



**AGENDA
COMMUNITY ADVISORY COMMITTEE MEETING
THURSDAY, MAY 21, 2026
1:00 P.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953.8.3, MEMBERS OF THE COMMUNITY ADVISORY COMMITTEE MAY PARTICIPATE IN THE MAY 21, 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. 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 54953.8.3. 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 April 16, 2026, Draft Community Advisory Committee Meeting Minutes (Staff Recommendation: Approve) **pg. 4**
- 2. Receive Monthly Financial Report (Staff Recommendation: Receive and File) **pg. 7**
- 3. Recommend the Board of Directors Approve the Updated Customer Service Policy A.3 Customer Billing (formerly known as Customer Service Policy A.3 Noticing, Transfers, and Collections) and A.6 Emergency Consumer Protection Policy (Staff Recommendation: Approve) **pg. 19**
- 4. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 31**

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

- 5. Receive Internal Operations Report and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 35**
- 6. Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate (Staff Recommendation: Receive and File) **pg. 39**
- 7. Recommend the Board of Directors Adopt Staff’s Preferred Portfolio for the 2026 Integrated Resource Plan Filing (Staff Recommendation: Approve) **pg. 43**

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, APRIL 16, 2026
1:00 P.M.**

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, Vice Chair Heffler, Members Hollinshead, Pollard, Wang, Young, Baird, and Nicholls. Members Hagen and Soto were absent.

Member Morris joined remotely under AB2449.

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; Carolyn Glanton, Programs Operations Manager; Aubrie Hunt, Program Specialist; Neal Reardon, Director of Policy; Miles Horton, Legislative Policy & Community Engagement Manager; Chris Golik, Senior Finance Manager; Felicia Smith, Director of Customer Energy Solutions; Karen Flores, Clerk of the Board

COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

(1:04 p.m. - Video Time Stamp: 00:03:15)

1. Approve March 19, 2026, Draft Community Advisory Committee Meeting Minutes
2. Receive Monthly Financial Report
3. Receive Geothermal Opportunity Zone Update

Member Morris asked clarifying questions regarding the Geothermal Opportunity Zone update.

Public Comment: None

Motion to approve March 19, 2026, Community Advisory Committee Consent Calendar by Member Hollinshead

Second: Member Nicholls

Motion passed by roll call vote.

AYES: Lipp, Heffler, Hollinshead, Pollard, Wang, Young, Baird, Nicholls, Morris

ABSENT: Soto and Hagen

COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

4. Receive Internal Operations Report and Provide Feedback as Appropriate

(1:07 p.m. – Video Time Stamp: 00:06:45)

Stephanie Reynolds, Director of internal Operations, discussed recent events at the Sonoma Clean Power (SCP) Customer Center, along with several upcoming events. Carolyn Glanton, Programs Operations Manager, and Aubrie Hunt, Program Specialist, presented on SCP's newest customer offering, the "SCP Home Thermostat Upgrade," and outlined what the program looks like from the customer experience.

Public Comment: None

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

(1:29 p.m. – Video Time Stamp: 00:28:20)

Neal Reardon, Director of Policy, reported that the California Energy Commission (CEC) unanimously approved the SCP Rewards program as compliant with new state load management standards, eliminating the need for SCP to implement separate real-time pricing and recognizing SCP's longstanding, effective approach. Director Reardon also updated the Committee on a California Public Utilities Commission (CPUC) decision to shift statewide climate credits to August and September to better align with many California customers' peak electric bills, while noting those months do not reflect maximum energy bills for a majority of SCP customers, which are in the winter. He concluded with an overview of ongoing CPUC proceedings on the Power Charge Indifference Adjustment (PCIA) and valuation of banked renewable energy credits.

Miles Horton, Legislative Policy & Community Engagement Manager, shared a legislative update on SCP's work in Sacramento. He reported good progress on geothermal energy efforts, with strong support from a wide group of environmental, labor, and energy organizations. AB 2111 (Papan) passed out of the Assembly Energy Committee with unanimous support. Another bill, AB 2369 (Rogers), will be going to the Assembly Energy Committee next week with proposed amendments from the committee.

Public Comment: A member of the public (name not available) asked how renewable energy credits are actually tracked and valued, noting that unlike PCIA charges shown as dollar amounts on bills, clean energy credits represent environmental benefits rather than fixed monetary values.

6. Recommend the Board of Directors Approve the Proposed Annual Budget for Fiscal Year 2026-2027

(2:06 p.m. – Video Time Stamp: 01:05:30)

Garth Salisbury, Chief Financial Officer and Treasurer, along with Chris Golik, Senior Finance Manager, introduced the item, noting no substantive changes from the draft previously reviewed, and requested the Committee’s recommendation to the Board for approval and adoption.

Public Comment: David Harris asked why the General and Administrative budget increased from \$1.3 million to \$2.3 million, questioning whether the nearly \$1 million change was due to higher utility costs. CEO Syphers provided a response.

Motion to Recommend the Board of Directors Approve the Proposed Annual Budget for Fiscal Year 2026-2027 by Member Nicholls

Second: Member Heffler

Motion passed by roll call vote.

AYES: Lipp, Heffler, Hollinshead, Pollard, Wang, Young, Baird, Nicholls, Morris

ABSENT: Soto and Hagen

COMMITTEE MEMBER ANNOUNCEMENTS

(2:27 p.m. - Video Time Stamp: 01:25:52)

Member Heffler invited the public to view two animated films on YouTube based on the children’s books “*Hornwell, Honeypicker the Flying Pig*” and “*How Do I Get Smarter and Happier?*”, noting they are family friendly.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(2:27 p.m. - Video Time Stamp: 01:26:38)

Public Comment: None

ADJOURN

(2:28 p.m. - Video Time Stamp: 01:27:00)

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
Jennifer Rafferty, Financial Analyst

Issue: Receive Monthly Financial Report

Date: May 21, 2026

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 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 (March 31, 2026)

The year-to-date change in net position is more than projections by approximately \$1,142,000. Year-to-date revenue from electricity sales is less than budget by approximately 1% and cost of energy is under budget projections by approximately 2%. Year-to-date electricity sales reached \$180,228,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$291,408,000. 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 (March 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 under budget by less than approximately 1% at the end of the reporting period.

The cost of electricity was less than the budget-to-date by approximately 2%. Variation in this account is typically due to fluctuating market cost of energy on open position purchases as well as supplier delivery delays.

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 (April 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 J.P. Morgan. 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 April 30th, CAM managed about \$83 million of SCP's reserves. All investments directed by CAM are held at SCP's custodian, USBank. All investments held as of April 30, 2026, at USBank appear as Attachment 3 with new holdings purchased in April highlighted. USBank transaction details for the month of April, 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 April 30, 2026, appears as Attachment 5. There were no investment transactions in the month of April at River City Bank.

State of California Local Agency Investment Fund

The LAIF investment balance as of April 30, 2026, appears as Attachment 6.

J.P. Morgan

The J.P. Morgan investment balance as of April 30, 2026, appears as Attachment 7.

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 – March 2026 Financial Statements
- Attachment 2 – March 2026 Budgetary Statement
- Attachment 3 – April 2026 Statement of Investments Held at USBank, available at [this link](#) or by request to the Clerk of the Board

- Attachment 4 – April 2026 Statement of Transactions at USBank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 5 – April 2026 Statement of Investments Held at River City Bank, available at [this link](#) or by request to the Clerk of the Board
- Attachment 6 – April 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 7 – April 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 March 31, 2026, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the nine 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
May 6, 2026

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of March 31, 2026

ASSETS

Current assets	
Cash and cash equivalents	\$ 232,048,921
Accounts receivable, net of allowance	9,997,016
Other receivables	3,498,117
Accrued revenue	6,569,029
Prepaid expenses	859,068
Loan receivable	21,328
Deposits	1,505,722
Investments	95,913,611
Total current assets	<u>350,412,812</u>
Noncurrent assets	
Investments	81,929,479
Loan receivable	3,638,481
Other receivables	783,329
Deposits	16,000
Capital assets, net of depreciation	23,327,236
Total noncurrent assets	<u>109,694,525</u>
Total assets	<u>460,107,337</u>

LIABILITIES

Current liabilities	
Accrued cost of electricity	25,551,200
Accounts payable	1,629,783
Other accrued liabilities	1,840,062
User taxes and energy surcharges due to other governments	614,514
Supplier security deposits	510,000
Total current liabilities	<u>30,145,559</u>
Noncurrent liabilities	
Supplier security deposits	1,053,421
Total liabilities	<u>31,198,980</u>

DEFERRED INFLOWS OF RESOURCES

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

Investment in capital assets	23,011,575
Unrestricted	268,396,782
Total net position	<u>\$ 291,408,357</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Nine Months Ended March 31, 2026

OPERATING REVENUES

Electricity sales, net	\$ 177,878,091
Evergreen electricity premium	2,349,878
Liquidated damages	15,035,987
Grant revenue	439,947
Total operating revenues	<u>195,703,903</u>

OPERATING EXPENSES

Cost of electricity	124,044,219
Contract services	7,161,144
Staff compensation	9,421,284
Program rebates and incentives	1,925,564
Other operating expenses	2,271,004
Depreciation	960,061
Total operating expenses	<u>145,783,276</u>
Operating income	<u>49,920,627</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	11,890,525
Charitable contribution	(250,000)
Nonoperating revenues (expenses), net	<u>11,640,525</u>

CHANGE IN NET POSITION

Net position at beginning of year	229,847,205
Net position at end of period	<u>\$ 291,408,357</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Nine Months Ended March 31, 2026

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 193,457,401
Receipts from grantors	301,811
Receipts of security deposits and liquidated damages revenue	19,654,723
Receipts from wholesale sales and other operating activities	27,745,621
Payments to electricity suppliers	(143,116,979)
Payments for other goods and services	(10,726,868)
Payments for staff compensation	(9,337,394)
Payments for program rebates and incentives	(1,691,855)
Payments of taxes and surcharges to other governments	(2,483,109)
Deposits and collateral paid	(2,903,400)
Net cash provided (used) by operating activities	<u>70,899,951</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchases of capital assets	<u>(6,335,773)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Investment income received	9,479,785
Proceeds from sales and maturities of investments	15,279,768
Loan principal received	3,541
Purchase of investments	(30,530,967)
Loan issued	(3,663,350)
Net cash provided (used) by investing activities	<u>(9,431,223)</u>

Net change in cash and cash equivalents	55,132,955
Cash and cash equivalents at beginning of year	<u>176,915,966</u>
Cash and cash equivalents at end of period	<u>\$ 232,048,921</u>

SUPPLEMENTAL CASH FLOW INFORMATION

Capital acquisitions included in accounts payable and other liabilities	\$ 315,661
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NONCASH INVESTING ACTIVITIES

Change in fair value of investments	\$ 2,796,615
Change in interest receivable	\$ (385,875)

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Nine Months Ended March 31, 2026

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

Operating income (loss)	\$ 49,920,627
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	960,061
Charitable contributions considered an operating activity for cash flow purposes only	(250,000)
(Increase) decrease in:	
Accounts receivable, net of allowance	4,715,052
Other receivables	2,569,533
Accrued revenue	6,060,936
Prepaid expenses	665,937
Deposits	5,049,020
Increase (decrease) in:	
Accrued cost of electricity	6,041,323
Accounts payable	(329,382)
Other accrued liabilities	(237,738)
User taxes due to other governments	(29,665)
Supplier security deposits	(4,235,753)
Net cash provided (used) by operating activities	<u>\$ 70,899,951</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 nine months ended March 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
May 6, 2026

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Nine Months Ended March 31, 2026

	2025/26 YTD Amended Budget	2025/26 YTD Actual	2025/26 YTD Amended Budget Variance (Under) Over	2025/26 YTD Actual / Amended Budget %	2025/26 Amended Budget	2025/26 Amended Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 180,239,597	\$ 177,882,437	\$ (2,357,160)	99%	\$ 221,379,000	\$ 43,496,563
Evergreen Premium (net of allowance)	2,373,287	2,349,878	(23,409)	99%	3,150,000	800,122
CEC Grant Proceeds	609,543	439,947	(169,596)	72%	863,000	423,053
Investment returns	12,394,151	11,890,525	(503,626)	96%	15,994,000	4,103,475
Total revenue and other sources	<u>195,616,578</u>	<u>192,562,787</u>	<u>(3,053,791)</u>	<u>98%</u>	<u>241,386,000</u>	<u>48,823,213</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	110,962,774	109,012,578	(1,950,196)	98%	162,463,000	53,450,422
Data management	2,518,047	2,538,608	20,561	101%	3,359,000	820,392
Service fees- PG&E	743,924	747,035	3,111	100%	990,000	242,965
Personnel	9,407,927	9,421,284	13,357	100%	12,781,000	3,359,716
Marketing & communications	3,060,848	2,174,521	(886,327)	71%	4,415,000	2,240,479
Customer service	162,411	132,956	(29,455)	82%	220,000	87,044
General and administration	1,625,521	1,487,194	(138,327)	91%	2,309,000	821,806
Legal	428,612	363,404	(65,208)	85%	525,000	161,596
Regulatory and compliance	195,426	116,833	(78,593)	60%	360,000	243,167
Accounting	264,500	264,200	(300)	100%	340,000	75,800
Legislative	159,000	169,000	10,000	106%	220,000	51,000
Other consultants	437,122	380,644	(56,478)	87%	535,000	154,356
Industry memberships and dues	689,941	783,793	93,852	114%	888,000	104,207
Program implementation	3,990,757	2,449,524	(1,541,233)	61%	6,481,000	4,031,476
Total current expenditures	<u>134,646,810</u>	<u>130,041,574</u>	<u>(4,605,236)</u>	<u>97%</u>	<u>195,886,000</u>	<u>65,844,426</u>
OTHER USES						
Capital outlay	6,344,806	6,754,094	409,288	106%	7,022,000	267,906
Total expenditures, other uses	<u>140,991,616</u>	<u>136,795,668</u>	<u>(4,195,948)</u>	<u>97%</u>	<u>202,908,000</u>	<u>66,112,332</u>
Net increase (decrease) in available fund balance	<u>\$ 54,624,962</u>	<u>\$ 55,767,119</u>	<u>\$ 1,142,157</u>		<u>\$ 38,478,000</u>	<u>\$ (17,289,119)</u>

* Represents sales of approximately 1,552,000 MWh for 2025/26 YTD actual.

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

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

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 55,767,119
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(960,061)
Add back capital asset acquisitions	<u>6,754,094</u>
Change in net position	<u><u>\$ 61,561,152</u></u>



Staff Report – Item 03

To: Sonoma Clean Power Authority Community Advisory Committee

From: Danielle McCants, Customer Operations Manager
Erica Torgerson, Managing Director of Customer Service

Issue: Recommend the Board of Directors Approve the Updated Customer Service Policy A.3 Customer Billing (formerly known as Customer Service Policy A.3 Noticing, Transfers, and Collections) and A.6 Emergency Consumer Protection Policy.

Date: May 21, 2026

Recommendation

Staff requests that the Community Advisory Committee recommend the Board of Directors approve the updated Customer Service Policy A.3 Noticing, Transfers, and Collections and A.6 Emergency Consumer Protection Policy.

Background

Customer Service Policy A.3 establishes Sonoma Clean Power Authority’s rules and procedures related to customer billing, late and partial payments, non-payment, customer notices, service transfers, closed accounts, and collections. The policy is intended to ensure consistency, transparency, and appropriate consumer protections while supporting the recovery of unpaid balances.

Policy A.6 Emergency Consumer Protection Policy establishes SCP’s emergency-related customer protections applicable during state or federally declared emergencies that impact utility service within SCP’s service territory. The policy outlines temporary billing and collections modifications for eligible residential and non-residential customers, consistent with applicable California Public Utilities Commission directives and PG&E emergency consumer protection frameworks. Policy A.6 also reflects SCP’s commitment to providing additional consumer protections beyond minimum legal requirements during declared disasters.

Policy A.3 was originally adopted in January 2015 and has been amended over time to reflect changes in billing operations, regulatory requirements, and customer service practices. Amendments in October 2020 and October 2024 addressed refinements to

billing processes and account management as SCP's customer base and operational maturity grew.

Policy A.6 was adopted on October 1, 2020, following SCP's implementation of emergency billing and service modifications initially established in response to the October 2017 Northern California Wildfires. Although not required by law, SCP adopted emergency consumer protection measures consistent with CPUC Resolution M-4833 and has amended the policy over time to reflect evolving emergency response practices and coordination with PG&E.

Over the last couple of years, SCP staff has continued to refine billing, collections, and emergency consumer protection practices in response to operational experience, improved data visibility, and enhanced customer support strategies. This proposed update to Policy A.3 and A.6 reflects changes implemented as Sacramento Municipal Utility District (SMUD) took over billing, data management, and collections for SCP, as well as updates to ensure continued alignment between board-adopted policy, regulatory requirements, and current operational practices.

Discussion

Staff are bringing forward these policy updates to align SCP's formal policy framework with current operations and to support a more proactive, customer-centered approach to managing late payments and non-payment, while also ensuring appropriate safeguards are in place during declared emergencies.

One key driver for this update is SCP's transition to a new service provider, SMUD, and the use of SMUD's contracted collection agency. This transition necessitates clearer documentation of SCP's notice thresholds, collection referral criteria, and account handling practices to ensure consistency, accountability, and compliance with applicable consumer protection laws. These clarifications also support coordinated implementation of emergency-related billing and collections protections when applicable.

In addition, the revised policy reflects a deliberate shift away from relying on transfers back to PG&E service for non-payment as a routine enforcement mechanism. While SCP retains sole discretion and authority to initiate transfers under PG&E Rule 23, the updated policy emphasizes earlier intervention through SCP-issued notices. These notices are designed to engage customers sooner, provide information about available payment plans and assistance programs, and encourage resolution of outstanding balances before more severe actions are taken.

By emphasizing outreach and extended engagement, SCP is able to work with customers for a longer period rather than moving quickly to service transfers or

collections. This approach supports customer stability and allows SCP to resolve more accounts directly through communication and assistance rather than escalation.

The policy updates also clarify how standard billing and collections practices interact with SCP's Emergency Consumer Protection Policy. During state or federally declared emergencies that impact utility service or public health, Policy A.6 establishes temporary billing and collections modifications for eligible customers, including the suspension of collection activity. These emergency protections are implemented through coordination with SMUD and PG&E disaster status coding and supersede standard escalation and collection timelines for the duration of the applicable emergency period.

Finally, the policy also clarifies thresholds for notice issuance, treatment of partial payments, handling of closed accounts, criteria for referral to collections, and the suspension of certain actions during declared emergencies. Together, these updates improve transparency for customers and ensure consistent application of SCP's billing, collections, and emergency consumer protection practices.

Fiscal Impact

There is no fiscal impact associated with approval of the updated policy. The changes reflect existing operational practices and contractual relationships and do not require new funding, staffing, or additional resources.

Agency Goals

Approval of the updated Customer Service Policy A.3 supports the Board of Directors' Goal #2:

"Continue to advance equity for BIPOC, LGBTQI+, low income, senior, youth and other underrepresented customers. Take an action that structurally orients SCP to this work over the long term."

The policy revisions structurally advance this goal by prioritizing proactive outreach, flexibility, and sustained engagement with customers who are behind on their bills. Working with customers longer, rather than defaulting to transfers back to PG&E or rapid escalation to collections, helps reduce disproportionate impacts on low income and otherwise vulnerable customers who may face systemic challenges in making timely payment.

By moving away from routine transfers for non-payment and embedding customer support earlier in the process, the policy institutionalizes an equity-focused approach to

customer account management. These changes orient SCP's customer service practices toward long-term fairness, stability, and inclusion.

Approval of the updated Customer Service Policy A.6 supports the Board of Directors' Goal #2:

“Continue to advance equity for BIPOC, LGBTQI+, low income, senior, youth and other underrepresented customers. Take an action that structurally orients SCP to this work over the long term.”

Policy A.6 Emergency Consumer Protection Policy directly advances this goal by establishing mandatory protections for customers who are disproportionately impacted by disasters and service disruptions. The underlying events causing a declaration of emergency often exacerbate financial instability for low-income households, seniors, small businesses, and customers already experiencing vulnerability. Policy A.6 responds by temporarily modifying standard billing and collections practices, including halting collection activity for eligible customers during emergency periods.

In this way, Policy A.6 structurally embeds equity considerations into SCP's operational framework by ensuring that emergency impacts do not disproportionately result in debt escalation, collections activity, or loss of service for underrepresented and financially vulnerable customers. This aligns directly with the Board's goal to advance equity through durable, policy-based actions rather than ad hoc accommodations.

Attachments

- Attachment 1: Redline Customer Service Policy A.3 Noticing, Transfers, and Collections
- Attachment 2: Redline Customer Service Policy A.6 Emergency Consumer Protections

Customer Service Policy A.3

Customer Billing~~Late Payment Noticing, Transfer of Service, Pre-Collection Noticing, Collections~~

This policy sets Sonoma Clean Power Authority's (SCPA) general rules related to billing, late, partial, or non-payment of bills, bill support notices, customer transfer to PG&E service for non-payment, closed accounts, and collections to provide consistency and transparency. ~~SCPA late payment noticing and pre-collection noticing to customers. It also provides SCPA's general rules for transferring a customer to PG&E service for non-payment and to SCPA's collection agency.~~

This policy in whole or in parts may be suspended or modified if a state of emergency proclamation is issued by the California Governor's Office or the President of the United States due to a disaster that affects utility service or a health pandemic. At that time the Chief Executive Officer (CEO), or his designee, may put into effect **SCPA's Customer Service Policy A.6 – Emergency Consumer Protection Policy**. If the CEO, or his designee puts SCPA's Emergency Consumer Protection Policy into effect, the decision must be ratified by the Board of Directors within 90 days or at the next regularly scheduled Board of Director's meeting.

I. Billing:

PG&E shall perform consolidated billing services on behalf of the Community Choice Aggregator (CCA), here SCPA. SCPA shall transmit its billing information to PG&E electronically. PG&E shall issue a consolidated bill to the customer, by mail or email, that includes both PG&E charges and SCPA charges. PG&E shall calculate its own charges and include a summary of SCPA charges on the bill, which may also include billing-related details provided by SCPA, including SCPA's telephone number and a short description.

PG&E is not responsible for computing or determining the accuracy of SCPA charges. SCPA's billing details may be mailed or emailed with the PG&E bill exactly as provided by SCPA.

PG&E shall process customer payments and electronically remit amounts paid toward CCA charges to the CCA after payment is received from the customer, identifying amounts by individual customer account or by grouped accounts for summary billing.

II. SCPA Late, -Partial, or Non-Payment Noticing Policy of Bills:

PG&E is responsible for collecting the unpaid balance of all charges from customers (including SCPA charges), sending notices informing customers of unpaid balances, and taking appropriate actions to recover the unpaid amounts owed SCPA. Undisputed overdue balances owed to PG&E shall be considered late and subject to PG&E late payment procedures. If a customer has a past due

Adopted: January 8, 2015

Amended: October 1, 2020, October 2024, June 4, 2026-pending

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balance with either PG&E or SCPA they can set up a Payment Plan through PG&E.

a. Non-Residential Accounts:

If a non-residential customer makes only a partial payment for electricity service, the payment shall be allocated proportionally between PG&E's charges and SCPA's charges, consistent with California Public Utilities Commission (CPUC) rules. A customer may dispute these charges but shall not otherwise have the right to direct partial payments to a specific utility. Within each category, payments are applied to the oldest outstanding balance first.

~~Customers will be sent an SCPA Late Payment Notice if:~~

- ~~I. The account has an SCPA aggregated balance of more than \$500.00 based on the sum of the 60-90 day and 90+ day total in SCPA's aging report; and~~
- ~~II. The customer is not on a Payment Plan with PG&E or is not current with the payments required by a PG&E Payment Plan.~~

b. Residential Accounts:

If a residential customer makes only a partial payment for electricity service, the payment shall be allocated proportionally between PG&E's charges and SCPA's charges, consistent with California Public Utilities Commission (CPUC) rules. Partial payments shall be allocated proportionally between PG&E's charges and SCPA's charges, regardless of the customer's disconnection status. Within each category, payments are applied to the oldest outstanding balance first.

~~Customers will be sent an SCPA Late Payment Notice if:~~

- ~~I. The account has an SCPA aggregated balance of more than \$250.00 based on the sum of the 60-90 day and 90+ day total in SCPA's aging report; and~~
- ~~II. I. The customer is not on a Payment Plan with PG&E or is not current with the payments required by a PG&E Payment Plan.~~

III. SCPA "We're Here" Notice:

a. All Accounts:

Customers may receive a "We're Here" letter based on the criteria below as part of SCPA's general outreach and support efforts. The letter provides information assisting customers with reducing their bills, including rate analysis, energy efficiency tips and, where applicable, enrollment in low-income assistance programs and/or PG&E Payment Plans.

b. Non-Residential Accounts:

Customers will be sent a "We're Here" Notice if:

- I. The account has an SCPA balance of above \$500.00, calculated as 90+ days past due from SCPA's aging report; and

- II. The customer is not on a Payment Plan with PG&E or is not current with the payments required by a PG&E Payment Plan.
- III. When customers make partial payments, they will continue to receive the “We’re Here” letter for so long as they continue to meet the criteria described above.

c. Residential Accounts:

Customers will be sent an “We’re SCPA Late Payment Here” Notice if:

- I. The account has an SCPA aggregated balance of more than \$250.00, calculated as based on the sum of the 60-90 day and 90+ days pass due from total in SCPA’s aging report; and
- II. The customer is not on a Payment Plan with PG&E or is not current with the payments required by a PG&E Payment Plan.
- III. When customers make partial payments, they will continue to receive the “We’re Here” letter for so long as they continue to meet the criteria described above.

II.IV. Transfer of Service for Non-Payment Policy:

In accordance with PG&E’s Rule 23, — SCPA has the right to may_ transfer a customer to PG&E service for non-payment¹ of SCPA charges.-

- a. SCPA may transfer a customer who has been sent two consecutive SCPA Late Payment Notices and who has not paid the outstanding balance within the time set forth in the second Late Payment Notice may be transferred from SCPA service to PG&E service for non-payment of SCPA-generation charges.
- b. SCP retains sole discretion regarding whether and when to initiate a transfer.
- b.c. All customers, regardless of whether the customer was sent one or more Late Payment Notice(s), that has been transferred to PG&E service for non-payment under section II.a or has voluntarily opted out of SCPA service, moved, and/or closed his/her account is still remain responsible for required to pay any outstanding SCPA charges.
- e.d. Service transfers between providers can only take place on a customer’s meter read date.

III. Pre-Collection Noticing Policy

Customers with charges reversed by PG&E back to SCPA of \$50.00 or more will be sent one Pre-Collection Notice prior to the customer’s account being transferred to SCPA’s collection agency.

¹Pacific Gas & Electric Company. Electric Rule 23, Section U, Subsection 2.

- ~~a. A customer has 30 calendar days from the date of the Pre-Collections Notice to pay his/her outstanding SCPA balance.~~
- ~~b. Negotiated settlements with a customer in excess of \$5,000,500 must be approved by the CEO or his designee.~~
- ~~c. Balances not paid will be referred to SCPA's collection agency.~~

V. Closed Accounts:

A customer account may be closed due to a transfer for non-payment, voluntarily opt out, disconnection, or move. If a closed account has an outstanding SCPA balance:

a. Account Status: SCPA Closed & PG&E Closed:

Following the closure of a customer's account with both SCPA and PG&E, PG&E will pursue collection of the account's full outstanding balance for a designated period. After that period, the portion of the unpaid balance attributable to SCPA may be reversed to SCPA and may be sent to SCPA's collection agency.

b. Account Status: SCPA Closed and PG&E Open:

If a customer leaves SCPA service with an outstanding balance but maintains an active PG&E account, PG&E will continue to pursue collection of the SCPA charges while the PG&E account remains open. Once customer's PG&E account is closed, PG&E will attempt to collect the full outstanding balance for a defined period. After that period, the portion of the unpaid balance attributable to SCPA may be reversed to SCPA and referred to SCPA's collection agency.

IV.VI. Customer Collections: Policy

Customers that have been transferred by SCPA service to PG&E service for non-payment, voluntary opt outs, and closed accounts with outstanding SCPA balances may be referred to a collection agency retained by SCPA.

The collection agency retained by SCPA shall be vetted to ensure all consumer protection laws are strictly followed. ~~On no less than an annual basis, SCPA shall review the practices and results of any retained collection agency, taking immediate action to address any concerns that may arise.~~

a. Send to Collections:

- I. Balances of \$50.00 or more will be referred to a collection agency retained by SCPA.
- II. Once accounts are sent to the collection agency, SCPA will no longer collect on the account and the customer must work with the collection agency on resolution of the charges owed.

b. Write-Offs:

Balances of \$49.99 or less may be deemed uncollectible and written off, may be sent to the collection agency, or SCPA may take any action that it deems appropriate and cost effective.

Attachment 1

Customer Service Policy A.6 Emergency Consumer Protection Policy

Purpose:

Pursuant to the California Public Utilities Commission (CPUC) directives and advice letters, residential and non-residential customers in areas where a state of emergency proclamation is issued by the California Governor's Office or the President of the United States due to a disaster that affects utility service are eligible for consumer protection measure(s) under PG&E's Emergency Consumer Protection Plan.¹ Sonoma Clean Power Authority (SCPA) provides additional emergency consumer protections to its customers as described below.

Background:

SCPA established a series of billing and service modifications, and disaster relief to support customers recovering from the immediate aftermath of the October 2017 Northern California Wildfires. Although not required by law, SCPA implemented the CPUC's Resolution M-4833, Emergency Authorization and Order Directing Utilities to Implement Emergency Consumer Protections to Support Residential Customers of the October 2017 California Wildfires, with the adoption of this policy on October 1, 2020.

Applicability:

This Policy applies to SCPA Residential Customers and Non-Residential Customers when a state of emergency proclamation is issued by the California Governor's Office or the President of the United States due to a disaster in SCPA's Service Territory that:

- a. Results in the loss or disruption of the delivery or receipt of electric utility service; and/or
- b. Results in the degradation of the quality of electric utility service.

Eligibility for Emergency Consumer Protection Plan:

A customer will be eligible for SCPA's Emergency Consumer Protection Policy if the following criteria have been met:

- a. A state of emergency proclamation has been issued by the California Governor's Office or the President of the United States due to a disaster in SCPA's Service Territory;
- b. The customer is a Residential Customer or Non-Residential Customer of SCPA; and
- c. The customer's premise was or is Red Tagged and/or coded by PG&E as DSNT/DSST/DSBR/DSOV, as defined at the end of this Policy.

Emergency Consumer Protection Plan:

SCPA's Emergency Consumer Protection Plan goes into effect the day a state of emergency proclamation has been issued by the California Governor's Office or the President of the United States due to a disaster in SCPA's Service Territory and includes the measures and parameters outlined below:

¹ PG&E Advice Letter 4014-G/5378-E. Dated Sept. 7, 2018. www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5378-E.pdf.

Adopted: October 1, 2020

Amended: December 1, 2022, July 10, 2025, [June 4, 2026-pending](#)

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~~a. **Late Payment Notice:** SCPA will stop sending Late Payment Notices to eligible customers for a period of 12 months.~~

~~**Transfer for Non-Payment:** SCPA will not transfer eligible customers to PG&E service for non-payment of SCPA charges for period of 12 months.~~

~~b.a. **Collections:** SCPA will halt collection activity for eligible customers for a period of 12 months.~~

SCPA's Board of Directors may change or extend these measures at its sole discretion.

Definitions:

For purposes of this Policy, the following definitions apply. Customers may also wish to review PG&E's Emergency Consumer Protection Plan² for additional information.

- a. **Residential Customer**³: Class of customers whose dwellings are single-family units, multi-family units, mobile homes or other similar living establishments. A customer who meets the definition of a Residential Customer will be served under a residential rate schedule if 50% or more of the annual energy use on the meter is for residential end-uses. PG&E's tariff eligibility requirements will determine customer eligibility for this rate class.
- b. **Non-Residential Customer**⁴: Small and medium business customers that take service on a commercial, industrial, or agricultural rate. This definition does not include Non-Residential Customers who are on a fixed usage or unmetered usage rate schedule⁵.

Red Tag (Unsafe) - Buildings are damaged and pose an imminent threat to life or safety under expected loads or other unsafe conditions.

~~b.c. **PG&E REF|TD Codes** – PG&E will use the EDI billing codes outlined below to identify impacted SCPA customers per CalFire and/or County assessment(s). The codes allow for near real-time status of impacted customers.~~

- i. **Disaster Red Tag Notice (DSNT)** – pending bill relief decision. Stops SA and final/closing bill but will not complete bill – temporary status.
- ii. **Disaster Red Tag Standard (DSST)** – bill relief not applied. Stops SA, final/closing bill, and completes bill (final status).
- iii. **Disaster Red Tag Bill Relief (DSBR)** – bill relief applied. Stops SA, final/closing bill, completes bill and applies debt reversal adjustment for SA balance (final status).
- iv. **Disaster Red Tag Override (DSOV)** – manual override. Process manually if needed (final status).

² PG&E Advice Letter 4014-G/5378-E. Dated Sept. 7, 2018. www.pge.com/tariffs/assets/pdf/adviceletter/ELEC_5378-E.pdf.

³ PG&E Electric Rule No. 1: Definitions, Sheet 30

⁴ PG&E Advice Letter 4014-G/5378-E. Dated Sept. 7, 2018.

⁵ PG&E Electric Rule No. 1: Definitions, Sheet 31

Adopted: October 1, 2020

Amended: December 1, 2022, July 10, 2025, [June 4, 2026-pending](#)

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Staff Report – Item 04

To: Sonoma Clean Power Authority 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: May 21, 2026

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

Staff have no substantive updates to share on GeoZone partnerships. Collaboration between SCP's Capital Projects team and SCP's GeoZone partner Eavor is ongoing. The Committee, Board, and public are welcome to share ideas on compatible sites for developing closed-loop geothermal projects. The team is looking for areas that could accommodate 15-30 acres of land disturbance for well pads and locating power plant equipment, but with subsurface access to up to a square mile of property that is consolidated under one or only several owners. Sites that are away from fault lines, near high-voltage transmission, and demonstrate minimal surface constraints (topographic/ecological/cultural) are more prospective.

Meanwhile, staff are planning a roadshow as early as mid-June to pitch prospective developers on partnerships in the Geothermal Opportunity Zone. Staff have had informal conversations with many industry partners but are scheduling a more organized campaign to identify the best opportunities. Any new GeoZone partnerships that arise from SCP's bilateral discussions with industry will be subject to Board approval.

California Community Power Geothermal Offtake and Development Engagement (GEODE) Agreements

In April, California Community Power (CC Power - the joint procurement agency formed by 9 CCAs, including SCP) publicly announced the execution of Geothermal Offtake and Development Engagement (GEODE) agreements with three industry partners: Atlantica, Zanskar, and XGS ([link to press release](#)). The GEODE agreements are modeled after GeoZone partnerships and enable collaboration between CCAs and industry on navigating commercial, regulatory, and infrastructure constraints to unlock geothermal scale-up. Similar to the GeoZone's focus on local development, the GEODE agreements specifically target in-state development—which aligns with the procurement needs and preference of CC Power's member CCAs. SCP staff have been integrally involved in the design of the GEODE agreements and are also exploring the compatibility of GEODE agreements with future GeoZone partnership opportunities.

Clean Air Task Force Report

In the upcoming weeks, Clean Air Task Force (CATF) will be releasing a report called *Build Here: How Targeted State Investment in Geothermal Can Fill California's Clean Firm Gap* on the importance of in-state geothermal development, and the specific need for early-stage funding for exploration and appraisal from the state. CATF is holding a webinar on June 2nd discussing the report's findings ([link here](#)), which include results showing that geothermal can reduce California's annual electric supply costs by over \$10 billion by 2045—and even more so if development occurs in-state. Staff are excited to have CATF's report as an advocacy tool for SCP's request for state funding and permitting reform to attract investment in next-generation geothermal.

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 05

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: May 21, 2026

Completed Construction

The renovation of the office space at 421 E Street (next door to our parking lot) is fully completed and passed all inspections. Staff have been moving in, and we have been reusing items from our previous offices that have been in storage.

CUSTOMER ENERGY SOLUTIONS UPDATES

Upcoming Changes to the Heat Pump Water Heater Rebate: \$2500 for eligible Heat Pump Water Heaters through Mar 1, 2027

In March 2023, the Bay Area Air District (formerly Bay Area Air Quality Management District) adopted amendments to building appliance rules 9-4 and 9-6 which prohibit the sale of new gas water heaters and furnaces to set zero nitrogen oxide (NOx) emission standards. Rule 9-6, prohibiting the sale of gas water heaters is planned to go into effect on January 1, 2027.

The only zero NOx space and water heating appliances currently available are electric and therefore rule implementation presents specific challenges regarding switching from natural gas to electric appliances for impacted SCP customers. At the direction of the Sonoma Clean Power Board of Directors, staff have increased contractor outreach and heat pump water heater education for customers in advance of the mandate.

Most notably, SCP will increase its standard heat pump water heater rebate from \$700 to \$2500 starting June 1, 2026 and running through March 1, 2027. Income-qualified (CARE/FERA) customers currently receive a higher rebate - 50% of project cost not to exceed \$10,000 – which will continue to be available.

The enhanced rebates are intended to accomplish the following:

- Provide an incentive for households to replace old water heaters prior to the Bay Area Air District’s mandate and reduce total project cost for customers.
- Increase familiarization of heat pump water heater installs with local electrical, plumbing, and HVAC contractor companies.
- Give local contractors a selling point to encourage heat pump water heaters in advance of the mandate (and avoid a surge of gas water heater installs through the end of 2026).
- Increase overall awareness of heat pump water heaters in the local market.

On average, SCP approves approximately 215 heat pump water heater rebates per year. With the enhanced rebate, SCP staff expects an increase in projects over the nine-month duration, and potentially about \$1,200,000 in funding (including CARE/FERA).

After March 1, 2027, SCP plans to continue to offer CARE/FERA rebates to support low-income households to comply with the mandate, but the standard rebate will be discontinued.

Summary of Changes

Customer Type	Current Rebate	Enhanced Rebate	End Date
Residential or Commercial	\$700	\$2500	3/1/2027
CARE or FERA	50% of project cost not to exceed \$10,000	No changes	No planned end date

Successful VPP-FLEX Grant Partner Training

Between May 2026 and December 2027, four community-based organizations: Nuestra Comunidad, Latino Service Providers, North Coast Opportunities/Visión Family Resource Center, and Council on Aging, will be supporting outreach to, and engagement with, eligible CARE/FERA customers across SCP’s service area.

On Friday, April 3rd, Sonoma Clean Power hosted training for its VPP-FLEX Grant community partners and contractors at the Customer Center. Over twenty people were in attendance. The training included an overview of SCP’s history and electricity services, the challenges facing the electric grid and energy affordability, how demand response programs work, and the eligibility requirements and benefits of SCP Home Thermostat Upgrade.

CUSTOMER SERVICE

Several months ago, SCP's Customer Service Team spoke to the Community Advisory Committee about an effort where SCP proactively reached out to businesses to analyze their current rates to see if they could benefit from a change in rate plan. That effort continues, and at the May 21, 2026, Community Advisory Committee meeting, the team will present the latest results from these outreach efforts, including total customer savings and overall revenue impact. Staff will also highlight key challenges, lessons learned, and notable successes.

UPCOMING MEETINGS

- Board of Directors – June 4, 2026
- Community Advisory Committee – June 18, 2026
- Board of Directors – July 2, 2026
- Community Advisory Committee – July 16, 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.

Attachments

- None.

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Staff Report – Item 06

To: Sonoma Clean Power Authority Community Advisory Committee

From: Neal Reardon, Director of Policy
Adam Jorge, Senior Decarbonization Policy Manager
Geof Syphers, Chief Executive Officer

Issue: Receive Legislative and Regulatory Updates and Provide Feedback as Appropriate

Date: May 21, 2026

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

CalCCA Advocates that CCA Customers Deserve Value for Utility Costs Imposed on Them

On May 11th, CalCCA submitted Opening Testimony in the CPUC’s Track 2 of the Power Charge Indifference Adjustment (PCIA) proceeding. This Track is evaluating a single but important topic: how customers who departed Investor-Owned Utility (IOU) service in 2019 or later should be credited for Renewable Energy Credits (RECs) that were retained for future use by the IOU. The IOUs argue that despite CCA customers being charged for 100% of their share of those RECs, the CCA customers have forfeited their claim on the value by joining a CCA and/or the value is zero and/or Commission precedent precludes this and/or crediting the customers would be too difficult to implement. SCP and CalCCA disagree.

As background, PCIA is a charge that for-profit utilities in California are allowed to place on all customers within their distribution territory. This means all customers in PG&E’s territory, regardless of whether they buy generation from PG&E, a for-profit energy provider, or a CCA, will be charged this fee. The IOUs are permitted to charge this fee to prevent them from suffering any unavoidable losses on long-term contracts they signed which are worth less than the contract cost. The PCIA was a provision in AB 117 (Migden, 2001), which created the community choice aggregation option. The stated intent is to ensure “indifference”, that is, to protect any group of customers – CCA or IOU – from being economically harmed by the other. However, the implementation of this complex and opaque fee which can cost over 1

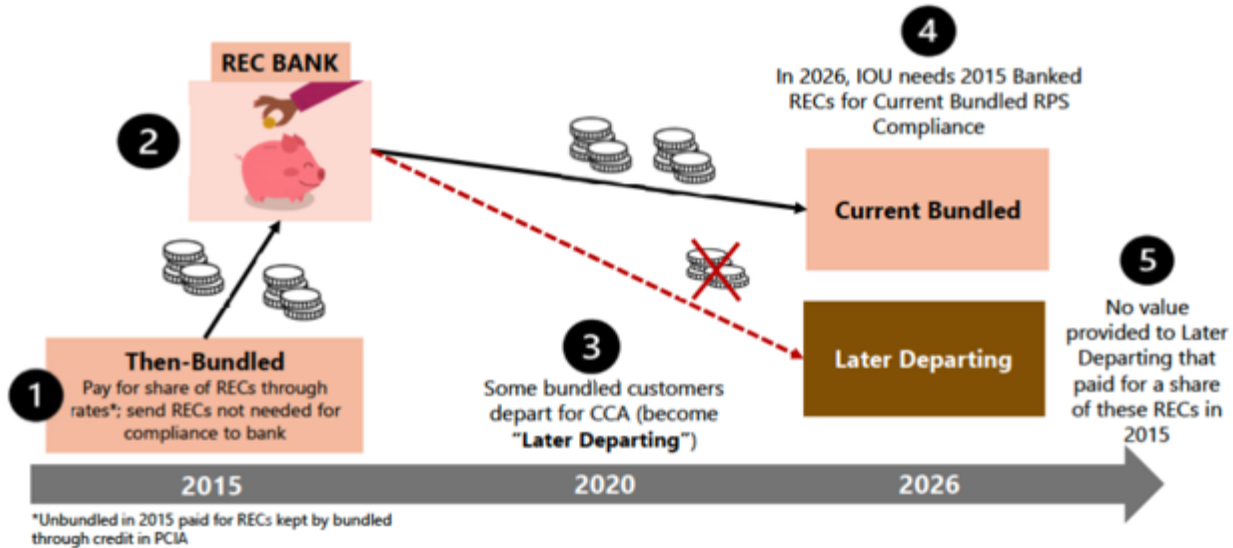
billion dollars in bad years remains a source of controversy.

PG&E's "bundled" customers (those who have opted out of CCA service or are located outside of a CCA service area) are charged for the utility's total costs and receive generation service in return. CCA customers, however, don't receive any of the energy or other attributes from the utility portfolio they pay PCIA towards. Instead, they receive a financial credit for the value of those utility resources they're being charged for but not using. The value granted to CCA customers changes every year based on observed market prices for various attributes, including RECs. So, when market prices are high, PG&E charges a lower PCIA fee on CCA customers. When market prices are low, PG&E charges a higher PCIA fee on CCA customers.

The value of RECs and when they are used for compliance are the two underlying issues in the CPUC's Track 2 proceeding. All load-serving entities in California are required to provide a certain percentage of renewable energy to meet Renewable Portfolio Standard requirements. Failure to do so can result in multi-million-dollar financial penalties. RECs are the required instrument to demonstrate compliance – each one representing one megawatt hour of renewable energy. As most renewable facilities generate an amount of energy that varies with hours of sunshine or amount of wind, compliance is structured over a multi-year period to lower the risk of non-compliance in a single year. If a load serving entity generates more RECs than needed due to an especially sunny year or lower overall energy demand than expected, they can store those RECs in a "bank" for future use. PG&E's declining load over the past decade as customers left to join CCAs created a large excess of RECs, the utility no longer needed for compliance and instead put in the bank. Beginning in 2025, they began withdrawing from the bank but *only* provided those RECs to their bundled generation customers. Thus, customers who departed PG&E's service after 2019 – when the PCIA calculation was modified – have been charged for the cost to generate RECs but receive no benefit (neither the RECs nor a financial credit for their value). Following protests by CCA representatives over this inequitable use of the bank, the CPUC opened a proceeding to evaluate how these RECs should be allocated and valued.

The CalCCA graphic below depicts the scenario:

Pre-2019 Banked REC Cost Shift to 2026 Bundled Customers



The majority of Sonoma Clean Power's customers departed from PG&E generation service in either 2014 or 2017, prior to the broad PCIA revision implemented in 2019. This means the banked REC issue at hand in the CPUC's Track 2 proceeding does not pose a significant impact on SCP customers or the agency itself. However, SCP staff – consistent with the policy platform adopted by the Board - will continue to contribute to CalCCA's advocacy on this topic as it is financially impactful to our sister CCAs and creates a critical precedent on customer equity.

Rebuttal Testimony is due on May 22nd. The assigned administrative law judge on this proceeding will hold public planning workshops amongst interested parties on June 8th, 9th, and 15th. Following that, Opening Briefs will be due on June 16th.

Legislative Updates

Sonoma Clean Power staff are continuing to work on our four sponsored legislative efforts this year:

- 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 is similar to AB 527, which was vetoed last year. Assemblymember Diane Papan has also introduced

AB 2234, which makes modest but beneficial changes to the definition of “geothermal exploration” that are helpful to in-state development with or without this effort.

- Securing \$40 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, likely including Sonoma and Mendocino Counties. The goal would be to develop better geologic data for these areas and lower the risk of future geothermal projects, 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. At the time of writing, this legislation is awaiting a final vote on the “suspense file” in the Assembly Appropriations Committee and will then be voted on by the full Assembly if it moves forward.
- AB 2369 (Rogers), which updates the transmission planning process to allow planners to get more value out of so-called “energy-only” resources already on the system that are not fully deliverable. The goal is to drive planning based on current and proposed resources that are (or will be) connected to the grid and get more value out of the grid that we have today in the process. At the time of writing, this bill is also on the “suspense file.”

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

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 7

To: Sonoma Clean Power Community Advisory Committee

From: Ryan Tracey, Chief Strategy Officer
Geof Syphers, Chief Executive Officer
Spandan Gandhi, Energy Analytics Manager
Amit Ranjan, Strategic Energy Resource Manager

Issue: Recommend the Board of Directors Adopt Staff’s Preferred Portfolio for the 2026 Integrated Resource Plan Filing

Date: May 21, 2026

Recommended Action

Staff requests the Community Advisory Committee (Committee) recommend the Board adopt staff’s preferred portfolio detailed in Table 1 of this report for the 2026 Integrated Resource Plan (IRP) filing required by the California Public Utilities Commission (CPUC).

Background

The IRP is a process for load serving entities (LSEs) such as SCP to evaluate long-term strategic decisions with consideration of financial, environmental, and regulatory impacts. Staff provided a comprehensive background of the IRP process and assumptions for this year in the February 2026 Committee meeting and March 2026 Board meeting (*2026 IRP Inputs Discussion*: [link](#) – starting on page 49).

The CPUC requires the SCP Board to formally adopt a resource portfolio for its 2026 IRP that demonstrates that SCP has a plan to procure resources that will facilitate the state’s decarbonization targets for the electricity sector while also meeting reliability needs. The due date for the 2026 IRP was extended from the originally anticipated date of June 1st to August 10th due to delays in the CPUC providing load-serving entities needed guidance. Staff used the extension to facilitate an extra month of analysis to strengthen the recommended portfolio described below. Importantly, the resource portfolio submitted to the CPUC not only demonstrates SCP’s compliance with environmental and reliability requirements but also provides an opportunity for SCP to directly signal the transmission needs for its future procurement.

Internally, the adopted portfolio will serve as the primary guide for near-term resource

procurement. Although compliance requirements and market conditions can require SCP to deviate from the adopted portfolio, the IRP ultimately guides the agency's procurement priorities. Indeed, most of the resources procured over the last three years directly align with the Board's last adopted IRP from 2022. Staff are proposing to revisit IRP portfolios on an annual basis with the Committee and Board in the future, rather than relying on an irregular CPUC schedule, which should further strengthen alignment with resource procurement.

The CPUC treats the IRP principally as a tool to characterize the need for wholesale resources, such as large-scale utility solar, storage, wind and geothermal. SCP staff recognize customer-sited resources such as behind-the-meter (BTM) solar, storage, and demand response can also significantly contribute to reliability and decarbonization and when deployed at-scale, can measurably reduce infrastructure spending. Accordingly, staff use the IRP as an opportunity to characterize customer-sited resources, set deployment goals, and identify regulatory or market barriers in concert with SCP's wholesale resources.

Summary of Staff's Recommendation

Staff recommend a portfolio that outperforms CPUC requirements and is consistent with guidance received from the Board in the *2026 IRP Inputs Discussion* and the Board's adopted Project Selection Criteria Policy C.6. The recommended portfolio prioritizes local development, targets eliminating hourly carbon emissions and local air and water pollution associated with operating natural gas power plants, supports electrification, and sets ambitious goals for deployment of customer-sited resources. Additionally, staff recommend that SCP reallocate funds traditionally used to procure short-term hydropower to support strategic initiatives that deliver on long-term portfolio objectives. Below is additional detail on how the recommended portfolio is responsive to guidance received from the Community Advisory Committee and Board of Directors:

- **Minimize Infrastructure Burden:** Staff are recommending a portfolio that does not plan to rely on new out-of-state resources beyond resources already under contract and an isolated near-term need to procure 50 megawatts (MW) of wind from Baja California (necessitated due to the current scarcity of in-state wind projects). The recommended portfolio also includes near-term procurement of local biogas (from reducing landfill emissions), 100 MW of paired solar and storage development by 2040 within SCP's territory, and aggressive targets for customer-sited resources.
- **Support Electrification:** As required by the CPUC, the recommended portfolio supports a load forecast incorporating ambitious electrification and load growth, including a share of expected statewide data center demand (despite SCP having no expected large data center customers). The proposed adoption of aggressive targets for customer-sited resources creates an opportunity where SCP resources alleviate distribution system constraints that limit electrification. The portfolio also seeks to

minimize increases to SCP's rates to support electrification, with long-term generation costs currently projected to increase at less than 2.0% annually with the data available today.

- **Sustain Climate Leadership and Minimize Local Air Pollution:** The recommended portfolio represents a set of resources optimized to deliver on the objective of mitigating 100% of SCP's hourly carbon emissions. SCP holds itself to a higher standard than industry by evaluating emissions performance at an hourly level – realizing that today an incremental new megawatt-hour of solar in the summer doesn't provide the same environmental benefits as a renewable megawatt-hour during a winter evening. The recommended portfolio delivers 100% mitigated hourly emissions without expecting a need for any short-term carbon-free contracts before 2035¹. Compared to a compliance-only portfolio alternative described in the *Portfolio Alternatives* section below, the preferred portfolio has 193,000 tonnes CO₂e per year fewer hourly emissions and 51 tonnes per year fewer NO_x emissions by 2032. That's the carbon emissions equivalent of removing over 40,000 vehicles and the NO_x equivalent of eliminating the local pollution of over 20,000 vehicles concentrated at a single point source. The burden of air and water pollution from SCP's power generation is largely borne by disadvantaged communities elsewhere in California. SCP continues to prioritize portfolio development that minimizes this burden.

2026 IRP Preferred Portfolio

Staff's recommended preferred portfolio for the 2026 IRP was selected using a model that determines the optimal set of resources to meet SCP's requirements as a load serving entity, including providing energy, resource adequacy, and meeting state renewable and carbon-free compliance requirements. The model includes assumptions on resource costs, resource availability, load growth, import limits, and market conditions. As described in the *Portfolio Alternatives* section below, staff create alternative portfolios by enforcing additional constraints on the model. Whereas a "compliance only" alternative has no additional constraints, staff's preferred portfolio prioritizes 100% hourly emissions mitigation, limits out-of-state resource availability, and includes contracting for both local landfill biogas and local paired solar and storage development. Importantly, the degree to which local development is prioritized will depend on costs being comparable to IRP modeling assumptions.

SCP's 2026 IRP is informed by and benefits from decision-making under uncertainty methodologies developed with SCP's support through sponsored research at Princeton University. Unlike standard resource planning models that assume perfect foresight, SCP's

¹ As shared in the *2026 IRP Inputs Discussion*, SCP has already demonstrated the ability to meet over 90% hourly emissions mitigation in 2025 but accomplished its objective with the help of short-term carbon-free contracts. Staff are proposing to focus on long-term portfolio objectives that are not dependent on short-term carbon free contracts, which is a more ambitious target.

IRP evaluates resource decisions over 21 different future scenarios (3 load growth scenarios x 7 market scenarios). Decisions in the model are split into two stages: Stage 1 encompasses short-term decisions that need to be made without knowing the future; Stage 2 includes decisions that benefit from insight into the trajectory of SCP’s load and future energy market conditions. Stage 1 decisions are stress tested to ensure they are robust across the range of scenarios—validating that SCP doesn’t procure (or miss an opportunity to procure) in the short-term that creates long-term risk. In its 2026 IRP, staff identified procurement through 2032 as Stage 1, which roughly correlates with the timing of when resources in the current CAISO cluster are expected to be online. Stage 2 represents procurement thereafter and is expected to adjust as future market conditions and SCP’s load trajectory evolves. Table 1 below shows the anticipated resource procurement requirements for the 2026 IRP preferred portfolio that staff propose representing in the CPUC filing.

Table 1. 2026 IRP Preferred Portfolio Resource Procurement

Year		Resource Procurement
By 2026		<i>The IRP assumes all currently contracted resources are retained. A description of the currently contracted fleet was included in the 2026 IRP Inputs Discussion</i>
Stage 1	By 2032	<ul style="list-style-type: none"> • 130 MW Central Valley Solar + Storage (new PPA) • 50 MW Baja California Wind (new PPA) • 65 MW SoCal Wind (PPA with existing resource) • 90 MW NorCal Wind (PPA with existing resource) • 8 MW Local Biogas (PPA with existing resource) • 10 MW Local Solar + Storage (self-build or new PPA) • 5.4 MW NorCal Geothermal (new PPA)
	By 2035	<ul style="list-style-type: none"> • 40 MW NorCal Wind Repower (new PPA) • 200 MW Northeast California Wind (new PPA) • 110 MW NorCal Geothermal (new PPA) • 10 MW Local Solar + Storage (self-build or new PPA) • 20 MW of SCP Rewards Demand Response Capacity
Stage 2	By 2040	<ul style="list-style-type: none"> • 120 MW Central Valley Solar + 8-hr Storage (new PPA) • 30 MW NorCal Wind Repower (new PPA) • 80 MW Local Solar + Storage (self-build or new PPA) • 110 MW NorCal Geothermal (new PPA) • 110 MW 8-hour Storage
	By 2045	<ul style="list-style-type: none"> • 20 MW Central Valley Solar + 8-hr Storage (new PPA) • 90 MW 8-hour Storage • 400 MWh of daily load shift (BTM storage & workplace charging) • Generic renewable and carbon-free contracting (existing resources)

By 2032, modeling for the preferred alternative is opportunistic about capturing favorable pricing on solar projects in the Central Valley that have safe harbored the investment tax credit as well as contracting wind resources that have earlier availability—including contracts with existing resources and a new build resource in Baja California, Mexico that is directly connected to CAISO and the only large wind project in the existing interconnection cluster. The model also selects 5.4 MW of local geothermal capacity from a project that can be online in 2031. The model sees these procurement decisions as having low risk of regret, even if SCP load grows slower or faster than the base case and if market conditions diverge. For the preferred portfolio, the model includes two additional resources that align with guidance on prioritizing local development: 8 MW of local biogas and 10 MW of local solar paired with storage.

Stage 2 in Table 1 represents one of the 21 futures evaluated in the IRP model. Consistent with CPUC requirements, staff present a future with a “high” load forecast. Staff have selected a market scenario that is middle-of-the-road. In this scenario, the model sees a need to continue building resource diversity through wind and geothermal resources. The model identifies high value in wind resources in Northeast California, which will rely on transmission expected to be approved in the 2026-27 CAISO transmission plan, because that resource has a more winter-peaking generation profile. By 2040, the model identifies a need for additional solar and storage as SCP’s legacy solar contracts start to end. The model also identifies a need for longer than 8-hour duration storage. To guide local resource development, the model is required to build 100 MW of cumulative local solar paired with storage by 2040. Figure 1 below shows how the long-term contracted generation for the IRP preferred portfolio is expected to evolve through 2045. Figure 2 shows a map of resources in the preferred portfolio.

Figure 1. IRP Preferred Portfolio Long-term Contracted Generation by Technology

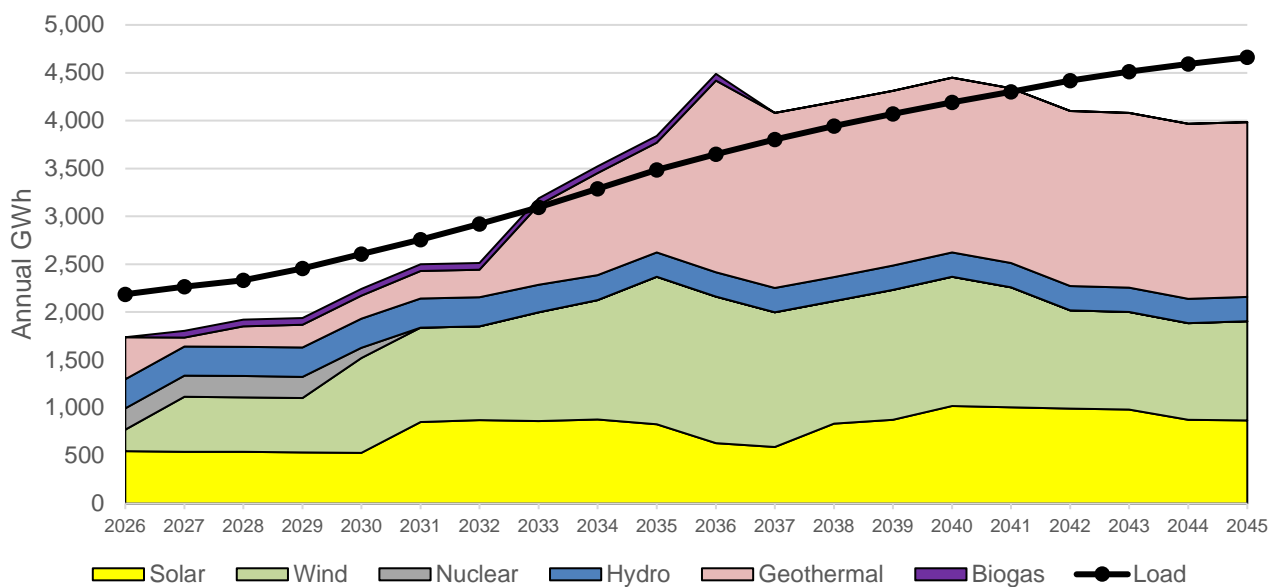
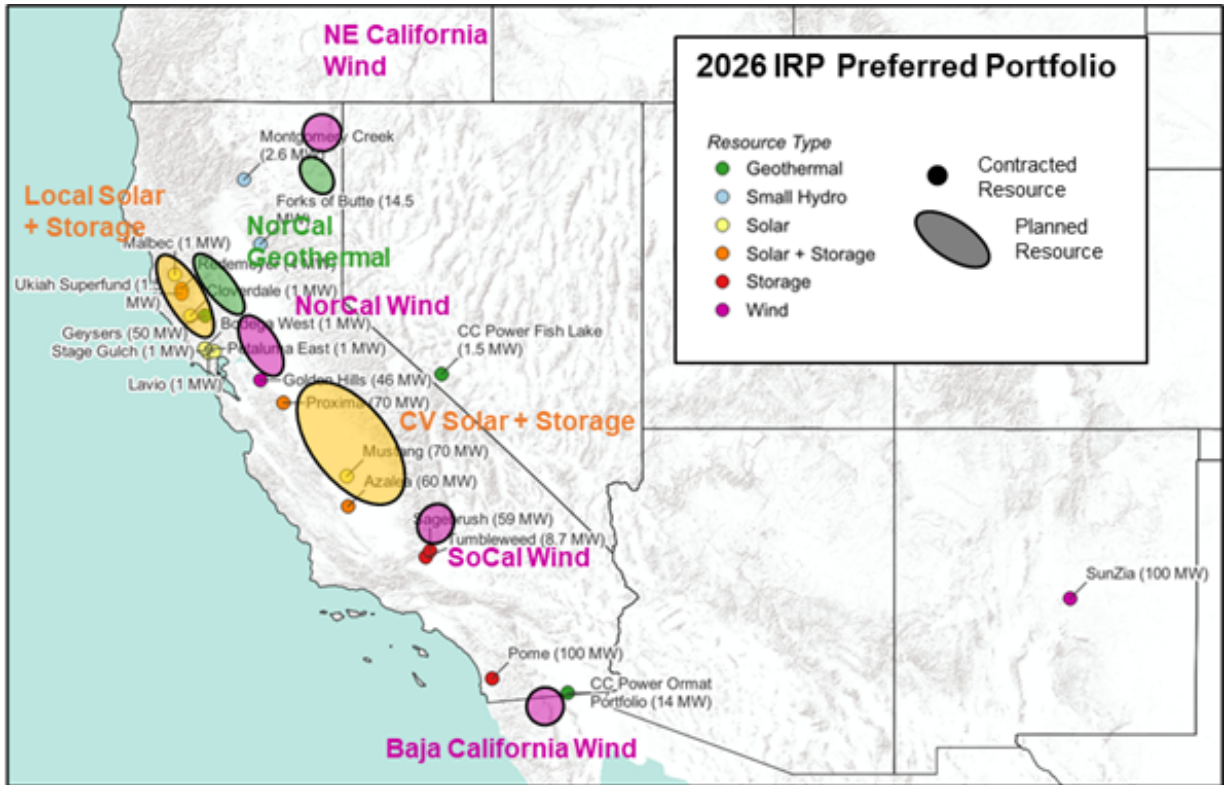


Figure 2. Map of 2026 IRP Preferred Portfolio



Customer-sited Resources

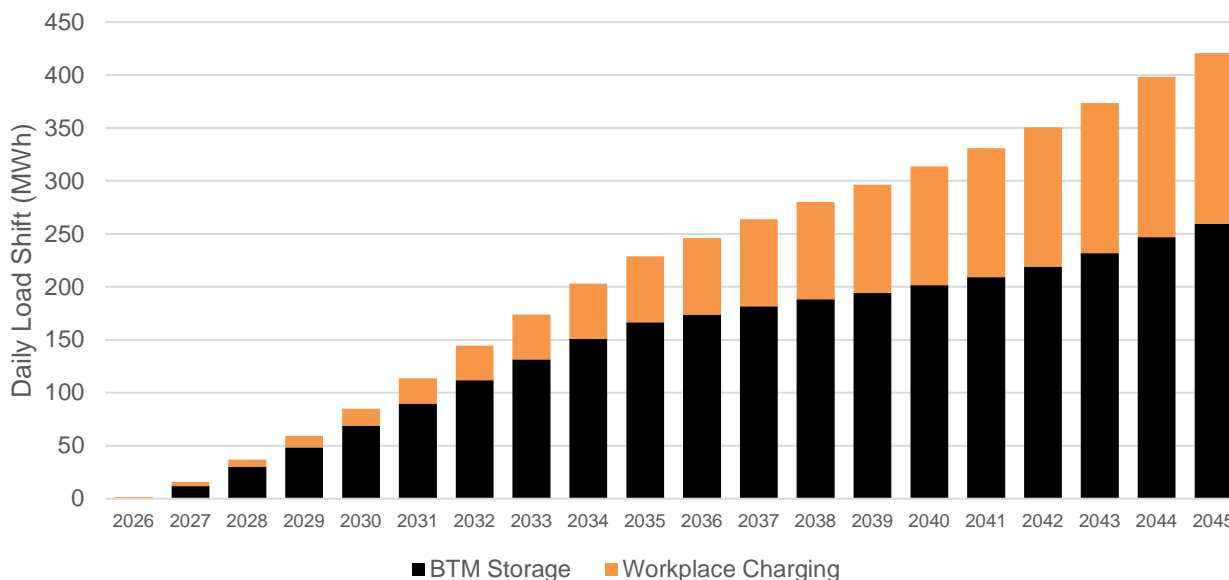
The preferred portfolio includes two targets for customer-sited resources: 20 MW of SCP Rewards demand response capacity by 2035 and 400 megawatt-hours (MWh) of daily load shifting by 2045. These resources would be managed as a Virtual Power Plant (VPP) to reduce reliance on wholesale resources and lower overall systemwide infrastructure costs. Importantly, supporting deployment of event-based demand response and load shifting aligns with the Board’s priority to minimize burden on electric infrastructure.

Following the *2026 IRP Inputs Discussion*, staff have worked to reinforce customer-sited deployment goals with both a strategy and projected value. For the demand response goal in SCP Rewards, staff reduced the recommended target from 30 MW to 20 MW. This is the outcome of an internal decision not to include battery storage because batteries are better suited to perform as a load shift resource every day, rather than a contributor to on-call dispatchable demand response. The 20 MW goal is dependent on SCP aggressively growing the SCP Rewards smart thermostat fleet to over 17,500 residences, enrolling over 27,000 customers in behavioral demand response (using alerts by text or email), and initiating enrollment with small businesses. At a scale of 20 MW in 2035, staff anticipate wholesale power cost benefits of over \$700,000 per year. As discussed in the *Advocacy Priorities* section below, a goal of staff is to further augment the potential value of the SCP Rewards fleet by advocating for a mechanism to reward demand response programs that

allow deferral of infrastructure investments.

Staff anticipate meeting the 400 MWh daily load shift goal through two mechanisms: a scale-up of customer-owned “behind-the-meter” or BTM storage resources that are actively controlled by SCP and SCP-driven incentives for wide-scale adoption of workplace charging for electric vehicles. Figure 3 shows a forecast of the relative contribution of these two mechanisms through time. Early progress is driven by BTM storage, where SCP is exploring opportunities to enroll existing storage capacity in an SCP-managed program, subscription models that enable low-cost access to battery backup², and targeted enrollment of solar customers losing their legacy compensation treatment. The contribution of BTM storage is expected to decelerate when tax credits phase-out in the early 2030s. By 2045, the forecast in Figure 3 assumes over 10,000 BTM batteries in SCP’s actively managed fleet that provide 260 MWh of daily load shift, over \$13 million in annual wholesale power cost benefits and a cumulative benefit of over \$138 million. As with SCP Rewards, staff are prioritizing regulatory advocacy to also identify opportunities to monetize the infrastructure deferral benefits of BTM storage.

Figure 3. Forecasted Daily Load Shift from BTM Storage and Workplace Charging



Staff seek to promote workplace electric vehicle charging, which provides a direct mechanism to shift evening usage to peak mid-day solar hours, by an aggressive expansion of SCP’s existing workplace charging pilot. It’s not realistic for SCP to support or build all of Sonoma and Mendocino County’s needed chargers, but staff believe a strategic scale-up of the pilot could have catalytic effects. The forecast in Figure 3 achieves 160 MWh of daily load shift by

² Staff have been closely studying the success of [Base Power](#) in the Texas market. Base Power is a retail provider, similar to Sonoma Clean Power, and can offer its customers a low-cost subscription to battery backup by monetizing the grid benefits of the battery. Staff believe a similar model could be successful at catalyzing large-scale adoption in SCP’s territory.

2045. This requires over 18,000 electric vehicles to be utilizing workplace charging by 2045, which represents 4.6% of the projected electric vehicle fleet and over 8% of commuters in SCP's territory. If successful, this level of adoption could deliver over \$8 million in annual wholesale power cost benefits and a cumulative benefit of \$70 million. At a minimum, staff anticipate a need to directly support 30 workplace chargers per year in SCP's territory to achieve the adoption forecasted in Figure 3. Unlike BTM BESS, most of the load shift benefits are expected to happen later in the 2030s, after electric vehicles achieve high penetration and time allows SCP's chargers to catalyze mass adoption.

Portfolio Alternatives

Staff's recommendation to adopt the preferred portfolio, which includes a 100% hourly emissions planning objective and preference for local resources, is grounded in a comprehensive alternative analysis. Although staff have considered numerous portfolio designs in developing the recommended portfolio, three portfolios are presented below to inform the Board's selection of a preferred portfolio:

- **Compliance:** The compliance portfolio seeks to minimize power costs while meeting the minimum compliance obligations, including renewable portfolio standard, resource adequacy, and SB 100 requirements. The compliance portfolio only contracts solar paired with storage in Stage 1. Long-term, the compliance portfolio builds a more diverse portfolio, but only as necessitated by increasingly stringent requirements.
- **100% Hourly Emissions:** The 100% hourly emissions portfolio seeks to build a portfolio that mitigates 100% of hourly carbon emission—which is important for building the resource mix needed to facilitate retirement of the natural gas capacity burdening disadvantaged communities. This portfolio accordingly selects more resource diversity in Stage 1. Long-term, this portfolio relies on geothermal, in-state wind, and New Mexico wind.
- **100% Hourly Emissions + Local (Preferred):** The 100% hourly emission + local portfolio, which is staff's recommended preferred portfolio, seeks to mitigate 100% of hourly carbon emissions while also preferring local development. This local development is achieved in the model by including near-term biogas procurement and 100 MW of local solar paired with storage by 2040. The model also limits out-of-state resource selection beyond a near-term 50 MW wind opportunity in Baja California. The portfolio includes the most diverse resource selection in Stage 1, and relies on wind in Northeast California, increased geothermal capacity, and local solar development to meet long-term portfolio requirements.

Table 2 includes key metrics to facilitate comparison between the portfolio alternatives. These metrics represent average values across all 21 uncertain future scenarios tested in the model. These results also assume that SCP does not purchase any short-term

hydropower to meet environmental objectives, which is discussed in the following section.

The expected cost of the preferred portfolio represents a 3.7% premium versus a compliance portfolio over the 20-year modeling horizon, and as much as a single-year 5% premium in 2030. Compared to a portfolio with an emissions objective but no local requirement, the preferred portfolio represents a 1.7% premium over the 20-year model horizon and as much as a 3.2% single-year premium in 2040. For context, the 2026-27 budget for power cost is \$107.28 per MWh and the 2045 cost of the preferred portfolio of \$153 per MWh represents an average annual escalation of less than 1.8% per year.

Table 2. Key Metric Comparison for Portfolio Alternatives

Metric		Compliance	100% Hourly Emissions	100% Hourly Emissions + Local (Preferred)
Power Cost (\$/MWh)	2030	109.9	114.2	115.5
	2035	124.8	127.1	129.0
	2040	130.4	133.0	137.3
	2045	147.3	149.0	153.0
	Average	123.6	126.0	128.2
2032 Hourly Carbon Emissions (tonnes)		252,394	72,068	59,143
2032 NOx Emissions (tonnes) ³		66.2	18.9	15.5
2032 Renewable %		70.3%	90.7%	92.2%
2032 System Power %		19.3%	0%	0%
2045 Out-of-State %		33.6%	33.5%	5.2%

Table 2 includes environmental performance metrics from 2032, which is the last year of Stage 1 in the model, and best represents the environmental impacts of near-term decisions that are likely to be guided by the adopted portfolio. Even though the model seeks to build a portfolio that provides 100% hourly mitigation, it is not possible to achieve that objective due to resource availability constraints (unless short-term hydropower contracts are used, which are discussed in the following section). The result is that SCP’s emissions in 2032 are non-zero. Whereas the compliance portfolio still emits over 252 thousand tonnes of emissions based on hourly accounting, the preferred portfolio emits only 59 thousand tonnes. The preferred portfolio similarly demonstrates a substantially higher share of renewable energy and lower system power (both annual metrics) than the compliance portfolio.

³ Uses a standard volumetric conversion factor from the CPUC, which is likely underestimated given NOx emissions are not just volumetric, but can be increased by intermittent operation of gas facilities which is expected to increase as California continues to decarbonize, unless resources are retired.

The results also show that without a local focus, the share of out-of-state power meeting SCP's energy needs in 2045 will be substantial. Whereas the preferred portfolio that limits out-of-state resource development only sources 5.2% of energy from out-of-state resources, the unconstrained portfolios exceed 33%.

The financial metrics in Table 2 do not reflect the indirect cost of climate impacts, health impacts from local pollution, nor the infrastructure costs associated with retaining a natural gas backup fleet and building regional transmission to access out-of-state resources. Accordingly, staff recommend the Board adopt the preferred portfolio—which provides the most direct action to address these concerns—despite its higher expected cost. Staff will meanwhile take actions described in the *Advocacy Priorities* section below to seek to better align financial incentives with SCP's adopted procurement strategy.

Short-term Hydropower Contracts

SCP has historically used short-term hydropower contracts to meet some of its voluntary environmental objectives. This practice continued when the 2022 IRP adopted hourly targets, and enabled SCP to achieve over 90% hourly carbon emissions mitigation performance for the year 2025. Until quite recently, SCP staff recognized that procuring short-term hydropower was an effective strategy to drive incremental climate progress. By driving up demand for clean power, such procurement increased the market price of clean electricity and improved the economics of building new clean energy resources.

In current conditions, the pace of clean energy deployment is not constrained by economics, but rather the scarcity of transmission and distribution interconnection capacity. As a result, addressing the constraint of interconnection capacity is a top priority for SCP's legislative and regulatory advocacy. Until this is fixed, short-term procurement of hydropower still has the impact of driving-up prices but no longer appears to have significant value in driving incremental clean energy build-out that results in additional climate benefits.

In delivering on SCP's goals of driving climate progress, staff seek to maximize the climate impact of every dollar spent. This is especially true in today's energy affordability crisis and with the challenge of providing electric rates that encourage electrification. Accordingly, staff are recommending to the Committee and Board that SCP phase out its use of short-term hydropower procurement. Phasing-out short-term hydropower will lead to cost savings of over \$5 million per year. SCP can leverage those savings to support strategic initiatives that support the feasibility and cost-effectiveness of the preferred portfolio such as early-stage investments for the Capital Projects team for local project development, incentives for accelerating adoption of the customer-sited resources described above, financial partnerships through the Geothermal Opportunity Zone, and supporting electrification.

An important trade-off in staff's recommendation to phase-out short-term hydropower is that SCP's power source disclosure for CleanStart will show an increased share of unspecified

power (primarily natural gas) and annual carbon emissions. Whereas SCP's 2024 power source disclosure for CleanStart showed less than 9% unspecified and carbon emissions of only 91 pounds per MWh, phasing-out short-term hydropower procurement will lead to over 20% unspecified and carbon emissions of over 200 pounds per MWh. If SCP is unable to procure near-term needs and weathers a bad hydropower year, CleanStart could see as much as 27% unspecified and 250 pounds per MWh. Although this will superficially appear to be a step back for SCP's performance, it still outperforms many other CCAs with climate-forward values and sustains SCP's long track record of tackling California's hardest climate problems. Now that energy from Diablo Canyon is allocated across all load serving entities, PG&E's own power source disclosure is expected to show over 20% unspecified mitigating a potential concern that CleanStart would look less clean than PG&E. If the Board ultimately agrees with this recommendation, SCP will need the help of ally organizations and environmental and local workforce leaders in messaging that the climate impact of SCP's service goes far beyond what is indicated in the state's official power source disclosure and is best assessed through SCP's long-term portfolio goals and regulatory advocacy and innovation that has catalytic impacts statewide and beyond.

The preferred portfolio includes a planning target of 100% hourly emissions mitigation while allowing flexibility with specific annual environmental performance in order to seek the larger climate benefits of advancing a robust clean portfolio with greater speed. What this means in practice is that resource planning and procurement decisions that do not achieve the planning target are assessed with the cost of the system procuring short-term hydropower to meet SCP's target. This leads to a premium value being assigned to the diverse resources that are needed to facilitate retirement of the natural gas fleet. This approach is not dissimilar from incorporating a social cost of carbon in SCP's decision-making. The application of this approach is what drives the difference in the compliance and 100% hourly emissions portfolios detailed in Table 2. It will also impact analysis of individual procurement decisions—SCP can justify paying more if needed for the types of resources needed to meet its target. However, if that target is not met—which is the reality given constraints on the near-term availability of cost-effective diverse resources—staff are proposing instead of relying on short-term hydropower to meet a target, that those funds be used for strategic investments that enable achievement of the preferred portfolio.

If the Board adopts this proposal, SCP should still retain the option to use short-term hydropower in the future and should also reconsider the role short-term hydropower contracts can play as the scarcity of interconnection capacity is relieved. In 2035, short-term hydropower will also have compliance value in meeting load serving entity obligations to deliver 90% renewable or carbon-free power. Likewise, SCP may need short-term hydropower for meeting the CPUC's implementation of the Renewable and Clean Power Procurement Program (RCPPP). SCP may therefore include some short-term hydropower in the early 2030s in the CPUC's compliance filing to reflect SCP's need to meet such compliance obligations.

Staff's recommendation above is specifically for incremental short-term hydropower procurement. SCP receives a share of PG&E's hydropower fleet as credit for the Power Charge Indifference Adjustment (PCIA) its customers pay. SCP expects to continue receiving the PCIA hydropower credit and is not proposing that it be resold. Like all load serving entities, California allocates to SCP its share of nuclear energy from Diablo Canyon that is carbon-free and is included on the CleanStart power source disclosure which SCP is not allowed to resell nor include as a resource in its IRP.

Advocacy Priorities

In the *2026 IRP Inputs Discussion*, the Board noted that staff should recommend an IRP portfolio even if it faces regulatory constraints—acknowledging that SCP has the resources to overcome challenges through regulatory and legislative advocacy. Staff's recommended preferred portfolio represents an ambitious vision for resource diversity, local-focused development, and customer-sited resource adoption. In order to be successful and cost-effective for SCP's ratepayers, staff have identified the following regulatory advocacy priorities, all of which are consistent with our Board-adopted policy priorities:

- **Local Interconnection Capacity:** In order for a resource to be recognized as contributing reliability to the electric system it must have specific type of deliverability relating to proving it can be sent in hot summer evenings into the Los Angeles area. The CPUC places a large emphasis on this one type of deliverability through its resource adequacy and IRP procurement requirements. By this definition, there is currently no deliverability available in SCP's territory, which makes it very difficult to prioritize local development. Staff are fighting this issue on multiple fronts: pushing for more transmission capacity that unlocks local deliverability (such as Assembly Bill 2111), reducing the myopic focus on this one type of deliverability in determining a resource's value (such as Assembly Bill 2369), and allowing distributed resources to satisfy resource adequacy requirements (ongoing advocacy at the California Energy Commission).
- **Infrastructure Deferral Monetization:** Focusing on more local development and customer-sited resource deployment reduces the need for infrastructure investments, but SCP cannot currently monetize those benefits. If SCP were able to monetize infrastructure deferral benefits, it would be able to offer more lucrative incentives to accelerate adoption of customer-tied resources, and the cost premium of a locally focused portfolio would be narrowed. In many cases, the infrastructure savings associated with SCP's preferred portfolio could surpass the wholesale power market value. Staff will begin more direct engagement in CPUC proceedings that consider mechanisms to incentivize infrastructure deferral.

- **Northeast California Transmission:** The preferred portfolio includes 200 MW of wind in Northeast California, which is dependent on CAISO extending its transmission system. SCP has already supported such an expansion in the 2026-2027 Transmission Planning Process and believes it is a good example of robust transmission planning, given it provides access to in-state wind, in-state geothermal, and improved connectivity with Northern Nevada. SCP will seek to proactively engage with wind developers, transmission developers, and CAISO to identify opportunities to provide support.
- **Geothermal Support:** The preferred portfolio contains 225.4 MW of new geothermal capacity specifically from Northern California, which is a significant step change from California's recent track record of lackluster development. In order to achieve the 225.4 MW objective, SCP will need to continue its proactive support of geothermal development through the Geothermal Opportunity Zone and California Community Power's geothermal partnerships. SCP will continue pushing the state for permitting reforms that attract in-state investment and secure state funding for early project exploration and appraisal drilling.
- **Customer-Owned Battery Export:** In evaluating the cost-effectiveness of customer-owned (also called 'behind the meter') battery storage as a grid asset, staff continue to encounter one large barrier: California does not currently allow standalone batteries to export to the grid, and batteries paired with solar are either also non-export or can only charge from solar. Staff's evaluation is that export restrictions reduce the grid value of customer-owned battery systems by a factor of three. By limiting battery use to serving on-site load, the capacity value and ability to target high-value hours is greatly diminished. Staff have begun advocacy on relieving battery export restrictions in earnest – leveraging new proceedings at the CPUC for advanced rate making, Rule 21 updates, and legislation targeted at increasing the adoption of distributed energy resources.
- **Long-duration Storage:** The Committee and Board both provided guidance for staff to explore the potential role for long-duration storage, including such technologies as iron-air and methanol. The preferred portfolio includes 8-hour lithium-ion storage but does not include the longer duration technologies identified by the Committee. Staff share the Committee's view that such technologies could play a critical role in California's grid as it reaches high levels of decarbonization but have struggled to identify their value in modeling IRP portfolios given that the current resource adequacy and IRP regulations do not appropriately recognize their potential grid value. Staff will increase engagement in current proposed reforms to the resource adequacy program at the CPUC, which includes a specific focus on treatment of long-duration storage. Improved regulatory recognition of long-duration storage could lead to it playing a role in future updates to SCP's IRP.

Next Steps

Staff are preparing IRP compliance materials due August 10th in parallel with seeking approval from the Board for the recommended preferred portfolio. The August filing will include a detailed inventory of SCP's planned resource procurement, calculations verifying that the preferred portfolio meets the CPUC's emissions and reliability requirements, and a narrative that is responsive to CPUC prompts on SCP's considerations in resource planning. Although staff may need to make minor adjustments to the portfolio to ensure it conforms with CPUC requirements, it will seek to maximize alignment with the preferred portfolio adopted by the Board. Staff also plan on creating a publicly accessible version of the 2026 IRP that will include details from the *2026 IRP Inputs Discussion*, this memo, and the CPUC narrative that will be made available to the public on SCP's website by this Fall.

As mentioned in the *2026 IRP Inputs Discussion*, staff plan on facilitating an annual review of SCP's IRP, rather than waiting for the next CPUC compliance filing. Staff preliminarily plan to facilitate the next IRP discussion in Spring 2027.

Agency Goals

This item is directly related to the Board's 2026 goal for completing an IRP that reduces reliance on natural gas power and is responsive to rapidly changing conditions.

Attachments

- None.