



Public Comment:

Art Deicke - Asked if the notice is only published in the Press Democrat. GC Shupe stated the ordinance needs to be published in a general circulation paper in our jurisdiction.

Motion to adopt ordinance by Director Cook

Seconded by Director Landman

Roll Call vote taken, ordinance adopted: 8-0-0

IV. BOARD MEMBER ANNOUNCEMENTS (9:52 A.M.)

CEO Syphers was asked the status on the RFP for Lake County contracts. He responded the RFP had been released but the process had not been completed.

V. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (9:55 A.M.)

Andy Ferguson – Asks for a comment on how Energize may interface with other programs in the future. CEO Syphers stated the Energize program is a tool to educate staff and the public on how the Cal ISO and energy markets work. Electric Vehicles are included in the program.

VI. ADJOURN

Meeting adjourned at 9:57 A.M.

Respectfully submitted,

Stephanie Reynolds
Internal Operations Manager



Local. Renewable. Ours.

50 Santa Rosa Avenue, 5th Floor
Santa Rosa, CA 95404

Staff Update – Item 2

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO
Stephanie Reynolds, Internal Operations Manager
Amy Rider, Programs Analyst

Issue: Operations Report

Date: February 4, 2015

News & Milestones

Rooftop solar victory at the CPUC

SCP cumulative customer savings passes \$50 million

SCP budget and rate-setting process begins with public meeting on February 16 for July 1 fiscal year.

Rooftop Solar / Net Metering Win at the CPUC

On January 28, 2016, the CPUC voted 3-2 to pass a decision, locking in some victories for rooftop solar and net metering. The two dissenting Commissioners, Florio and Sandoval, were vocal about a last-minute change that removed the obligation for NEM customers to pay transmission costs on their full usage.

The CPUC's revised and adopted Proposed Decision strikes a balance between the IOUs proposals and the proposals from solar and consumer advocacy groups¹. The CPUC proposed decision:

- Keeps retail rate credits for all power produced and sent to the grid;
- Declines residential demand charges, grid access charges, installed capacity charges, standby fees, or other fixed charges on residential customers;

¹ This includes: CALSEIA, SEIA, Vote Solar, Sierra Club, TASC, NRDC, ORA, TURN, et al.



- Requires customer to pay non-by-passable charges² on all energy consumed from the utility regardless of the overall monthly net amount (but excludes transmission costs from these charges);
- Requires new installations to pay a “reasonable” interconnection fee³ (estimated between \$75-\$150 one-time payment) except for customers participating in the Single-Family Affordable Solar Homes program
- Expands Virtual Net Energy Metering by allowing properties with multiple service drops to qualify so long as it’s one site (VNEM currently requires all meters to be served by one service drop to the property)
- All new NEM customers interconnecting under NEM 2.0 must take service under any time-of-use (TOU) rate schedule available to them,
 - The original proposed decision phased in time-of-use rates starting Jan. 1, 2018 but this new decision requires any TOU rates as soon as NEM 2.0 is implemented.
- The adopted proposed decision eliminated language regarding a proposed neighborhood virtual net metering for customers in disadvantaged communities, but sets a Phase 2 to the proceeding with the goal of developing alternatives for customers in disadvantaged communities,
- Sets 2019 as the year the CPUC will revisit the NEM tariff and consider any revisions to the tariff including lowering compensation rates.

Customer Bill Savings

Since SCP’s launch in 2014, customers have cumulatively saved over \$50 million. The joint rate comparisons co-produced by PG&E and SCP provide average costs to our customers and show the savings SCP has created.

Programs Update

Customer-facing programs are a key way for SCP to further our goals of greenhouse gas emission reductions and competitive energy costs.

While there are many opportunities that can be pursued to reduce County emissions, staff is prioritizing opportunities outside current offerings by PG&E, Bay Area Regional

² Non-bypassable charges support important statewide low-income and efficiency programs

³ The Interconnection Fee is to be based on the following cost: NEM processing and administrative cost, distribution engineering cost, metering installation and inspection cost, and commissioning cost.



Energy Network and others. SCP often supports those efforts, in particular by guiding customers toward those programs which best suit customer needs.

For the fiscal year 2016-2017, staff proposes to continue existing efforts on:

- Launching the Energize customer engagement tool;
- Supporting local solar growth with NetGreen, Agricultural Floating Solar and ProFIT;
- Educating high school students on carbon-reducing technology; and
- Assessing the market appetite for and educate customers about electric vehicles and related infrastructure.

In addition, staff proposes to expand our focus on electric vehicle deployment, charging infrastructure and the grid integration of these technologies.

Energize Customer Engagement Tool

The Energize customer engagement tool is undergoing Beta testing at this time with the full launch, including direct mail to a select group of pilot customers anticipated for late Spring 2016. Beta tester comments are due February 10th.

NetGreen

NetGreen, Sonoma Clean Power's net metering program, continues to support customers with solar or wind systems at their home or business. NetGreen does this by crediting customer accounts when renewable electricity generation exceeds electricity use and sending customers a check when they accrue more than \$100 from excess generation by April of each year.

In May 2015, Sonoma Clean Power paid more than \$200,000 for this excess generation having served most customers for less than a year. With the full year, new systems being added and customers in Cloverdale, Petaluma, and Rohnert Park beginning in June 2015, staff anticipates this figure will more than triple in 2016.

Carbon-Reducing Education

Training is currently underway on the Switch Electric Vehicle education grant, sponsored in part by SCP, at 4 local schools.



Agricultural Floating Solar

In fall of 2015, an RFP was issued requesting proposals to install floating solar arrays on irrigation ponds. Proposals for the first 6 ponds have been received and are being reviewed by the customers who own those ponds. If one or more of these projects is successful, staff anticipates extending the offer to additional pond locations around Sonoma County.

ProFIT

The ProFIT program offers a standard purchase contract for renewable electricity developers to sell their product to SCP. Nearly 3 MW of new in-county solar is under contract today leaving roughly half the \$600,000 annual ProFIT premium available for additional projects.

Electric Vehicle Integration Effort

Drive EverGreen is a conceptual electric vehicle program which aims to put 10,000 additional EVs on the road in Sonoma County by the end of 2020 and manage charging to avoid costly demand spikes on the California grid.

EVs represent a major opportunity to reduce greenhouse gas emissions in California, where a shift from an average gasoline vehicle to an EV reduces CO₂ emissions about 70%... or about 96% when driving on EverGreen! That opportunity is limited, however, if charging is not well managed because spikes in electric demand can reduce grid reliability and drive up infrastructure costs. The natural peak demand right when solar energy is dropping off at sunset, creating a twofold problem for California. Drive EverGreen is a program concept that would test a solution to that problem.

The Drive EverGreen Pilot objectives are to:

1. Create a model that can scale up to achieve a 50% reduction in petroleum fuel use by 2030 through making EVs more convenient, visible, and more available to a wide range of drivers, including low and moderate-income drivers.
2. Supply vehicles with 100 percent locally-produced renewable energy and create a flexible, aggregated resource to support lower energy costs and greater system reliability as California moves toward 50% renewable electricity.



We continue to incur interest and make payments on a loan agreement with SCWA. We expect cash flows from customers to reduce the need for future borrowing.

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparison includes the 2015/16 budget approved by the Board of Directors in June 2015.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2015/16 YTD Budget, allocates the Board approved annual budget at expected levels throughout the year with considerations 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.

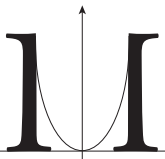
Revenue from electricity sales is about 106% of budget. This variance may be partially explained by greater volume usage by certain customer types than planned, combined with the effect of Phase 3 opt out rates.

The cost of electricity is around 95% of amended budget to date. Some of this variance is caused by the fluctuating market cost of energy on open position purchases.

Major operating categories of Data Management and PG&E Service fees costs are closely aligned to the annual budgeted amount. These costs are tied to the customer account total, which increased with the implementation of Phase 3.

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

Principal and interest payments are being made on the balance of the loan with the Sonoma County Water agency.



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended December 31, 2015, 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 SCP.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

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

Maher Accountancy

San Rafael, CA
January 27, 2016



**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2015 through December 31, 2015**

	<u>2015/16 YTD Budget</u>	<u>2015/16 YTD Actual</u>	<u>2015/16 YTD Budget Variance (Under) Over</u>	<u>2015/16 YTD Actual/Budget %</u>	<u>2015/16 Annual Budget</u>	<u>2015/16 Budget Remaining</u>
REVENUE AND OTHER SOURCES:						
Revenue - Electricity (net of allowance)	\$ 81,843,263	\$ 87,015,735	\$ 5,172,472	106%	\$ 164,824,000	\$ 77,808,265
Revenue - Evergreen Premium (net of allowance)	333,185	128,460	(204,725)	39%	671,000	542,540
Revenue - Interest income	-	875	875	-	-	-
Total revenue and other sources	<u>82,176,448</u>	<u>87,145,070</u>	<u>4,968,622</u>	<u>106%</u>	<u>165,495,000</u>	<u>78,350,805</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	65,296,829	62,083,335	(3,213,494)	95%	130,110,000	68,026,665
Data management	1,643,515	1,640,070	(3,445)	100%	3,208,000	1,567,930
Service fees- PG&E	520,500	518,709	(1,791)	100%	1,041,000	522,291
Personnel	950,000	717,880	(232,120)	76%	2,033,000	1,315,120
Outreach and communications	391,000	304,982	(86,018)	78%	782,000	477,018
Required noticing	250,667	165,897	(84,770)	66%	352,000	186,103
Legal	110,000	254,416	144,416	231%	220,000	(34,416)
Accounting and auditing	82,500	77,000	(5,500)	93%	165,000	88,000
Technical consultants	390,000	56,141	(333,859)	14%	780,000	723,859
Legislative consultants	117,500	43,000	(74,500)	37%	235,000	192,000
Other consultants	80,000	67,916	(12,084)	85%	160,000	92,084
Program development	664,773	163,294	(501,479)	25%	1,350,000	1,186,706
General and administration	244,000	150,484	(93,516)	62%	488,000	337,516
Total current expenditures	<u>70,741,284</u>	<u>66,243,124</u>	<u>(4,498,160)</u>	<u>94%</u>	<u>140,924,000</u>	<u>74,680,876</u>
OTHER USES						
Collateral deposit payments	2,333,333	460,000	(1,873,333)	20%	7,000,000	6,540,000
Capital outlay	174,000	16,861	(157,139)	10%	282,000	265,139
DEBT SERVICE	191,000	170,955	(20,045)	90%	382,000	211,045
Total expenditures, Other Uses and Debt Service	<u>73,439,617</u>	<u>66,890,940</u>	<u>(6,548,677)</u>	<u>91%</u>	<u>148,588,000</u>	<u>81,697,060</u>
Net increase (decrease) in available fund balance	<u>\$ 8,736,831</u>	<u>\$ 20,254,130</u>	<u>\$ 11,517,299</u>	<u>232%</u>	<u>\$ 16,907,000</u>	<u>\$ (3,346,255)</u>

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2015 through December 31, 2015

Total revenues and other sources over (under) total expenditures, debt service and other uses per budgetary comparison schedule:	\$ 20,254,130
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(18,001)
Add back capital asset acquisitions	16,861
Add back principal payments on debt	147,253
Add back collateral deposits	<u>460,000</u>
Change in net position	<u><u>\$ 20,860,243</u></u>



Local. Renewable. Ours.

50 Santa Rosa Avenue, 5th Floor
Santa Rosa, CA 95404

Staff Update – Item 3

To: Sonoma Clean Power Authority Board of Directors

From: Kate Kelly, Director of Public Affairs & Marketing
Geof Syphers, CEO

Issue: Update from County of Mendocino Board of Supervisors on considering service from SCP

Date: February 4, 2016

Requested Action:

Discussion with Supervisor Dan Hamburg and Deputy County Administrator Christopher Shaver on the County of Mendocino's consideration of service from Sonoma Clean Power.

Background

On January 12, 2016, SCP's CEO and Director of Public Affairs visited the County of Mendocino's Board of Supervisors to provide an update on Sonoma Clean Power and answer their questions. The conversation about receiving services from SCP was fairly high level, but generally positive, with most concerns focused on taking the time to explore whether the City of Ukiah's Electric Utility Department could provide value to a community choice program in some way.

Some of the important considerations for service to the County of Mendocino include:

- Outreach to Cities – Not much yet. Level of knowledge of the cities is limited.
- Name – SCP's billing systems makes it necessary to operate with a single name, and Sonoma Clean Power is an important brand to the SCPA Board.



- Representation – SCPA Board is considering offering board representation for jurisdictions with major populations (e.g., one seat per county plus one per incorporated city with population of 50,000 or more)
- Shared Goals – SCP has chosen to emphasize greenhouse gas reductions over percent renewable (recall that hydropower is not legally renewable in California). SCP’s balance of greenhouse gas reductions and rates is also important, and is reflected in Financial Policy B2, which indicates that consideration of reducing reserve contributions would only be made if average rates are more than 2% over PG&E’s average rates.
- Program Focus – SCP is increasingly focused on creating markets for customer programs (e.g., NetGreen, ProFIT and Energize). SCP is also emphasizing electric vehicles.

Staff Update – Item 4

To: Sonoma Clean Power Authority Board of Directors
From: Kate Kelly/Director, Public Affairs & Marketing
Issue: Legislative Update
Date: February 4, 2016

Attached, please find Sonoma Clean Power's (SCP's) Legislative Report for the month of January, as prepared by SCP's lobbyist, Kate Brandenburg.

Highlights from the report include the following:

Legislature

- The California Legislature returned to Sacramento on Monday, January 4th for the start of the second year of the two-year session.
- On November 11th the members of the Assembly officially elected Assembly Member Anthony Rendon from Southern California as their next speaker. The gavel will not be passed to Speaker-elect Rendon until March.

Budget

- Governor Brown unveiled his proposed spending plan for the 2016-17 fiscal year on January 7th.
- One of the governor's budget priorities is to increase the reserves to more than \$10 billion.
- There is no disagreement in the legislature over the need to begin long-neglected infrastructure repairs and that the state's transportation tax structure is out of date. The legislators also agree that the state cannot keep relying on a gas tax that has not been structurally altered in years.



Electric Vehicle Tax

- Senator Wieckowski of Fremont has introduced SB 680 that would eliminate the sales tax on new electric automobiles manufactured in California for out-of-state buyers.

Legislation

AB 33	(Quirk) Position:	Electrical corporations: procurement plans Watch
AB 1110	(Ting) Position:	Green House Gas Reporting Oppose as currently amended. We are working with the author and stakeholders on amending the language.
AB 1330	(Bloom) Position:	Demand response. Watch
SB 32	Pavley Position:	California Global Warming Solutions Act of 2006 Support

Staff Update – Item 05

To: Sonoma Clean Power Authority Board of Directors

From: CEO Geof Syphers

Issue: Budgetary Resolution (16-001)

Date: February 3, 2016

Requested Action

Adopt budgetary resolution increasing Legal Services by \$300,000. This amount will be offset by decreases in Personnel (\$150,000) and Technical Consulting (\$150,000).

Background

Staff had originally included the cost for work in the technical consulting budget that is more in line with legal and staff costs. The budgetary adjustment does not reflect an increase or decrease to the overall budget, but transfers the necessary amount to accurately reflect necessary spending for regulatory and compliance work.

RESOLUTION NO. 16-001

RESOLUTION ADOPTING A BUDGET ADJUSTMENT AND AMENDMENT FOR THE SONOMA CLEAN POWER AUTHORITY FOR FISCAL YEAR 2015-16

WHEREAS, under Section 4.3 of the Second Amended Joint Powers Agreement creating the Sonoma Clean Power Authority, the Board of Directors must approve the annual budget for the Authority; and

WHEREAS, on June 4, 2015, the Board of Directors adopted a budget for Fiscal Year 2015-16; and

WHEREAS, January 7, 2016 the Board of Directors considered an amendment to the 2015-16 SCPA budget wherein expenses in the category of Legal services are proposed to be increased by \$300,000, and expenses in the categories of Personnel and Technical Consultants are each to be decreased by \$150,000;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The foregoing recitals are true and correct.
2. The budget for the Sonoma Clean Power Authority for Fiscal Year 2013-14 attached hereto is hereby adjusted and amended as shown on the attached Exhibit A.

ADOPTED AND APPROVED by the Board of Directors of the Sonoma Clean Power Authority this 4th day of February, 2016, by the following vote:

CITIES	NAME	AYE	NO	Abstain
Cloverdale	Director Cox			
Cotati	Director Landman			
County of Sonoma	Director Carrillo			
Petaluma	Vice Chair King			
Rohnert Park	Director Schwartz			
Santa Rosa	Director Wysocky			
Sebastopol	Chair Slayter			
Sonoma	Director Cook			
Windsor	Director Okrepkie			

In alphabetical order by city

Chair, Sonoma Clean Power Authority

Attest:

Secretary, Sonoma Clean Power Authority

**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
2015/16 BUDGETARY AMENDMENT REQUEST**

	2015/16 Annual Budget	Requested Modification	2015/16 Proposed Amended Budget
REVENUE AND OTHER SOURCES:			
Revenue - Electricity (net of allowance)	\$164,824,000		\$164,824,000
Revenue - Evergreen Premium (net of allowance)	671,000		671,000
Revenue - Interest income	-		
Total revenue and other sources	165,495,000	-	165,495,000
EXPENDITURES AND OTHER USES:			
CURRENT EXPENDITURES			
Cost of energy and scheduling	130,110,000		130,110,000
Data management	3,208,000		3,208,000
Service fees- PG&E	1,041,000		1,041,000
Personnel	2,033,000	(150,000)	1,883,000
Outreach and communications	782,000		782,000
Required noticing	352,000		352,000
Legal	220,000	300,000	520,000
Accounting and auditing	165,000		165,000
Technical consultants	780,000	(150,000)	630,000
Legislative consultants	235,000		235,000
Other consultants	160,000		160,000
Program development	1,350,000		1,350,000
General and administration	488,000		488,000
Total current expenditures	140,924,000	-	140,924,000
OTHER USES			
Collateral deposit payments	7,000,000		7,000,000
Capital outlay	282,000		282,000
DEBT SERVICE	382,000		382,000
Total expenditures, Other Uses and Debt Service	148,588,000	-	148,588,000
Net increase (decrease) in available fund balance	\$ 16,907,000	\$ -	\$ 16,907,000

Note: This proposed amendment has no net effect on budgeted change in net position.