



AGENDA
SONOMA CLEAN POWER AUTHORITY
BUSINESS OPERATIONS COMMITTEE
Wednesday, February 3, 2016
9:00 A.M.

Sonoma Clean Power Authority
50 Santa Rosa Avenue, 5th Floor
Santa Rosa, California

I. CALL TO ORDER

II. BUSINESS OPERATIONS COMMITTEE REGULAR CALENDAR

1. Approve the December 16, 2015 meeting minutes of the Sonoma Clean Power Business Operations Committee. (action)
2. Receive update on Programs planning and provide direction as appropriate. (information)

III. COMMITTEE MEMBER ANNOUNCEMENTS

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(Comments are restricted to matters within the Committee jurisdiction. The Committee will hear public comments at this time for up to thirty minutes. Please be brief and limit your comments to three minutes.)

V. ADJOURN

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk at (707) 978-3463, as soon as possible to ensure arrangements for accommodation.

**SONOMA CLEAN POWER AUTHORITY
BUSINESS OPERATIONS COMMITTEE
MEETING MINUTES
WEDNESDAY, DECEMBER 16, 2015**

I. CALL TO ORDER:

Meeting called to order by BOC Chair Dowd at 9:02 A.M. Committee members present: Dowd, Brophy, Mattinson, Beeler. New committee member Ken Wells introduced and sworn in by General Counsel Shupe.

Staff Present: CEO Geof Syphers, General Counsel Steve Shupe, Director of Power Services Deb Emerson, Program Manager Amy Rider and Internal Operations Manager Stephanie Reynolds

II. BUSINESS OPERATIONS COMMITTEE REGULAR CALENDAR:

- 1. Adopt the Minutes for the joint committee meetings of the Sonoma Clean Power Business Operations Committee and Ratepayer Advisory Committee held November 12, 2015.**

Motion to approve minutes by CM Brophy
Seconded by CM Mattinson
Motion approved 4-0-1(Wells abstained)

- 2. Receive Operations update and provide direction as appropriate**

CEO Syphers reported that an account was opened at the Bank of Marin for SCP reserves with deposits made totaling \$6.23 million for operating reserves and \$1.1 for program reserves. There is one account which will be tracked by SCP's CPA and no withdrawals can be made without Board approval.

A report was given on the Power Charge Indifference Fund (PCIA) charges by PG&E. The California Public Utilities Commission (CPUC) will be voting on an increase of the charge proposed by PG&E. CEO Syphers was asked if there was any way to oppose the fee. He reported that SCP is going to be working with other CCAs to bring the issue to the CPUC, but PG&E has been following the law. SCP has a consultant, Mark Fulmer, following the topic. The affect will be a decrease in the savings % between PG&E and SCP rates. The CPUC is to host a workshop in the spring on the fee. SCP will be asking the CPUC to address PG&E doing a long-range forecast on fees so CCAs can set rates that address changing PCIA charges.

A tremendous interest in how electric vehicles (EV) can help balance the grid, based on when they charge, and managed charging which would use stored energy from vehicles when the demand on the grid is high. SCP staff has been working with experts on the best way to do this.



Chair Dowd questioned the PCIA charges. General Counsel Shupe informed the board that the rules were set up when there were no CCAs and the charges were directed at Direct Access customers.

CM Mattinson noted that the PG&E surplus of PCIA fees may be used towards other costs than energy.

Program Assistant Nelson Lomeli reported on a Proposed Decision, affecting the solar industry, at the CPUC, which started its 30-day comment period. He reported that the changes were more favorable than expected by the solar industry and would benefit low-income or disadvantaged communities.

CM Beeler asked if staff was working with the Governor's office on current issues such as the EV program. CEO Syphers stated that they are. CM Beeler also related that there are less expensive ways to manage EV charging systems remotely.

CM Wells discussed control mechanisms for EVs and if staff knew how many cars would be needed to smooth out the load curve. CEO Syphers stated the number varies greatly based on level 1 or level 2 charging. About 600 vehicles needed to meet the minimum. SCP needs to look at a few thousand vehicles when designing the program.

CM Brophy asked how far in advance would be practicable or meaningful to estimate what the PCIA would be. CEO Syphers stated SCP's proposal is to receive 10 years of forward data from PG&E to benchmark, with estimated changes of increases and decreases in market prices. SCP is asking for transparency from PG&E. CM Brophy asked if there is a way to work with CPUC on charging PG&E a similar departing load charge. CEO Syphers stated it was brought up at CPUC and they are open to the discussion. PG&E is currently the provider of last resort (POLR), which means they are ultimately responsible to keep energy available, so they can continue to purchase for our customers. If SCP was the provider of last resort, there would be no need for a PCIA, but the requirements are great and it would need to be a future goal. CM Brophy also asked if there is a possibility of taking future reserves and investing at higher return. GC Shupe stated there are limitations on public agencies on what is considered an investment.

Public Comment:

Art Deicke – asked for clarification on the PCIA charge. He asked if the PCIA could work in reverse, possibly a rebate to rate payers. CEO Syphers stated that PG&E never has to pay a PCIA. Customers as a class earn credit against balances due for current PCIA charges.



Woody Hastings – asked if it was possible to buy excess energy from PG&E. CEO Syphers stated yes, especially with cases such as San Diego. With such a large departure, some energy would need to be purchased from the former provider.

3. Receive training on Energize customer engagement tool, information on scheduled beta testing and provide direction as appropriate

Amy Rider spoke regarding customer education. She showed slides and an introductory video on SCP's customer education tool, "Energize," and stated beta testing is ready. She explained the aspect of teams and fundraising options using the Energize platform. CM Mattinson asked if there is a significant benefit for those already conserving. Rider stated that all users can see benefits and can track usage to add conservation measures, including electric vehicle charging.

Public Comment: None

4. Receive update on the option to provide service to new regions, with presentation of a preliminary analysis on Mendocino and Lake Counties and provide direction as appropriate

CEO Syphers presented basic data, prepared by Sr. Analyst Rebecca Simonson. The goal is to reduce GHGs with proposed small financial benefit. At the current time, it would be difficult to assess costs of future procurement. Staffing and marketing costs could be estimated more easily. From a financial standpoint, expansion to these areas is fairly neutral, but GHG saving benefits would be significant. The Board of Directors provided feedback that a service model, similar to what the Water Agency did for SCP, is preferred to a consulting model. CEO Syphers discussed possible types of services that could be provided.

Chair Dowd asked Board Chair Landman to come up from the audience and express the Board's point of view. Chair Landman stated that CEO Syphers expressed the views of the board, and added that a filter on the size of the Board can be a factor, using an example of a population as a deciding factor on future board seats.

CM Brophy asked about Marin's process for handling the costs and expansion formats. CEO Syphers stated they offered service and the same rates to all regions. They also absorbed costs of expansion as a program cost, as there is a benefit to reducing GHGs. Marin has limited its expansion to areas that have no other alternatives, such as small, nearby regions. The Lancaster CCA model uses a fee-for-service consulting contract with fees payable when there is incoming income from a new expansion area.

CM Wells stated appreciation for the idea of expansion and the strong argument of saving GHGs via expansion. CEO Syphers stated that Mendocino County has



requested that SCP staff attend a board meeting in Ukiah and, in turn, will be sending Mendocino staff to a SCP meeting. CEO Syphers also stated that neither county has the staff to start a CCA on their own.

CM Beeler agreed with other members' comments stating that SCP is still in startup mode and expressed concern about procurement of enough renewable energy from the Geysers. He also stated that Lake and Mendocino Counties have different program needs and dynamics for energy use.

CM Mattinson stated he was in favor of moving forward but felt the need to expand as quickly as prudent.

Chair Dowd expressed that besides fairness and governance issues, another cause to support this would be to build the legislative and lobbying strength of the CCA concept.

Public Comment: None

III. COMMITTEE MEMBER ANNOUNCEMENTS

None

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

V. ADJOURNMENT

Meeting adjourned by Chair Dowd at 11:20 A.M.

Respectfully submitted,

Stephanie Reynolds,
Internal Operations Manager



Local. Renewable. Ours.

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

Staff Report – Item 2

To: Sonoma Clean Power Authority Business Operations Committee
From: Amy Rider, Program Analyst
Geof Syphers, CEO
Issue: Programs Update
Date: February 3, 2016

Requested Action

Receive update and provide feedback and direction as appropriate.

Summary

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 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.

Based on popular demand and strong financial conditions, a draft request of \$6 million for programs is proposed for Fiscal Year 2016-17, reflecting the new focus on infrastructure.

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.

Because of the growing potential to utilize the Energize platform to deliver more programs, staff will explore adding functionality in 2016. Staff are also exploring promotions to encourage wide use, once the tool is ready.

Continued feedback on the beta platform is extremely valuable, as we prepare for the full public launch.

NetGreen

NetGreen, Sonoma CleanPower'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. Staff is working to identify alternative carbon-reducing curriculum to support in our local schools alongside the potential expansion of this existing program. We are currently exploring ways to build on the early success of Switch, the Maker Space and Career Technical Education, because of the heretofore strong positive student engagement.

Throughout 2016, input on ways to add depth to our existing curriculum or add complementary elements would be helpful.

Agricultural Floating Solar

In fall of 2015, an RFP was issued requesting proposals to install floating solar arrays on irrigation ponds. Proposal 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.

Staff are regularly looking for opportunities to use highly-impacted sites for renewable energy and/or storage, and would welcome suggestions from the BOC for other types of locations.

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.

Staff will be working on ways to integrate storage and curtailment rights into ProFIT in 2016, and will bring a proposed refinement to the BOC later in the year.



Electric Vehicle Market Assessment, Customer Tools and Education

Assessing customer attitudes and perceptions of electric cars will commence in the first quarter of 2016. This work is designed to identify and create educational tools and guidebooks that will help drive electric vehicle adoption, simplify home charging and improve the purchasing experience in Sonoma County. Staff anticipates holding a series of experiential and educational events, allowing attendees to drive electric cars and ask questions of current electric vehicle owners.

As results are available, staff request BOC feedback and fresh ideas on how to create a more rapid shift into electric vehicles.

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% 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.



When this idea was first proposed, the California ISO quickly engaged and brought two experts from Lawrence Berkeley National Laboratory. The Sonoma EV-Grid Partnership has formed out of that group to now include:

- Sonoma Clean Power
- Sonoma County Transportation Authority
- Sonoma County Water Agency
- California Independent System Operator
- Lawrence Berkeley National Laboratory

The Sonoma EV-Grid Partnership aims to:

1. Build an initial prototype resource that would manage charging across 500 stations.
2. Move quickly into a scaled-up deployment as results from the pilot are validated.

500 Level 2 stations would provide a sufficient resource to begin participating in the ISO's Proxy Demand Response market, as well as exploring local demand spike reductions and wholesale market management. While we intend to learn how EVs can help support more renewable energy on the grid, the more fundamental goal is to ensure that the driver experience is universally positive. The shift to EVs itself is more valuable than any grid benefits.

This Phase 1 work is roughly estimated to cost \$12 million, with a goal of finding a 50% match to any money invested by SCP.

While there are a great many details needed before a specific proposal can be put forward, staff would appreciate BOC input on staff's proposal to budget \$5 million in Fiscal Year 2016-2017 toward an implementation program that seeks to expand broader use of EVs while creating a flexible aggregated resource.