Sonoma Clean Power’s leadership on transmission planning in a manner that advances ratepayer affordability and climate progress) will also be served by advancing AB 2111 and AB 2369 in 2026.

### **Attachments**

- None.



## Staff Report – Item 06

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

**From:** Ryan Tracey, Chief Strategy Officer  
Geof Syphers, Chief Executive Officer  
Miles Horton, Legislative Policy & Community Engagement Manager  
Claudia Sisomphou, Director of Community & Governmental Relations

**Issue:** Receive Geothermal Opportunity Zone Update

**Date:** March 19, 2026

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### Background

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

### Partner Updates

In their February meeting, the Board of Directors approved the proposed guidelines recommended by the Committee for negotiating bi-lateral public-private partnership agreements with new GeoZone partners. Staff have begun meeting with prospective partners and will return to the Committee to review any resulting agreements.

As previously shared, SCP's GeoZone partner Eavor reached the important milestone of commissioning its first commercial closed-loop system in Geretsried, Germany at the end of 2025. Eavor has shared that performance thus far at Geretsried is aligned with the project's thermodynamic modeling. With Geretsried online, SCP anticipates a more focused effort with Eavor on locating potential sites for its GeoZone project.

## Department of Energy Funding Opportunity

On February 25, the Department of Energy (DOE) announced \$171.5 million in funding to support geothermal development ([link to announcement](#)). The funding opportunity includes two topic areas open for applications: \$100 million for early commercial-scale field tests for enhanced geothermal systems (EGS) and \$71.5 million for exploration drilling to characterize next-generation and hydrothermal opportunities. The funding for exploration drilling is well-aligned with SCP's own proposal to seek state funding for drilling that can unlock next-generation geothermal opportunities.

The funding opportunity has a condensed application period – with full applications due April 30<sup>th</sup>. Staff are reviewing potential opportunities for SCP to support applications—especially those supporting development in SCP's region or California Community Power (CC Power) opportunities within the state—but are also conscious of the political headwinds a California project may face. Given that other neighboring states will likely benefit from DOE funding, SCP sees the state funding as especially important to maintain competitiveness.

## Procurement Order and 2026-27 Transmission Plan

At the end of February, the California Public Utilities Commission (CPUC) voted out a decision ([link to decision](#)) ordering 6,000 megawatts of additional procurement by California load serving entities (LSEs), including SCP, by 2032. The CPUC stipulated that 1,500 MW must be from clean firm or long-duration energy storage resources. Although many LSEs may procure 8-hour battery storage to qualify as long-duration, SCP anticipates that the new procurement order will further incentivize geothermal procurement. This new order is on top of the 1,000 MW specifically ordered for clean firm in a prior CPUC decision and 1,000 MW that the Department of Water Resources will begin shopping for next year.

The same February CPUC decision identified the resource portfolios that will be used as the basis for the California Independent System Operator's (CAISO) 2026-27 Transmission Plan. The CPUC portfolios contain a record level of new geothermal development with 5,100 MW of total new development. Of that total, 418 MW are mapped to the Sonoma-Lake-Mendocino region. SCP was significantly engaged in the CPUC's process for developing the IRP portfolios and achieved the following important outcomes:

- The CPUC adopted a much more robust and expansive approach to handling “unaccounted for transmission plan deliverability,” which has been a key barrier to approving regional transmission upgrades. The CPUC's new guidance specifically asks CAISO to resolve this issue and reserves deliverability for geothermal development.
- The CPUC has explicitly asked CAISO to use its sensitivity portfolio for informing transmission planning decisions. The sensitivity portfolio contains 8,300 MW of

geothermal development.

- The CPUC remapped geothermal capacity originally located at the Malin intertie in Southern Oregon to the in-state substation Hilltop in Northeastern California. Mapping capacity at Hilltop provides a greater opportunity for in-state development in the Modoc Plateau.

CAISO has already kicked-off its 2026-27 Transmission Plan, and SCP has started engagement in earnest to confirm that the outcomes above ultimately translate to the upgrades needed to facilitate interconnection of local resources.

### **Agency Goals**

The GeoZone activities are directly related to the 2026 agency goal to continue progress on the GeoZone, which SCP sees as a key initiative in supporting deployment of technology that will be critical to meeting long-term climate goals, addressing affordability, and providing reliability while creating local economic opportunities.

### **Attachments**

- None.

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## Staff Report – Item 07

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

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

**Issue:** Review and Provide Feedback on the Draft Annual Budget for Fiscal Year 2026-2027

**Date:** March 19, 2026

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### Recommendation

Review and provide feedback on the Draft Fiscal Year 2026-2027 (FY 2026/27) Annual Budget.

### Summary

Staff present a draft budget for FY 2026/27 which runs from July 1, 2026, through June 30, 2027, that:

- Plans for SCP's next rate change on or about February 1, 2027
- Aims for SCP customer bills to stay within 3% of PG&E bundled customer total electric bills through December 31, 2026 (subject to no surprises)
- Returns a projected \$47.2 million of Rate Stabilization Fund deferred revenues to ratepayers

### Background

Staff present a budget for FY 2026/27 that continues to fulfill SCP's adopted goals for providing electricity from very low greenhouse gas sources, investing in renewables, operating the Customer Center, utilizing 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. One such groundbreaking offering is our EverGreen service, first introduced in 2014. EverGreen was the nation's first electric supply that provides 100%

local renewable energy 24/7 without any reliance on fossil energy sources for any purpose.

### **Rate History and Financial Planning**

From its inception until early 2020, SCP consistently delivered lower overall bills to customers every year. This was possible because SCP set its electric generation rates significantly below PG&E's, more than offsetting the Power Charge Indifference Adjustment (PCIA) fee charged to SCP customers. These competitive rates resulted in tens of millions of dollars in cumulative customer savings beginning in 2014, while also allowing SCP to build healthy financial reserves over time. All comparisons to PG&E are presented as total electric bill premium or savings.

From May 2020 through March 2022, SCP faced market conditions and PCIA dynamics that required temporarily setting rates that resulted in customer bills 5% above PG&E's bundled service. Even during this period, SCP maintained sound financial practices and ensured that rates remained stable and predictable. SCP eliminated this premium in April 2022, and following the February 1, 2023 rate adjustment, SCP targeted approximately 5% savings on total customer bills. Between February 2023 and September 1, 2025, SCP achieved customer savings between 3% and 7% below PG&E, while continuing to add to reserves when conditions allowed.

Throughout 2025, SCP anticipated that PG&E would reduce its generation rates and substantially increase the PCIA on January 1, 2026. When PG&E later published its January 2026 rates, those expectations were confirmed. Staff determined that maintaining competitive rates in 2026 would require SCP to reduce its own rates significantly, a move that would necessitate a draw down SCP's long-term financial reserves. Recognizing this coming pressure, SCP took the proactive step in September 2025 by lowering its savings target to approximately 0.5% below PG&E. This deliberate adjustment generated additional revenue and strengthened reserves ahead of the expected 2026–2027 cost impacts and the consequent draw down of the Rate Stabilization fund.

On January 1, 2026, SCP implemented a planned rate reduction based on PG&E's expected January rates, using the reserves built up over prior years to shield customers from the full impact of rising PCIA and shifting market conditions. When PG&E's finalized January 2026 rates differed from the forecast values used by SCP, a further rate correction was necessary. SCP therefore updated its rates again on February 1, 2026. Beginning in February 2026, SCP targeted customer bills approximately 3% above PG&E's bundled bills—reflecting both PG&E's lower generation rates and PCIA increase

and the planned, responsible drawdown of SCP's reserves to maintain stable service and preserve long-term financial health.

This approach—strategically building reserves in favorable years and drawing them down during periods of volatility—is central to SCP's mission of providing long-term value and rate stability. Reserves act as a financial buffer, allowing SCP to smooth sudden cost changes, support predictable customer pricing, and maintain program stability even when market or regulatory conditions shift significantly.

It is important to note that the PCIA remains difficult to forecast. Its value depends on several factors: PG&E's internal decisions regarding market participation (such as whether to sell excess resource adequacy), frequent regulatory changes to the PCIA methodology, and volatility in natural gas driven energy and capacity markets. Because these drivers can change rapidly and significantly, staff will continue to provide routine updates to the Committee and Board 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 meet its Board's adopted plans and policies. The budgeting process is used to identify the Revenue Requirement or the cost of providing service.

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, 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, 2027. However, SCP's rates are always subject to change as forecasts of revenues and expenses vary with actual results.

### **Budget Overview**

The FY 2026/27 draft budget presented in this item seeks to:

- Procure a supply portfolio of electricity generation that meets the Board's adopted plans and policies.

- Emphasize customer incentives and education that support energy affordability and cut greenhouse gas emissions. 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.
- Continue to advocate for laws and regulations that lower costs, cut pollution, provide transparency, and protect customers.

### **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.

	Revision 2	DRAFT	
	Budget	Budget	Comments
	FY26-27	FY26-27	
<b>REVENUES &amp; OTHER SOURCES</b>			
Electricity Sales <sup>2</sup> (net of allowance)	\$ 221,379,000	\$ 191,288,000	SCP customers at rate parity with PG&Es bundled customers as of January 2027
Revenue from (to) Rate Stabilization Fund	(38,478,000)	47,203,000	Utilizing a portion of deferred revenues from Rate Stabilization Fund
EverGreen Premium <sup>2</sup> (net of allowance)	3,150,000	3,192,000	
CEC Grant Proceeds	863,000	2,133,000	Grants for Virtual Power Plant Approaches for Flexibility, Gas Transition, and Geothermal Study
Investment Returns	15,994,000	13,546,000	Lower interest rates and reserves
<b>Total Revenues</b>	<b>202,908,000</b>	<b>257,362,000</b>	
<b>EXPENDITURES</b>			
<b>Product</b>			
Cost of Energy & Scheduling <sup>3</sup>	162,463,000	218,001,000	Higher market prices including winter energy, severe weather contingency, and no damages from project delays
Data Management	3,359,000	3,420,000	
Service Fees to PG&E	990,000	996,000	
<b>Product Subtotal</b>	<b>166,812,000</b>	<b>222,417,000</b>	
<b>Personnel</b>	<b>12,781,000</b>	<b>14,009,000</b>	See details in write-up
<b>External Relations</b>	<b>4,415,000</b>	<b>3,883,000</b>	Prior fiscal year included BOSS partnership
<b>Customer Service</b>	<b>220,000</b>	<b>220,000</b>	
<b>General &amp; Administration</b>	<b>2,309,000</b>	<b>2,715,000</b>	Increased letter of credit fees for CPUC-required financial security
<b>Other Professional Services</b>			
Legal	525,000	545,000	
Regulatory & Compliance	360,000	360,000	
Accounting	340,000	362,000	
Legislative	220,000	220,000	
Other Consultants	535,000	953,000	Increase for Geothermal Study CEC grant that is fully offset by grant proceeds
<b>Other Professional Services Subtotal</b>	<b>1,980,000</b>	<b>2,440,000</b>	

	Revision 2	DRAFT	
	Budget	Budget	
	FY25-26	FY26-27	Comments
<b>EXPENDITURES - continued</b>			
Industry Memberships & Dues	888,000	1,114,000	Increased activity at California Community Power (CC Power)
Customer Energy Solutions <sup>4</sup>	6,481,000	5,347,000	See details in write-up
<b>Total Expenditures</b>	<b>195,886,000</b>	<b>252,145,000</b>	
<b>Revenues Less Expenditures</b>	<b>7,022,000</b>	<b>5,217,000</b>	
<b>OTHER USES</b>			
Capital Outlay	7,022,000	5,217,000	Utilization of local investment fund and design services for several projects
<b>Total Expenditures, Other Uses</b>	<b>202,908,000</b>	<b>257,362,000</b>	
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	No change in Fund Balance due to revenue from Rate Stabilization Fund

## 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 Net Energy Metering and Solar Billing Plan costs, ProFIT payments, California ISO fees and scheduling as well as all energy and capacity costs.
4. SCP's 0% interest customer loans, and the loan repayments, 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 currently 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 87% of eligible customers and load in SCP's service area 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 change the PCIA fee that they charge to SCP customers on January 1, 2027. Correspondingly, staff anticipates that SCP will update rates on or about February 1, 2027 to provide stability and remain competitive with PG&E bundled customer bills.

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 (e.g. hydropower), scheduling services, California Independent System Operator (“CAISO”) fees, and other miscellaneous power market expenses.

SCP has entered into long and intermediate term renewable and low carbon contracts with suppliers. SCP’s cost of energy is expected to increase in 2026 and again in 2027 due to several new projects coming online and projected increasing market prices of energy. Compared to recent years, SCP has a higher cash-flow exposure to the monthly fluctuations in energy market prices, but 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 \$5 million in FY 2026/27.

Major amounts of SCP’s customer load are also served by about 300 MW of customer-owned rooftop solar arrays. Customer over-generation of rooftop solar also reduces a small amount of the load of other SCP customers through SCP’s Net Energy Metering and Solar Billing Plan programs. However, none of this production is reportable on SCP’s Power Content Label because it is treated as a load reduction rather than energy supply under California regulations.

Based on current rates of participation, the total payout amount for SCP’s Net Energy Metering and Solar Billing Plan solar customers is estimated to be about \$881,500 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 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 CAISO settlement process, or “settlements.” CAISO settlements also entail addressing a number of other market and regulatory requirements. The impact on budgeting is that CAISO 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., Net Energy Metering, Solar Billing Plan, and ProFIT), billing technical support, customer relationship management software, 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. Management compares SCP staff salaries and benefits with the marketplace in order to remain competitive for high quality and performing staff. The staffing budget includes adjustments for 4-5 additional positions throughout the fiscal year.

## **External Relations**

In FY 2026/27, Sonoma Clean Power will continue prioritizing customer education, engagement, and brand awareness to ensure that our communities clearly understand who we are, what we offer, and how we partner with PG&E to deliver reliable service. Over the past several years, we have expanded outreach efforts to reach customers and community groups that are less familiar with SCP or the benefits of being an SCP customer. This work emphasizes meaningful engagement so customers know not only that SCP exists, but how we operate, what services we provide, and what distinguishes SCP from PG&E.

SCP will continue developing and implementing targeted campaigns to promote our customer programs and rebates, with GridSavvy serving as a key initiative. Because electric service and energy programs can be complex, our outreach will remain focused on making this information more accessible. This includes one-on-one education,

partnerships with community-based organizations, and ongoing engagement with diverse customer segments to both understand community needs and help customers navigate their energy choices.

To further strengthen our understanding of customer perceptions and preferences, SCP will continue conducting formal market research through surveys, focus groups, and demographic analysis. Insights from this research will shape a new customer onboarding campaign aimed at increasing awareness of SCP's offerings, tailoring communications, and expanding participation in our programs and services.

SCP will also continue and gradually expand its investments in youth education and workforce development, with an emphasis on STEM, building trades, and clean energy career pathways. This includes support for Schools Rule Mendocino County, the North Coast Builders Exchange's North Bay Construction Corps, and ongoing partnerships with Sonoma Water, the Career Technical Education Foundation, and the LIME Foundation. These initiatives help equip young people with the skills needed to participate in the region's growing clean energy economy.

Throughout the fiscal year, SCP's marketing and outreach strategy will focus on strengthening public understanding of SCP's mission and the value we deliver to customers, communities, and the environment. This work will be carried out through data-informed marketing campaigns, strategic public and media relations, community engagement and sponsorships, service and volunteer activities, and ongoing two-way communication to ensure customer needs and concerns are heard and addressed.

A significant majority of SCP's Marketing, PR & Events spending supports local organizations and contractors—including printers, writers, graphic designers, radio stations, web developers, social media support, photographers, caterers, carpenters, and other service providers—ensuring these investments also benefit the local economy.

## **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 customer appreciation.

### Customer Noticing

There are several kinds of official notices SCP provides to its customers. In addition to enrollment rollouts, the following notices are e-mailed or physically mailed out to applicable customers with the following cadence:

- Move-in notice postcard (weekly)
- Move-in notice letter (weekly)
- EverGreen welcome letters (weekly)
- Net Energy Metering welcome (weekly)
- Solar Billing Plan welcome (weekly)
- Opt-out confirmation – immediate notice (weekly)
- Opt-out confirmation – 6-month notice (weekly)
- Help letter (monthly)
- Re-enrollment welcome letter (weekly)
- Opt-down to CleanStart (weekly)
- Annual cash out letters (annually)

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

- California Public Utilities Commission’s 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 and California’s power mix (annually)

Finally, the customer appreciation budget is used to help commercial EverGreen customers gain attention for their 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 has an outside auditor review and opine on our financial statements each year.

### Legislative

Staff retains a Sacramento legislative lobbyist to assist with tracking and advancing bills in the legislative session that affect SCP and the energy industry directly. The statewide CalCCA trade association continues to support SCP's tracking and participation in legislative work that affects CCAs across the state. Some limited federal and state lobbying on the GeoZone is also included. One change of note this year is SCP's retention of Nielsen Strategies to support our pursuit of leveraging external funds to enhance next-generation geothermal development in California.

### 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 training, 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 regulatory 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 California Community Power (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.

## Customer Energy Solutions

The Customer Energy Solutions portfolio budget is less than the previous fiscal year due to a few programmatic improvements and changes:

1. SCP has secured two California Energy Commission grants that pair outside funding with SCP objectives.
  - a. Virtual Power Plant Approaches for Flexibility – SCP’s project “GridSavvy VPP” will expand automated smart devices in GridSavvy Rewards in low-income and disadvantaged communities (DACs) to increase demand-response capacity consistent with the Board of Director’s goal of 7 MW in 2026 and Integrated Resources Plan goal of 30 MW by 2035.
  - b. Paving the Way for California’s Gas Transition – SCP’s project “A Community-based Assessment of Energy Transition Barriers in Rural and Tribal Areas” will conduct multidisciplinary research to uncover the local challenges of electrifying homes and businesses, while minimizing costs to customers, improving grid reliability, and ensuring an equitable transition. The project team will be in close collaboration with the partner communities of Willits, Hopland and the Hopland Band of Pomo Indians, and Graton.
2. SCP discontinued two historical programs that met its objectives and provided valuable learning that informs new customer energy solutions.
  - a. California Electric Vehicle Infrastructure Program (CALeVIP) – From 2020 to 2025, SCP partnered with the California Energy Commission and the Northern Sonoma County Air Pollution Control District as CALeVIP to provide rebates for public Level 2 and DC fast charger installations. Over the five-year program, 225 chargers were installed across the region (196 Level 2 connectors and 29 DC fast chargers) with 29% of completed site funding directed to DACs or low-income communities.
  - b. Advanced Energy Build – From 2020 to 2024, Sonoma Clean Power offered incentives for the construction of all-electric homes in Sonoma and Mendocino Counties. In total, 549 units were incentivized, 98% of which were deed-restricted affordable. All reserved projects were completed by Dec 2025.

This transition positions SCP to pursue new high-impact offerings that directly support current customer needs, including the rollout of the SCP Home Thermostat Upgrade Program, new e-bike commuter grants, and expanded workplace EV charging rebates,

along with other evolving priorities identified in Community Needs Assessments and Board direction.

SCP will continue to offer programs that assist our customers with their energy-related needs. These will likely continue to include Energy Savings Boxes, DIY Energy & Water Toolkits, GridSavvy Rewards, Non-Profit EV Incentives, Electrification rebates, EV Daily Managed Charging, and Community Charge. For a complete list of SCP's offer and incentives, rationale, and performance metrics, reference the current [Strategic Action Plan](#).

### **Other Uses**

Capital Outlay includes design services for the Ukiah Superfund Solar + Battery Project, design services for the commercial space adjacent to the Customer Center, new projects identified by the Capital Projects department, and equipment costing more than \$5,000.

### **Debt Service**

SCP currently carries no debt. In 2025, SCP secured a \$100 million 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 of \$47.2 million, which reflects the return of a portion of ratepayer collections from prior fiscal years that had been designated as deferred revenues in the Rate Stabilization Fund.

## 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.

	Revision 2 Budget FY25-26	DRAFT Budget FY26-27	Forecast FY27-28	Forecast FY28-29	Forecast FY29-30
<b>REVENUES &amp; OTHER SOURCES</b>					
Electricity Sales (net of allowance)	\$ 221,379,000	\$ 193,575,000	\$219,660,000	\$ 275,900,000	\$ 280,460,000
Revenue from (to) Rate Stabilization Fund	(38,478,000)	46,703,000	34,970,000	-	-
EverGreen Premium (net of allowance)	3,150,000	3,192,000	3,220,000	3,250,000	3,280,000
CEC Grant Proceeds	863,000	2,133,000	1,510,000	1,290,000	1,000,000
Investment Returns	15,994,000	13,546,000	11,330,000	8,400,000	7,730,000
<b>Total Revenues</b>	<b>202,908,000</b>	<b>259,149,000</b>	<b>270,690,000</b>	<b>288,840,000</b>	<b>292,470,000</b>
<b>EXPENDITURES</b>					
<b>Product</b>					
Cost of Energy & Scheduling	162,463,000	219,788,000	230,400,000	247,700,000	250,200,000
Data Management	3,359,000	3,420,000	3,450,000	3,480,000	3,510,000
Service Fees to PG&E	990,000	996,000	1,010,000	1,030,000	1,050,000
<b>Product Subtotal</b>	<b>166,812,000</b>	<b>224,204,000</b>	<b>234,860,000</b>	<b>252,210,000</b>	<b>254,760,000</b>
<b>Personnel</b>	<b>12,781,000</b>	<b>14,009,000</b>	<b>14,990,000</b>	<b>15,890,000</b>	<b>16,840,000</b>
<b>External Relations</b>	<b>4,415,000</b>	<b>3,883,000</b>	<b>3,620,000</b>	<b>3,760,000</b>	<b>3,910,000</b>
<b>Customer Service</b>	<b>220,000</b>	<b>220,000</b>	<b>220,000</b>	<b>220,000</b>	<b>220,000</b>
<b>General &amp; Administration</b>	<b>2,309,000</b>	<b>2,715,000</b>	<b>2,820,000</b>	<b>2,930,000</b>	<b>3,050,000</b>
<b>Other Professional Services</b>					
Legal	525,000	545,000	560,000	580,000	600,000
Regulatory & Compliance	360,000	360,000	370,000	380,000	390,000
Accounting	340,000	362,000	370,000	380,000	390,000
Legislative	220,000	220,000	230,000	240,000	250,000
Other Consultants	535,000	953,000	900,000	920,000	640,000
<b>Other Professional Services Subtotal</b>	<b>1,980,000</b>	<b>2,440,000</b>	<b>2,430,000</b>	<b>2,500,000</b>	<b>2,270,000</b>
<b>Industry Memberships &amp; Dues</b>	<b>888,000</b>	<b>1,114,000</b>	<b>1,150,000</b>	<b>1,180,000</b>	<b>1,220,000</b>
<b>Customer Energy Solutions</b>	<b>6,481,000</b>	<b>5,347,000</b>	<b>5,400,000</b>	<b>5,450,000</b>	<b>5,500,000</b>
<b>Total Expenditures</b>	<b>195,886,000</b>	<b>253,932,000</b>	<b>265,490,000</b>	<b>284,140,000</b>	<b>287,770,000</b>
<b>Revenues Less Expenditures</b>	<b>7,022,000</b>	<b>5,217,000</b>	<b>5,200,000</b>	<b>4,700,000</b>	<b>4,700,000</b>
<b>OTHER USES</b>					
Capital Outlay	7,022,000	5,217,000	5,200,000	4,700,000	4,700,000
<b>Total Expenditures, Other Uses</b>	<b>202,908,000</b>	<b>259,149,000</b>	<b>270,690,000</b>	<b>288,840,000</b>	<b>292,470,000</b>
<b>Net Increase/(Decrease) in Fund Balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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## Staff Report – Item 08

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**To:** Sonoma Clean Power Authority Community Advisory Committee  
**From:** Felicia Smith, Director of Customer Energy Solutions  
**Issue:** Review Strategic Action Plan and Provide Direction as Appropriate  
**Date:** March 19, 2026

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### Recommendation

Review the 2025-2026 Programs Strategic Action Plan and provide comments, feedback, and direction to staff.

### Background

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

Steps from the Equity Framework built into the Plan include:

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

In 2023, SCP initiated Community Needs Assessments with residential, commercial, agricultural customers, and for transportation and mobility needs. Since the outcomes of the needs assessment are integral for strategic planning, the Plan was not updated until the results were received in 2024. Since then, the Plan has been updated on an annual basis, with feedback and direction provided by the Community Advisory Committee and Board of Directors.

## **Discussion**

The customer programs Strategic Action Plan is included as Attachment 1 to this report. The Plan includes multiple elements:

1. SCP's methodology to incorporate equity and community needs into customer energy solutions, offers, and incentives.
2. Key focus areas that support SCP as an electric utility, mitigate climate change, and facilitate reliability and affordability.
3. Current customer offerings and associated metrics.
4. Next steps from Community Needs Assessment illustrates concepts and ideas that meet SCP's utility goals and customer input. Many of these concepts will be developed through a community-led decision-making process as detailed in Section 2 "About this Strategic Action Plan".

## **Fiscal Impact**

No financial impacts related to this item. Budgeting for customer energy solutions, offers and incentives are accomplished through the annual budget process.

## **Agency Goals**

The objectives and methodology for developing and prioritizing SCP's customer energy solutions, offers and incentives are consistent with the Board of Director's goal to advance equity by incorporating community feedback in program design, support implementation of building electrification policies through rebates and education and grow SCP's capacity to dispatch 7MW of customer load through expansion of load flexibility and demand response.

## **Attachments**

- Attachment 1 – Draft Strategic Action Plan for Offers and Incentives, available at [this link](#) or by request to the Clerk of the Board.