



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, NOVEMBER 2, 2023, 9:00 A.M.**

EXCEPT AS PERMITTED BY GOVERNMENT CODE SECTION 54953(F), MEMBERS OF THE BOARD OF DIRECTORS MAY PARTICIPATE IN THE NOVEMBER 2, 2023, MEETING AT ANY OF THE LOCATIONS SHOWN BELOW.

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

**FORT BRAGG BRANCH LIBRARY, (TELECONFERENCE LOCATION)
499 E. LAUREL ST., COMMUNITY ROOM
FORT BRAGG, CA 95437**

**WILLITS CITY HALL (TELECONFERENCE LOCATION)
111 E ST.
WILLITS, CA 95490**

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

Webinar link: <https://us06web.zoom.us/j/88546704126>
Telephone number: 1 (669) 444-9171
Meeting ID: 885 4670 4126

NOTICE of CHANGE: How to Submit Public Comment - Effective October 5, 2023:

Comments may be provided in person at the physical meeting locations. 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(f). 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 limit 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. Written comments may be provided during the meeting.

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 available to assist.

Staff recommendations are guidelines to the Board. On any item, the Board 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)

BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve October 5, 2023, Draft Board of Directors Meeting Minutes (Staff Recommendation: Approve) **pg. 5**
2. Receive Geothermal Opportunity Zone Update (Staff Recommendation: Receive and File) **pg. 31**
3. Approve the Proposed Customer Rate Reductions which would Establish Parameters Following Changes to Distribution Utility Rates and Fees on or After January 1, 2024, and Amendments to Financial Policy B.2 to allow Local Investments with Excess Reserve Funds (Staff Recommendation: Approve) **pg. 43**

BOARD OF DIRECTORS REGULAR CALENDAR

4. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 51**
5. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate (Staff Recommendation: Receive and File) **pg. 65**
6. Approve the Net Billing Tariff (Staff Recommendation: Approve) **pg.73**
7. Consider Approving Stipends and an Approach for Encouraging Youth Members on the Community Advisory Committee (Staff Recommendation: None) **pg. 87**
8. Receive Nominations and Appoint Community Advisory Committee Members for the Term Beginning January 1, 2024 (Staff Recommendation: Approve) **pg. 89**

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

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

CLOSED SESSION

The Board of Directors of the Sonoma Clean Power Authority will consider the following in closed session:

9. Conference With Real Property Negotiators - Property: 421 E St., Santa Rosa, Agency Negotiators: Geof Syphers, Michael Koszalka, Stephanie Reynolds; Negotiating Parties: Kevin Foster and Hope Moffett; Under Negotiation: Price and Terms of Payment **pg. 93**

ADJOURN

COMMONLY USED ACRONYMS AND TERMS

CAC	Community Advisory Committee
CAISO	California Independent Systems Operator – the grid operator
CCA	Community Choice Aggregator – a 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 when needed to help California ensure reliable low-emission power. A form of ‘demand response.’
IOU	Investor-Owned Utility (e.g., 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.
NetGreen	SCP’s net energy metering bonus
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

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**DRAFT MEETING MINUTES
BOARD OF DIRECTORS MEETING
THURSDAY, OCTOBER 5, 2023
9:00 A.M.**

CALL TO ORDER

(9:05 a.m. - Video Time Stamp: 00:04:02)

Chair Fudge called the meeting to order.

Board Members present: Chair Fudge, Vice Chair Hopkins, Directors Bagby, Ford, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Strong, and Gjerde.

Staff present: Geof Syphers, Chief Executive Officer; Michael Koszalka, Chief Operating Officer; Rebecca Simonson, Director of Programs; Neal Reardon, Director of Regulatory Affairs; Carolyn Glanton, Programs Operations Manager; Claudia Sisomphou, Communications and Engagement Manager; and Josh Nelson, Special Counsel.

BOARD OF DIRECTORS CONSENT CALENDAR

(9:06 a.m. - Video Time Stamp: 00:04:58)

1. Approve August 3, 2023, Draft Board of Directors Meeting Minutes
2. Approve Resolution 2023-04 Attesting to the Accuracy of Sonoma Clean Power Authority's 2022 Power Source Disclosure Annual Reports for CleanStart and EverGreen Products and 2022 Power Content Label
3. Approve an Update to the NetGreen Tariff to Adjust Sonoma Clean Power Authority's Premium Net Surplus Compensation Rate
4. Approve Continued Use of Updated EM-TOU Rate Effective October 1, 2023
5. Receive Internal Operations and Monthly Financial Report and Provide Direction as Appropriate
6. Receive Legislative and Regulatory Updates and Provide Direction as Appropriate

Geof Syphers, CEO, introduced Vanessa Coleman, SCP's new receptionist.

Public Comment: Jenny Blaker discussed SCP's Power Source Disclosure and biomass. Maya Khosla also discussed SCP's Power Source Disclosure and biomass.

Written comments from Tom Conlon, Christine Hoex, Kimberly Burr, Teri Shore, John Johnson, Kevin Conway, Cynthi Stefenoni, Susan Bono, George Bono, Matt McGuire, Karen Petersen, Patti Trimble, Dena Allen, Michael Knappman, Anne Jacopetti, Forrest Gander, JJ Wilson, and Dave Seter were read into the record. The comments are attached to this document.

CEO Syphers responded to public comment by mentioning that while biomass is not a target of SCP's power mix it is part of our recent and current supply since these short-term purchases helped save customers over \$20 million and were from legacy power plants that all California electric customers must pay to operate. As a result, CEO Syphers noted that SCP's purchase could not have any impact on air pollution or greenhouse gas emissions. He also noted that the amount of biomass supplied to SCP will decline in 2023 and 2024, and the agency has no contracts starting in 2025.

Motion to approve the October 5, 2023, Board of Directors Consent Calendar by Director Bagby

Second: Director Elward

AYES: Bagby, Ford, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Strong, Fudge, Gjerde, Hopkins

BOARD OF DIRECTORS REGULAR CALENDAR

7. Receive Geothermal Opportunity Zone Update

(9:59 a.m. - Video Time Stamp: 00:58:34)

CEO Syphers discussed the Lake County GeoZone Tour where seismic activity was a main discussion and he stated this was a good way to begin the Cloverdale Regional Workshop regarding the GeoZone held on September 18, 2023. He thanked the City of Cloverdale and Ryan Tracey, Director of Planning and Analytics, for the successful workshop.

Director Elward asked if this information was on the website and CEO Syphers said that it was.

Public Comment: None

8. Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement with Enphase Energy for a Battery Storage Grid Services Manager program with a Not-To-Exceed Amount of \$980,000 through November 30, 2029

(10:11 a.m. - Video Time Stamp: 01:10:33)

Carolyn Glanton, Programs Operations Manager, discussed the agreement with Enphase for battery storage management. She explained that this is a pilot program that will allow customers to charge during the day and use energy in the evenings through the GridSavvy program.

Chair Fudge asked if SCP could partner with Tesla and Ms. Glanton answered if they were open to partnering. Director Barnacle asked if SCP could recoup its costs and Ms. Glanton answered that the request in this item is for administrative purposes and not incentive costs since the incentives are fully paid for by the benefits of operating the batteries.

Public Comment: None

Motion to Approve and Delegate Authority to the CEO or his Designee to Execute an Agreement with Enphase Energy for a Battery Storage Grid Services Manager program with a Not-To-Exceed Amount of \$980,000 through November 30, 2029, by Director Barnacle

Second: Rogers

AYES: Bagby, Ford, Barnacle, Elward, Rogers, Zollman, Farrar-Rivas, Strong, Fudge, Gjerde, Hopkins

9. Receive Update on Empower and Programs Equity

(10:20 a.m. - Video Time Stamp: 01:19:37)

Claudia Sisomphou, Communications and Engagement Manager discussed Empower which is an agency-wide initiative to improve SCP's partnerships, sponsorships, programs, offerings, and outreach efforts.

Director Zollman asked if SCP staff had thought of offering a stipend for membership on the Community Advisory Committee (Committee) and CEO Syphers responded that SCP would bring a discussion item regarding stipends to the Committee and the Board. Vice Chair Hopkins mentioned she supported stipends as well and supports youth representation on the Committee and CEO Syphers responded that youth representation has been tried in the past, but it may be time to revisit the issue. Vice Chair Hopkins then

added that SCP needs to also look at “rural areas” when discussing equities as census tract information doesn’t always give a full picture. Director Elward stated that SCP needed to analyze areas of deep poverty. Director Bagby stated that the North Sonoma County Health Care District would be giving a presentation on disadvantaged communities and encouraged SCP to attend. Chair Fudge recommended that Board Members send Ms. Sisomphou micro-areas located in their respective jurisdictions known for extreme poverty. Director Farrar-Rivas added that mobile home parks should be included, and she asked for a list of what categories the new organizations to partner with SCP as part of the program fell into. Ms. Sisomphou stated that she would get the categories to the Board. Director Gjerde stated that Family Resource Centers, Food Banks, and Senior Centers could be a focus of analysis efforts. Vice Chair Hopkins asked what metrics were used for the analysis and Ms. Sisomphou answered the Human Development Index was used.

Rebecca Simonson, Director of Programs discussed the Programs Strategic Action Plan and how SCP’s Equity Framework works together. Together they provide clear action and reporting and identify partnerships and communities in need. She mentioned that the Equity Framework is woven into everything SCP does.

Director Bagby stated that the Board needed to talk to their constituents about the reliability of the grid. Director Gjerde complimented SCP for its direct-to-customer model of program administration. Chair Fudge thanked SCP for its continuous improvements to customer programs. Director Barnacle encouraged the continued thought about equity when implementing programs. Director Zollman asked for a thorough discussion on the administration of programs.

Public Comment: Jenny Blaker discussed energy conservation and rebates for cool roofs.

10. Discuss and Provide Direction on Staff Proposed Customer Rate Reductions which would Establish Parameters Following Changes to Distribution Utility Rates and Fees on or After January 1, 2024, and Amendments to Financial Policy B2 to allow Local Investments with Excess Reserve Funds

(12:07 p.m. - Video Time Stamp: 03:06:26)

CEO Syphers stated that SCP had hit its reserve target and staff were asking for input from the Board on how to use extra funds for local investments. He also stated that this item would be brought back to the Committee and once more

to the Board. He then stated that the second issue was a change to SCP's Financial Policy to expressly allow for local investments.

Director Rogers asked what investments would qualify and CEO Syphers stated that he would like to research and provide options that may offer good investment opportunities.

Public Comment: None

BOARD OF DIRECTORS MEMBER ANNOUNCEMENTS

(12:18 p.m. - Video Time Stamp: 03:17:46)

Director Farrar-Rivas mentioned that the Sonoma Art Walk would begin that evening. Vice Chair Hopkins thanked staff for putting together a new public comment system that allows people to be heard while preventing harm to the community.

PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(12:19 p.m. - Video Time Stamp: 03:18:08)

Public Comment: Jenny Blaker and Maya Khosla, thanked the Board for listening to comments and urged them to look at the citations found in the written comments.

ADJOURN

(12:21 a.m. - Video Time Stamp: 03:19:09)

The meeting was adjourned by unanimous consent.

Public Comment RE:

Consent Calendar Item #2: 2022 Power Source Disclosure Annual Reports

Chair and Members of the Community Advisory Committee,

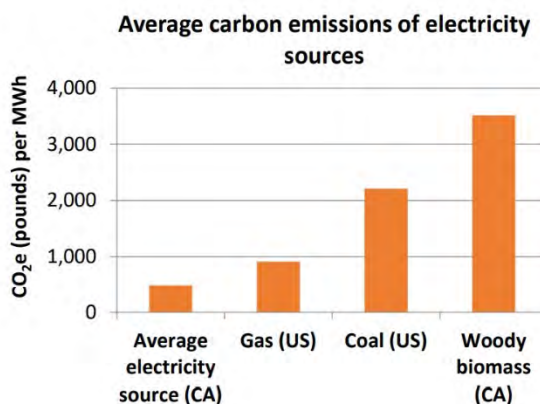
I apologize for failing to be able to submit timely verbal public comment during the consideration of your Consent Calendar today, and appreciate your tolerance of my out-of-order (and truncated) announcement of my intention to help lead the rebranding of your agency as "Sonoma Dirty Power".

As many of you know, several hundreds of your ratepayers have previously informed you, your staff, and your Board of our broad and passionate opposition to a so-called "clean" power authority re-labeling and selling us electric power that is sourced from what is objectively a very polluting source.

Biomass energy is more climate-polluting than coal.

At the smokestack, biomass power plants release more carbon pollution than coal for the same amount of electricity produced.⁴

Woody biomass energy generation in California emits more than one-and-a-half times the carbon pollution of coal-fired power per unit of electricity—and almost four times the carbon pollution of gas-generated power.⁵ This is because incinerating trees is a remarkably inefficient way to generate electricity, resulting in high carbon emissions and high costs of production. In contrast, solar and wind energy provide truly carbon-free sources of power.



Source:

https://www.biologicaldiversity.org/campaigns/debunking_the_biomass_myth/pdfs/Forest-Bioenergy-Briefing-March-2021-Book-2-Polluting-the-Climate.pdf

We look forward to your engagement and resolution of our concerns.

Respectfully Submitted,

- Tom Conlon

Commenting as a Ratepayer

>

Hi Patricia,

I also wanted to give you a heads up about a matter that has come to my attention that you are going to be hearing a lot about.

I believe I sent you some background information about this topic earlier, but our team will be recompiling more factual data for you and your fellow SDP (sic) board members in the days and weeks to come.

Meanwhile, our Club has issued the following statement on the dirty biomass plants here in California:

<https://www.sierraclub.org/california/biomass-dirty-energy-source>

Our formally adopted and long standing guidance on biomass energy (dated but still very relevant) is here:

<https://www.sierraclub.org/policy/energy/biomass-guidance>

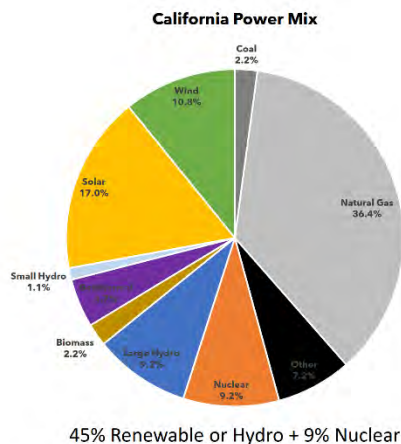
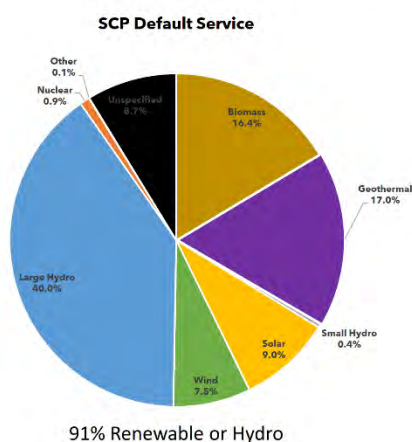
Most Respectfully,

- Tom Conlon

Co-chair, Climate & Energy Sierra Club Sonoma Group

PS - Also cc'ing my co-chair Shirley Johnson, who also serves with me on the RCPA Climate Action and Advisory Committee (for Rohnert Park)

SCP's Energy Mix (2022)



source:

https://sonomacleanpower.org/uploads/documents/20230918_GeoZonePrinciplesMeetingPresentation.pdf

By comparison, PG&E's base portfolio is only 4.2% biomass (2021 actual; 2022 disclosure of 5% is pending):

<https://www.energy.ca.gov/programs-and-topics/programs/power-source-disclosure/power-content-label/annual-power-content-2>

The four dirty power plants we Sonoma County ratepayers are helping to keep open and polluting their regions are:

- Rio Brava Rocklin
- Pacific UltraPower Chinese Camp
- Rio Brava Fresno
- Honey Lake

Source: <https://sonomacleanpower.app.box.com/s/e95whr3wdtna19sd093sb9yvozw8ebiv>

Notice some of these thermal combustion facilities are using emissions accounting tricks to falsely claim GHG emissions factors lower than the Geysers!

It's time to launch a grassroots **rebranding** campaign so their customers know that the **Sonoma Clean Dirty Power** Board of Directors has ignored us and is expanding their procurement of DIRTY power.

Today the **Sonoma Dirty Power Community Advisory Committee** meets at 2:00PM.

<https://sonomacleanpower.org/uploads/documents/SCPA-CAC-2023.09.21-Meeting-Agenda-Packet-with-Telconference-Instructions.pdf>

The next **Sonoma Dirty Power Board Meeting** is on October 5:

<https://sonomacleanpower.org/meetings>

Who wants to help organize the first press conference?

- Tom

-

Dear SCP Board Members,

I am a SCP customer, living in Santa Rosa. I learned today that over 16% of the energy we receive from SCP comes from the burning biomass, most of which comes from forests.

According to the National Resources Defense Council, “[T]he science is clear that deploying forest biopower or BECCS [bioenergy with carbon capture and storage] plants at a global scale risks worsening climate change at a time when the IPCC [Intergovernmental Panel on Climate Change] says we have no time to waste on false solutions.”(1)

The award-winning film, “BURNED,” documents the destruction of forests for biomass fuel. Here are a few of the comments made by experts familiar with this technology:

“That biomass energy is seen as a carbon neutral option – It’s a pure political decision.”
Bas Eickhout, Green Party, Netherlands, European Parliament

“The biomass industry is a disaster for climate change, for forests, and for our local community.”
Danna Smith, Executive Director, Dogwood Alliance, Asheville, North Carolina

“If you’re interested in reducing emissions now, then burning something that puts more carbon into the air than the thing you’re replacing, which is coal, doesn’t make sense.”
Mary S. Booth, PhD, Partnership for Policy Integrity

The burning of biomass appears to be a “false solution” to the crisis of climate change. As Mary Booth from the Partnership for Policy Integrity says in the film, “we don’t have fifty, seventy, a hundred years to wait for those trees to grow back to take that carbon out of the atmosphere. We need to do it right away.” According to Amy Moas, Ph.D., senior climate campaigner at Greenpeace USA, “This carbon-burning power source should never be considered on the same playing field as clean solar and wind energy.”(2)

Please stop purchasing energy derived from the burning of biomass.

Sincerely,

John Johnson

(1) <https://www.nrdc.org/bio/sasha-stashwick/what-ipcc-really-says-forest-biomass-climate-change#:~:text=The%20IPCC%20models%20largely%20looked,trees%20and%20low%2Dgrade%20wood.>

(2) <https://biologicaldiversity.org/w/news/press-releases/50-groups-petition-to-end-californias-dirty-biomass-loophole-2023-06-20/>

Re: SCP Board meeting, 10/5/23; Consent Calendar items # 5, SCP's Energy Sources.

Dear Sonoma "Clean" Power Board of Directors

I am dismayed that the default so-called "Clean" Start mix for 2022 included biomass/biowaste at 16.4%. The public [expressed strong opposition](#) to biomass energy in 2021. Why has the percentage risen so dramatically in just two years? I urge you to reduce and eliminate biomass from SCP's energy portfolios as soon as possible.

The Staff Report ([Agenda packet, p.27-28 of 109](#)) misrepresents the opposition. We were concerned not only about the "the construction of new forest biomass power generation in Sonoma and Mendocino counties..." but stated clearly, "We believe it is not in SCP's best interest to support the generation of biomass energy within the County or to purchase biomass energy from other counties."

By importing biomass-based electricity from Rio Bravo Rocklin, Chinese Camp, [Rio Brava Fresno](#) and Honey Lake, Sonoma Clean Power is outsourcing to other communities serious [detrimental impacts to human health](#), and by purchasing forest woody biomass-based electricity is exacerbating environmental problems, the climate crisis, and [the extinction crisis](#).

As stated in our letters of [February](#) and [April 2021](#), in terms of emissions [biomass energy is dirtier than burning coal](#), highly toxic, not renewable, and [not carbon neutral](#), because it can take decades if not centuries for trees to grow to replace those cut down, with both the immediate loss of carbon storage and the potential for future carbon sequestration, in addition to other environmental impacts.

When wood is trucked from Sonoma County to Chinese Camp and other power plants, are the GHGs resulting from this transportation included in any kind of carbon accounting?

300 words is inadequate to do justice to the details but I would gladly follow up with further information.

Also: Please *oppose* (not just "watch") legislation such as AB 982 (Villapudua) – Public Purpose Programs which facilitates the use of biomass energy.

Sincerely

Jenny Blaker

Re: SCP Board meeting, 10/5/23; Consent Calendar items # 5, SCP's Energy Sources.

Dear Board Members,

I have always been proud of, and consider Sonoma Clean Power to be one of Sonoma County's best champions in addressing the climate crisis. I have been impressed and inspired by their rebate programs and have personally received a generous rebate for installing an HVAC system in our home.

I am surprised and disappointed to learn the percentage of biomass energy in your energy portfolio (16%). I remember asking at a board meeting years ago if Sonoma Clean Power would be able to keep up with the supply of clean energy if the Evergreen campaign was a huge success. I was told that would not be an issue, because the Geysers could provide much more energy than was currently being supplied by that resource.

If that's true, why is there a need for 16% of your energy portfolio to come from biomass? **Burning biomass produces more greenhouse gas than burning coal.** That one fact alone should be enough reason to eliminate biomass as one of your energy resources.

I hope the board will wholeheartedly reject the continued use of biomass by Sonoma Clean Power.

Thank you,
Kevin Conway

As a 70+ year resident of Sebastopol, I implore you to please reconsider your use of biomass for clean power. I echo my constituent Jenny Blaker's comments, listed below, and my friend Maya Khosla's video (link attached), an expert in this field. Time is short. Please act responsibly in this critical matter.

Cynthi Stefenoni

Re: SCP Board meeting, 10/5/23; Consent Calendar items # 5, SCP's Energy Sources.

Dear Sonoma "Clean" Power Board of Directors

I am dismayed that the default so-called "Clean" Start mix for 2022 included biomass/biowaste at 16.4%. The public [expressed strong opposition](#) to biomass energy in 2021. Why has the percentage risen so dramatically in just two years? I urge you to reduce and eliminate biomass from SCP's energy portfolios as soon as possible.

The Staff Report ([Agenda packet, p.27-28 of 109](#)) misrepresents the opposition. We were concerned not only about the "the construction of new forest biomass power generation in Sonoma and Mendocino counties..." but stated clearly, "We believe it is not in SCP's best interest to support the generation of biomass energy within the County or to purchase biomass energy from other counties."

By importing biomass-based electricity from Rio Bravo Rocklin, Chinese Camp, [Rio Brava Fresno](#) and Honey Lake, Sonoma Clean Power is outsourcing to other communities serious [detrimental impacts to human health](#), and by purchasing forest woody biomass-based electricity is exacerbating environmental problems, the climate crisis, and [the extinction crisis](#).

As stated in our letters of [February](#) and [April 2021](#), in terms of emissions [biomass energy is dirtier than burning coal](#), highly toxic, not renewable, and [not carbon neutral](#), because it can take decades if not centuries for trees to grow to replace those cut down, with both the immediate loss of carbon storage and the potential for future carbon sequestration, in addition to other environmental impacts.

When wood is trucked from Sonoma County to Chinese Camp and other power plants, are the GHGs resulting from this transportation included in any kind of carbon accounting?

300 words is inadequate to do justice to the details but I would gladly follow up with further information.

Also: Please *oppose* (not just "watch") legislation such as AB 982 (Villapudua) – Public Purpose Programs which facilitates the use of biomass energy.

Jenny Blaker

- Fantastic video by Maya Khosla! - from a tour of beautiful forests to the dirty smokestacks of biomass plants: [Where Are All of the Forests Going?](#) September 25, 2023 ([click here](#) to view the presentation slides)

Cynthi Stefenoni

Respected Board Members,

On October 4th, California celebrated Clean Air Day. How ironic that Sonoma Clean Power is using more than 16% biomass energy, a dirty, dangerous energy source, plus more than 8% energy from unidentified sources that may include biomass energy.

We in Sonoma County and beyond are paying the price for using biomass energy, for transporting it by diesel trucks, for incineration, and for buying that power. You are ignoring multiple requests from your community made in 2021. You are ignoring the impacts of regular biomass fires, one of which recently destroyed an African American neighborhood and killed people near Mt. Shasta. You are ignoring low-income communities near those facilities, as well as increasing rates of lung diseases and cancer. You are ignoring IPCC (Intergovernmental Panel on Climate Change), which expresses that biomass energy and associated technologies are not needed to limit climate change. You are ignoring risks to Sonoma communities, who do not realize their air can be affected by dirty biomass energy facilities when air currents transport poisonous gases for miles. We are also paying the price of high fire severity that can result from thinning and clearcutting, as documented in many scientific studies.

If you wish to be true to the name of Sonoma Clean Power, you must act responsibly to bring us truly clean energy. We do NOT want "new forest biomass power generation in Sonoma and Mendocino counties..." We are asking you again to be honest and brave, and to reject the use of biomass energy.

Thank you,

Susan and George Bono

Re: 10/5/23 Board meeting, Consent Calendar item # 5, SCP's Energy Sources

Dear SCP BOARD and CEO Syphers:

All the studies performed by non-interested or unbiased parties that I have read clearly show that biomass is a highly polluting source of power. I am dismayed to learn that over 16% of SCP's power portfolio is currently from biomass, and that the Board intends to continue using biomass as part of its energy sources.

I ask that you immediately eliminate this polluting source as part of your power generation mix. As a utility that I have always supported, promoted and been proud to buy my power from, I find it disconcerting to learn about the use of biomass and wonder why there has been no reporting on it in the local media. Biomass is not only very dirty, it encourages the destruction of forests and trees at a time when we should be planting many more trees, and protecting older trees as they are most efficient at sequestering carbon. In addition, biomass is frequently used as a greenwashing cover for a practice that should be outlawed under today's worsening climate disruption caused by carbon pollution. Biomass is not carbon neutral, it is environmentally damaging.

I ask that you remove this item from the Consent Calendar and act to end biomass as an energy source for SCP. Your record has been excellent otherwise, let's not ruin it by adding fuel to the fire (if you'll pardon the expression).

Matt Maguire

Dear Sonoma "Clean" Power Board of Directors,

I am sure you are receiving many detailed letters asking for the removal of biomass/biowaste from the SCP energy profile so I will keep my letter short.

SCP has dramatically increased the percentage of biomass in its energy portfolio in the last two years yet there is public opposition to this.

Using biomass energy is a slippery slope to travel down, at some point mature trees in the forest (not just within 100feet of homes) will be cut just to feed the biomass energy plants. Science tells us to protect mature forests and to use home hardening around structures. Saying we need to utilize biomass as a part of protecting ourselves from fire is greenwashing.

Biomass power is polluting, ineffective and expensive. It is not Clean, Carbon Neutral or Renewable.

Sonoma Clean Power should be truly leading the way in opposing biomass power and refusing to buy it for its customers.

Thank you for taking the time to read all the letters you receive on this important topic.

Dena Allen
Sonoma County Resident

Respected Board Members,

On October 4th, California celebrated [Clean Air Day](#). Today [you are incorrectly treating biomass energy](#), including forest-based biomass energy, as clean and renewable by continuing to consider increased use in your power mix. SCP is now using over 16% of biomass energy, [a dirty, dangerous energy source](#), plus over 8% energy from unidentified sources that may include [dirty biomass energy](#).

We in Sonoma and beyond are paying the price for [irreversibly removing carbon from Sonoma and across California](#), for transporting it by diesel trucks, for incineration, and for buying that power. You are ignoring requests from your community made in [2021](#) and later in [2021](#). You are ignoring the impacts of regular biomass fires, one of which recently destroyed an African American neighborhood and killed people near Mt. Shasta. You are ignoring low-income communities near those facilities, increases in lung diseases and cancer. You are ignoring IPCC (Intergovernmental Panel on Climate Change), which expresses that biomass energy and associated technologies are not needed to limit climate change. You are ignoring risks to Sonoma communities, who seem far from dirty biomass energy facilities, though air currents transport poisonous gases for miles.

We are also paying the price of high fire severity that can result from all that destructive forest removal, thinning and clearcutting, as documented [in scientific study](#) after study. I have personally documented thousands of acres of these "thinned" forests that burned with high severity during wildfires.

With the above facts in hand, you are responsible for bringing us true clean energy. We are asking you again to be brave, [to turn away from dirty biomass energy](#). We do NOT want "new forest biomass power generation in Sonoma and Mendocino counties..." SCP needs to back off from biomass energy use, or create a new middle name that is *not clean*.

Thanks for your time,

Karen Petersen

March 29, 2021

Re: Discuss Sonoma Clean Power (SCP) Use of Forest-based Biomass; Oppose AB 843; AB322

Dear Sonoma Clean Power Board of Directors:

This year my husband and I, with a middle class income, used our vacation fund to turn our Petaluma kitchen electric, installing a 220 line and an induction stove. We felt obligated to make this change out of our concern for climate change. It also made sense because we were already purchasing Sonoma's cleanest option for electricity—for which we pay a higher price—electricity sources from solar fields and The Geysers. And we felt grateful to live in a county with this green alternative. Sonoma County's forward march on clean sources has been an inspiration for families to go electric. I wish this option was available to everyone.

But now . . . as a longtime Sonoma County resident, I am very concerned that that Sonoma Clean Power is actively considering adding forest-based biomass to its energy portfolio. Biomass is not clean, renewable, or carbon neutral. It's connection to deforestation practices in California contribute to the climate crises, as does its burning, emitting toxic byproducts including cancer-causing dioxins and benzene.

The negative impacts of biomass energy have been well documented by over 200 scientists who reported to Congress in May 2020. In 2018, 784 scientists worldwide warned the European Parliament about the dangers of forest-based biomass. Burning biomass for electricity produces more carbon dioxide per unit of electricity than burning coal, as explained by the Union of Concerned Scientists.

It is deceptive to present biomass as part of the Sonoma County portfolio of “clean energy”. Please, as directors of the board, do due diligence and thorough research; as an energy provider taking climate change seriously, and as responsible community leaders, providing, promoting, alternatives to burning fuels.

Thank you,

Patti Trimble

Dear Sonoma “Clean” Power Board of Directors,

Thank you for including the chart of the energy mix that makes up the Clean Start and the Evergreen portfolios in your last email communication. In the complicated world of how to power our lives it is very important for us to know where our energy comes from. When I looked closely at the chart I found that biomass/biowaste makes up 16.4 % of the Clean Start program. I am a customer of this program. I have been following the surge of new biomass burning facilities and was surprised to find it in our own Sonoma Clean Power mix. From everything that I have read biomass burning is not clean or green, [biomass energy is dirtier than burning coal](#), **It is highly toxic and [not carbon neutral](#)**, it takes trees many years, centuries to grow, and cutting them down brings an immediate halt to all the ecosystem services they provide. Even the snags in burnt forest provide benefits for many creatures and put nutrients back into the soil.

I stand firmly with others who are questioning where and why SCP is getting biomass energy. Biomass energy plants pollute the environment, and by importing biomass-based electricity from Rio Bravo Rocklin, Chinese Camp, [Rio Brava Fresno](#) and Honey Lake, Sonoma Clean Power is outsourcing to other communities serious [detrimental impacts to human health](#), and by purchasing forest woody biomass-based electricity is exacerbating environmental problems, the climate crisis, and [the extinction crisis](#).

I understand that in 2021 letters were sent to SCP in an attempt to call out these concerns. **Letters of [February](#) and [April 2021](#)** .

Please address these concerns. Remove biomass/biowaste from your energy portfolio. Burning anything for energy needs to be deeply scrutinized and every single source of emissions needs to be accounted for. This is a perilous time for forests and other ecosystems under so many threats, and we continue to be an increasingly energy consummative culture. It is better that we reduce our all over energy use even as we convert to all electric.

Thank your attention,

Christine Hoex

October 3, 2023

Dear Board and Staff:

I'm writing because I am very supportive of clean energy solutions and disseminating them around the county and our state.

Although very harmful on many levels, cutting down trees is being vigorously promoted by those in the "business" of logging as a source of clean power. These interested parties must not be the authority on finding clean energy sources.

Their conclusions regarding forest biomass of course come down on the side that finds that bringing trees into a biomass facility will produce clean energy. And the public will pay good money for it so why not.

I oppose spending public money on dirty energy that incentivizes more harmful logging and potential perpetual feeding of the biomass industry.

Such logging camouflaged as fire mitigation is poorly monitored, very destructive, not scientific, and goes against many credible studies including the findings of the IPCC who calls for the protection of all our trees as critical components of fighting climate change.



*Volunteers planting redwoods as we have done for over 20 years....
for future generations and to restore the damage done.*

As you likely know, cutting down trees and turning them into power requires lots of that power, and the emissions from the over all activity are substantial.

Sonoma Clean Power should have the highest standards or it's brand will fade. Incentivizing tree removal by signing contracts for biomass that includes forest biomass is very short sighted at best.

The I PCC says we must protect the forests we have, keep trees standing, and stop emitting. Forest biomass does none of this, and simply makes our situation worse.

Please do not undermine many of your customers' efforts-many of whom who are working hard to plant trees and save forests and woodlands, by accepting forest biomass in your energy portfolio.

Thank you.

Kimberly Burr

Green Valley Creek Restoration

Dear Sonoma "Clean" Power Chair Deb Fudge, Board of Directors and CEO Geoff Syphers,

For years my late partner, Stan, and I debated whether to stick with PG&E or opt-in to Sonoma Clean Power. As a true believer and environmentalist, I was "all in" for Sonoma Clean Power--not the "power-hungry" corporation.

Stan argued for PG & E, in large part that he worked for them at the end of his career; and we got an employee discount. Bottom line, it was cheaper to stay with PG&E. So we did.

Sadly, when Stan passed away 2.5 years ago, I had to start a whole new account even though I was living in the same house we shared for more than a decade. At that point, I stayed with Sonoma Clean Power.

But now I am questioning my decision due to SCP's embrace of biomass and its decisions to actually increase the percentage of this polluting, expensive, ineffective energy source.

I was shocked to learn that that the default so-called "Clean" Start mix for 2022 included biomass/biowaste at 16.4%!!!! Last I looked it was down around 6 percent. That is more than double!!!!

Many of us in Sonoma County [expressed strong opposition](#) to biomass energy in 2021. Why has the percentage risen so dramatically in just two years? I urge you to reduce and eliminate biomass from SCP's energy portfolios as soon as possible.

The Staff Report ([Agenda packet, p.27-28 of 109](#)) misrepresents the opposition. We were concerned not only about the "the construction of new forest biomass power generation in Sonoma and Mendocino counties..." but stated clearly, "We believe it is not in SCP's best interest to support the generation of biomass energy within the County or to purchase biomass energy from other counties."

By importing biomass-based electricity from Rio Bravo Rocklin, Chinese Camp, [Rio Brava Fresno](#) and Honey Lake, Sonoma Clean Power is outsourcing to other communities serious [detrimental impacts to human health](#), and by purchasing forest woody biomass-based electricity is exacerbating environmental problems, the climate crisis, and [the extinction crisis](#).

As stated in our letters of [February](#) and [April 2021](#), in terms of emissions [biomass energy is dirtier than burning coal](#), highly toxic, not renewable, and [not carbon neutral](#), because it can take decades if not centuries for trees to grow to replace those cut down, with both the immediate loss of carbon storage and the potential for future carbon sequestration, in addition to other environmental impacts.

Please immediately change course on biomass and keep your base of environmentally aware base of customers!!!!

Teri Shore

Dear Sonoma Clean Power Board,

In the email report I received from SCP on Oct. 2, a table shows in the 2022 Power Content Label that 'Clean Start' is using 16.4% biomass/biowaste. We can do better than that. SCP should be moving away from this non-clean source. We'd appreciate if the SCP Board will engage in this issue and begin a strategy of reducing and eventually eliminating this policy and make Sonoma Clean Power truly 'clean'.

From the Partnership for Policy Integrity (PFPI):

"Biomass electricity generation facilities are major air polluters, and in many cases will significantly worsen air quality in the communities and regions where they are constructed. Yet in most cases biomass gets a break because it is (inaccurately) considered [renewable and carbon neutral](#).

Sanctioning and subsidizing major new sources of potentially lethal air pollution is not what anyone had in mind when establishing renewable energy standards. Regulators should take a clear-eyed, fact-based approach to evaluating whether or not these facilities should operate given the significant air pollution that they cause. In our view, biomass burners should not be allowed to operate until they can show that they are dramatically cleaner than all fossil fuel alternatives, if they are to qualify as renewable energy under state policies."

[https://www.pfpi.net/air-pollution-2/#:~:text=Burning%20biomass%20emits%20large%20amounts,hazardous%20air%20pollutants%20\(HAPs\).](https://www.pfpi.net/air-pollution-2/#:~:text=Burning%20biomass%20emits%20large%20amounts,hazardous%20air%20pollutants%20(HAPs).)

Michael Knappman

Rohnert Park

Dear Board of Directors and Mr. Syphers,

Sonoma Clean Power will have to change its name if it continues to use biomass as a significant source of energy for its Clean Start program. I have been a strong supporter of Sonoma Clean Power since its inception and a loyal subscriber to Evergreen. I am deeply disappointed that you have chosen to compromise your initial intention by using an energy source that incentivizes deforestation and emits more carbon into the atmosphere than burning coal. My reaction is soundly supported by numerous climate scientists and by the NDRC, which is currently circulating a petition opposing use of biomass as an energy source.

350 Sonoma spoke out against the use of biomass as an energy source when we first visited this topic in 2021. We hoped that you would do a thorough investigation and discontinue this practice. The opposite has happened. Please explain why you have compromised Sonoma Clean Power's values and our trust in you as consumers of your power.

Respectfully,

Anne Jacopetti

Re: SCP Board meeting, 10/5/23; Consent Calendar items # 5, SCP's Energy Sources.

Respected Board Members,

On October 4th, California celebrates [Clean Air Day](#). Today [you are incorrectly treating biomass energy](#), including forest-based biomass energy, as clean and renewable by continuing to consider increased use in your power mix. SCP is now using over 16% of biomass energy, [a dirty, dangerous energy source](#), plus over 8% energy from unidentified sources that may include [biomass energy](#).

We in Sonoma and beyond are paying the price for [irreversibly removing carbon from Sonoma and across California](#), for transporting it by diesel trucks, for incineration, and for buying the power. You are ignoring requests from your community made in [2021](#) and later in [2021](#). Unwittingly, you are ignoring the impacts of regular biomass fires, one of which recently destroyed an African American neighborhood and killed people near Mt. Shasta. You are ignoring low-income communities near those facilities, increases in lung diseases and cancer. You are ignoring IPCC (Intergovernmental Panel on Climate Change), which expresses that biomass energy and associated technologies are not needed to limit climate change. You are ignoring risks to Sonoma communities, who seem far from biomass energy facilities, though air currents transport poisonous gases for miles.

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With the above facts in hand, you are responsible for bringing us true clean energy. We are asking you [again](#) to be brave, [to turn away from biomass energy](#). We do NOT want "new forest biomass power generation in Sonoma and Mendocino counties..." SCP needs to back off from biomass energy use, or create a new middle name [that is not clean](#).

Thanks for your time,

Families Advocating for Chemicals and Toxics Safety (FACTS)

Maya Khosla, Rohnert Park, Sonoma

Forrest Gander, Penngrove, Sonoma

JJ Wilson, Penngrove, Sonoma

Dave Seter, Petaluma, Sonoma

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Staff Report - Item 02

To: Sonoma Clean Power Authority Board of Directors
From: Ryan Tracey, Director of Planning & Analytics
Geof Syphers, Chief Executive Officer
Issue: Receive Geothermal Opportunity Zone Update
Date: November 2, 2023

Background

The Geothermal Opportunity Zone (GeoZone) is SCP's initiative to guide the development of local geothermal power that is compatible with community values and enables SCP to phase-out its dependence on natural gas power plants for reliability. The Community Advisory Committee (CAC) meetings are a regularly scheduled public forum for the community to receive updates and provide input on the GeoZone. The updates provided to the CAC each month, and minutes from any discussion are posted on SCP's website at <https://sonomacleanpower.org/geozone-public-updates>. Staff incorporates any feedback received from the CAC 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>.

Community Stakeholder Meeting Summary

SCP has finished compiling a summary of the special community stakeholder meeting held in Cloverdale on September 18th, which is included as Attachment A to this item. Attendees included SCP's GeoZone partners, members of the local community, local and state government, labor, and environmental non-governmental organizations (NGOs). After sharing background on the GeoZone initiative and providing an opportunity for GeoZone partners to briefly present, SCP staff facilitated a discussion with participants on the types of considerations that should be addressed in developing new geothermal resources locally.

Feedback from the meeting spanned many different aspects of project development: effective stakeholder engagement, workforce development, equity considerations, and

local and regional impacts. SCP accepted written comments in follow-up to the workshop through October 2nd. Only one additional comment was received (included in the meeting summary)—which was a series of questions specific to Enhanced Geothermal System (EGS) technology.

SCP is using the input of the Cloverdale meeting as a resource to guide its engagement with GeoZone partners to align projects with the values of the local community and to develop a robust plan for future stakeholder engagement.

Community Advisory Committee Discussion

Staff provided a brief verbal update to the Community Advisory Committee (CAC) on the highlights of the community stakeholder meeting. As part of that update, staff specifically discussed the potential for induced seismicity adjacent to geothermal development—which entails increased occurrence of small and sometimes medium magnitude earthquakes. The CAC asked staff to clarify whether a written response would be provided to the written comment on the Cloverdale meeting asking questions on induced seismicity and other considerations related to Enhanced Geothermal System (EGS) technologies. Staff shared that they replied to the commentor that if a GeoZone partner proposes an EGS project, they will work with the partner and technical experts to get specific answers relevant to the proposed project. The CAC discussion also provided staff with an opportunity to talk about how EGS is one of several technologies under consideration, and explain how it is distinct from thermal storage (Cyrq's proposal), conventional hydrothermal development (existing Geysers and option for Chevron), and closed-loop systems (Eavor and Chevron).

Before closing the item, Chair Morris shared her optimism that early stakeholder engagement will progress permitting. She shared she met staff from both Permit Sonoma and the California Geologic Energy Management Division at Cloverdale, and appreciates their early involvement.

Geothermal Rising Conference

SCP attended the annual conference for the primary geothermal trade organization, Geothermal Rising. At the conference, SCP had the opportunity to share the GeoZone initiative in a plenary panel discussion on opportunities for government to contribute in scaling-up deployment of geothermal resources. SCP also attended a Clean Air Task Force workshop on the public perception of geothermal, discussed constraints to geothermal growth with the Department of Energy, attended numerous technical presentations, and networked with GeoZone partners and other geothermal

developers.

Advocacy

SCP continues to be a very active participant in CAISO's [interconnection process enhancements stakeholder process](#). CAISO presented its straw proposal on September 21st, which proposed introducing a scoring mechanism to gatekeep which projects are accepted to the interconnection queue—with a cap set based on existing or approved transmission capacity. SCP is working with CalCCA on advocating for scoring to heavily weight the interest of load serving entities and prioritize projects that increase resource diversity. These changes will be essential to allow GeoZone projects to compete with less risky and more flexible battery storage and solar projects.

SCP is also carefully reviewing the California Public Utility Commission's (CPUC) [proposed 2023 Preferred System Plan](#) released on October 5th. The CPUC's Preferred System Plan will be used as the basis for the CAISO's 2024-25 Transmission Planning Process (TPP), which identifies the transmission investments needed to support state policy. In the 2023 Preferred System Plan, the CPUC adopted higher cost assumptions for offshore wind. In doing so, the CPUC saw an increased role for geothermal resources in sensitivities it performed on cost-optimized portfolios and more aggressive natural gas retirement. However, the CPUC is recommending adoption of a portfolio with 4.5 GW of offshore wind "forced-in". SCP is considering submitting comments to suggest the CPUC adopt a more diverse portfolio, including showing an increased role for geothermal beyond the 1.7 GW in the proposed plan.

Attachments

- Attachment A – Summary of GeoZone Community Meeting: Developing Principles for New Geothermal



GeoZone Community Meeting: Developing Principles for New Geothermal

September 18, 2023 2:00pm-5:00pm, Cloverdale Performing Arts Center

Attendees

Allison Cook, Chevron New Energies
Barbara Lee, County of Sonoma
Bob Anderson, S Fitch
Brendan Sweeney, Rep. Mike Thompson's Office
Dan McCulloch, NorCal Carpenters Union
Danielle Seperas, Calpine
Eileen Mullinaux, Neighbor
Frank Arzo, Citizen
Geof Syphers, Sonoma Clean Power
Indigo Bannister, Russian River Keeper
Joe Greco, Calpine
Josh Garcia, NorCal Carpenters Union
Kate Brandenburg, Brandenburg Group
Laura Seidenberg, Citizen
Mario Santacruz, Northern California Millwrights Local 102
Mathew Densmore, California Geologic Energy Management Division
Matthew Rothstein, County of Lake
Marcelo De Camargo, Chevron New Energies
Neena Hanchett, Cloverdale Chamber
Neil Ethier, Eavor
Patricia Morris, Sonoma Clean Power Community Advisory Committee Chair
Richard Greene, Citizen
Rob Bamford, North Sonoma County Air Pollution Control District
Robert Penington, Permit Sonoma
Rody Jonas, Pure Power Solutions
Ryan Tracey, Sonoma Clean Power
Shauna Falvey, Chevron New Energies
Woody Hastings, The Climate Center

Link to Presentation

https://sonomacleanpower.org/uploads/documents/20230918_GeoZonePrinciplesMeetingPresentation.pdf

Introduction

Sonoma Clean Power (SCP) introduced itself as the local community-owned electricity provider with a core purpose of accelerating solutions to the climate crisis. SCP's Geothermal Opportunity Zone (GeoZone) partners Chevron New Energies and Eavor were present to represent their role in deploying technology and investment in growing local geothermal capacity in Sonoma and Mendocino Counties. Cyrq Energy is also a GeoZone partner but was unable to attend the meeting.

Background

SCP provided context for the GeoZone by walking through a key challenge in meeting California's Senate Bill 100 goal of reaching 100% renewable or carbon-free electricity by 2045: it is very difficult to provide year-round reliability using clean resources. This has led to delays to retiring natural gas power plants that disproportionately burden disadvantaged communities in the Los Angeles Basin and Central Valley. Flexible loads (such as participation in SCP's GridSavvy program and workplace EV charging) and paired solar with batteries increases clean reliability—but "clean firm" resources that generate throughout the year and through the nighttime are critical to cutting dependency on natural gas power plants.

SCP briefly shared the state's plans to increase the diversity of energy resources and add "clean firm" capacity, including this year's energy trailer bill (AB 1373) that created a mechanism for the state to construct large-scale offshore wind, an order by the California Public Utilities Commission for load serving entities to construct 1,000 MW of new geothermal by 2028, and proposals for out-of-state wind, pumped hydro projects, and Salton Sea geothermal development. SCP's presentation included a comparison of SCP and California's energy mix alongside a breakdown of resource adequacy (standby capacity) by source which clearly demonstrated the high dependency of the current grid on natural gas resources. Meanwhile, SCP shared that load is projected to grow by 40% by 2040 as the transportation sector and built environment are electrified.

SCP also provided a brief explanation of the mechanics of geothermal power. The earth's core provides a regenerating source of heat that can be tapped by drilling wells to produce live steam (as in the current Geysers) or harvest heat through circulating fluid. The produced heat is then used to drive a turbine—either directly through expansion of produced steam or by transferring heat to a separate working fluid. The viability of geothermal power generation is very high locally due to the Clear Lake Volcanic Field underlying the region.

GeoZone Progress

SCP shared recent progress in the GeoZone initiative, which was established in October 2021 to explore opportunities to deploy new technologies to grow local geothermal capacity that is compatible with community values. Following its formulation by the SCP Board of Directors, Sonoma County and Mendocino formally joined the GeoZone by January 2022 through a resolution passed by their Boards of Supervisors.

In Spring 2022, SCP released a solicitation for private partners for providing the technology, expertise, and capital to expand geothermal capacity in the GeoZone. In June 2022, the finalists from that solicitation participated in a public stakeholder workshop that included many of the same attendees. SCP explained that it moved forward with all three candidates because each proposal offered its own benefits and risks, and pursuing all three in parallel increased the overall chance of success in the GeoZone.

SCP also previewed a new map of the GeoZone showing the expected “Early Interest Area” which runs roughly from Healdsburg to Hopland, and concentrated east of Highway 101. The geothermal gradient is elevated in this region and there is reasonable access to existing transmission infrastructure. The boundary of the GeoZone encompasses all of Sonoma and Mendocino Counties, but the community may see early pilot projects concentrated in the “Early Interest Area” because of the known thermal opportunity.

Before introducing its development partners, SCP provided a brief summary of the cooperation agreements approved in March 2023. The cooperation agreements with all three partners follow a similar structure: SCP’s private partners agree to developing projects that minimize environmental impacts, support local workforce, have a strong potential to cost-effectively scale to 200 MW each, involve frequent stakeholder engagement, and support resource sustainability. In exchange, SCP commits upfront to purchasing power from the partners. Each agreement is setup with a pilot demonstration project of up to 20 MW that is expected to be higher cost and risk followed by a 200 MW scale-up. Partners are expected to complete several important milestones in progressing the pilot development by early 2026.

Chevron New Energies Presentation

Marcelo De Camargo, Geothermal Program Manager at Chevron New Energies, provided a presentation to attendees on Chevron New Energies’ proposal for the GeoZone. Marcelo started with providing his personal background as a Brazilian and past role as President at GeothermEx, a leading geothermal resource consulting firm. In early 2023, Marcelo shared that he decided to join the Chevron New Energies team, despite its association with oil and gas, because he appreciated their strong capabilities and genuine interest in scaling geothermal.

Marcelo provided an overview of the Chevron New Energies organization, which is an affiliate of the Chevron Corporation tasked with growing low-carbon businesses. Specifically, Chevron New Energies seeks to leverage the strengths of its parent corporation—which includes subsurface and project management expertise that translate to geothermal development. Marcelo shared that Chevron New Energies has a commitment to invest \$10 billion in lower carbon projects by 2028.

Chevron New Energies’ approach to scaling geothermal is a “pilots-to-projects” approach where multiple novel technologies will be tested to determine the best approach to growing geothermal in the GeoZone. In addition to its technical expertise

from innovating subsurface technologies for oil and gas, Marcelo shared that Chevron New Energies brings operational experience and a commitment to building relationships with the community.

Eavor Presentation

Neil Ethier, Vice President Business Development at Eavor, gave an overview of Eavor's Advanced Geothermal System (AGS) technology that is planned for deployment in the GeoZone. Unlike conventional geothermal development, Eavor's technology can generate power from rock that is impermeable and dry. Eavor drills two multilateral wells that create a subsurface radiator – see the slide for a visual that is something like two dinner forks that meet at the tips of the tines. Water is circulated through the radiator to transfer heat from the geologic resource to the surface, where it is used to drive a power cycle.

Neil walked through the evolution of Eavor's technology—starting with a technology prototype in Alberta commissioned in Alberta that confirmed Eavor's thermodynamic modeling, ability to join two wellbores in the subsurface, and the sealing mechanism used in the open hole radiator to protect against interacting with groundwater and to ensure the system operates as a closed loop with minimal water requirements. Eavor just started drilling the next iteration of its technology in Germany, which adds additional laterals to its subsurface radiator and will enable commercial heat and power production. The subsequent iteration of Eavor's technology involves drilling much deeper to increase the commerciality and expand the viability of the technology to other geographic areas. A well drilled in New Mexico in 2022 by Eavor demonstrated their capability to drill directionally at high depths and temperatures. This last iteration of Eavor's technology is what is planned for the GeoZone.

Neil shared some of the beneficial attributes of their technology: it does not require well stimulation, it is a completely closed-loop system with minimal water loss, and it does not have induced seismicity.

Cyrq Presentation

Although Cyrq was unable to attend the event, Ryan Tracey from SCP provided an overview of Cyrq's plan for technology deployment at the GeoZone. Ryan explained that Cyrq is planning on installing a thermal long-duration energy storage (LDES) system upstream of an existing geothermal power plant. Cyrq's technology involves heating a silo of sand using excess electricity on the grid during solar hours and then using the hot sand to superheat steam that is produced by the wellfield before it enters an existing steam turbine. Superheating the steam potentially allows the existing geothermal power plant to increase its output by 50% during high-need hours.

Ryan explained that Cyrq's technology offers a number of advantages over lithium-ion batteries: it can cost-effectively scale to long durations (Cyrq's system can discharge for 20 hours), it can recharge very quickly, it utilizes only readily-available non-toxic and recyclable domestic materials and avoids the geopolitical issues of rare earth minerals, and most of the investment will go towards on-site installation that leads to high

utilization of the local workforce. Unlike the proposals from the other partners, Cymq's technology requires no changes to the subsurface—which removes a lot of uncertainty and execution risk.

GeoZone Progression & Listening Tour

Following the presentations from GeoZone partners, SCP shared the expected progression of the GeoZone. Partners are currently focused on site acquisition and commercial agreements to host GeoZone pilot projects. After sites are secured, the next step for Chevron New Energies and Eavor will be to permit calibration and exploration wells to collect the necessary data to validate the feasibility of a pilot project. Permitting geothermal exploration wells in California is subject to the California Environmental Quality Act (CEQA) and will trigger a public process that assesses potential impacts. Meanwhile, partners will likely begin applying for grid interconnection for their pilots—which is a very lengthy process due to the backlog of renewable projects currently seeking to connect to the transmission system.

If the results of an exploration or calibration well are positive, GeoZone partners will then begin planning and permitting for pilot projects which may be up to 20 MW. Permitting the wells and power plant for the project will trigger a separate CEQA permitting process.

SCP provided a brief recap of a separate listening tour it completed in August as well. SCP met with community members throughout Lake County where people live much closer to geothermal facilities than in Sonoma or Mendocino Counties and are well acquainted with the impacts of geothermal power development. Themes from feedback received during the tour included the importance of transparency and early engagement, concern with induced seismicity, skepticism of hydraulic fracturing, interest in water issues, impacts like traffic and noise to rural communities, and past experience with unrealistic promises from developers on tax revenue and job creation. SCP shared a handout with attendees of the Cloverdale workshop, offering a more detailed summary of the listening tour that is also [available on the GeoZone webpage](#).

Pre-Project Principles Discussion

SCP kicked-off the discussion of geothermal development principles with a recognition that having this kind of discussion before a specific project location or technology is proposed is unique, and while it helps increase transparency and community input early on, it may also be difficult for the community to evaluate impacts and benefits. Therefore, the goal of the discussion was to collect early-stage pre-project community input that can inform GeoZone partners in identifying better projects, and that the private partners should expect significantly more community input once they propose specific projects.

Early Community Engagement

Considerations for expanding community engagement was the first theme opened for discussion. A participant provided recognition that community engagement before a project site is known was unusual, but very beneficial. The commentor recommended

holding meetings in an accessible place where communities already meet (examples included libraries and recreation centers) at a convenient time (evening meetings or weekends to accommodate work and family schedules). Making accommodation for Spanish language was also recommended. A separate participant shared the importance of providing childcare or a location with activities for children to encourage participation by families.

Other comments were made on recording meetings and allowing feedback through surveys and e-mails rather than relying on in-person attendance. Participants also stressed that you can't communicate too much on a project the scale of GeoZone, and SCP should continue to frequently present information on the project and in diverse formats.

Energy Equity Concerns

SCP acknowledged a core tenet of the GeoZone is improving equity by providing a workable solution to stop Sonoma and Mendocino County exporting air and water pollution to less fortunate regions in California. Participants stressed the importance of promoting equity through GeoZone employment by requiring local hire agreements. There was recognition that there is a lot of workforce capability in Sonoma, Mendocino, and Lake Counties but GeoZone developers should also work with labor organizations on creating training and apprenticeship opportunities.

An example was shared of a participant working on an environmental clean-up project where the local community did not only want the project to occur, but they also wanted to be employed to perform the work. In partnership with local government, contractors, and unions, the project was able to stand-up an apprenticeship program to equip locals to perform the work. Other participants shared MCE's Solar One project and RichmondBUILD as examples of projects that were successful in promoting development of the local workforce.

Participants recognized that developing geothermal locally to benefit communities elsewhere in the state may be difficult politically. Although GeoZone could offer Sonoma and Mendocino County "equity bragging rights" by reducing local pollution elsewhere, SCP and its partners should still endeavor to deliver net benefits to the local community (such as new job pipeline and a green circular economy).

One participant stated that SCP is already demonstrating its commitment to equity through its engagement in Lake County and interest in understanding the impacts of the project on all people. Telling the holistic story on the GeoZone will be important in seeking community buy-in. During this discussion, it was noted that Lake County is not recognized as a disadvantaged community by the state despite its significant population living in poverty and important contribution to the state's energy needs by hosting substantial transmission lines and the existing Geysers operation. A final comment in the equity discussion highlighted the need to reach out to tribes in the region.

Impact on Close Neighbors

SCP shared some of the impacts of geothermal development it heard during the listening tour in Lake County, including induced seismicity, noise, traffic, and air and water quality. Participants provided other important impacts to consider such as visual (height and size), light pollution, and biodiversity.

A community member mentioned one concern is the impact on home insurance. Homes in the region are already more difficult to insure due to high wildfire risk and significant natural earthquakes (seismicity). Layering on more seismicity risk from nearby geothermal operations could be problematic. The same community member also shared concerns on the water impact of geothermal development: wells in the region are drying-up due to climate and increased demand from agriculture. The participant also shared that unincorporated areas are not as well represented in local political processes and are at a disadvantage in representing their concerns. Other comments acknowledged issues with road deterioration from construction traffic.

A high-level suggestion was offered by a participant to provide an ombudsman or liaison to the community to increase accessibility and avoid getting just blanket or muffled responses.

Impacts on Region

SCP articulated a few of the regional impacts it's heard through its early GeoZone work including employment, tax benefits, and water demand. A stakeholder shared the importance of enabling the region to directly benefit from generating clean power locally versus only asking the region to contribute to a statewide goal. It was noted that when Lake County supervisors were invited to consider joining the GeoZone, this was a key consideration—without SCP service, GeoZone power would not directly flow to them.

One commentor noted that community acceptance of a project is not considered in isolation, but permitting usually is. To obtain buy-in, a project developer should consider the different lenses that will be used to view the project by the community and assess cumulative impacts. Another participant highlighted the importance of providing transparency on how community feedback is influencing decision making.

Stakeholders highlighted the importance of avoiding areas that already have a constituency advocating for an alternative use (e.g. areas targeted for conservation). A constraints analysis looking at biological impacts (California Tiger Salamander), water impacts, etc. could be used to identify more acceptable sites.

One comment shared the challenge of advocating for energy project development in a region struggling with high power bills and poor power reliability (e.g., Public Safety Power Shutoffs or Fast Trip Shutoffs). SCP should articulate what its doing to address these concerns and demonstrate that they will not be compounded by GeoZone development.

Community Concerns

SCP started the discussion of community concerns by acknowledging proposed development employing hydraulic fracturing technology will be subject to increased scrutiny and recognizing that the local community is not necessarily well-versed in geothermal development, given the last power plant was constructed in 1989.

A local community member voiced concern on the water source for geothermal development, as well as the potential impact to the productivity and water quality of local groundwater resources. Geothermal development that would impact water quality or disrupt flow (example of seismicity) would be concerning. The same community member expressed the potential for geothermal development and negative impacts to reducing the value of local properties.

Community Aspirations

SCP shared potential aspirations for the GeoZone, including coordinating GeoZone with other local energy projects, providing 100% 24/7 renewable energy to the region, reducing dependency on natural gas power plants, and reducing energy costs. There was discussion that conversations on aspirations should happen in the communities near proposed sites. The audience shared an interest in keeping the lights on, given the local region's experience with poor power reliability.

Miscellaneous

In opening-up the discussion to other comments, one stakeholder asked if odor was a concern (produced fluids can contain hydrogen sulfide). Another participant stressed the importance of responsiveness—if there is a community concern during development and operation, there needs to be clarity on responsibilities and a timely response. Participants also asked for more detail on timing and the size/scale of facilities when they are available. Since these comments are probably best addressed once a specific project location and technology are proposed, these were recorded as guidance for future community meetings.

Written Comments

Following the meeting, SCP allowed meeting participants and any members of the public to submit written comments to be incorporated into the record of the meeting. SCP received one written submission included as Appendix #1. The public is welcome to provide input at any time at one of SCP's monthly Community Advisory Committee meetings or by e-mailing geozone@sonomacleanpower.org.

Appendix #1 – Written Comment from Michelle Robson, Local Resident

Please provide answers. I live on Highland Ranch Road.

1. I would like to know if any of the Sonoma Clean Power employees live near this new potential project and if they are ok with their family being exposed to the additional potential earthquakes? What will SCP do for those of us/our homes if we suffer damage from ADDITIONAL fracking? We already deal with this as it is.

2. Water Usage and Contamination: EGS operations require significant amounts of water for injection and circulation, potentially competing with local water resources. There's also a risk of contaminating groundwater with chemicals used in the process. Tell me how you plan to address this given our water crisis and the goal to minimize environmental impacts by injecting more chemicals into the earth/water?

3. High Costs: Developing EGS projects can be expensive due to the drilling and stimulation techniques involved. The costs associated with drilling deep wells and managing reservoirs can be prohibitive. Will we be paying for this? Are passing this cost onto customers?

4. Technical Challenges: EGS requires precise knowledge of underground geology, and drilling deep wells can be technically challenging. Maintaining the integrity of the boreholes and ensuring efficient heat exchange is not always straightforward. How much more extensive is this project? Will there be light pollution? What noise pollution can we expect? Everyone in Cloverdale should be mailed the pros and cons of this project.

5. Environmental Concerns: Beyond induced seismicity and water usage, EGS can raise environmental concerns related to land disturbance, habitat disruption, and noise pollution during drilling and fracturing operations. What are you doing to protect our precious environment?

6. Energy Return on Investment (EROI): Achieving a positive EROI can be challenging for EGS projects, especially when considering the energy needed for drilling and reservoir development versus the energy produced. How will you do this and how long will it take? Is it worth it? Destroying more precious resources in a pristine area?

8. Long Development Times: EGS projects often have long lead times due to the complexity of drilling and reservoir creation, making them less suitable for addressing immediate energy needs. How long will it take?

Michelle Robson



Staff Report - Item 03

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO
Mike Koszalka, COO
Chris Golik, Revenue Manager

Issue: Approve the Proposed Customer Rate Reductions which would Establish Parameters Following Changes to Distribution Utility Rates and Fees on or After January 1, 2024, and Amendments to Financial Policy B.2 to allow Local Investments with Excess Reserve Funds

Date: November 2, 2023

Recommendation

Approve the following three items with no substantive changes from the draft proposal in October.

- 1) Amend Financial Policy B.2 to allow local investments per the redlines in Attachment A.
- 2) Set rates based on costs while allocating the excess ratepayer collections above SCP's reserve target as of January 1, 2024, accordingly:

- **60% to rate reductions in 2024 and 2025**

Return 60% of excess reserves to ratepayers in 2024 and 2025 in the form of rate reductions such that the savings relative to PG&E's bundled customers is expected to be about the same in both calendar years of 2024 and 2025 based on then-current regulatory filings and known market information. Reset all rate classes so SCP collects sufficient revenues to cover all current costs net of the reserve overcollection, and such that customer total bills have an equal target percentage difference from PG&E's bundled service total bills.

- **30% to establish a local investment fund**

The purpose of the fund would be to lower customer rates over time by investing in long-term assets to lower SCP's energy expenditures or generate revenues to offset customer rates. Specific investments would be brought to the Board for approval in later meetings prior to commitment.

- **10% for customer incentives in 2024 and 2025**

Details on such incentives would be proposed and approved by the Board in a future meeting, but staff are contemplating proposing incentives that are exclusively or primarily geared toward low-income or disadvantaged customers in response to Board input in past meetings.

- 3) Establish ongoing local investments during years when costs and rates are favorable per the table in this report.

Background

It is valuable for credit rating agencies to see that SCP's Board of Directors continues to be willing to raise rates to cover costs when necessary and build reserves when prudent. A strong rating, in turn, helps SCP secure favorably priced energy contracts that allow our transition to clean power while protecting customers from unreasonable energy costs. The agency is in good times now, with significant reserves growth over the past 18 months. It is also prudent for excess reserves to be used to protect customers from future rate shock, which staff is proposing.

SCP reached its long-term financial reserves target between July and August 2023 about nine months ahead of the ten-year goal. This is a positive development and creates the opportunity for SCP to lower rates and make investments in local energy projects that have the potential to generate income to offset customer rates far into the future.

SCP's goals with customer rate setting include:

- Protect customers from sudden large changes in rates;
- Have few rate changes in a given year to provide stability for customers;
- Save customers money when we can, while still achieving progress on SCP's climate goals;

- Maintain the minimum balance of long-term cash reserves to sustain SCP's investment-grade credit rating and ability to secure affordable sources of energy and seek to build and sustain the target balance of long-term cash reserves to ensure adequate liquidity to survive extreme energy market conditions (e.g., a broad energy crisis or a rapid increase in PG&E's fees).

Over the past nine-and-a-half years, SCP has had rates that were lower than PG&E 80% of the time while supplying a consistently more environmentally preferred portfolio of power sources. Today, SCP customers enjoy bills that are between 3% and 5% lower than those of customers who have chosen PG&E for their power generation needs.

This proposal aims to enhance SCP customer savings by implementing further rate savings and proactively planning to limit the scale and risk of rate increases over the next two years. The exact amount of customer savings will depend on PG&E's new rates and fees, which PG&E will likely not make public until December 31, 2023, however, it is reasonable to assume with today's information that savings around 5% or slightly higher should be possible for both years.

PG&E is expected to implement changes to the Power Charge Indifference Adjustment (PCIA) and PG&E's rates on January 1, 2024, or soon after that. While SCP does not expect to have final numbers for these changes until December 31, 2023, the most recent PG&E forecast indicates:

- An increase in PG&E delivery costs for all customers;
- A large decrease in PG&E's bundled service generation costs; and
- A medium increase in the Power Charge Indifference Adjustment for CCA customers.

There are multiple pending cases with the CPUC that are hard to predict and will have significant impacts on PG&E's 2024 rates. PG&E's update to PCIA is currently expected to include a catch-up amount to make up for under collecting in 2023, but the outlook can change quickly based on changes to the market cost of energy. The potential for severe weather events like the heat storm in September 2022 adds to uncertainty. As with past years, the outlook should become clearer over the next few months.

Further out, SCP's cost of energy will increase significantly in 2025 when some of the existing fixed-price contracts end and SCP is more exposed to current high market

prices of energy. However, having a two-year strategy on rates will significantly help mitigate the high costs in 2025.

Discussion

As used in the past five years, to facilitate the implementation of new customer rates as soon as possible following PG&E's expected changes on January 1, 2024, staff is recommending the use of rate setting parameters. If PG&E's final numbers are available on December 31, 2023, SCP expects to be able to implement new rates on February 1, 2024. If PG&E's updates are delayed, then staff propose to make SCP's rate change as soon as feasible after the information becomes available.

As a result of achieving its long-term financial reserves target, SCP can shift to charging only the cost of service, which means extending SCP's ability to offer customers cost savings. Additionally, excess reserves give SCP an opportunity to protect customers from future large changes in rates and the ability to invest in local energy projects, in response to interest from the Committee and Board.

When SCP implements new rates, staff are recommending the then-most-recently-reported excess financial reserves be allocated as follows:

- **60% to rate reductions in 2024 and 2025**

Return 60% of excess reserves to ratepayers in 2024 and 2025 in the form of rate reductions such that the savings relative to PG&E's bundled customers is expected to be about the same in both calendar years of 2024 and 2025 based on then-current regulatory filings and known market information. Reset all rate classes so SCP customer total bills have an equal target percentage difference from PG&E's bundled service total bills. Only rate components that have a generation charge will be adjusted. Per policy, staff will return to the Board following rate implementation to have the final rate tables ratified by the Board in the next meeting.

- **30% to establish a local investment fund**

The purpose of the fund would be to lower customer rates over a longer time period by investing in long-term assets to lower SCP's energy expenditures or generate revenues. Priority would be given to investments that support SCP's mission to lower greenhouse gas emissions, improve grid reliability, improve energy system safety or lower customer costs. Specific investments would be brought to the Board for approval in later meetings, but for illustrative

purposes might include stationary battery storage on municipal property, EV charging stations, real estate investments that clearly further SCP's mission in some manner, new solar with battery installations, microgrid power for sites that PG&E cannot timely connect to the grid, loans to cities or counties for energy efficiency work, co-ownership of geothermal generating assets.

- **10% for customer incentives in 2024 and 2025**

Details on such incentives would be proposed and approved by the Board in a future meeting, but staff are contemplating proposing incentives that are exclusively or primarily geared toward low-income or disadvantaged customers in response to Board input in past meetings.

Based on current projections, staff expect the known excess reserves at time of rate setting to be roughly \$18 million. The likely range of excess reserves could be \$10 million above or below this estimate based on many factors including energy usage, market price of energy, Independent System Operator (ISO) true-ups, ISO collateral requirements, and potential severe weather events.

Staff also are anticipating ratepayer value in making ongoing investments in local income-producing projects to offset rates over many years. While any allocation would be subject to annual Board authorization, establishing an expectation would be a helpful benchmark for future Boards of Directors. Staff propose:

In years when SCP rates are...	...budget toward local income-producing investments
> 3% above bundled rates	0% of Revenues
Between equal and 3% above bundled rates	1% of Revenues
Between 3% below bundled rates and equal	2% of Revenues
Between 6% and 3% below bundled rates	3% of Revenues
More than 6% below bundled rates	4% of Revenues

Community Advisory Committee Review

The Committee unanimously recommended that the Board approve the three items in this proposal as presented. There was discussion following public comment about the allocation of excess financial reserves. Smoothing rates for customers was identified as a priority, and it was noted that the Board has the flexibility to adjust this allocation in the future.

Financial Impact

This proposal recommends setting rates to cover all current expenses through income net of excess collections. The proposed rate reductions, establishment of a local investment fund, and dedication of funds to customer program incentives are designed to return the excess funds collected to customers and have no impact on SCP's current expenditures budget or dedicated long-term financial reserves. Ongoing investments in local income-producing projects would represent between 0% and 4% of Revenues, with more invested in years when costs and rates are favorable, and this allocation would be adjustable by future Board action as needed.

Attachments

- Attachment A - B.2 Financial Reserves Amended 2023.09.12 - Redline

Financial Policy B.2

Financial Reserves

Purpose

SCP maintains financial reserves to maintain good standing with rating agencies, provide liquidity when current income is insufficient, protect customers from sudden large changes in rates, and to mitigate energy market risks. This policy governs how financial reserves are built, maintained and used.

Reserve Balances

- Minimum Reserves: 180 days of the annual budgeted operating expenses.
- Target Reserves: 280 days of the annual budgeted operating expenses.
- Excess Reserves: Any reserve balances in excess of the Target Reserves must be returned to customers through lower rates, invested in income-producing investments with the purpose of offsetting rates over time, or provided to customers in the form of program incentives in the following year on a timeline designated by the Board of Directors.

Building Reserves and Rate Setting

During periods when the Minimum Reserve is not met, SCP shall set rates in a manner to reach the required balance within 2 years.

During periods when SCP's reserves are above the Minimum Reserve but below the Target Reserve, SCP shall set rates to reach the Target Reserve balance within 5 years in a manner that best protects customers from unreasonable rates.

Use of Reserves

The expenditure of reserve funds requires a vote of the Board of Directors. However, the CEO has the authority to use reserves for operating liquidity in emergency situations in consultation with the Board Chair and Vice Chair, and such actions must be noticed to the Board of Directors in the next meeting.

Investing Reserve Balances

Adopted: June 5, 2014

Amended: Jan 8, 2015, Jun 4, 2015, Apr 5, 2018, Apr 2, 2020 and May 5, 2022

The investment of reserve funds is governed by Financial Policy B.5 Investments.

Adopted: June 5, 2014

Amended: Jan 8, 2015, Jun 4, 2015, Apr 5, 2018, Apr 2, 2020 and May 5, 2022



Staff Report - Item 04

To: Sonoma Clean Power Board of Directors Committee

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

Issue: Receive Internal Operations and Monthly Financial Report and Provide Feedback as Appropriate

Date: November 2, 2023

DUCK CURVE CHALLENGE

SCP is partnering with the Sonoma County Office of Education to deliver a 'call to action' program for students. SCP has created a challenge where high school students investigate the causes and impacts of the 'duck curve'. The 'duck curve' is the term given to the average daily electricity use profile in California. The profile looks like a duck, where there is a significant decrease in electricity use during the daylight hours due to the high penetration of customer-sited solar and then a steep increase in the evening hours (4-9 p.m.) as solar energy production is decreasing while residential electricity use is increasing. After learning about and investigating the 'duck curve', students will deliver ideas and solutions that could help mitigate the negative impacts.

Schools that have indicated interest in participating include Analy High School, Amarosa Academy, Cloverdale High School, Healdsburg High School, and Santa Rosa High School. This will be the second school year that SCP has sponsored this challenge with high schools in Sonoma County.

More information on the Challenge may be found online at www.ccrforce.org/energy-challenge

INCOME-GRADUATED FIX CHARGE (IGFC) RATE

In September 2023, the California legislature introduced the Income Graduated Fix Charge (IGFC) Rate, following the passage of Assembly Bill (AB) 205 in mid-2022. AB 205 aims to create a more equitable residential electricity rate structure by having higher income households subsidize lower income households and transitioning to

fixed distribution costs and away from charging based on usage. The California Public Utilities Commission's (CPUC) deadline for deciding on the suggested changes is set for July 1, 2024, but the earliest implementation is not expected until the end of 2026 due to the complexities involved. PG&E expects to introduce the IGFC rates in 2028. The proposal defines four income brackets, each with a different fixed charge level, ensuring lower-income households pay less than higher-income ones. This change will reduce bills for low- and moderate-income customers while increasing them for high-income customers, with the average fixed charge being approximately \$53. The purpose of the rate is to provide more equitable cost distribution, encourage electrification, enhance billing transparency, and promote clean energy goals in California. However, there are concerns about privacy, data collection, and the potential reduction in motivation to conserve energy, and the reduction in value for grid reliability technologies such as customer-owned battery storage.

PG&E's PROPOSED FIXED CHARGE LEVELS BY INCOME BRACKET

Line No.	Bracket Description	Income Threshold, 3 Person Household	Percent of Customers	Monthly Income Graduated Fixed Charge
1	Very Low (<100% FPL CARE)	\$23k	14%	\$15
2	Low (Other CARE/FERA)	\$58k	15%	\$30
3	Moderate (Non-CARE <650% FPL)	\$150k	47%	\$51
4	High (>650% FPL)	>\$150k	25%	\$92

INVESTMENTS

The goals of SCP's Investment Policy, in order of priority, are to protect SCP's cash balances, retain sufficient liquidity, and produce a return on investment to preserve value over time. Allowed investments are listed in the Local Agency Investment Guidelines issued by the California Debt and Investment Advisory Commission (CDIAC), which is included in SCP's Investment Policy (Financial Policy B.5).

SCP maintains investments with two banks, the Sonoma County Treasury Investment Pool, and the California State Treasury's Local Agency Investment Fund. The bank funds are either insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized at 110% per California Government Code Section 16521. The summary below reflects year-to-date figures for the three months ended September 30, 2023.

Investment Summary

Three Months Ended September 30, 2023

Investment Type	Avg. Balance	Interest Earned	Avg. Annual Percentage Yield
Money Market ⁽¹⁾	\$13,766,459	\$113,320	3.32%
Certificate of Deposit (CD) ⁽¹⁾	\$19,221,427	\$269,445	5.72%
Insured Cash Sweep (ICS) ⁽²⁾	\$27,763,487	\$292,773	4.27%
Certificate of Deposit Account Registry Service (CDARS) ⁽²⁾	\$51,911,706	\$636,679	4.99%
Local Agency Investment Fund (LAIF)	\$10,548,913	\$95,231	3.65%
Sonoma County Treasury Investment Pool ⁽³⁾	\$37,113,677	\$250,080	2.71%
Total ⁽⁴⁾	\$160,325,669	\$1,657,528	4.19%

Investment Location	Avg. Balance
Summit State Bank	\$42,890,409
River City Bank	\$69,772,670
Local Agency Investment Fund (LAIF)	\$10,548,913
Sonoma County Treasury Investment Pool ⁽³⁾	\$37,113,677
Total ⁽⁴⁾	\$160,325,669

(1) Collateralized at 110% per California Government Code Section 16521

(2) Insured by the Federal Deposit Insurance Corporation (FDIC)

(3) Excludes fair market value adjustment from financial statements

(4) Excludes cash in non-interest-bearing accounts

FOLLOW UP ON EMPOWER UPDATE

At the October Board meeting, the Empower update included the highlight that around 60 organizations and groups who had no previous relationship with Sonoma Clean Power have requested financial support, event sponsorship, time and expertise, or use of the Center meeting space since SCP updated its Community Giving Guidelines and process.

The new groups and organizations fall into the following categories:

- Arts/Entertainment
- Philanthropic
- Public Services
- Social/Child Services
- Legal Aid Services
- Healthcare/Health Services
- Advocacy (ex. Labor, Racial/Social Justice)
- Education/Schools
- Home/Small Businesses
- Community Groups (ex. "Friends of...")
- Youth Workforce Development/Leadership
- Environmental Groups
- Local Media
- Religious Organizations

MONTHLY COMPILED FINANCIAL STATEMENTS THROUGH AUGUST 31, 2023

The year-to-date change in net position is slightly under projections by approximately \$606,000. Year-to-date revenue from electricity sales is over budget by less than 1% and cost of energy is over budget projections by about 5%. Year-to-date electricity sales reached \$53,890,000.

SCP maintains a balanced portfolio by procuring electricity from multiple sources. Net position reached a positive \$213,969,000, which indicates healthy growth.

BUDGETARY COMPARISON SCHEDULE THROUGH AUGUST 31, 2023

The accompanying budgetary comparison includes the 2023/24 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, 2023/24 YTD 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 slightly over budget by less than 1% at the end of the reporting period. The cost of electricity exceeds the budget-to-date by approximately 5%. 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.

CALPINE CUSTOMER SURVEY

Hearing customer concerns and topics of interest is important to SCP and very helpful with our strategies, programs planning and response, and most important, great customer service is expected by our customers and affects our reputation as a utility and a public agency.

In order to better serve our customers and hear questions and concerns directly, instead of through remote call center reports, in 2016, SCP hired our first Customer Service Representative (CSR) to receive incoming calls that are made to our primary customer service number 855-202-2139. Since that time, we have hired additional CSRs to take on the additional call load and relocated our call center to a room at the

Advanced Energy Center that is better suited for calls with customers. All CSRs speak fluent Spanish, allowing us to communicate clearly with even more customers. SCP still contracts with Calpine for backup phone services and after-hour calls.

Calpine requests that people participate in a survey, following each call. Surveys are voluntary and most callers decline to participate (not uncommon within any industry requesting participation surveys following calls). This fact makes our recent results even more amazing. Our CSRs, who responded to over 672 separate calls during the month of September, rated very high in all areas and almost 97% "satisfied" rate! See the chart below for a breakdown of survey results.

September 2023 Monthly Summary		
	Total	Percentage
	457	100.00%
Number of Surveys - Complete	62	13.57%
Number of Surveys - Incomplete	395	86.43%
Purpose of Call		
	Total	Percentage
Billing Inquiry	17	27.42%
Opt Out	8	12.90%
EverGreen Sign Up	1	1.61%
Other	36	58.06%
Ease of Connection		
	Total	Percentage
Yes	60	96.77%
No	2	3.23%
Not Sure	0	0.00%
Questions Answered		
	Total	Percentage
Yes	56	90.32%
No	2	3.23%
Not Sure	4	6.45%
Satisfied with Service		
	Total	Percentage
Yes	60	96.77%
No	1	1.61%
Not Sure	1	1.61%
Language		
	Total	Percentage
English	62	100.00%
Spanish	0	0.00%

ATTACHMENTS

- August 2023 Financial Statements

UPCOMING MEETINGS

- Community Advisory Committee - November 16, 2023
- Board of Directors - December 7, 2023
- Community Advisory Committee - December 21, 2023



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 August 31, 2023, 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
October 3, 2023

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of August 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 59,243,352
Accounts receivable, net of allowance	28,176,560
Other receivables	2,238,765
Accrued revenue	14,236,146
Prepaid expenses	1,389,488
Deposits	8,825,707
Investments	105,678,491
Total current assets	219,788,509

Noncurrent assets

Other receivables	1,130,913
Land	860,520
Capital assets, net of depreciation	17,328,251
Deposits	846,256
Total noncurrent assets	20,165,940
Total assets	239,954,449

LIABILITIES

Current liabilities

Accrued cost of electricity	17,881,637
Accounts payable	722,083
Advanced from grantors	3,055,598
Supplier security deposits	2,467,200
Other accrued liabilities	1,082,042
User taxes and energy surcharges due to other governments	777,150
Total current liabilities	25,985,710

NET POSITION

Investment in capital assets	18,188,771
Unrestricted	195,779,968
Total net position	\$ 213,968,739

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Two Months Ended August 31, 2023

OPERATING REVENUES

Electricity sales, net	\$ 53,460,525
Evergreen electricity premium	429,524
Grant revenue	19,084
Total operating revenues	<u>53,909,133</u>

OPERATING EXPENSES

Cost of electricity	37,309,220
Contract services	1,387,160
Staff compensation	1,262,182
Other operating expenses	444,023
Program rebates and incentives	1,186,745
Depreciation	233,016
Total operating expenses	<u>41,822,346</u>
Operating income (loss)	<u>12,086,787</u>

NONOPERATING REVENUES (EXPENSES)

Interest and investment returns	1,022,107
Nonoperating revenues (expenses), net	<u>1,022,107</u>

CHANGE IN NET POSITION

	13,108,894
Net position at beginning of period	<u>200,859,845</u>
Net position at end of period	<u><u>\$ 213,968,739</u></u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS Two Months Ended August 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 49,899,043
Other operating receipts	355,764
Payments to electricity suppliers	(32,176,281)
Payments for other goods and services	(2,373,163)
Payments of staff compensation	(1,251,133)
Tax and surcharge payments to other governments	(585,984)
Payments for program rebates and incentives	<u>(1,498,196)</u>
Net cash provided (used) by operating activities	<u>12,370,050</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(28,864)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	451,380
Purchase of investments	<u>(19,000,000)</u>
Net cash provided (used) by investing activities	<u>(18,548,620)</u>

Net change in cash and cash equivalents	(6,207,434)
Cash and cash equivalents at beginning of year	<u>65,450,786</u>
Cash and cash equivalents at end of period	<u>\$ 59,243,352</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS

(Continued)

Two Months Ended August 31, 2023

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

Operating income (loss)	\$ 12,086,787
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	233,016
(Increase) decrease in:	
Accounts receivable	(3,008,050)
Other receivables	(99,282)
Accrued revenue	(1,626,311)
Prepaid expenses	84,319
Deposits	(36,649)
Increase (decrease) in:	
Accrued cost of electricity	2,637,884
Accounts payable	(292,623)
Advanced from grantors	(19,084)
Accrued liabilities	2,352,672
User taxes due to other governments	57,371
Net cash provided (used) by operating activities	<u>\$ 12,370,050</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 period ended August 31, 2023, 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
October 3, 2023

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND
Two Months Ended August 31, 2023

	2023/24 YTD Budget	2023/24 YTD Actual	2023/24 YTD Budget Variance (Under) Over	2023/24 YTD Actual / Budget %	2023/24 Budget	2023/24 Budget Remaining
REVENUE AND OTHER SOURCES:						
Electricity (net of allowance) *	\$ 52,809,333	\$ 53,460,525	\$ 651,192	101%	\$ 243,952,000	\$ 190,491,475
Evergreen Premium (net of allowance)	488,089	429,524	(58,565)	88%	2,689,000	2,259,476
CEC Grant	350,000	-	(350,000)	0%	470,000	470,000
Flex market grant	-	19,084	19,084	na	-	(19,084)
Investment income	500,000	1,022,107	522,107	204%	3,540,000	2,517,893
Miscellaneous Income	342,945	-	(342,945)	0%	2,058,000	2,058,000
Total revenue and other sources	54,490,367	54,931,240	440,873	101%	252,709,000	197,777,760
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	35,625,021	37,309,220	1,684,199	105%	193,762,000	156,452,780
Data management	446,667	433,002	(13,665)	97%	2,680,000	2,246,998
Service fees- PG&E	165,000	162,227	(2,773)	98%	990,000	827,773
Personnel	1,348,000	1,262,182	(85,818)	94%	8,346,000	7,083,818
Energy Center, marketing & communications	511,096	407,973	(103,123)	80%	3,061,000	2,653,027
Customer service	89,000	19,100	(69,900)	21%	220,000	200,900
General and administration	220,761	216,219	(4,542)	98%	1,360,000	1,143,781
Legal	79,167	30,491	(48,676)	39%	475,000	444,509
Regulatory and compliance	76,667	59,974	(16,693)	78%	460,000	400,026
Accounting	42,947	40,280	(2,667)	94%	309,000	268,720
Legislative	36,667	16,000	(20,667)	44%	220,000	204,000
Other consultants	102,033	13,240	(88,793)	13%	624,000	610,760
Industry memberships and dues	161,667	121,125	(40,542)	75%	695,000	573,875
Program implementation	902,845	470,729	(432,116)	52%	8,101,000	7,630,271
Program - CEC grant	660,000	1,027,568	367,568	156%	1,712,000	684,432
Total current expenditures	40,467,538	41,589,330	1,121,792	103%	223,015,000	181,425,670
OTHER USES						
Capital outlay	100,000	25,118	(74,882)	25%	600,000	574,882
Total expenditures, other uses	40,567,538	41,614,448	1,046,910	103%	223,615,000	182,000,552
Net increase (decrease) in available fund balance	\$ 13,922,829	\$ 13,316,792	\$ (606,037)		\$ 29,094,000	\$ 15,777,208
* Represents sales of approximately 358,000 MWh for 2023/24 YTD actual.						
RESERVES						
Operating Reserve (as of June 30, 2022)	\$ 95,207,000	\$ 171,080,000	\$ 56%			

SONOMA CLEAN POWER AUTHORITY
BUDGETARY COMPARISON SCHEDULE - OPERATING FUND (CONTINUED)
RECONCILIATION OF NET INCREASE IN AVAILABLE FUND BALANCE
TO CHANGE IN NET POSITION
Two Months Ended August 31, 2023

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 13,316,792
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(233,016)
Add back capital asset acquisitions	<u>25,118</u>
Change in net position	<u><u>\$ 13,108,894</u></u>



Staff Report - Item 05

To: Sonoma Clean Power Authority Board of Directors

From: Neal Reardon, Director of Regulatory Affairs
Geof Syphers, Chief Executive Officer

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

Date: November 2, 2023

Requested Action

Receive legislative and regulatory updates and provide direction as appropriate.

Regulatory Updates

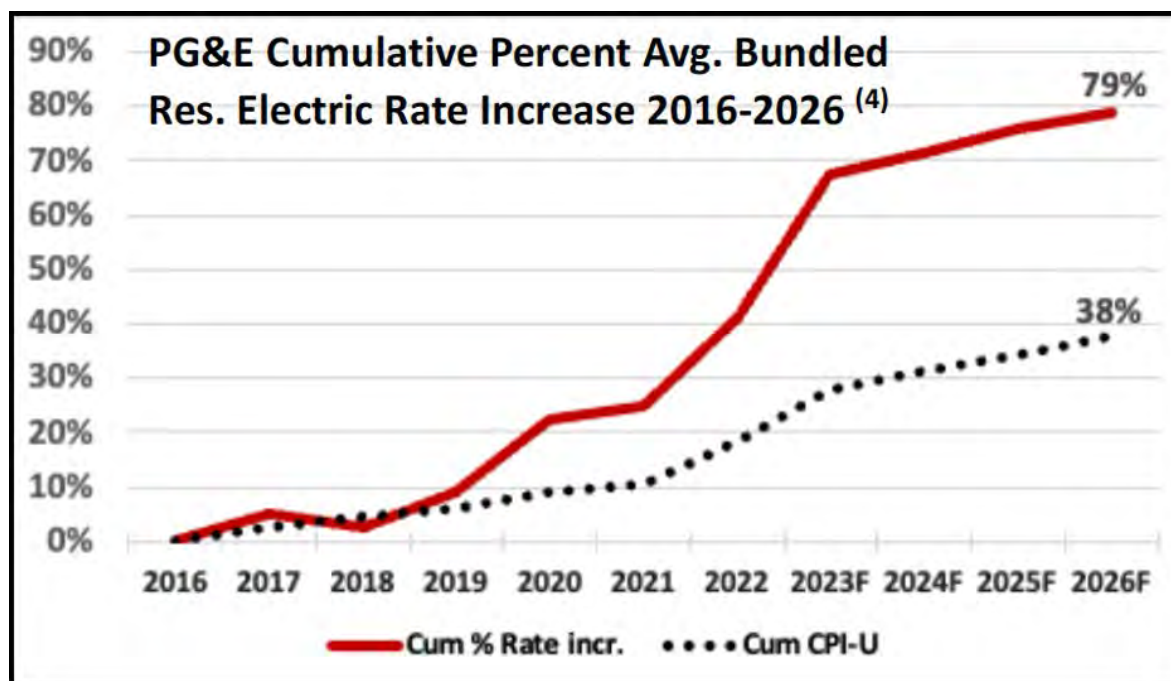
CPUC Considering Proposals to Reduce Risk of Utility-Induced Wildfires

PG&E's General Rate Case ("GRC") has been underway since last Spring. General Rate Cases, in conjunction with the Energy Resource Recovery Account ("ERRA") proceedings, are the two central venues in which the utilities propose - and gain guaranteed cost recovery for - investments in transmission, distribution, generation, incentives for staff retention, etc. A critical issue in this year's GRC is how to best ensure reliable service and reduce the on-going threat of utility infrastructure causing additional wildfires.

PG&E's initial proposal, made via press release instead of through a formal proceeding, was to bury 10,000 miles of electrical lines. In practice, the utility has been proposing annual, incremental targets towards this publicly stated goal. PG&E's progress has been very slow. In 2021, the utility reported 72 miles of undergrounding. In 2022, they achieved another 180 miles for a total of 252 miles of the 10,000-mile goal. In the current General Rate Case, PG&E is requesting cost recovery for a significantly larger undergrounding effort totaling 2,100 miles. While this would reduce the risk of utility equipment starting additional wildfires, it would come at a cost of over \$6 billion dollars to ratepayers. Coupled with other approved rate

increases, this would yield a significant increase in customer charges over the period from 2016-2026.

Below is a graph produced by The Utility Reform Network ("TURN") showing the PG&E's cumulative rate increases compared with the Consumer Price Index over the same period.



If the full 10,000-mile undergrounding effort were approved, TURN estimates that it would take over a decade to complete and would add \$18,000 per customer over the next 50 years.

According to TURN, PG&E can reduce most of its wildfire risk by a back-to-basics strategy of improving vegetation management and complying with existing requirements. TURN outlines a significantly cheaper alternative to undergrounding: covered conductors. Lines would be triple insulated and run along the ground as opposed to either elevated on poles or buried underneath. TURN notes that this solution is not only more cost effective - coming in at \$2.1 billion compared with PG&E's \$6.3 billion proposal - but could be deployed in a fraction of time. In this approach, undergrounding would be reserved for the highest risk areas where burying lines is the most cost-effective approach to mitigate the risk of fire. The assigned Administrative Law Judge issued a Proposed Decision ("PD"), while the President of the CPUC issued an Alternate Proposed Decision ("APD") providing for different treatment of PG&E's request.

The PD relies more heavily on TURN's proposal, adopting a significant portion of covered conductors in lieu of the more costly undergrounding. It would lead to a \$1.6 billion dollar increase to PG&E's authorized revenue requirement in 2023. Despite favoring less costly safety improvements, the PD would adopt 100% of the escalation (i.e., inflation) that PG&E requested. This would drive an \$842 million increase between 2022 and 2023 alone, or roughly half of the \$1.6 billion in additional cost.

The APD issued by President Reynolds incorporates more undergrounding and accepts PG&E's argument that the utility will be able to reduce the cost of undergrounding from \$3.3 million/mile today by over 10%, yielding a 4-year average of \$3 million/mile. The additional capital costs allowed in the APD are nearly *double* those proposed in the PD - \$4.27 billion. However, the counter-intuitive result is a lower revenue requirement, and customer bills, in the near term. This is driven by tax treatment of capital assets, which are eligible for accelerated depreciation. This puts downward pressure on the earlier-year bills, when the large depreciation charge reduces the revenue requirement. However, ratepayers pay for that benefit and much more over the 30-40-year financing period.

A CPUC press release summarizing the PD and APD is below:

PG&E's 2022 Authorized Revenue Requirement	Proposal	Proposed 2023 Revenue Requirement	Percent Increase	Dollar Increase
\$12.2 billion	PG&E	\$15.4 billion	26%	\$3.2 billion
	PD	\$13.8 billion	13%	\$1.6 billion
	APD	\$13.3 billion	9%	\$1.1 billion

Both the PD and the APD deny PG&E's request for a \$94 million or 68% increase to funds for employee bonuses, reasoning that a recent Total Compensation Study concluded that PG&E compensation was competitive at 8.9% above market rates.

SCP staff are actively engaging in this proceeding and working in conjunction with CCAs across Northern California. Maintaining affordability as we transition to a clean energy economy is paramount, and SCP staff submitted specific recommendations to protect customers from the most damaging elements of the PD and APD. The CPUC is expected to approve a decision in this proceeding by the end of the calendar year.

Legislative Update

The legislative session ended September 14 and Governor Newsom had until October 14 to sign or veto bills.

Energy Reliability Budget Trailer Bill / AB 1373

Governor Newsom signed AB 1373 into law. CalCCA worked with SCP and its members across California to successfully secure a number of critical amendments to the Budget Trailer Bill (aka AB 1373), sufficient for SCP and all other CCAs to be neutral.

So-called “frontstop” procurement of “eligible energy resources” must now be done with the Department of Water Resources and not PG&E or the other investor-owned utilities. Frontstop procurement is industry jargon for the CPUC having the power to request DWR to buy resources without any option for IOUs or CCAs to buy them first. Eligible energy resources are defined as new resources that meet all five of the following criteria:

1. The resource directly supports the state's SB 100 zero-carbon and renewable energy goal by 2045;
2. The CPUC determines the resource to not be under contract at sufficient levels as shown in electric providers' most recent individual integrated resource plans;
3. The resource has a construction and development lead time of at least five years;
4. The resource does not generate electricity using fossil fuels or fuels derived from fossil fuels;
5. The resource does not use combustion to generate electricity (except ancillary and necessary to facilitate geothermal electricity generation).

In practical matters, this will include offshore wind and may also include Salton Sea geothermal power, but could theoretically include additional similarly complex resources requiring new transmission systems and very long construction schedules. The shift to DWR is critical because the costs of these resources will now be shared by *all* California electric customers, rather than only the customers of CCAs and the IOUs.

DWR already has statutory authority to buy the output from a number of natural gas power plants to supplement California's grid reliability under a program called the Strategic Reliability Reserve. Unfortunately, this pathway creates a risk that California's dependency on natural gas for electric reliability will be sustained for many years without any utility or CCA *appearing* to purchase or use the energy. As a result, SCP staff are keenly focused on daylighting this situation and ensuring that all greenhouse gas emissions are properly reported, and also to ensure that state purchases of natural gas power doesn't reduce the market value for renewable power and storage.

The bill reiterates existing law that so-called “backstop” procurement can still be ordered by the CPUC for the IOUs to buy “diverse” resources and assign those costs to CCAs, but importantly now clarifies that CCAs must be provided an opportunity to buy those resources first. “Backstop procurement of diverse resources” is industry jargon for resources that the CPUC deems essential for system reliability or achieving the state’s climate goals, but which IOUs and CCAs are afforded an opportunity to purchase on their own before any central procurement order is issued.

“Diverse resources” are not defined in statute, but is widely interpreted to mean resources needed to integrate renewables – especially solar power – into the grid in a manner that continues to ensure system reliability. In practice, this could be interpreted to include almost anything.

Many other details in the bill will have to be sorted out in future regulatory proceedings and potentially in clean-up bills.

At Senator McGuire’s request, the bill includes budget line-item language to make future General Fund investments easier for the California Coastal Commission to work on permitting for prospective offshore wind energy development, specifically for the regions leased by the Bureau of Ocean Energy Management of the U.S. Department of the Interior.

Status of Other Bills

- **AB 50 (Wood) - Timely Electrical Interconnection - Support**

Signed into law. Sets reporting requirements for IOUs that are failing to timely connect new homes and businesses to the grid. Requires IOUs to share information about where the grid is deficient and will likely lead to problems with new construction, home electrification and EV charging.

- **AB 538 (Holden) - Regionalization - Watch**

This is a 2-year bill. Would join California’s largest grid reliability operations at CAISO with grid operators in other states to “regionalize” the reliability of our grid. The Author’s goal is to increase coordination across state boundaries to create a more efficient wholesale power market, lower costs and lower emissions by allowing more day-ahead planning for the use of clean power resources outside California.

- **AB 593 (Haney) - Carbon emission reduction - Support**

Bill is on hold this year and is eligible for consideration in 2024. Would require the CEC by June 2024 to identify an emission reduction strategy with milestones for the building sector. To date, the State's building codes have a number of implied emission reduction elements (e.g., energy efficiency) but are not explicitly linked. The strategy would need to maximize workforce development, minimize impacts on ratepayers, support the State's extreme heat goals, switch to heat pumps in areas with extreme weather, and reduce barriers for low-income households.

- **AB 914 (Friedman) - Transmission upgrade CEQA timelines - Watch**

This is a two-year bill. This bill originally proposed CEQA exemptions for expanding the capacity of existing transmission lines, but despite support from labor, the IOUs and municipal power, it was narrowed to simply setting a two-year timeline for permitting review. The bill pertains to infrastructure projects needed to accommodate increased electrical demand associated with transportation electrification, building electrification and distributed-energy projects, and the renewable energy and storage supply resources needed to provide for those new loads.

- **AB 982 (Villapudua) - Public Purpose Programs - Watch**

This bill is a two-year bill. Would shift the financing from gas and electric rates to state general tax appropriations for most programs funding low-income weatherization, energy efficiency, customer-owned renewable energy and storage incentives, home insulation programs, rate assistance for food banks and the small-scale biomass program.

- **SB 233 (Skinner) - EV Bidirectional Capability - Support**

Bill is dead. The bill would have required the CEC to study and make recommendations on the costs and benefits of bidirectional charging and submit a report to the Governor and Legislature by January 1, 2026.

- **SB 319 (McGuire) - Electricity transmission planning - Support**

Signed into law. Requires the CEC, CPUC, and CAISO to review and report on their transmission needs and plans over the next decade.

- **SB 410 (Becker) - Powering Up Californians Act - Support**

Signed into law. Requires the CPUC to ensure IOUs connect new buildings and electricity service capacity upgrades to customers on a reasonable timeframe. Sets an average and maximum timeline in which electrical utilities should connect customers to the grid.

- **SB 527 (Min) - Neighborhood Decarbonization - Support**

Held in the first house. Would require the CPUC for a five-year pilot period to facilitate neighborhood-scale retrofits from gas to electric infrastructure when it is cost effective (e.g., during times when the gas infrastructure would otherwise need major repairs or replacement), and where it prioritizes alleviating the pollution burden in areas with the highest impacts (e.g., low-income, disadvantaged). After five years, the pilot would be assessed and the CPUC would decide in its sole discretion whether to continue it. Critically, the bill would clarify that a gas company does not have an obligation to provide gas when SB 527 conditions allow a conversion to electric energy.

- **SB 537 (Becker) - Public meeting teleconference - Support**

Bill died in the Assembly. Would have allowed multijurisdictional, cross county legislative bodies to use alternate teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. Would have Required a multijurisdictional legislative body to provide a record of attendance on its internet website within seven days after a teleconference meeting along with immunocompromisation in the list of health exemptions from previous legislation.

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Staff Report - Item 06

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Approve the Net Billing Tariff

Date: November 2, 2023

Recommendation

Approve Sonoma Clean Power Authority's Net Billing Tariff (NBT) to establish a billing mechanism and export rates for customers who interconnect an eligible renewable generating system after April 14, 2023. The customer facing name for NBT is Solar Billing Plan, both of which will be used in this staff report.

Background

The California Public Utilities Commission (CPUC) issued a decision in December 2022 to approve the successor Net Energy Metering (NEM 2.0) tariff. The customer facing name for Net Billing Tariff (NBT) is Solar Billing Plan (SBP) which will be used in this staff report. The successor program aims to promote grid reliability, incentivize paired solar and battery storage, and control electricity costs for all Californians.

Net Energy Metering is a billing mechanism in which customers with eligible onsite renewable sources get credit for excess electricity they generate and send back to the electric grid. These credits can be used to offset electricity costs when solar panels are not producing enough power to offset on-site consumption, effectively allowing customers to "bank" excess energy credits for later use.

Net Energy Metering policies have evolved over time due to a variety of factors including, but not limited to, consumer adoption, changing grid needs, and alignment of the value of solar energy to the grid. The CPUC determined that modifications to NEM is needed because:

- The current NEM billing structure does not encourage adoption of battery storage which is imperative to California achieving its 2045 renewable energy goals. Pairing battery storage with solar enables customers to store the energy they generate during solar hours to help reduce the need for fossil-fuel plants to meet peak demand in the evenings.
- When California approved the original NEM incentive 25 years ago, significant incentives were offered to encourage early adoption and help offset the high cost of going solar. Over the last 20 years, the cost to install solar has decreased by over 70%, yet the high incentives to encourage adoption have minimally changed. SBP aims to align incentives with today's market pricing while allowing customers to still enjoy bill savings.

New solar customers who applied for interconnection on or after April 15, 2023, will be automatically enrolled into SBP as approved by the CPUC. However, a number of customers are being temporarily billed on the existing NEM 2.0 tariff until the SBP is enabled in PG&E's billing system which is anticipated to occur in December 2023 for residential customers and by June 2024 for business customers. SCP's proposed SBP would not replace its existing NetGreen 2.0 program (which implements NEM (2.0) as customers who had a completed application for interconnection into PG&E prior to April 15th would be eligible for NEM 2.0 for a 20-year legacy period from their permission to operate date.

SBP is aimed to modernize NEM to meet the state's reliability and climate goals. There are three main pillars to the decision.

Promote Consumer Adoption of Solar and Battery Storage

The decision financially incentivizes customers to install battery storage systems in conjunction with solar as well as adopt electrification measures to support grid reliability. Residential customers who adopt solar paired with battery storage in the next five years are provided additional electricity bill credits. The decision controls electricity costs and improves electric bill affordability for all Californians by creating more grid value, and payments to new solar and solar plus storage customers are calibrated to that value.

Supports Equity

NBT works together with an additional \$630 million in upfront incentives for low income residential solar plus battery storage adopters. It provides low-income customers, customers living in disadvantaged communities, and customers living in California Indian Country with a larger amount of additional bill credits to improve access to solar and storage.

The decision prevents cost shifting and subsidizing between solar and non-solar customers. Cost shifting in the context of NEM occurs when customers with solar panels receive retail price credits for excess electricity they generate and feed back into the grid, reducing their grid-related costs, while non-solar customers may see their rates increase to cover the maintenance and infrastructure costs of the grid, resulting in a potential subsidization of solar customers by non-solar customers.

Supports Grid Reliability Through Improved Price Signals

The decision introduces fresh residential pricing structures that offer financial incentives for using electricity at times that enhance grid reliability. These rates also provide financial incentives for technologies like battery storage, electric vehicles, and heat pump water heaters, which play a crucial role in achieving carbon neutrality.

Moreover, SBP rewards solar and solar-plus-battery storage users with credits for the electricity they export to the grid, calculated based on the utility's savings from purchasing clean electricity elsewhere. This will promote the export of solar energy during late afternoons and early evenings, especially in the summer when the grid faces the most strain. Additionally, customers who install solar or solar-plus-battery systems within the next five years will receive extra payments on top of these credits for avoided electricity costs on their bills.

Discussion

The most significant change in SBP is the reduction in compensation for exported energy to the grid. Customers will now pay more for energy pulled from the grid than energy fed to it. As mentioned previously, SBP impacts new solar customers. Customers enrolled in NEM 1.0 or NEM 2.0 (or any new owners of their systems) will move to billing under SBP following their 20-year legacy period from their original interconnection date. Existing NEM customers who increase their system size by 10 percent or 1kW, whichever is more, will be required to move to the Solar Billing Plan. However, existing NEM customers can add battery storage at any time without affecting their NEM status.

With the transition to SBP for solar customers beginning April 15, 2023, staff are recommending approval for SCP's Net Billing Tariff to outline the billing and applicability terms for customers on SBP. Staff recommends that SCP follow PG&E's approach to export compensation using the hourly Avoided Cost Calculator (ACC) values. The ACC is a tool used to determine the value of electricity generated by a distributed energy resource, such as solar, that is fed back into the grid. The ACC represents the amount of money the utility would otherwise have to spend to purchase the same amount of electricity from conventional resources, which the distributed energy resource is offsetting. The current average is \$0.04/kWh during typical solar export hours.

These values are intricately tied to the fluctuations in supply and demand. Consequently, exporting excess energy during daylight hours when clean energy is abundant may yield limited returns. Conversely, Export Rates can surge dramatically during system peak hours, often reaching levels as high as 100 times the average rate. This sharp increase in rates bolsters the case for helping customer learn how to use most of their solar output exactly when it is produced or shifting the time of output such as with battery storage systems, as they enable the strategic shift of daytime exports to lucrative evening peak hours, enhancing their overall value proposition.

Solar Billing Plan highlights:

- Monthly billing for all net charges. This helps eliminate a large annual true-up bill for delivery charges.
- E-ELEC is the mandatory rate for residential customers. This rate has a \$15 base service charge to ensure that all customers pay to maintain the grid.
- 9-year legacy period tied to the customer. This differs from NEM 1.0 and 2.0 where the legacy period was tied to the system.
- Customers receive credits for excess energy they send to the grid. These credits are calculated based on the Avoided Cost, which is decided by the CPUC to match the benefits to the grid. If customers connect before 2027, they get a fixed credit value for nine years. Customers connecting after 2027 will have their credits adjusted every two years to match current energy prices. Customers with fixed values can switch to the current rates at any time they want. The export credit rates are determined through a public proceeding managed by the

CPUC. The current export rates range from two cents to over two dollars per kWh depending on the month and time of day.

- A Low-Income "Energy Export Bonus Credit" of \$0.09 per kWh, based on delivery, is available to low-income customers who interconnect in 2023. Eligible SCP customers receive this credit automatically. For new installations, the credit decreases by 20% each year, but the assigned amount remains in effect for a total of 9 years.
- A new true-up methodology is being introduced to rectify the issue of double compensation for energy exports. Under SCP's existing NetGreen tariff, annual surplus energy payments are based on the Net Surplus Compensation (NSC) rate, which represents the average market value of electricity during solar generation hours. This essentially results in a double payment, as customers are compensated both when the energy is initially exported and again through the NSC payment. To resolve this, the CPUC suggests replacing the initial credit with the higher NSC rate, a change that SCP's proposed SBP incorporates.

Community Advisory Committee Review

The Community Advisory Committee recommended that the Board of Directors approve the Net Billing Tariff at their October 19, 2023, meeting.

Fiscal Impact

The financial impact of SBP in its inaugural year will be nominal for SCP as only applications for interconnection completed after April 15, 2023, temporary NEM 2.0 customers, and expiring NEM 1.0 customers will be placed on the Solar Billing Plan.

Future fiscal impact will depend on the number of new solar customers but will be lower than customers on NetGreen 2.0.

Attachments

- Attachment A - Draft Net Billing Tariff
- Attachment B - Net Billing Tariff PowerPoint Presentation

Net Billing Tariff Solar Billing Plan

APPLICABILITY: This Net Billing Tariff (NBT) provides the billing mechanism by which customers can receive credit for self-generated renewable energy exported to the grid. The customer facing name Solar Billing Plan (SBP) is available to customers operating solar, wind, biomass, geothermal, or other renewable resources as defined by the California Energy Commission's Renewables Portfolio Standard Eligibility Guidebook. The customer must participate in PG&E's SBP (or successor) for non-generation services such as transmission and distribution. SCP's SBP program applies to all PG&E SBP customers receiving electric generation services from SCP, including customers with battery storage, renewable fuel cells, or under future aggregated or virtual designs.

New customers who apply to connect their solar system to the electric grid after April 14, 2023, will be enrolled on the Solar Billing Plan.

TERRITORY: This tariff is available to active Sonoma Clean Power (SCP) customers located in SCP's service territory, which includes the Cities of Cloverdale, Cotati, Fort Bragg, Petaluma, Point Arena, Rohnert Park, Santa Rosa, Sebastopol, Sonoma, Willits, the Town of Windsor, and the unincorporated areas of Sonoma County and Mendocino County (excludes the Cities of Healdsburg & Ukiah).

RATES: All SCP rates charged under this schedule will be in accordance with the customer-generator's CleanStart Rate Schedule ("OAS"). A customer-generator served under this schedule is responsible for all applicable SCP charges from its CleanStart Rate Schedule including energy and demand charges, EverGreen premium (for EverGreen customers), taxes, and surcharges. Charges or credits for energy (kWh) supplied or delivered to SCP will be based on usage in accordance with the customer CleanStart Rate Schedule and this Tariff.

PG&E's net billing tariffs, requirements, and rates still apply. SCP customers will continue to be subject to the terms, conditions, and billing procedures of PG&E for services other than electric generation.

SCP rates and rate design, including the rates and rate design reflected in this Tariff, are subject to change from time to time. Customers should take this into consideration when making any long-term decisions based on rate structures that are currently in place.

BILLING: For customer-generators taking service on the CleanStart Rate Schedule, any net monthly consumption or generation shall be valued as follows:



1. Monthly Settlement of SCP Charges and/or Credits:

- a. "Net Electric Consumption" is defined as when customer energy usage exceeds generation during any billing cycle and shall be billed in accordance with applicable TOU period-specific rates/charges, as described in the CleanStart Rate Schedule and Rates.
- b. "Net Electric Generation" is defined as when customer energy generation exceeds usage during any billing TOU period and shall be credited in accordance with applicable TOU period-specific rates/charges, as described in the customer-generator's CleanStart Rate Schedule.
- c. "Imported Electricity" is defined as when a customer uses any metered energy supplied by SCP.
- d. "Exported Electricity" is defined as when a customer supplies any metered energy to the electric grid.
- e. "Exported Rates" are defined as the appropriate credit for any Exported Electricity, based on the sum of the applicable interval Energy Export Rate and any applicable credit surcharges.
- f. "Export Credit Balance" is defined as when a customer has excess export credits carried into the next month, or into the SCP Annual Cash-Out process.
- g. "EverGreen Premium" is defined as SCP's voluntary 100% renewable service. The EverGreen Premium is charged on all net consumption of energy during a billing cycle. It is not credited to customers for over-generation.
- h. Any charges due for Net Electric Consumption will be assessed in each monthly statement. If the customer's account has available credits from current or previous Net Electric Generation, these credits will be applied against usage charges first before any charges are assessed.
- i. Any excess Net Electric Generation credits will be tracked by SCP on the customer's bill as a credit and will be applied to future billing cycles within the same SCP Annual Cash Out period as defined below.
- j. Credit balances do not have any cash value except as defined in the Cash Out process below.

2. SCP Annual Cash Out and True-Up:



- a. Following the final date and bill for each customer's April billing cycle (if the customer does not have an April meter read, the prior or next available month will be used), SCP will initiate a True-Up of each customer account's balance. Any accrued credit balance will be reset to zero for the beginning of the next 12-month period.
 - b. A review will be conducted for each customer's kilowatt-hour consumption and generation during the spring to spring annual true-up. If the customer's Exported Electricity is greater than their Imported Electricity during the annual cash out period, the customer is eligible for a Cash Out payment at SCP's Net Surplus Compensation (NSC) rate.
 - c. SCP's NSC rate will be updated each January for the remainder of the calendar year based on PG&E's average NSC for the previous calendar year. PG&E's NSC is set monthly at the rolling average of PG&E's default load aggregation point price from 7 a.m. to 5 p.m.
 - d. The NSC rate is located on SCP's Rate Sheets displayed on its website at www.sonomacleanpower.org.
 - e. NSC payments are subject to a cap of \$5,000 per account annually.
 - f. Customers will receive NSC payments automatically, paid by check if they have \$200 or more in credits, to the customer's mailing address on their PG&E account. Credit balances of less than \$200 will instead be credited to the customer's new account balance.

If the cash out check is not cashed within 90 days of issuance, the payment will be canceled and reissued upon customer request. If cash out payments remain unclaimed, SCP will follow the requirements of Government Code Section 50050-50057 et. Seq. regarding the handling of unclaimed funds.
 - g. SCP will perform an Export Credit Reversal to avoid double-payment for exported electricity. The initial export credit will be reversed at the average Energy Export Credit rate. This will be charged against any Energy Credit Balance available, otherwise it will be charged against the NSC payment.
3. Transition from NEM to SBP Service

Customers transitioning from NEM to SBP service will have their current NEM escrow balance at time of transition to their SBP Export Credit Balance. Once transitioned to SBP service, only the SBP annual cash out process will be utilized as detailed above.
 4. Customers Returning to PG&E Bundled Service and Account Closures:



- a. SCP customers with SBP service may opt out and return to PG&E bundled service at any time, subject to SCP and PG&E's terms and conditions for return to bundled service. Customers are advised that PG&E will perform a True-Up of their account for any PG&E charges at the time of return to PG&E bundled service.
- b. Customers returning to PG&E service or closing their PG&E account will have an SCP True-Up to determine if the customer is eligible for NSC. NSC will be paid automatically (if applicable) by check to the customer's PG&E mailing addresses unless another address is provided by the customer. There is no minimum threshold for receiving a NSC check, but the maximum NSC is \$5,000 and any credits above that will be forfeited.

TERMS AND CONDITIONS: Nothing in the Net Billing Tariff precludes or supersedes SCP's Terms and Conditions. SCP's Terms and Conditions can be found at sonomacleanpower.org/terms-and-conditions.

More information about SCP's Solar Billing Plan can be found online at sonomacleanpower.org/programs/sbp or by calling 1 (855) 202-2139.

Net Billing Tariff Solar Billing Plan

Erica Torgerson, Managing Director of Customer Service

Danielle McCants, Customer Operations Manager



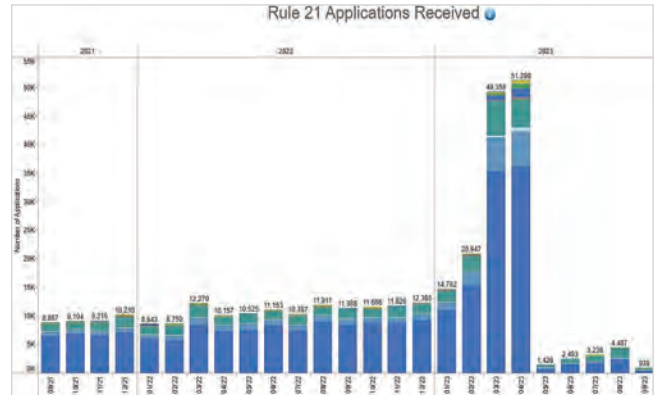
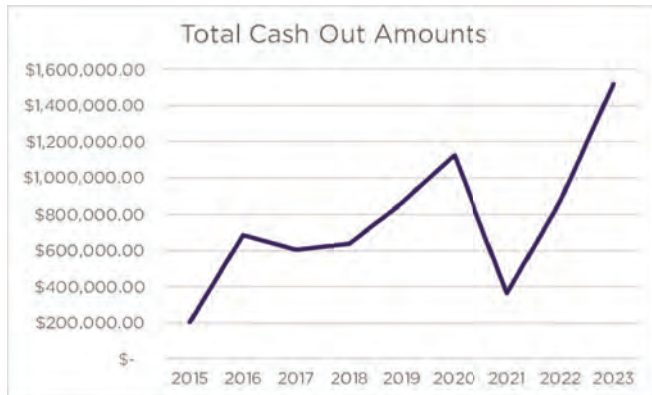
What is net energy metering (NEM)?

- NEM allows customers with an onsite generating source (i.e., solar) to receive credit or compensation for the excess electricity they generate and feed back into the grid.



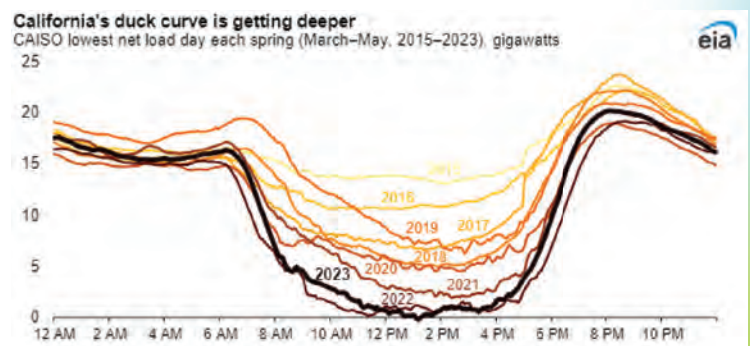
Current State of NEM

- Approximately 27,000 SCP NEM accounts



NEM's Necessary Evolution

- Duck Curve
- 2020 Title 24 Building Codes
- Exponential Cost
- NEM 2.0 has negatively impacted non-participant ratepayers.
- NEM 2.0 disproportionately harms low-income customers not participating in the net energy metering tariff.



Net Billing Tariff (NBT)

- Applicable to customers who apply for interconnection of an eligible renewable generating system, such as solar or wind, after April 14, 2023.
 - NBT exists in addition to SCP's NetGreen program
- Referred to as "Solar Billing Plan" to customers or colloquially "NEM 3.0"
- Sets rates for exported energy based on market value
- Imperative step to achieving 2045 renewable energy goals



Tariff Goals

- Promote storage adoption
 - Additional incentives for solar plus battery customers
- Support equity
 - Additional incentives for low-income customers
 - Prevents cost shifting between solar and non-solar customers
- Support grid reliability through improved price signals
 - Aligns import and export values





NetGreen 2.0 vs. NBT

	NetGreen 2.0	Net Billing Tariff
Import Rate	Retail rate	Retail rate
Self Generation Used Onsite	Retail rate through reduced imports	Retail rate through reduced imports
Export Rate	Retail rate + \$0.01/kWh*	Variable by month & hour based on market conditions
Legacy Period	Tied to system	Tied to customer who installed the system

*\$0.01/kWh bonus applicable through June 30, 2024

Recommendation

- Approve SCP's Net Billing Tariff to establish a billing mechanism and export rate for customers who interconnect an eligible renewable generating system after April 14, 2023.



Thank you



Staff Report - Item 07

To: Sonoma Clean Power Authority Board of Directors

**From: Geof Syphers, CEO
Darin Bartow, Clerk of the Board**

Issue: Consider Approving Stipends and an Approach for Encouraging Youth Members on the Community Advisory Committee

Date: November 2, 2023

Recommendation

Consider approving a per-meeting stipend of \$100 for members of the Community Advisory Committee as a tool for aiding in recruiting members who may find the costs of childcare, travel or time away from work prohibitive. Consider approving an outreach plan for recruiting youth members up to age 24 to serve one-year appointments on the Committee starting with the next regular recruitment period in 2025.

Background

During the October 5, 2023, Board meeting, Directors Hopkins, Zollman, and Rogers requested a discussion about adding stipends to the terms of service for members of the Committee. The goal of these stipends would be to make it easier for members to serve who have daycare or significant travel expenses or other cost burdens associated with spending time on SCP's Community Advisory Committee.

Director Farrar-Rivas also raised the question of whether exploring youth membership would be valuable, and further suggested considering members under 25 years old for this category.

For references, staff provide the following information:

- Most CCAs do not currently provide stipends or have youth members on their advisory committees.

- East Bay Community Energy currently provides stipends of \$50 per meeting to its Advisory Committee members, however EBCE also often has more than one Committee meeting per month.
- In past years, SCP has invited high school students to serve on the Community Advisory Committee. Students generally were able to attend 2 or 3 meetings before they needed to stop.
- Committee Member Mike Nicholls provided staff with a recommendation to base a stipend on Sonoma County's average individual wage. The U.S. Census provides that for 2021 that wage was \$23.79 per hour and SCP staff note that typical Committee member preparation, travel and meeting time is about 4 hours per month, implying \$95.16 per meeting.
- Committee Member Spencer Lipp provided staff with information about a recent decision made by the California Energy Efficiency Coordinating Committee on stipends. That entity decided to set aside a [specific budget](#) for a pilot period to test out the impact and benefits of a committee stipend.

The Community Advisory Committee discussed these matters in its October 19 meeting and recommends the Board:

1. Expand the definition of "youth" to age 24. Consider appointing youth for shorter terms since it is more difficult to get a four-year commitment.
2. Consider the addition of a Committee stipend, after reviewing the practices of other similar agencies. While taking care to make it easy for Committee Members to confidentially opt out. Avoid making a public discussion of those needing the stipend and those who do not.

Staff offer additional input that the deadline for recruitment for the Community Advisory Committee's next round is already passed, and the Board ad hoc committee has already reviewed the applications and will provide recommendations in this Board meeting for appointments. Staff therefore suggest that the focus on recruiting a youth member be a part of the next recruitment rather than the current selection process.

Fiscal Impact

With an average attendance of between 8 and 9 members per meeting, and typically 11 meetings per year, the proposal would add \$9,350 per year in expenses or a lesser amount should Committee Members choose to opt out.



Staff Report - Item 08

To: Sonoma Clean Power Authority Board of Directors

From: Director Dan Gjerde, Director Chris Rogers, Director Patricia Farrar-Rivas and Director Jackie Elward, (Ad Hoc Committee Appointed by the Board)

Issue: Receive Nominations and Appoint Community Advisory Committee (CAC) Members for the Term Beginning January 1, 2024

Date: November 2, 2023

Recommendation

Receive nominations from the Board's ad hoc committee and approve the appointment of seven (7) members to the Community Advisory Committee (CAC) for four-year terms.

Background

Sonoma Clean Power's Third Amended JPA establishes guidelines and terms for the CAC. Under section 4.5.1 of the JPA, the CAC is to consist of a minimum of seven and a maximum of eleven members. Because there is one open seat and six members with terms ending in December 2023, the Board must appoint a minimum of three and a maximum of seven members to meet the JPA requirements. Staff recommend appointing the full seven members to increase the diversity of viewpoints.

Appointees to the CAC serve four-year terms, and the following members have terms ending on December 31, 2023: Mike Nicholls, Spencer Lip, Ken Wells, Patricia Morris, Crispin Hollinshead, and Anita Fenichel.

At the August 3, 2023 Board meeting, an ad hoc committee consisting of Directors Elward, Gjerde, Farrar-Rivas and Rogers was appointed to review applications and make recommendations to the full Board.

Discussion

19 total applications were received by the deadline (14 new applications and 5 from the six existing committee members for reappointment). On October 20, the ad hoc committee of the Board met with staff to review all of the applications.

The ad hoc committee will make their recommendations in the meeting and a list of recommended applicants will be provided to the Board and public at that time.

Attachments

- Attachment A - Community Advisory Committee 2023 Members



Community Advisory
Committee 2023
Members and Terms

NAME	SIGNED OATH	TERM	TERM ENDS
1. Dick Dowd	September 29, 2014	4-year term	End of 2025
2. Sara Booth	January 20, 2022	4-year term	End of 2025
3. Jeff Kelly	January 16, 2018	4-year term	End of 2025
4. VACANT		4-year term	End of 2025
5. Crispin Hollinshead	January 20, 2022	4-year term	End of 2023
6. Anita Fenichel	February 16, 2016	4-year term	End of 2023
7. Mike Nicholls	February 16, 2016	4-year term	End of 2023
8. Patricia Morris, CHAIR	January 23, 2020	4-year term	End of 2023
9. Denis Quinlan, VICE CHAIR	January 16, 2018	4-year term	End of 2025
10. Ken Wells	December 16, 2015	4-year term	End of 2023
11. Spencer Lipp	January 20, 2022	4-year term	End of 2023

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Staff Report - Item 9

To: Sonoma Clean Power Authority Board of Directors

From: Geof Syphers, CEO

Issue: Conference With Real Property Negotiators - Property: 421 E St., Santa Rosa; Agency Negotiators: Geof Syphers, Michael Koszalka, Stephanie Reynolds; Negotiating Parties: Kevin Foster and Hope Moffett; Under Negotiation: Price and Terms of Payment.

Date: November 2, 2023

In closed session, the Board of Directors will be discussing and providing direction to its real property negotiators regarding the potential acquisition of the parcel(s) listed on the agenda. More information will be provided in Closed Session.