Sonoma Clean Power

DRAFT MEETING MINUTES
COMMUNITY ADVISORY COMMITTEE MEETING
March 25, 2019
1:00 PM

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50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

I. CALL TO ORDER

Chair Dowd called the meeting to order at 1:00 p.m.

Committee Members present: Chair Dowd and Committee Members Baldwin, Brophy, Chaban, Fenichel, Nicholls, Sizemore, and Wells.

Staff present: Geof Syphers, Chief Executive Officer; Stephanie Reynolds, Director of Internal Operation; and Jessica Mullan, General Counsel.

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

III. COMMUNITY ADVISORY COMMITTEE CONSENT CALENDAR

1. Approve February 19, 2019 CAC Meeting Minutes

Public comment: None

Motion to approve the February 19, 2019 meeting minutes by CM Baldwin

Second: CM Nicholls

Motion passed: 6-0-2

IV. COMMUNITY ADVISORY COMMITTEE REGULAR CALENDAR

2. Receive Operations Report and Provide Input as Appropriate

Director of Internal Operations Stephanie Reynolds updated the Committee on the new Risk and Regulatory Compliance Officer's starting date, which is April 1st, and the status of the Chief Operating Officer recruitment. Chair Dowd asked what responsibilities the Risk Officer will have and what level of interest there was for the COO position. General Counsel Jessica Mullan provided an overview of the Risk Officer duties (regulatory responses & filings and the establishment of an internal risk oversight function among other duties); CEO Syphers detailed the COO responsibilities (significantly manage the daily operations of SCP, personnel management, fiscal management, setting the agency's goals, etc.) and the high level of interest in the position from very well-qualified individuals. Director Reynolds acknowledged Senior Programs Manager Rachel Kuykendall as a recipient of the North Bay Business Journal's "Forty Under Forty Award" and her contributions since joining SCP.

CEO Syphers then updated the Committee on the PG&E bankruptcy, including proposed legislation for a secondary type of insurance for utilities that would be paid for by ratepayers. He noted CalCCA's position that PG&E should focus on safety, and how this could be supported by PG&E exiting the generation side of electricity to focus on grid reliability and safety.

Chair Dowd asked about the status of other major IOUs in California, and if any reorganization talks have touched on these IOUs. CEO Syphers noted that Southern California Edison faces significant wildfire liability and has had their credit downgraded as a result of the PG&E bankruptcy.

CM Fenichel asked what percentage of PG&E's territory is not covered by a CCA, and CEO Syphers stated that a majority PG&E's territory is served by CCAs. CM Brophy recounted a Press Democrat article which noted that Senator Dodd had supported CalFire taking over wildfire maintenance of the grid from PG&E and other utilities; CEO Syphers stated he has not studied this option.

Director Reynolds highlighted the updated consent calendar procedures, which are being introduced to maximize meeting efficiency. She then provided the Committee a 431 E Street building update, including design status and notice that a prequalification bid for construction services will be released by SCP this week. Director Reynolds advised the Committee that the Programs team is developing a flood relief program for customers in SCP's territory, particularly for those located along the Russian River, and that a more detailed plan will be brought back to the CAC and BOD. Following this, Director Reynolds updated the Committee on the monthly compiled budgetary & financial statements, as well as the upcoming public meeting schedule for the BOD and CAC.

Public comment:

Mike Turgeon, Friends of the Climate Action Plan, commented on the all-electric Reach code and advocacy efforts.

3. Receive Legislative and Regulatory Updates and Provide Input as Appropriate

CEO Syphers provided the legislative report by noting a few high-profile bills that SCP is monitoring such as AB 56 (E. Garcia); SB 350 and SB 520 (Hertzberg). He then detailed SB 255 (Bradford), which calls for increasing energy supplier diversity among identified minorities, and that the SCP BOD Chair and Vice Chair authorized the CEO to draft a letter of support for this bill.

Director Reardon apprised the Committee on the following items: the proposed central buyer for Resource Adequacy, and the Energy Resource Recovery Account fee, which will likely be approved by July 1st.

Public comment: None

4. Review and Provide Input on the Annual Budget and Rates for Fiscal Year 2019/2020, Including a Possible Exemption from Financial Reserves Policy

CEO Syphers introduced the item by noting data which is typically available earlier in the year, such as the PCIA fee and PG&E's rate schedule update, has not been released publicly. Because of these factors, staff plans to bring back a recommended budget to the CAC at the May meeting. If the outstanding fees and rates are unknown at that time, staff proposes to bring the draft rates at a later meeting with a possible budget adjustment in July or August. CEO Syphers then outlined the various budget scenarios to the CAC, including staff's preference for the equal savings scenario, the methodology for coming to this recommendation, along with the various budgetary line items. Following this, he highlighted the pros and cons of each proposed budget scenario and the various budgetary line items contained in the staff report for this agenda item.

CM Fenichel asked about a 0.1% savings scenario for customers; Director of Customer Service Erica Torgerson detailed the reasoning behind the various budget scenarios, and her recommendation that savings of such a minimal percentage would not translate to significant savings nor would they necessarily be viewed favorably by customers.

CM Brophy asked if the 5-year budget forecast and assumptions for Fiscal Year 2019-2020 are based on the equal savings budget scenario, and CEO Syphers confirmed they are. CM Brophy then asked about having the Advanced Energy Center as a separate fiscal entity from SCP; CEO Syphers stated that may be possible at the end of the grant period should SCP wish to continue operating the Center.

CM Wells asked about the proposed Program Reserves for FY 19-20, and his support for not adding additional funds to Program Reserves given the existing funding in this category.

CM Nicholls expressed his support for continuing some level of customer savings, while also protecting against impacts to SCP's creditworthiness. Chair Dowd noted his support for the Committee's comments as well as modest savings for SCP customers over PG&E. CM Brophy detailed his support for the Equal Cost budget scenario and the higher cost scenarios, as there is value to ensuring that contributions are made to Operating Reserves. CM Baldwin stated support for the Equal Cost budget scenario. CM Sizemore voiced support for staff's recommendations. CM Wells suggested a scenario that includes contributions to Operating Reserves, maintains customer savings, and reduces Program Reserves.

Public comment:

Jerry Glaser, Sebastopol resident, spoke on EverGreen benefits and promoting as an option with local building codes.

George Uberti, Santa Rosa resident, spoke about the financial summary reports included in the meeting agenda packet.

CEO Syphers recounted the Committee's deliberations on this item, which included:

- Scenarios from 1.0% savings to 0.5% higher costs should be considered, with a majority of committee members favoring equal costs or 0.5% (or even less) savings. The Committee acknowledged that customers may not value savings of less than 1%, but there could be political value in having a tiny amount of savings.

- A one-year exemption of Financial Policy B2 would be acceptable, including shifting the planned net income into capital investments.

- Avoid negatively impacting SCP's credit. For example, by avoiding spending any Operating Reserve funds.

- Consider using some Program Reserves to invest in SCP's headquarters building, for example for the solar and battery system.

5. Update on Default Time-of-Use Pilot and Full Default Time-of-Use Transition

Director of Customer Service Erica Torgerson introduced the item by providing background on Time-of-Use ("TOU"), including the 2015 CPUC decision establishing the transition to Time-of-Use or "TOU" rates for IOU's and reasons for the change from the tiered system. She then described the purpose of the pilot in greater detail, which is intended to test marketing, outreach strategies for customers, rigorously test the IOUs process for defaulting mass numbers of customers into a new rate in a compressed timeframe, rate comparison tools, bill protection, and customer understanding before a full default TOU transition. Following this, Director Torgerson detailed next steps in the TOU transition and a tentative schedule for bringing this item back to the CAC and BOD.

Chair Dowd noted the importance of TOU and the role that SCP can play in educating our customers about the new rates. CM Brophy asked how TOU rates could affect comparisons between SCP and PG&E rates; Director Torgerson stated that rate comparison shouldn't be affected. CM Nicholls detailed his positive experience as a TOU customer and bill savings under this rate.

Public comment: Jerry Glaser spoke about his experience as a TOU customer.

6. Recommend Board Authorization for the CEO to Negotiate and Execute Agreement with NRTC to Provide Smart Thermostats for the GridSavvy Community

Senior Programs Manager Rachel Kuykendall presented on the item, which represents the first extension to the GridSavvy program. CM Nicholls asked about existing customers with smart thermostats like Ecobee and whether they could participate in the program; Senior Programs Manager Kuykendall stated that Ecobee is next on her list, but it would be difficult to fold this manufacturer into GridSavvy given how propriety each technology is. CM Brophy asked about the $46,000 in startup fees in the agreement and Senior Programs Manager Kuykendall detailed the line item costs. CM Wells asked how many thermostats may be distributed; Senior Programs Manager Kuykendall stated that the goal is for 500 thermostats.

Public comment: None

Motion to Recommend Board Authorization for the CEO to Negotiate and Execute Agreement with NRTC to Provide Smart Thermostats for the GridSavvy Community by CM Sizemore

Second: CM Baldwin

Motion passed: 8-0-0

V. COMMITTEE MEMBER ANNOUNCEMENTS

None

VI. ADJOURN

Chair Dowd adjourned the meeting at 3:48 p.m.

Sonoma Clean Power

Staff Report – Item 02

To: Sonoma Clean Power Authority Community Advisory Committee

From: Cordel Stillman, Director of Programs

Nelson Lomeli, Programs Manager

Item: Recommend Board Authorization and Delegation for the CEO to Negotiate and Execute Agreement with Cadmus Group, LLC to Conduct an All-Electric, Zero-Emission Bus Planning Engineering and Study

Date: May 21, 2019

Requested Actions

Staff requests that the Committee recommend to the SCP Board of Directors ("Board") that they delegate authority to the Chief Executive Officer ("CEO") to negotiate and execute a contract with Cadmus Group to conduct a planning and engineering study ("Study") that will develop tangible paths to implement an all-electric, zero emission bus (ZEB) deployment for the four transit agencies in SCP territory, consistent with the parameters in this staff report, including an aggregate not-to-exceed amount of $215,951 over the term.

Background

In December of 2018, the California Air Resources Board adopted the Innovative Clean Transit (ICT) Regulation which requires California transit agencies to transition to zero-emission buses (ZEB) by 2040.

To assist with the electrification of transportation, Staff engaged with four transit agencies (Mendocino Transit Authority, Sonoma County Transit, Petaluma Transit, and Santa Rosa CityBus) to provide assistance in meeting their ICT mandate with electric buses.

Staff issued a Request for Qualifications (RFQ) for an Electric Bus Charging and Fleet Infrastructure Study in February 2019. The RFQ asked for consulting services to conduct a planning and engineering study to develop a blueprint for the work needed to meet the transit agencies ZEB mandate and goals.

Staff received four Statements of Qualifications (SOQs), of which, Staff selected Cadmus Group to proceed due to their experience in conducting similar studies for other agencies.

In consultation with the transit agencies, Staff will develop a scope of work for a study that will deliver a report to each of the four transit agencies that will include:

- An assessment of their current electrical infrastructure at existing facilities, include the agencies four depot yards, and two transit malls (Santa Rosa and Petaluma);
- Survey of existing and soon-to-be-available electric buses and charging equipment;
- Assessment of solar and energy storage potential at each site;
- Assessment and recommendations on charging policies;
- Assistance with applying for PG&E's Fleet Ready program;
- Analysis of PG&E's proposed Commercial Electric Vehicle Rate.

Staff requests that the Committee recommend to the Board that they delegate authority to the CEO to negotiate and execute a final contract with Cadmus Group substantially in the form attached to this staff report. Such delegation to negotiate and execute an agreement with Cadmus Group would be subject to the conditions set forth below:

- ➢ An aggregate not-to-exceed amount of $215,951 over the term of the Agreement.
- ➢ An initial term for the agreement through December 31, 2019, although Staff anticipates completing work in late Fall 2019.
- ➢ Delegate authority to the CEO to negotiate further amendments to the agreement to address unforeseen needs and adjust budget allocations by tasks, provided the amendment does not otherwise revise the aggregate not-to-exceed amount or the agreement term.
- ➢ The agreement, and any subsequent amendments are in a form approved by the General Counsel.

Attachments

- ➢ Cadmus Group, LLC Agreement for Professional Services

Attachments for this items can be accessed through this link.

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 the year-to-date budget by approximately 1%.

The cost of electricity is a near match to the budget-to-date. Variation in this account is typically due to fluctuating market cost of energy on open position purchases.

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

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

UPCOMING MEETINGS:

BOD MEETING – JUNE 6, 2019 (final FY budget presentation and vote)

CAC MEETING – JUNE, TBD (if needed)

BOD MEETING – JULY 11, 2019 (off schedule, rates presentation and vote)

MAHER ACCOUNTANCY 1101 FIFTH AVENUE • SUITE 200 • SAN RAFAEL, CA 94901

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, 2019, and the related statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period 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
April 25, 2019

TEL 415.459.1249
FAX 415.459.5406
WEB www.mahercpa.com

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION
As of March 31, 2019

ASSETS

Current assets	
Cash and cash equivalents	$ 51,654,032
Investment in Sonoma County Investment Pool	15,318,831
Accounts receivable, net of allowance	16,087,137
Other receivables	949,210
Accrued revenue	6,942,160
Prepaid expenses	1,898,909
Deposits	182,079
Total current assets	93,032,358
Noncurrent assets	
Land	860,520
Capital assets, net of depreciation	3,276,496
Deposits	5,459,242
Total noncurrent assets	9,596,258
Total assets	102,628,616

LIABILITIES

Current liabilities	
Accounts payable	1,258,078
Accrued cost of electricity	11,048,402
Advanced from grantors	457,875
Other accrued liabilities	647,431
User taxes and energy surcharges due to other governments	506,861
Total current liabilities	13,918,647

NET POSITION

Investment in capital assets	4,137,016
Unrestricted	84,572,953
Total net position	$ 88,709,969

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2018 through March 31, 2019

OPERATING REVENUES	
Electricity sales, net	$ 130,097,898
Evergreen electricity premium	346,519
Grant revenue	1,296,937
Total operating revenues	131,741,354
OPERATING EXPENSES	
Cost of electricity	109,277,404
Staff compensation	2,488,488
Data manager	2,364,894
Service fees - PG&E	710,222
Consultants and other professional fees	2,274,739
Legal	314,956
Communications	969,222
General and administration	649,124
Program rebates and incentives	1,468,737
Depreciation	44,699
Total operating expenses	120,562,485
Operating income	11,178,869
NONOPERATING REVENUES (EXPENSES)	
Interest income	769,470
Gain on sale of equipment	503
Total nonoperating revenues (expenses)	769,973
CHANGE IN NET POSITION	11,948,842
Net position at beginning of period	76,761,127
Net position at end of period	$ 88,709,969

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS
July 1, 2018 through March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from electricity sales	$ 134,856,906
Receipts from grantors	480,822
Receipts from supplier for security deposits	14,600
Tax and surcharge receipts from customers	1,798,182
Deposits and collateral returned	372,500
Payments to purchase electricity	(112,727,855)
Payments for staff compensation	(2,493,708)
Payments for contract services	(5,114,205)
Payments for communications	(1,246,693)
Payments for general and administration	(655,781)
Payments for program rebates and incentives	(1,510,987)
Tax and surcharge payments to other governments	(1,772,429)
Deposits and collateral paid	(1,408,034)
Payments for charitable contributions	(108,000)
Net cash provided (used) by operating activities	10,485,318
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(730,976)
Net cash provided (used) by capital and financing activities	(730,976)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income received	770,703
Net cash provided (used) by investing activities	770,703
Net change in cash and cash equivalents (including County Investment Pool)	10,525,045
Cash and cash equivalents at beginning of year	56,447,818
Cash and cash equivalents at end of year	$ 66,972,863
Reconciliation to the Statement of Net Position	
Cash and cash equivalents	$ 51,654,032
Investment in Sonoma County Investment Pool	15,318,831
Cash and cash equivalents	$ 66,972,863

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS (continued)
July 1, 2018 through March 31, 2019

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income	$ 11,178,869
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	43,054
Revenue reduced for uncollectible accounts	655,501
Charitable contributions considered an operating activity for cash flow purposes only	(108,000)
(Increase) decrease in net accounts receivable	1,121,510
(Increase) decrease in other receivables	(767,697)
(Increase) decrease in accrued revenue	2,630,862
(Increase) decrease in prepaid expenses	(1,368,378)
(Increase) decrease in current deposits	(982,290)
Increase (decrease) in accounts payable	176,696
Increase (decrease) in accrued cost of electricity	(2,756,737)
Increase (decrease) in advance from grantors	(42,125)
Increase (decrease) in accrued liabilities	659,084
Increase (decrease) in user taxes and energy surcharges due to other governments	30,369
Increase (decrease) in supplier security deposits	14,600
Net cash provided (used) by operating activities	$ 10,485,318

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Staff Report – Item 05

To: Sonoma Clean Power Authority Community Advisory Committee

From: Geof Syphers, CEO
Neal Reardon, Director of Regulatory Affairs

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

Date: May 21, 2019

Requested Committee Action:

Receive the Regulatory and Legislative Updates and Provide Input as Appropriate.

REGULATORY REPORT

Power Charge Indifference Adjustment (PCIA)

Staff have received preliminary information relating to the implementation of the 2019 PCIA update that is encouraging. In the November 2018 update PG&E proposed a total PCIA for its entire territory of $1.164 billion, and the most recent Advice Letter reduced that to $1.007 billion, after accepting some of SCP and CalCCA's recommended corrections. This makes it more likely SCP can sustain a small customer rate savings for the remainder of 2019, as is detailed in Item 7 later in this packet. In addition, the 2020 PCIA is still expected to increase following implementation of the changes required in the October, 2018 PCIA Decision issued by Carla Peterman. Any additional contribution to reserves will be helpful in offsetting that expected future increase.

PG&E's Energy Resource Recovery Account (ERRA)

On April 4th, PG&E submitted an amended Advice Letter proposing PCIA and Generation Rates for 2019. This re-submittal was ordered by the Commission after SCP and other CCAs successfully advocated in the ERRA Proceeding.

Compared with what PG&E originally proposed to charge in November, this April filing proposes to reduce the total amount of PCIA collected from departed customers by $157 million or 13.5%. PG&E bundled generation rates are proposed to increase between 4.2% and 9.1%, depending on customer class. These would go into effect as early as July 1st, with September 1st being more likely. Northern California CCAs protested PG&E's filing as the exact calculations are still unclear and the reduction in PCIA was less than what PG&E said it would be in advocating against making these changes last Winter.

Resource Adequacy (RA)

The CPUC maintains that while a central procurement entity is a solution to problems in the RA market, it is not ready for implementation at this time. Groups of stakeholders: Investor Owned Utilities, CCAs, and Energy Service Providers, are all directed to host one meeting to discuss outstanding issues. The first of these meetings occurred April 22-23. CPUC Staff and the Assigned Commissioner are eager to create a central procurement entity, and have signaled they will make another proposal in 4Q 2019 if stakeholders do not come to agreement on what the structure should be.

CalCCA and SCP have indicated support for a limited form of central procurement, which respects CCA rights to fully self-procure all resources. The CalCCA proposal recommends forming a Central Procurement Authority for the purpose of procuring any resource adequacy that individual electric suppliers elect not to self-procure. This proposal ensures that all LSEs retain their existing procurement authority while protecting California's grid from reliability issues that could arise from LSEs choosing or unable to procure sufficient resources. This outline plan has been presented the authors of AB 56 (Garcia) because of the overlapping legislative issues in that bill (see Legislative Report later in this item).

PG&E Request to Increase Return on Invested Capital

PG&E recently asked the CPUC to increase the company's return on equity from 10.25 percent to 16 percent because the company's credit rating is too low to effectively raise capital. Alternative means of continuing operations without this increase were not presented in PG&E's filing. If the CPUC approves this request, it would represent an increase of $1.2 billion in ratepayer costs per year, and would translate to a monthly bill increase for the average residential electric non-CARE customer of $7.85, or an increase of 7.0 percent. This would also impact natural gas bills, where the monthly average residential bill impact would be $4.25, or a 7.7 percent increase. If approved, the change in customer bills would be effective January 1, 2020 and last for a minimum of three years. This increase would not include any money to cover wildfire risk reduction work, or to pay for fire liabilities.

CPUC Approves Increase in PG&E Rates

On April 25, the CPUC voted unanimously to approve a $373 million increase in PG&E delivery rates to pay for PG&E's costs for nine fire, wind and rain events in 2016 and 2017 to restore power, repair facilities and trim trees, remove trees, and clear brush from underneath power lines to prevent future outages and fires. The CPUC estimates this increase amounts to an average $3.50 increase on residential bills per month and will last for 12 months. TURN protested that this approval did not include a prudency review.

LEGISLATIVE REPORT

The months of March and April have been extremely busy for the Legislature and the Governor. Both the Senate and Assembly energy policy committees have had numerous hearings and have passed virtually every bill that came before the committees. Fortunately, the members of the energy policy committees would only pass the legislation if the author took the amendments recommended in the bill's analysis.

Friday, April 26th is the last day for policy committees to pass legislation that have been identified as "fiscal." For the bills that have not been keyed fiscal, the policy committees have until May 3rd to pass bills in order for the bills to move to the floor and the appropriations committees have until May 17th to move fiscal bills to the floor.

Since the beginning of Governor Newsom's administration, he identified a key goal of strengthening California's emergency preparedness and response capabilities to mitigate wildfires and build community resilience. In response to PG&E's decision to file for bankruptcy, Governor Newsom created a strike force team to coordinate the state's efforts relating to the safety, reliability, and affordability of energy. On April 12th, the Governor released the strike force team's report that sets out some initial steps to reduce the incidence and severity of wildfires, and focuses significantly on options for allocating the costs of fires.

The report discusses community choice aggregation and recognizes that CCAs are playing a critical leadership role in advancing clean energy investments in California and that CCAs must be seated at the table if California wants to achieve its greenhouse gas emissions-reduction goals. However, the report also calls for increased budget and powers for the CPUC geared toward accelerating the CPUC's procedural timelines and increasing control of the CPUC over statewide renewable energy and reliability. That last point is the most concerning aspect of the Governor's report for CCAs, given the CPUC's recent history of trying take away CCA governing board's powers to plan and procure energy and reliability resources.

SCP Positions Taken

AB 56 (E. Garcia) – Central Procurement
Board Action: Oppose

AB 56 would authorize the California Public Utilities Commission and the California Energy Commission to jointly establish the "California Clean Electricity Authority" if certain findings regarding need for the Authority as a means to help achieve California's clean energy goals, plug gaps in current procurement by retail sellers and that the Authority can reasonably manage power supply commitments previously entered into by electrical corporations.

When AB 56 was heard in the Assembly Utilities and Energy Committee on April 3rd, the committee amended the bill to authorize CAEAFTA (a financial agency within the State Treasurer's Office) to perform the duties of the "Authority" including renewable energy procurement, taking over management of existing LSE energy contracts and/or power plants. CEO Syphers testified in opposition on the basis that the bill would greatly expand CPUC powers to order PG&E (and the other IOUs) to buy any energy or resource adequacy on behalf of a CCA without providing a clear opportunity for the CCA to self-provide. No member spoke in favor of the bill and no support for the bill was provided by any group other than the sponsor from TURN. Nevertheless, the committee passed the bill with an expectation the author would work with the CCAs to address the jurisdictional concerns.

When the bill was heard in the Assembly Natural Resources Committee on April 22, the committee analysis recommended the bill be amended to state that procurement authority should be "focused on specific unmet needs only." CEO Syphers again testified in opposition, and was joined by Southern California Edison who also opposed on the basis that the last time the State of California set up a central procurement entity called the CalPX or the "Power Exchange" it was a financial disaster that we are still paying for. Again, no member or group spoke in favor of the bill, but again the committee passed the bill with a repeated request for the author to work directly with the CCAs to address their issues. We are continuing to discuss our concerns with the author.

CEO Syphers then met with the Author's Legislative Director and Matt Freedman of TURN to discuss the bill. There was agreement that the bill's current language could be interpreted to endow the proposed central buyer with authority to buy energy and capacity without first providing a CCA its existing right to self-procure. However, there was a lack of interest on TURN's part for committing to resolve the problem, and it was clear that TURN is interested in expanding the CPUC's control over CCAs to include procurement of renewable energy, so it is unlikely that TURN will amend its bill to resolve SCP's concerns. This conflict remained despite pointing out the clear ratepayer financial harm of the bill, possibly due to TURN's financial interest in protecting and increasing CPUC jurisdiction, where ratepayer-funded intervention is the source of a majority of TURN's income. SCP remains opposed to the bill.

SB 255 (Bradford) – Diverse Business Enterprises
Board Action: Support

SB 255 expands the CPUC utility supplier diversity program by lowering the revenue threshold for participation from $25 million to $1 million in California and would include CCAs, electric service providers, distributed energy resource companies, and certain wholesale electric generators.

SB 350 (Hertzberg) – Central Buyer
Board Action: Allow to Negotiate

SB 350 authorizes the CPUC to consider changes within the resource adequacy program, including the use of a multi-year centralized resource adequacy mechanism.

SB 520 (Hertzberg) – Provider of Last Resort
Board Action: Allow to Negotiate

SB 520 authorizes the CPUC to develop threshold attributes for load serving entities to serve as a "provider of last resort" or POLR.

SB 155 (Bradford) – Integrated Resource Plan
Board Action: Allow to Negotiate

SB 155 was previously drafted to authorize the CPUC to audit any retail seller to assess its compliance with RPS and RA procurement requirements and to issue mandates to ensure sufficient corrective action is taken to achieve full compliance with those procurement requirements. The language went beyond the CPUC's prior role of verifying compliance, and veered into potential conflicts of procurement jurisdiction.

Fortunately, CalCCA and several individual CCAs worked closely with the Senate Energy, Utilities and Communications Committee and secured important changes to the bill striking the language concerning the RPS and instead requiring that as part of the annual compliance filings the CPUC must determine whether an LSE is on track to meet its RPS requirements. In cases where the LSE is not, the CPUC would notify the LSE that they are behind on their RPS obligations.

New language was taken in the Senate Energy, Utilities and Communications Committee, and negotiations continue.

AB 1362 (O'Donnell) – CCA Code of Conduct
Board Action: Support

Existing law limits IOUs from actively marketing against the formation of a CCA without a CPUC-approved funding and marketing plan. Until this week, AB 1362 would have removed some of the limitations on IOUs and allow IOUs to “educate” and “provide information” that may run counter to the publicly available information provided by local public agencies.

CalCCA worked closely with the Assembly Utilities and Energy Committee and secured major amendments on April 24th. The changes gut the bill and converts it to a requirement for the CPUC to report CCA rate information and other factual data. Staff is recommending a Support position.

AB 1584 (Quirk) – Renewable Integration Procurement and Costs
Board Action: Oppose Unless Amended

Would allow the CPUC to set obligations for renewable energy “integration” and potentially for load management and demand response. It would require the CPUC to audit CCA compliance and allow the CPUC to buy any kind of resource it deems necessary to meet any unprocured resources and assign those costs to a CCA. This bill could effectively transfer significant planning and procurement rights from SCP’s governing board to the CPUC because *all* resources have some impact on renewable integration, which is a broad term meaning ensuring system reliability while increasing the percentage of energy from renewable sources. Activities that affect integration include buying energy from diverse technologies (e.g., wind, geothermal, biomass, small hydro and solar), buying energy from diverse locations, buying resource adequacy from any type of source, establishing and operating demand response programs, and targeting energy efficiency to specific times of day (such as LED lighting in homes, which targets evening-time energy use). Recommended position: Oppose Unless Amended, with amendments focusing on limiting the scope to the CPUC identifying obligations and verifying they are met, and excluding the ability for the CPUC to transfer costs from IOU procurement onto CCAs.

SB 676 (Bradford) – Electric Vehicle Grid Integration
Board Action: Oppose Unless Amended

This bill would require the CPUC to establish targets for electric vehicle grid integration and would grant the CPUC authority over CCA electric vehicle grid reliability activities, removing SCP’s governing board’s authority over programs like SCP’s existing GridSavvy program. The general concept of promoting smart EV charging is helpful, but removing a CCA’s control would both slow down implementation of GridSavvy and almost certainly add considerable ratepayer costs. Staff recommends a position of Oppose Unless Amended, with recommended amendments to remove any transfer of authority away from a CCA governing board.

SB 774 (Stern) – Electric Microgrids
Board Action: Support If Amended

This bill would require each electrical corporation to collaborate with local governments and other interested parties in its service territory to identify locations where microgrids may provide increased electrical resiliency. The current language would block CCAs from participating in most microgrid projects, but the Author has committed to editing that language to make it work for CCAs. Recommended Position: Support If Amended, to allow CCAs to participate.

AB 684 (Levine) EV Charging Infrastructure in Multifamily
Board Action: Support

In the April Board meeting, a Support position was tentatively approved. Staff were uncertain at the time whether the bill applied to newly-constructed projects or to existing projects, so staff agreed to bring the bill back for approval after an answer could be provided.

This bill would require the development of standards and requirements for the installation of future electric vehicle charging infrastructure for parking spaces for *existing* multifamily and nonresidential development. Staff recommend Support, but will work with the Author to ensure the standards apply only to larger multifamily projects with 10 units or more.

SB 45 (Allen) - Wildfire, Drought, and Flood Protection Bond Act of 2020
Board Action: Support

In the April SCPA board meeting, Director Hopkins asked SCP to consider supporting SB 45, which if passed would place a bond measure onto a public ballot to approve $4.3 billion in funds for reducing wildfire risks and restoring areas impacted by disasters, among other water, climate and natural lands protection measures.

Sonoma Clean Power

Staff Report – Item 06

To:	Sonoma Clean Power Authority Community Advisory Committee
From:	Erica Torgerson, Director of Customer Service Danielle Baker, Customer Care Specialist
Issue:	Update on Upcoming Residential Electric Vehicle Tariff Changes
Date:	May 21, 2019

Requested Committee Action:

Receive an Update and Provide Input as Appropriate on the Upcoming Residential EV Tariff Changes.

Background of the Electric Vehicle Tariff:

EV-A Tariff
SCP currently has just under 3,000 EV-A accounts.

EV-A is an optional experimental schedule available to electric service to customers for whom E-1 applies and who have a currently registered Motor Vehicle, as defined by the California Motor Vehicle Code, which is a battery electric vehicle (BEV) or plug-in hybrid electric vehicle (PHEV) recharged via a recharging outlet at the customer's premises. This rate schedule is subject to a PG&E service territory enrollment cap of 60,000 accounts. Regardless of the level of participation, EV-A will be closed to new enrollment on the later of July 1, 2019 or the date the new electric vehicle charging rate adopted by D.18-08-013 is available for enrollment.

EV-A currently has the following Time-of-Use schedule and Seasons:

Peak:	2:00 p.m. to 9:00 p.m. Monday through Friday. 3:00 p.m. to 7:00 p.m. Saturday, Sunday and Holidays.
Partial-Peak:	7:00 a.m. to 2:00 p.m. and 9:00 p.m. to 11:00 p.m. Monday through Friday, except holidays.

Off-Peak:	All other hours.
Seasonal Changes:	The summer season is May 1 through October 31 and the winter season is November 1 through April 30.

New EV2 Tariff

Beginning on the later of July 1, 2019 or the date the new electric vehicle charging rate, EV2, will become available for enrollment.

This optional schedule applies to electric service to customers for whom E-1 applies and who have a currently registered Motor Vehicle, as defined by the California Motor Vehicle Code, which is a battery electric vehicle (BEV) or plug-in hybrid electric vehicle (PHEV) recharged via a recharging outlet at the customer's premises.

In addition, this schedule is available on a pilot basis to customers that have installed battery storage as described further below.

Customers taking service on EV2 cannot exceed 800% of their annual baseline allowance, measured as the total usage for the customer over the last 12 months divided by the total annual baseline allowance using the approved baseline allowances for those months. Customers at premises with total usage in excess of 800% of baseline over 12 months will be moved to E-TOU-B and will be prohibited from taking service on any electric vehicle rate schedule for 12 months. Customers must have 12 months of consecutive usage on this Rate Schedule before being subject to the requirement of being moved from EV to E-TOU-B as a result of exceeding the 800% of baseline 12-month threshold.

EV2 will have the following Time-of-Use schedule and Seasons:

Peak:	4:00 p.m. to 9:00 p.m. every day including weekends and holidays.
Partial-Peak:	3:00 p.m. to 4:00 p.m. and 9:00 p.m. to 12:00 a.m. every day including weekends and holidays.
Off-Peak:	All other hours.
Seasonal Changes:	The summer season is June 1 through September 30 and the winter season is October 1 through May 31.

Eligibility for Customers with Battery Storage:

Customers that otherwise qualify for E-1 may take service on this rate schedule on a pilot basis subject to the terms below: