



**AGENDA
BOARD OF DIRECTORS MEETING
THURSDAY, FEBRUARY 7, 2019
8:45 A.M.**

Meeting Location: 50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

In compliance with the Brown Act, you may participate in person at the meeting location identified above, or via teleconference at the location listed below. In either case, please (1) post the Agenda at a publicly accessible location at the participation location at least 24-hours before the meeting begins; and (2) have a speakerphone available for any member of the public who may wish to attend at your location

Fort Bragg City Hall 416 North Franklin Street Fort Bragg, CA 95437

I. CALL TO ORDER

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve the January 10 & 25, 2019 meeting minutes of the SCPA Board of Directors (pg. 3)

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Receive Internal Operations, Monthly Financial Report, update on PG&E bankruptcy, and provide input as appropriate (pg. 10)
3. Receive Legislative and Regulatory Updates and provide input as appropriate (pg. 51)
4. Receive Update on SCP Mission Statement Project (pg. 58)
5. Approve SCPA's new Information Technology Security Policy and Advance Metering Infrastructure Data Security and Privacy Policy (pg. 70)

IV. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

(Comments are restricted to matters within the Board jurisdiction. Please be brief and limit comments to three minutes.)

V. ADJOURN

DISABLED ACCOMMODATION: If you have a disability which requires an accommodation, an alternative format, or requires another person to assist you while attending this meeting, please contact the Clerk of the Board at (707) 890-8491, as soon as possible to ensure arrangements for accommodation.

COMMONLY USED ACRONYMS/TERMS TO KNOW

CAC	Community Advisory Committee
CAISO	California Independent Systems Operator
CAM	Cost Allocation Mechanism
CCA	Community Choice Aggregation
CEC	California Energy Commission
CleanStart	SCP's default service
CPUC	California Public Utility Commission
DriveEV	Drive EverGreen
ERRA	Energy Resource Recovery Account
EverGreen	SCP's 100% renewable, 100% local energy service
Geothermal	A locally-available, low-carbon baseload renewable resource
GHG	Greenhouse gas
IOU	Investor Owned Utility (e.g., PG&E)
JPA	Joint Powers Authority
MW	Megawatt (Power = how fast energy is being used at one moment)
MWh	Megawatt-hour (Energy = how much energy is used over time)
NEMA	Net Energy Metering Aggregation (referred to as NetGreen Aggregation for SCP customers) allows customers to share electricity production from one generation system across multiple meters and properties. This does not allow for net surplus compensation.
NEMV	Virtual Net Energy Metering (referred to as Virtual NetGreen for SCP customers) allows customers to generate and share electricity production between multiple customers on the same property.
NetGreen	SCP's net energy metering program which gives its customers financial credit for generating electricity.
PCIA	Power Charge Indifference Adjustment (<i>This fee is intended to ensure that customers who switch to SCP pay for certain costs related to energy commitments made by PG&E prior to their switch.</i>)
ProFIT	SCP's "Feed in Tariff" program for larger local renewable energy producers
PV	Photovoltaics for making electric energy from sunlight
REC	Renewable Energy Credit – used to track all renewable energy for compliance in California, but also colloquially used to refer to a specific subset of REC called an "unbundled REC" where the environmental attributes of renewable energy are sold separately from the energy. SCP does not use "unbundled RECs".
SCP	Sonoma Clean Power
SCWA	Sonoma County Water Agency
TOU	Time of Use, used to refer to rates that differ by time of day and by season



**DRAFT MINUTES
BOARD OF DIRECTORS MEETING - SPECIAL MEETING
FRIDAY, JANUARY 25, 2019
10:00 A.M.**

Meeting Location: 50 Santa Rosa Avenue, Fifth Floor, Santa Rosa, California

In compliance with the Brown Act, you may participate in person at the meeting location identified above, or via teleconference at one of the locations listed below. In either case, please (1) post the Agenda at a publicly accessible location at the participation location at least 24-hours before the meeting begins; and (2) have a speakerphone available for any member of the public who may wish to attend at your location.

Sonoma Clean Power Office 50 Santa Rosa Avenue, Fifth Floor Santa Rosa, CA 95404	Fort Bragg City Hall 416 North Franklin Street Fort Bragg, CA 95437	Point Arena City Hall 451 School Street 24000 S. Highway 1 Point Arena, CA 95468
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I. CALL TO ORDER

Prior to the meeting being called to order, Alternate Director Mike Healy (Petaluma) took the Oath of Office; Director Torrez (Point Arena) took his Oath of Office before a public notary in Point Arena, California, on January 23, 2019.

Chair Landman called the meeting to order at 10:01 a.m.

Present: Chair Landman, Vice Chair Slayter, and Directors Bagby, Belforte, Cook, Gjerde, Healy, Okrepkie, and Torrez.

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

II. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA

None

III. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED

LITIGATION - Initiation of Litigation pursuant to Paragraph (4) of Subdivision (d) of Section 54956.9: (One case, potential intervention in Pacific Gas & Electric Company bankruptcy action)

Chair Landman adjourned the meeting to closed session at approximately 10:02 a.m.

The Board returned from closed session at approximately 10:55 a.m., and General Counsel Mullan provided the following summary: The Board provided direction to Counsel by a unanimous vote to take necessary steps to protect Sonoma Clean Power and CCAs with shared interests in the event PG&E files for bankruptcy protection, which SCP anticipates is a possibility as early as Tuesday, January 29, 2019.

IV. BOARD MEMBER ANNOUNCEMENTS

None

V. ADJOURN

Chair Landman adjourned the meeting at 10:56 a.m.



**DRAFT MINUTES
BOARD OF DIRECTORS MEETING - SPECIAL MEETING
THURSDAY, JANUARY 10, 2019
8:45 A.M.**

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

I. CALL TO ORDER

Vice Chair Landman called the meeting to order at 8:45 a.m. and introduced returning Director Dave King from the City of Petaluma. Director Okrepkie recognized Directors Bagby and Belforte for their respective mayoral appointments.

Present: Vice Chair Landman and Directors Bagby, Belforte, Gjerde, King, Okrepkie, Peters, and Slayter.

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

II. BOARD OF DIRECTORS CONSENT CALENDAR

1. Approve December 6, 2018, minutes of the SCPA Board of Directors

Public comment: none

Motion to approve the December 6, 2018, minutes of the SCPA Board of Directors by Director Belforte.

Second: Director Okrepkie

Motion passed: 8-0-0

III. BOARD OF DIRECTORS REGULAR CALENDAR

2. Appoint Chair and Vice Chair of the Board for 2019

Vice Chair Landman outlined the process by which nominations would be considered.

Director Slayter then recognized outgoing Chair Hamburg for his leadership and advocacy in bringing the County of Mendocino into SCP as a participating jurisdiction.

Public comment: none

Motion to appoint Vice Chair Landman as Chair for the 2019 calendar year by Director Slayter

Second: Director Belforte

Motion passed: 8-0-0

Motion to appoint Director Slayter as Vice Chair for the 2019 calendar year by Director Okrepkie

Second: Director Bagby

Motion passed: 8-0-0

3. Receive Internal Operations and Monthly Financial Report

CEO Syphers advised the Board that SCP is currently recruiting for a Chief Operating Officer. He highlighted the need for this position in light of his increased legislative efforts in Sacramento along with the potential for a PG&E bankruptcy. CEO Syphers then notified the Board that SCP has engaged with bankruptcy counsel in advance of any bankruptcy declarations by PG&E.

Director Reynolds recapped the load deviation issue, which is still ongoing, and staff will continue to report on this matter. A 1 MW ProFIT project is under construction in Cloverdale and anticipated to be online by March, 2019. She then advised the Board that staff is considering greater use of the Consent Calendar for streamlining meetings and will bring procedures in this area to the Board for approval. Customer Care Specialist Danielle Baker updated the Board on recent improvements to the SCP section of the bills that PG&E produces, which include formatting to make the bill easier to read along with Spanish language bills so customers can select this option.

Director Reynolds provided a general Programs update, including: 431 E St. construction, electrification of local transit initiatives, the Strategic Action Plan, induction cooktops program, non-profit EV program, and the Advanced Energy Rebuild program, which is up to 150 applications. She then detailed the monthly compiled financial statements and updates to reserves following the final approved year-end financial audit. CEO Syphers highlighted that revenues and expenses are under projections due to load deviation issue.

Director Slayter asked how much funds are available for nonprofit EV purchases, and Director Stillman stated there is approximately \$75k remaining in the budget and this program will run through the end of the fiscal year.

Director Landman noted that municipal utilities have not experienced similar load deviations and inquired whether this could have been an ongoing issue since the inception of SCP. CEO Syphers detailed potential sources of deviation and staff's ongoing efforts to accurately identify the source.

Public comment: none

4. Receive Legislative and Regulatory Updates

CEO Syphers advised the Board that CalCCA continues to work on legislation to improve transparency and improve costs for customers. He then gave an update on the PCIA, which may be slightly lower than previously forecast, but nonetheless an increase. Director Emerson reported on the Resource Adequacy (RA) Proposed Decision, which is on hold until the Jan. 31st meeting of CPUC. She highlighted that SCP staff has been participating in meetings with CalCCA and San Diego Gas & Electric to identify issues in the Proposed Decision to CPUC staff.

Director King commented on legislative activity, and in particular, the CASA Compact, which includes proposals for new housing construction; he suggested that staff monitor this developing legislation.

Vice Chair Slayter asked about new Governor and the appointment of new CPUC members; CEO Syphers stated that there is at least one vacant seat, potentially two, and that the Governor will appoint the president as well. CEO Syphers reminded the Board that CPUC commissioners serve 6-year terms and it is unlikely that there will be much turnover in the current member composition.

Chair Landman asked whether CPUC commissioners have been receptive to stakeholder feedback regarding the RA Proposed Decision, and Director Emerson stated that commissioners heard significant feedback against a centralized RA provider. Director Reardon then highlighted the CPUC process for amending the RA Proposed Decision. Director Bagby requested an update on AB 56 by Garcia; CEO Syphers detailed the study bill, which would create a centralized procurement entity for RA along with all renewables, and under this model, it would essentially take away the SCPA BOD's power to procure renewable energy.

Public comment: none

5. Approve and Authorize the CEO to Execute an Agreement with the County of Sonoma for Energy Audit Services for Commercial Customers

Senior Programs Manager Rachel Kuykendall introduced the agreement with the County of Sonoma's Energy and Sustainability Division for energy audit services for commercial customers. She noted that although the agreement did not go before the Community Advisory Committee ("CAC") for review due to a tight deadline with the County of Sonoma Board of Supervisors meeting schedule, she did provide a copy to CAC members for their feedback prior to bringing to our Board and responded to those questions.

Director Gjerde asked whether municipalities such as the City of Ft. Bragg and County of Mendocino could take advantage of the agreement; Senior Programs Manager Kuykendall confirmed that the agreement covers SCP's entire service territory.

Vice Chair Slayter asked about any liability issues arising from this agreement, and General Counsel Mullan stated that contract includes a standard mutual indemnification clause plus insurance requirements, which limits SCP's potential exposure.

Public comment:

Dick Dowd, CAC Chair, noted his support for the agreement, including the qualifications of the Energy and Sustainability Division.

Bill Mattinson, CAC Vice-Chair, noted support of agreement and need for increased commercial audits.

Vice-Chair Slayter requested that staff report out on the efficacy of the previous agreement.

Motion to Approve and Authorize the CEO to Execute an Agreement with the County of Sonoma for Energy Audit Services for Commercial Customers by Vice Chair Slayter.

Second: Director Bagby

Motion passed: 8-0-0

Sr. Programs Manager Kuykendall then updated the Board on a new energy code cycle which goes live on 1/1/2020, and efforts for all-electric REACH codes.

6. Discuss Proposed Schedule and Budget for Improvements to 431 E Street and Provide Direction to Staff Regarding Proceeding with Preparation of Construction Documents.

Director of Programs, Cordel Stillman, provided an update on the proposed timeline and costs for 431 E St. The project is on track for bid in June of this year, with award of the contract anticipated for the September Board meeting, construction starting in October 2019, and an end date of October 2020.

The estimate provided to the Board is broken into two parts—base upgrades and enhancements, e.g., solar power array, eclectic car charging, battery storage system, etc. Base costs are estimated at \$7.5 million with the enhancements costing an additional \$1.6 million. These costs come from architect estimates as well as from a 3rd party estimator that SCP has contracted with. Director Stillman stated that in an effort to bring a conservative cost estimate to the Board, that the proposed budget contains a 10% contingency, 5% for scope changes, and a 15% increase in cost of construction contingency. He stated that the estimates compare favorably with current market conditions. Director Stillman than highlighted that the costs will be spread over 3 fiscal years and enhancements will likely come out of Program Reserves.

Director Okrepkie asked about completed asset value with efficiency upgrades and CEO Syphers stated that the insured value would be close to the full cost of the building with investments, plus an additional \$2 million.

Director Belforte asked about contingencies and the return on investments for the proposed enhancements; CEO Syphers stated that these enhancements will likely break even over 10 years.

Public comment:

Dick Dowd, CAC Chair, stated the building costs, without enhancements, are comparable to current market conditions along with his support for the item.

Bill Mattinson, CAC Vice Chair, spoke in support of the item and asked about estimated building costs.

Motion to Provide Direction to Staff to Proceed with Remaining Design Work by Director Belforte

Second: Director King

Motion passed: 8-0-0

7. Receive and Accept Annual Report

Brand Manger April Varellas provided brief highlights from the 2018 Annual Report, including SCP's new branding, ProFIT solar projects, AER rebuild program, partnerships with Sonoma and Mendocino Land Trust for tree planting efforts to fight climate change, and financials.

Public comment: none

IV. BOARD MEMBER ANNOUNCEMENTS

None

V. PUBLIC COMMENT ON MATTERS NOT LISTED ON THE AGENDA - Comments are restricted to matters within the Board jurisdiction. Please limit comments to three minutes.

Mark Tholke, Golden State Renewable Energy, spoke on his background developing large scale renewable projects on behalf of CCAs, and his company's efforts to install solar panels on graded land.

VI. ADJOURN Chair Landman adjourned the meeting at 9:59am.

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Staff Report – Item 02

To: Sonoma Clean Power Authority Board of Directors

From: Stephanie Reynolds, Director of Internal Operations
Geof Syphers, CEO

Issue: Receive Internal Operations, Monthly Financial Report, update on PG&E bankruptcy, and provide input as appropriate

Date: February 7, 2019

PG&E BANKRUPTCY UPDATE

On January 29, 2019, Pacific Gas and Electric formally filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code. Due to the constant activity since the filing date, staff will be providing a verbal report on this issue to our Board and the public. SCP is working to stay positive and communicate to anyone contacting staff or our call centers that we are running our business as usual, continuing to serve our customers with clean power and great programs.

UPCOMING FY 2018/2019 BUDGET ADJUSTMENTS

Due to the recent PG&E filing, staff will be preparing a budget adjustment to cover an anticipated increase in legal costs of between \$300,000 and \$400,000. SCP is utilizing legal firms with expertise in bankruptcy law and are also familiar with public agency issues. We anticipate bringing the budget adjustment to cover these costs and any other necessary adjustments to the Community Advisory Committee in February and then to the Board at its March meeting.

LOAD DEVIATIONS

Staff continues to research the load deviations that were reported on in the last few meetings. For the past several months, SCP customer load has been about 7% below forecast. This is more than normal deviation, appears to be largest with residential customers, and is occurring in other parts of PG&E territory, but apparently not in municipal utility territories in Northern California. Initial reviews continue to rule out weather-related impacts, changes in numbers of customers, changes in customer-owned solar, and changes in large customer usage patterns. SCP staff will be meeting with PG&E early in February to continue research on what may be causing this issue and will report any findings to the CAC and the Board as they become available.

NEW BOARD OF DIRECTOR ORIENTATION MATERIALS

Staff has prepared updated binders for our newly appointed directors and alternates to provide basic SCP history and Community Choice Aggregation information. We are also available to meet with individuals to review the information and answer questions about SCP, its mission, procurement process and staff.

BUILDING UPDATE

The estimated schedule reported at the January BOD meeting is unchanged and is as follows:

- Completion of Detailed Design - March 2019
- Completion of Construction Documents - June 2019
- Bid Construction Project - June 2019
- Award Contract - September 2019
- Begin Construction - October 2019
- Complete Construction - October 2020

Note: This schedule represents targeted completion dates, assuming everything (e.g., permits, contract negotiations, subcontractor coordination) is working normally, and will be updated on a regular basis.

EVERGREEN OUTREACH TO MEMBERS

Commercial Accounts Manager, Nathan Kinsey, is currently analyzing the Municipal wide data for all of the jurisdictions in Sonoma and Mendocino Counties for the calendar year of 2018. Due to the large quantity of accounts with in a City, Town or Unincorporated County territory, various meter read dates occur across a given month for each jurisdiction (beginning, middle and end of the month). Due to limitations in our Customer Relationship Management (CRM) database, these meter read schedules present an issue when attempting to pull account data for a customer that is intended to reflect a 12 month period, as some meters can over and under report the quantity of meter read dates based on the report criteria selected. This can result in 13 months and 11 months of data reflected for some meters, which is deemed too inaccurate by SCP standards. As a result, customized logic is being utilized by our meter data management company, Calpine Solutions, to generate an accurate 12 month report for each meter within a jurisdictions territory. This report will be available for each jurisdiction later in February and March, beginning with Sebastopol, Cotati, and the Counties of Mendocino and Sonoma, as these have been requested directly from our Board of Directors representing these communities.

PROGRAMS

Programs Strategic Action Plan

At the January 24, 2019 Community Advisory Committee (CAC) meeting, staff presented the latest iteration of the Programs Section's Strategic Action Plan. The Plan has been revised to reflect the programs currently being worked on, programs that may be considered in the future, as well as a section on programs that have been either discontinued or removed from consideration. The attached plan was approved by unanimous vote of the CAC and will be updated in the same manner again in approximately six months.

Electrification of Transit Vehicles

We have cooperated with the four local transit agencies on a scope of work to determine infrastructure and planning needs to take their bus fleets to electric propulsion. An RFQ for consulting services has been issued to select a firm to do the necessary investigations.

Advanced Energy Rebuild

In total, 156 homes have applied for Advanced Energy Rebuild, about one third of which have chosen to rebuild all-electric homes. In early January, SCP sent an Advanced Energy Rebuild mailer to approximately 2000 customers affected by the wildfires, and is currently working with approximately 40 new homeowners on qualifying for the program. On January 29th, SCP helped organize a webinar on carbon-free cooking and fireplace options for homeowners. A total of 129 people signed up for the webinar.

Low Carbon Reach Codes

SCP and RCPA sent out an e-mail looking to connect with staff members of any SCP jurisdictions looking to pursue “all-electric” reach codes as a part of the 2020 energy code update. An all-electric reach code would mandate that all new construction within that jurisdiction use high efficiency electric equipment, significantly reducing the greenhouse gas emissions of new construction buildings. Please follow up with SCP Programs staff if you’re interested in participating in this state-wide effort.

Drive EV

The Drive EV program ended on November 16th. The Center for Sustainable Energy recently delivered a comprehensive Dashboard with final data on all three years of the program. The Dashboard shows that in this last year, SCP incentivized 485 vehicles and helped customers save a combined \$4.4M! The Dashboard breaks down the make and model of vehicles and the percentage of lease and purchases.

To access the Dashboard, visit www.sonomacleanpower.org/drive-ev-program-results.

Do-It-Yourself Energy and Water Saving Toolkits

In Sonoma County we have 30 DIY toolkits in circulation and have seen 459 kits checked out to date since the program started. We expanded to Mendocino County in May 2018 with 11 DIY toolkits and have seen 59 check-outs, to date. This brings our total number of check-outs to 518! This has been a very successful way to outreach to our communities, provide basic energy-saving tips and tools at a low-cost to SCP.

The Sonoma County DIY toolkits are a partnership with the SCP, Sonoma County Library, Sonoma Water through the Sonoma-Marin Saving Water Partnership, and County of Sonoma’s Energy & Sustainability Division. The

Mendocino County DIY toolkits are a partnership with SCP, Mendocino County Library, and the County of Mendocino.

Induction Cooktops

After one full year of this program we have had a total of 96 cooktops checked out. The results of the survey sent out in December 2018, show there is a high demand for the program and Program Staff is currently evaluating expanding the program to other regions throughout our service territory. The Sacramento Municipal Utility District (SMUD) and SCE, along with other CCA's, have reached out to SCP to explore setting up similar programs in their jurisdiction.

Non-Profit EV

This program provides incentives to local non-profit organizations to purchase or lease an Electric Vehicle. To date, we have had 5 organizations purchase or lease an EV with SCP's help and have to other organizations that have signed a contract and are in process of acquiring a vehicle.

Lead Locally (CEC Grant)

The Lead Locally Research Team is currently performing energy audits at 18 applicant homes to participate in the applied research experiments for advance technologies including: heat pump water heaters, radiant ceiling heating and cooling panels, residential attic phase change materials, and air to water heat pumps. Next steps include a final selection of 16 sites, then execution of participation agreements, with pre-monitoring instrumentation to be installed immediately thereafter. A Phase 2 research study on daylighting retrofits for 3 commercial properties will occur this spring. Additionally, TLCD Architecture is developing a schematic design for the renovations of the storefront at 741 4th St. An update to the renovations and design plan will be made to the CAC later this month and to the Board at its next meeting.

MONTHLY COMPILED FINANCIAL STATEMENTS

The winter rate season continues into December, a period where aggregate rates are greater than in the winter season. The year-to-date growth in net position is slightly below projections due primarily to lower than anticipated electricity sales. Year-to-date electricity sales reached \$93,352,000.

Electricity sales (as reported on the Statement of Revenues, Expenses and Changes in Net Assets) is being offset by our estimate of uncollectible accounts, which is currently set at approximately 0.5% of electricity sales. As historical data is gathered on the collection patterns specific to SCP customers, this rate will be revisited and adjusted as necessary. Note that the accounts receivable line on the Statement of Net Position is presented net of allowance for uncollectibles.

SCP continues to procure electricity from multiple sources. Net position reached a positive \$88,522,000, which indicates healthy growth as SCP continues to make progress towards its reserve goals. Of this net position, approximately \$50,664,000, \$9,132,000, and \$1,082,000 is considered set aside for operating and project reserves, respectively.

Overall, other operating expenses continued near or slightly below planned levels for the year.

BUDGETARY COMPARISON SCHEDULE

The accompanying budgetary comparison includes the 2018/19 budget approved by the Board of Directors in May 2018.

The budget is formatted to make comparisons for both the annual and the year-to-date perspective. The first column, 2018/19 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 under the year-to-date budget by approximately 5%.

The cost of electricity is also slightly under budget-to-date by approximately 8%. 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. While Data Management fees are closely aligned to the annual budgeted amount, PG&E fees exceed the year-to-date budget due to a change in the per meter rate, with an unexpected MDMA fee added. SCP intends to adjust the budget for this category in future months.

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

UPCOMING MEETINGS:

CAC MEETING - FEBRUARY 19 2019

BOD MEETING - MARCH 7, 2019

CAC MEETING - TBD (potential start of budget& rate discussions)

BOD MEETING - APRIL 4, 2019



Sonoma Clean Power Programs Group

Strategic Action Plan

Updated January 17, 2019

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Acronyms

BAAQMD - Bay Area Air Quality Management District
BayREN - Bay Area Regional Energy Network
CAISO - California Independent System Operator
CCP - Center for Climate Protection
CEC - California Energy Commission
CSE - Center for Sustainable Energy
CTE - Career Technical Education Foundation
CPUC - California Public Utilities Commission
DEV- Drive EV
DRRS - Demand Response Reporting System
DNV-GL - An energy efficiency consultant
DIY - Do it Yourself
eMW - Electric Motor Werks
EM&V - Evaluation, Measurement and Verification
EV - Electric Vehicle
GHG - Greenhouse Gasses
HVAC - Heating, Ventilation and Air Conditioning
JPA - Joint Powers Authority
MCAQMD - Mendocino County Air Quality Management District
MCE - MCE Clean Energy
NCBE - North Coast Builders Exchange
NEM - Net Energy Metering
NRDC - Natural Resources Defense Council
NSCAPCD -Northern Sonoma County Air Pollution Control District
MW - Megawatt
PG&E - Pacific Gas and Electric
RCPA - Regional Climate Protection Authority
SASH - Single-Family Affordable Solar Homes Program
SCP - Sonoma Clean Power
SCTA - Sonoma County Transportation Authority
SCWA - Sonoma County Water Agency
TNC - Transportation Network Company (Uber, Lyft)
ZNE - Zero Net Energy

Executive Summary

Sonoma Clean Power is enabled by a Joint Powers Agreement (JPA) which states the following as purposes for entering into the Agreement:

- a) Reducing greenhouse gas emissions in Sonoma and Mendocino Counties and neighboring regions;
- b) Providing electric power and other forms of energy to customers at a competitive cost;
- c) Carrying out programs to reduce total energy consumption;
- d) Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and
- e) Promoting long-term electric rate stability, energy security, reliability, and resilience

The purpose of this document is to supply a road map for the SCP Programs Section by clearly identifying strategies and the actions needed to accomplish those strategies. This plan will facilitate the Programs Section in efficiently accomplishing its mission of achieving the goals of the JPA and providing local economic stimulus (job creation). In addition to an overall program road map, this document will also attempt to prioritize individual actions based on available resources, regulatory constraints and other areas of uncertainty. Each of the strategies identified in this plan will refer to one or more of the purposes identified in the JPA. The evaluation of particular programs will include metrics specific to that program and will occur after the program has had a reasonable time to establish itself. This document will be updated twice each year in January and June.

Significant Progress

SCP has implemented the following activities in the Programs Section:

- 1) The Drive EV program (the third iteration) incentivized the purchase or lease of 486 electric vehicles in a 16-week timeframe. This is in addition to the 774 vehicles purchased or leased in Drive EverGreen 1.0 and 2.0, for an overall total of 1,260 vehicles.
- 2) The GridSavvy program resulted in the shipment of 2,284 (as of 1/01/19) electric vehicle charging stations to SCP customers and is the genesis of a locally controlled demand response program.
- 3) Do-It-Yourself Energy and Water Saving Toolkits, which include basic energy and water efficiency tools and products, have been placed in almost all Sonoma County and Mendocino County libraries. The 41 toolkits in circulation can be checked out just like a book and have proven to be very popular. This program was expanded into Mendocino County libraries in May 2018.
- 4) The Education Program for Schools in partnership with Sonoma Water was initiated in the Fall of 2017. A contract to continue the program for a further two years was approved by SCP's Board.
- 5) A Demand Charge Reduction Program was implemented to assist large commercial and industrial customers in reducing demand charges on their bills. Nineteen (19) large commercial and industrial customers have been contacted for participation.
- 6) Induction Cooktop Experience, a program that loans portable electric induction cooktops to customers, has seen 87 loans take place. A survey showed that customers overwhelmingly liked the new cooking experience with 44% of participating customers surveyed stating they made the switch to induction cooking.
- 7) A program to incentivize the purchase of EV's by local non-profits has resulted in 4 EV's being placed and 3 non-profits under contract searching for an EV.
- 8) A partnership to promote low income solar installations on homes was initiated with Grid Alternatives. This took the form of a direct mailing to qualifying residents of Sonoma and Mendocino Counties and resulted in 62 responses and 14 approved applications. The mailer will be repeated in 2019.

- 9) The Advanced Energy Rebuild program has been created in cooperation with PG&E and the BAAQMD to incentivize those rebuilding their homes after the 2017 fires to do so in an energy efficient manner. To date we have had 150 applications to the program.
- 10) SCP was awarded a \$9.8M grant from the CEC to promote energy efficiency in the residential built environment. SCP is required to provide \$3.3M in matching funds for a total of \$13.1M. We have begun the research phase of the grant and installations of monitoring equipment to 16 residential homes are underway. Additionally, we have leased a store in downtown Santa Rosa to house the marketplace envisioned by the grant. An architect is currently drafting a schematic design for that location.

New Programs

SCP is including the following new activities in the plan:

- 1) Pursuing CALeVIP funding from the CEC to incentivize publicly available EV charging stations in Sonoma and Mendocino counties. This is being done in cooperation with, BAAQMD, CEC, CSE, MCAQMD, NSCAPCD, and the RCPA.
- 2) Working with the public transit agencies in Sonoma and Mendocino counties on a study to identify the electric infrastructure they will need in place to take their services all-electric.
- 3) Working with each SCP jurisdiction to identify the most likely locations for Level 3 charging stations
- 4) Working with RCPA & Sonoma County ESD to develop ongoing certification courses, youth EE education classes, and EE technology demonstrations that will occur at the new storefront.
- 5) Establishing a methodology for a customer to commit to 20-year purchase of EverGreen in lieu of building on-site renewable energy.
- 6) Investigating the potential for getting more electric vehicles on the road through discounted/free charging for low-income customers.
- 7) School Bus Program - Staff are researching how SCP may be of assistance to local school bus operators in switching to electric buses.
- 8) Car Sharing - Staff are exploring partnerships with car sharing providers who use electric vehicles

Discontinued Programs

Discontinued programs are programs that were initiated as a pilot and were either not successful, or successful enough to jumpstart market transformation.

- 1) Drive EV: Planned to be discontinued after three years. During that time, Drive EV provided incentives to 1,262 vehicles and helped educate the general public on the benefits of driving electric.
- 2) Workplace Charging: SCP contracted with CSE to conduct site host analysis on the costs and benefits of installing up to 10 Level 2 charging stations at each site. Three site hosts were analyzed and Advanced Technical Reports were delivered. None of the three site hosts have moved forward due to technical and location challenges.
- 3) ProFIT: Management of ProFIT contracts were transferred to the Procurement Division after two (2) projects went commercial operational. Currently, four (4) projects are currently under contract and in development. With the projects currently in development, ProFIT is fully subscribed, but may be reinstated if and when there is additional demand for our EverGreen service.
- 4) Model Home Development: Given the current emphasis on the fire rebuild, it is unlikely we will find a developer/homebuilder to pursue the type of project envisioned.

Program Strategies and Levels of Action

This plan identifies eight program strategies:

- Program Strategy 1. Promote the Use of Electric Vehicles in Transportation
- Program Strategy 2. Promote Fuel Switching in New and Existing Building Stock
- Program Strategy 3. Identify and Apply for External Funding to Support Programs
- Program Strategy 4. Promote the Aggregation of Loads and Resources
- Program Strategy 5. Support the Integration of Distributed Energy Resources in SCP’s Territory
- Program Strategy 6. Support the Transition to Zero Net Energy Building Codes and Practices
- Program Strategy 7. Test and Evaluate the Use of New Technologies
- Program Strategy 8. Promote Public Education Involving Energy Efficiency and Fuel Switching

This plan identifies three levels of action:

Immediate Action	Near Term Action	Long-term Action
<p>Ongoing or to be initiated within the next year.</p> <ol style="list-style-type: none"> 1. Required by regulatory or other deadlines; 2. Other strategies or actions are dependent on outcome; 3. Achievable in the near-term; 4. Funding and resources are available. 	<p>To be initiated within one to three years.</p> <ol style="list-style-type: none"> 1. Anticipated, yet not immediate, deadline; 2. Funding is proposed; 3. Necessary for planning and development of long-term actions. 	<p>No defined start date for action, likely longer than three years.</p> <ol style="list-style-type: none"> 1. Not enough information to proceed at this time; 2. Lower priority; 3. Funding not available

Program Strategy One

(PS1)

Promote the Use of Electric Vehicles in Transportation

This strategy fulfills the following goals of SCP's JPA:

- a) Reducing greenhouse gas emissions in Sonoma County and neighboring regions and;*
- d) Stimulating and sustaining the local economy.*

Immediate Action One:

Promote Transit Electrification

Project: Determine infrastructure needs for electrification

Status: SCP will issue an RFP for consultant services to analyze the infrastructure needs of transit agencies to upgrade their fleets to all electric propulsion.

Involved Parties: RCPA, Sonoma County Transit, Santa Rosa City Bus, City of Petaluma, Mendocino Transit Authority.

Immediate Action Two:

Provide Free Charging Stations

Project: Provide free Level 2 charging stations to eligible SCP customers

Status: Contract with eMotorWerks to continue free charging station program through June 2019. It is anticipated that this program will continue through FY 19/20. Staff will explore the potential of extending this program to commercial charging stations.

Involved Parties: eMotorWerks, Olivine

Immediate Action Three:

Provide electric mobility solutions for local non-profits

Project: Identify local non-profits that provide transportation services and incentivize their use of electric vehicles

Status: SCP has implemented a program that provides \$12,500 towards the purchase or lease of an EV by non-profits. To date, 4 non-profits have taken advantage of this incentive, while an additional 3 non-profits are under contract and searching for a vehicle. It is anticipated that this program will continue in FY 19/20.

Involved Parties: RCPA, local non-profits

Immediate Action Four:

Promote the use of Electric Vehicles in TNC operations

Project: Develop incentive program for TNC drivers

Status: SCP entered into a contract with Uber to provide their contractors who drive EV's a one dollar per ride incentive. The program ran from August to December 2018. The results are being analyzed and the program may be re-instated.

Involved Parties: RCPA, Uber

Immediate Action Five:

Apply for EV Charging Infrastructure Funding From the CEC

Project: The CEC launched CALeVIP to work with local partners to develop and implement EV charge incentive projects that meet regional needs. Funds are provided from the Alternative and Renewable Fuel and Vehicle Technology Program.

Status: SCP has organized an effort with all the Air Districts in SCP territory to seek implementation of a CALeVIP project. A letter of intent has been submitted to the CEC for project implementation in 2020.

Involved Parties: RCPA, BAAQMD, NSCAPCD, MCAPCD, CSE, CEC.

Immediate Action Six:

Increase Level 3 Charging Opportunities in our Service Territory

Project: Identify potential sites for Level 3 charging stations in each SCP jurisdiction. Release an RFP to EVSE vendors to judge interest in Level 3 infrastructure projects in SCP territory.

Status: SCP staff have been working with staff of our jurisdictions to identify likely sites for Level 3 charging stations.

Involved Parties: RCPA, SCP member jurisdictions

Near Term Action One:

Promote the use of Electric Vehicles in Car Sharing

Project: Electric Car Sharing

Status: Explore a partnership with a car sharing provider to provide incentives to EVs in SCP territory offered on provider's service.

Involved Parties: May include Maven, Zipcar, other providers.

Near Term Action Two:

Investigate Expansion of Free Charging Station Program to Multifamily Properties

Project: Develop incentive program/resources for multifamily property owners and residents interested in installing charging stations. Serve as a single point of contact in directing larger properties (capable of hosting 20+ chargers) to PG&E program.

Status: Contract has been executed with CSE to provide technical oversight for the program. An RFP was issued to select program vendor(s), with 14 responses submitted.

Involved Parties: BayREN, PG&E CSE, BAAQMD

Near Term Action Three:

Foster electric vehicle adoption in low-income multifamily properties

Project: Collaborate with low-income multifamily developers and stakeholders to identify structures that will promote adoption of electric vehicles in this difficult market sector.

Status: In concept phase

Parties Involved: RCPA

Near Term Action Four:

Investigate Possibility for Incentivization of Charging for Low-Income Customers

Project: Reach out to EVSE vendors to gauge interest in a pilot program offering free or discounted charging for low-income customers that purchase an electric vehicle.

Status: In concept phase.

Involved Parties: To be determined.

Long Term Action One:

Promote the use of All-Electric Autonomous Vehicles in SCP Territory

Project: Develop relationships with autonomous vehicle developers and work closely with them to develop services within the SCP service area.

Status: In concept phase

Parties Involved: RCPA

Long Term Action Two:

Promote the use of Electric Vehicles in taxi companies

Project: Develop incentive program for taxi drivers

Status: Discussions are underway on how best to incentivize taxi companies to use EV's.

Involved Parties: RCPA

Program Strategy Two

(PS2)

Promote Fuel Switching in New and Existing Building Stock

This strategy fulfills the following goals of SCP's JPA:

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- c. Carrying out programs to reduce total energy consumption and;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources.*

Immediate Action One:

Project Management for the Lead Locally CEC Grant

Project: The CEC Lead Locally Grant commenced July 9, 2018.

Status: A CEC Lead Locally Grant commenced July 9, 2018. Site visits of potential research sites are being conducted. Monitoring equipment to be installed in 16 residential homes in January 2019. A store front for the Energy Marketplace has been leased in Santa Rosa. An architect has been contracted to provide site improvement documents and is currently in a Schematic Design Phase.

Involved Parties: Frontier Energy, DNV GL, RCPA, TLCD, County of Sonoma ESD

Immediate Action Two:

Investigate Potential for an On-Bill Financing Program within SCP's Territory

Project: Implement an on-bill financing program.

Status: Staff are working with counsel on a customer contract. It may be necessary to hire a program implementer. This Action will be incorporated into the Lead Locally CEC grant above.

Involved Parties: Frontier Energy

Immediate Action Three:

Promote Induction Cooking as an Alternative to Natural Gas

Project: Loan portable induction cooktops to customers

Status: Staff will continue to loan portable induction cooktops to SCP customers so that they can experience the ease and safety of this technology.

Involved Parties: SCP Staff

Immediate Action Four:

Implement the Advanced Energy Rebuild Incentive Program

Project: Partner with PG&E and BAAQMD on an incentive program that will accelerate the adoption of highly efficient and all electric homes in the fire rebuild zones

Status: The AER incentive is available to parties rebuilding in the burn zones of Sonoma and Mendocino counties. As of January 2019, we have received 150 applications.

Involved Parties: PG&E, BAAQMD, Production Builders, City of Santa Rosa, County of Sonoma, County of Mendocino

Immediate Action Five:

Participate with Local Jurisdictions on Ordinances that Encourage Efficiency Upgrades in Local Buildings

Project: Develop standard “Reach Ordinances” that local jurisdictions can consider.

Status: SCP is actively engaging with NRDC, the Building Decarbonization Collation, and a group of California jurisdictions to create all-electric reach ordinances for the 2019 Title 24 energy code.

Involved Parties: Local cities and counties, NRDC, the Building Decarbonization Collation

Near Term Action One:

Develop an Education Program to be Facilitated through the Energy Marketplace

Project: Develop an education program that will inform contractors, retailers and the public of the advantages of using various energy efficiency technologies or building techniques.

Status: SCP has partnered with PG&E to train nearly 1,000 contractors, homeowners, architects, and engineers through Advanced Energy Rebuild trainings at the North Coast Builder’s Exchange. SCP will working with parties below to develop a yearlong training calendar which includes education.

Involved Parties: Sonoma County, RCPA, PG&E, Design Avenues LLC

Long Term Action One:

Interface with the CPUC and Stakeholders on Review of the Three-Prong Test

Project: The CPUC's three-prong fuel substitution test, developed in the 1990s, determines what fuel substitution projects can receive utility customer-funded energy efficiency incentives and support. Industry groups led by NRDC and the Sierra Club are seeking clarification on and potential changes to the test to allow more program activities that reduce the use of natural gas and propane.

Status: NRDC has filed a motion seeking review and modification of the test.

Involved Parties: NRDC, Sierra Club, CPUC

Long Term Action Two:

Develop Tools and Program Models to Assist Property Owners in Better Understanding the Financial Impacts of Fuel Switching

Project: Develop a tool/program model that helps customers evaluate the potential for energy efficiency/fuel switching, electric vehicles, and solar photovoltaics over short and long terms.

Status: In concept phase.

Involved Parties:

Program Strategy Three

(PS3)

Identify and Apply for External Funding to Support Programs

This strategy fulfills the following goals of SCP's JPA:

- c. Carrying out programs to reduce total energy consumption and;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources.*

Immediate Action One:

Monitor Existing Funding Channels for Potential Opportunities

- Project:** Monitor funding channels such as the DOE, CEC, CPUC, Air Districts, etc. for potential partnership opportunities.
- Status:** SCP was awarded a \$9.8M grant which is described in more detail in Program Strategy Two. We will continue to monitor grant opportunities and apply as appropriate.
- Involved Parties:** TBD

Long Term Action One:

Evaluate Cost-Effectiveness of Programs that Could Scale with CPUC Energy Efficiency Funds

- Project:** As a part of design and evaluation of any energy saving programs, calculate cost-effectiveness using CPUC metrics. Implementation of the CPUC metrics will assist the programs team evaluate which programs are good candidates for scaling using CPUC energy efficiency funds.
- Status:** Ongoing.
- Involved Parties:** To be determined based on program offering

Program Strategy Four

(PS4)

Promote the Aggregation of Loads and Resources

This strategy fulfills the following goals of SCP's JPA:

- b. Providing electric power and other forms of energy to customers at a competitive cost;*
- c. Carrying out programs to reduce total energy consumption;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and*
- e. Promoting long-term electric rate stability, energy security, reliability, and resilience.*

Immediate Action One:

Implement GridSavvy Community

Project: Develop a contract with a "Scheduling Coordinator" to aggregate the "technical aggregators" operating in SCP territory and manage bidding of a demand response program into the CAISO DRRS. This process is necessary to ensure SCP remains in compliance, but also to maximize the value of the various resources available to the public.

Status: We have entered into a contractual relationship with Olivine to administer a demand response program called GridSavvy. To date we have been able to dispatch a fleet of electric car chargers. We are working to add thermostats and HPWH's to our webstore that can also be dispatched. This effort will dovetail with the CEC grant work described in Program Strategy Two

Involved Parties: Olivine, eMW

Program Strategy Five

(PS5)

Support the Integration of Distributed Energy Resources in SCP's Territory

This strategy fulfills the following goals of SCP's JPA:

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- b. Providing electric power and other forms of energy to customers at a competitive cost;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources; and*
- e. Promoting long-term electric rate stability, energy security, reliability, and resilience*

Immediate Action One:

Support Solar Sonoma County in providing assistance to SCP customers installing on-site renewable generation

Project: Solar Sonoma County provides support to local residents who wish to install renewable energy systems. SSC provides impartial advice regarding siting, financing and contractor selection.

Status: Contract in place with CCP/Solar Sonoma County

Involved Parties: Solar Sonoma County, CCP

Immediate Action Two:

Support the efforts of Grid Alternatives to provide solar to low income residents

Project: Grid Alternatives is a non-profit that implements the State of California's SASH program. SASH provides residential solar to qualified residents at no cost. SCP will direct mail residents in Sonoma and Mendocino Counties that may qualify for SASH.

Status: A direct mailer was sent in mid-2018 that resulted in 66 responses and 14 submitted applications that were approved by Grid Alternatives. We will repeat this effort in June 2019.

Involved Parties: Grid Alternatives

Immediate Action Three:

Demand Charge Reduction Program

- Project:** Develop a customer service program to identify clients with high demand charges. Customers would be educated regarding methods to reduce demand charges and given the option of being connected with a company that specializes in this area.
- Status:** An RFP was circulated to battery storage firms who perform this type of work. STEM was selected through this competitive process. SCP's Customer Service Department is connecting STEM with SCP customers who may benefit from demand charge reduction.
- Involved Parties:** STEM

Near Term Action One:

Determine How Best to Add Storage to SCP's ProFIT Program

- Project:** Develop a scope of work and solicit a consultant's proposal to determine the best practices necessary to incorporate energy storage into SCP's existing ProFIT program.
- Status:** No work completed to date
- Involved Parties:**

Near Term Action Two:

Develop a Residential Battery Storage Program

- Project:** In cooperation with Customer Service, develop a residential battery storage program that is designed to offset any negative impacts of the switch to Time of Use billing.
- Status:** An RFI was circulated and interviews were held with several battery companies. It is most likely that this effort will be managed through the Advanced Energy Center as described in Program Strategy Two.
- Involved Parties:** Sonnen, Tesla,

Program Strategy Six

(PS6)

Support the Transition to Zero Net Energy Building Codes and Practices

This Strategy fulfils the following goals of SCP's JPA:

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- c. Carrying out programs to reduce total energy consumption and;*
- d. Stimulating and sustaining the local economy*

Immediate Action One:

Provide Assistance to Commercial Customers in Optimizing Energy Efficiency

Project: Enter into a contract with the County of Sonoma Energy and Sustainability Division to provide energy audits to businesses in SCP's service territory.

Status: Contract is due to be executed in late January 2019.

Parties Involved: County of Sonoma

Near Term Action One:

Explore Program Models that Incentivize Developers to Choose Efficient, Electric Equipment

Project: In cooperation with PG&E and local planning departments investigate opportunities to engage developers and provide technical assistance/incentives to select low/no-carbon solutions.

Status: Through Advanced Energy Rebuild, SCP has been partnering with PG&E on a similar concept for homes affected by the 2017 fires. This concept could be extended to homes outside the burn area.

Parties Involved: PG&E

Program Strategy Seven

(PS7)

Test and Evaluate the Use of New Technologies

This strategy fulfills the following goals of SCP's JPA:

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions;*
- b. Providing electric power and other forms of energy to customers at a competitive cost;*
- c. Carrying out programs to reduce total energy consumption and;*
- d. Stimulating and sustaining the local economy, including by developing or promoting local distributed energy resources.*

Near Term Action One:

Study Potential for Micro-Grids in SCP Territory

Project: Identify areas for potential micro-grids by analyzing the distribution network in SCP territory.

Status: In concept phase

Involved Parties:

Near Term Action Two:

Investigate the use of Bio-Mass Power Generation in SCP Territory

Project: Identify bio-mass feed stock supplies in SCP territory (particularly Mendocino County) as well as small scale bio-mass conversion technologies that may provide cost effective local power generation.

Status: Bio-mass analysis for Sonoma County completed by Sonoma Water several years ago.

Involved Parties: Sonoma Water

Program Strategy Eight

(PS8)

Promote Public Education Involving Energy Efficiency and Fuel Switching

This strategy fulfills the following goals of SCP's JPA:

- a. Reducing greenhouse gas emissions in Sonoma County and neighboring regions; and*
- e. Promoting long-term electric rate stability, energy security, reliability, and resilience.*

Immediate Action One:

Continue the SWITCH Program

Project: SCP has for several years funded the SWITCH Program which provides an electric car “kit” which students can assemble and disassemble in order to learn how electric cars are put together. This familiarity with electric vehicles will make them more likely to incorporate EV’s into their lives as well as the potential for students to enter the EV industry at the local dealership level.

Status: A funding agreement to extend the program has been completed.

Involved Parties: CTE, SWITCH

Immediate Action Two:

Continue the Energy Education Program for Schools in SCP Territory

Project: Contract with Sonoma Water to expand their existing education program to include energy efficiency, fuel switching and climate change throughout Sonoma and Mendocino County schools.

Status: Contract is in place and curriculum has been developed. SCP coordinated with Sonoma Water on materials and branding. Sonoma Water has implemented the education program for the 2017/18 school year and is in the middle of implementation for 2018/19 school year. The contract runs through FY 19/20 providing funding is approved by the SCP Board

Involved Parties: Sonoma Water

Immediate Action Three:

Continue the DIY Tool Kit Program and Expand Program Offerings to Mendocino County

Project: The DIY Toolkit Program provides a selection of energy and water saving devices that can be checked out from local libraries. SCP is one of four partners and partial funder of the program in Sonoma County, and one of three partners and full funder in Mendocino County.

Status: 30 kits are currently in rotation in Sonoma County Libraries and 11 kits in rotation in Mendocino County Libraries. The kits combined have been checked out over 479 times (440 check outs in Sonoma and 39 in Mendocino).

Involved Parties: Sonoma County General Services Department, Sonoma County Library, Sonoma Water, Sonoma-Marin Saving Water Partnership, County of Mendocino, Mendocino County Library.

Immediate Action Four:

Continue the Induction Cooktop Lending Program

Project: The Induction Cooktop Loan Program provide SCP customers the opportunity to “check out” a portable induction cooker (along with compatible cookware).

Status: 12 portable induction cooktops are available for check out from SCP’s office. This function will be transferred to the Lead Locally storefront when it opens. A survey shows a strong inclination towards induction cooking from participants.

Involved Parties: SCP Staff.

Summary of Actions

Immediate Actions:

- Promote Transit Electrification *(PS1)*
- Provide Free Charging Stations *(PS1)*
- Provide electric mobility solutions for local non-profits *(PS1)*
- Promote the use of Electric Vehicles in TNC operations *(PS1)*
- Apply for EV Charging Infrastructure Funding From the CEC *(PS1)*
- Increase Level 3 Charging Opportunities in our Service Territory *(PS1)*
- Project Management for the Lead Locally CEC Grant *(PS2)*
- Investigate Potential for an On-Bill Financing Program within SCP's Territory *(PS2)*
- Promote Induction Cooking as an Alternative to Natural Gas
- Implement the Advanced Energy Rebuild Incentive Program *(PS2)*
- Participate with Local Jurisdictions on Ordinances that Encourage Efficiency Upgrades in Local Buildings *(PS2)*
- Monitor Existing Funding Channels for Potential Opportunities *(PS3)*
- Implement GridSavvy Community *(PS4)*
- Support Solar Sonoma County in providing assistance to SCP customers installing on-site renewable generation *(PS5)*
- Support the efforts of Grid Alternatives to provide solar to low income residents *(PS5)*
- Demand Charge Reduction Program *(PS5)*
- Provide Assistance to Commercial Customers in Optimizing Energy Efficiency *(PS6)*
- Continue the SWITCH Program *(PS8)*
- Create an Education Program for Schools in SCP Territory *(PS8)*
- Continue the DIY Tool Kit Program and Expand Program Offerings to Mendocino County *(PS8)*
- Continue the Induction Cooktop Lending Program

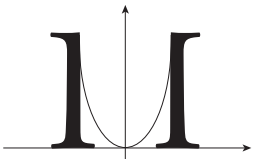
Near Term Actions:

- Promote the use of Electric Vehicles in Car Sharing *(PS1)*
- Investigate Expansion of Free Charging Station Program to Multifamily Properties *(PS1)*
- Foster electric vehicle adoption in low-income multifamily properties *(PS1)*
- Investigate Possibility for Incentivization of Charging for Low-Income Customers *(PS1)*
- Develop an Education Program to be Facilitated through the Energy Marketplace *(PS2)*

- Evaluate Cost-Effectiveness of Programs that Could Scale with CPUC Energy Efficiency Funds *(PS3)*
- Determine How Best to Add Storage to SCP's ProFIT Program *(PS5)*
- Develop a Residential Battery Storage Program *(PS5)*
- Explore Program Models that Incentivize Developers to Choose Efficient, Electric Equipment *(PS6)*
- Study Potential for Micro-Grids in SCP Territory *(PS7)*
- Investigate the use of Bio-Mass Power Generation in SCP Territory *(PS7)*

Long Term Actions:

- Promote the use of All-Electric Autonomous Vehicles in SCP Territory *(PS1)*
- Promote the use of Electric Vehicles in taxi companies *(PS1)*
- Interface with the CPUC and Stakeholders on Review of the Three-Prong Test *(PS2)*
- Develop Tools and Program Models to Assist Property Owners in Better Understanding the Financial Impacts of Fuel Switching *(PS2)*



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 December 31, 2018, 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
January 28, 2019



SONOMA CLEAN POWER AUTHORITY

STATEMENT OF NET POSITION

As of December 31, 2018

ASSETS

Current assets	
Cash and cash equivalents	\$ 52,148,883
Investment in Sonoma County Investment Pool	15,243,019
Accounts receivable, net of allowance	16,507,477
Other receivables	724,822
Accrued revenue	8,594,828
Prepaid expenses	1,859,626
Deposits	628,579
Total current assets	<u>95,707,234</u>
Noncurrent assets	
Land	860,520
Capital assets, net of depreciation	2,861,568
Deposits	5,459,242
Total noncurrent assets	<u>9,181,330</u>
Total assets	<u>104,888,564</u>

LIABILITIES

Current liabilities	
Accounts payable	817,249
Accrued cost of electricity	14,168,902
Advanced from grantors	482,750
Other accrued liabilities	400,547
User taxes and energy surcharges due to other governments	497,095
Total current liabilities	<u>16,366,543</u>

NET POSITION

Investment in capital assets	3,722,088
Unrestricted	84,799,933
Total net position	<u>\$ 88,522,021</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
July 1, 2018 through December 31, 2018

OPERATING REVENUES

Electricity sales, net	\$ 93,351,891
Evergreen electricity premium	216,049
Grant revenue	614,713
Total operating revenues	<u>94,182,653</u>

OPERATING EXPENSES

Cost of electricity	75,165,865
Staff compensation	1,606,674
Data manager	1,576,571
Service fees - PG&E	473,316
Consultants and other professional fees	1,305,573
Legal	175,416
Communications	758,198
General and administration	432,603
Program rebates and incentives	1,359,062
Depreciation	29,945
Total operating expenses	<u>82,883,223</u>
Operating income	<u>11,299,430</u>

NONOPERATING REVENUES (EXPENSES)

Interest income	<u>461,464</u>
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CHANGE IN NET POSITION

Net position at beginning of period	11,760,894
Net position at end of period	<u>76,761,127</u>
	<u>\$ 88,522,021</u>

SONOMA CLEAN POWER AUTHORITY

STATEMENT OF CASH FLOWS July 1, 2018 through December 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 95,904,966
Receipts from grantors	11,891
Receipts from supplier for security deposits	14,600
Tax and surcharge receipts from customers	1,228,436
Payments to purchase electricity	(75,676,196)
Payments for staff compensation	(1,659,253)
Payments for contract services	(3,523,228)
Payments for communications	(1,041,828)
Payments for general and administration	(437,277)
Payments for program rebates and incentives	(1,363,722)
Tax and surcharge payments to other governments	(1,209,994)
Deposits and collateral paid	(1,408,034)
Payments for charitable contributions	(108,000)
Net cash provided (used) by operating activities	<u>10,732,361</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(250,974)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Interest income received	<u>462,697</u>
Net cash provided (used) by investing activities	<u>462,697</u>

Net change in cash and cash equivalents (including County Investment Pool)	10,944,084
Cash and cash equivalents at beginning of year	<u>56,447,818</u>
Cash and cash equivalents at end of year	<u>\$ 67,391,902</u>

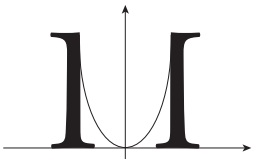
Reconciliation to the Statement of Net Position

Cash and cash equivalents	\$ 52,148,883
Investment in Sonoma County Investment Pool	<u>15,243,019</u>
Cash and cash equivalents	<u>\$ 67,391,902</u>

SONOMA CLEAN POWER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
July 1, 2018 through December 31, 2018

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income	\$ 11,299,430
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	29,946
Revenue reduced for uncollectible accounts	470,192
Charitable contributions considered an operating activity for cash flow purposes only	(108,000)
(Increase) decrease in net accounts receivable	886,479
(Increase) decrease in other receivables	(543,309)
(Increase) decrease in accrued revenue	978,194
(Increase) decrease in prepaid expenses	(1,329,095)
(Increase) decrease in current deposits	(1,428,790)
Increase (decrease) in accounts payable	(316,602)
Increase (decrease) in accrued cost of electricity	(206,794)
Increase (decrease) in advance from grantors	(17,250)
Increase (decrease) in accrued liabilities	982,757
Increase (decrease) in user taxes and energy surcharges due to other governments	20,603
Increase (decrease) in supplier security deposits	14,600
Net cash provided (used) by operating activities	<u>\$ 10,732,361</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Sonoma Clean Power Authority

Management is responsible for the accompanying special purpose statement of Sonoma Clean Power Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended December 31, 2018, 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
January 28, 2019



**SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2018 through December 31, 2018**

	<u>2018/19 YTD Budget</u>	<u>2018/19 YTD Actual</u>	<u>2018/19 YTD Budget Variance (Under) Over</u>	<u>2018/19 YTD Actual/ Budget %</u>	<u>2018/19 Budget</u>	<u>2018/19 Budget Remaining</u>
REVENUE AND OTHER SOURCES:						
Revenue - Electricity (net of allowance) *	\$ 98,528,808	\$ 93,351,891	\$ (5,176,917)	95%	\$ 182,736,000	\$ 89,384,109
Revenue - Evergreen Premium (net of allowance)	222,145	216,049	(6,096)	97%	412,000	195,951
CEC Grant Proceeds	1,100,000	597,463	(502,537)	54%	2,600,000	2,002,537
BAAQMD grant	-	17,250	17,250	0%	-	(17,250)
Revenue - Interest income	306,500	461,464	154,964	151%	613,000	151,536
Total revenue and other sources	<u>100,157,453</u>	<u>94,644,117</u>	<u>(5,513,336)</u>	<u>94%</u>	<u>186,361,000</u>	<u>91,716,883</u>
EXPENDITURES AND OTHER USES:						
CURRENT EXPENDITURES						
Cost of energy and scheduling	81,321,423	75,165,865	(6,155,558)	92%	154,377,000	79,211,135
Data management	1,544,500	1,576,571	32,071	102%	3,089,000	1,512,429
Service fees- PG&E	282,000	473,316	191,316	168%	564,000	90,684
Personnel	1,830,500	1,606,674	(223,826)	88%	3,661,000	2,054,326
Outreach and communications	572,000	497,296	(74,704)	87%	1,144,000	646,704
Customer service	248,000	186,714	(61,286)	75%	440,000	253,286
Legal	155,000	175,416	20,416	113%	310,000	134,584
Accounting and auditing	102,000	83,325	(18,675)	82%	204,000	120,675
Technical consultants	95,000	88,520	(6,480)	93%	190,000	101,480
Legislative and regulatory advocacy	64,000	39,000	(25,000)	61%	128,000	89,000
Other consultants	130,000	36,260	(93,740)	28%	260,000	223,740
Program implementation	2,755,000	2,009,094	(745,906)	73%	5,510,000	3,500,906
Program - CEC grant	1,520,000	514,562	(1,005,438)	34%	3,040,000	2,525,438
Program development and evaluation	87,500	-	(87,500)	0%	350,000	350,000
General and administration	290,500	250,665	(39,835)	86%	531,000	280,335
CalCCA Trade Association	150,000	150,000	-	100%	348,000	198,000
Total current expenditures	<u>91,147,423</u>	<u>82,853,278</u>	<u>(8,294,145)</u>	<u>91%</u>	<u>174,146,000</u>	<u>91,292,722</u>
OTHER USES						
Collateral deposit payments	1,000,000	1,408,034	408,034	141%	1,000,000	(408,034)
Capital outlay	100,000	406,197	306,197	406%	200,000	(206,197)
Total expenditures, Other Uses and Debt Service	<u>92,247,423</u>	<u>84,667,509</u>	<u>(7,579,914)</u>	<u>92%</u>	<u>175,346,000</u>	<u>90,678,491</u>
Net increase (decrease) in available fund balance	<u>\$ 7,910,030</u>	<u>\$ 9,976,608</u>	<u>\$ 2,066,578</u>	<u>126%</u>	<u>\$ 11,015,000</u>	<u>\$ 1,038,392</u>

* Represents sales of approximately 1,210,000 MWh for 2018/19 YTD actual.

RESERVES	Balance
Operating Cash Reserve	\$ 50,664,480
Program Cash Reserve	9,132,161
Collateral Cash Reserve	1,082,196
	<u>\$ 60,878,837</u>

SONOMA CLEAN POWER AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2018 through December 31, 2018

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 9,976,608
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(29,945)
Add back capital asset acquisitions	406,197
Add back collateral deposits	<u>1,408,034</u>
Change in net position	<u>\$ 11,760,894</u>

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Staff Report – Item 03

To: Sonoma Clean Power Authority Board of Directors

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

Issue: Receive Legislative and Regulatory Report and provide input as appropriate

Date: February 7, 2019

Regulatory Report:

Power Charge Indifference Adjustment (PCIA)

Last November, CalCCA and a group of Northern CA CCAs filed an Application for Rehearing of the PCIA Decision on the grounds that it was not consistent with statute nor did it uphold due process. The Commission did not respond to this Application within 60 days (by close of business of January 18th, 2019) it is therefore deemed denied. The next procedural step to challenge this Decision would be through the courts.

Phase 2 of the PCIA Proceeding will evaluate a variety of topics, many of which were raised by the CCA parties. These include how utilities should optimize their portfolios, developing accurate benchmarks to reflect the value of contract attributes, and creating a calculation for a one-time lump sum payment of exit fees. Though a Pre-Hearing Conference was held on Phase 2, and the assigned Administrative Law Judges indicated they wanted to resolve most of these issues later this year, they have yet to issue a Scoping Memo. SCP plans to engage both on behalf of our customers and through CalCCA.

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

The Commission was scheduled to vote on a Proposed Decision implementing PG&E’s Energy Resource Recovery Account “ERRA” forecast at the January 31st meeting. That vote is not postponed until February 21st. It was originally

scheduled for the January 11th Commission meeting. That Proposed Decision denied PG&E's attempt to change the allocation of PCIA across vintages, denied PG&E's attempt to use different values than the market price benchmark, and recommended implementing a brown-power true up based on 2018 prices.

If the ERRA is approved on February 21st, PG&E would submit an Advice Letter to implement rate changes by March 25th, which would be subject to protests and PG&E responses to those protests during the month of April. The earliest PCIA and generation rates would be changes is May 1st. In the meantime, we expect PG&E to raise delivery rates for all customers in March 1st.

Resource Adequacy (RA)

On November 21st, the CPUC issued a Proposed Decision in the Resource Adequacy "RA" Proceeding that would drive up costs on all ratepayers and enshrine IOUs as the central procurement entity for all Local RA in their territory. CalCCA and many stakeholders - most notably including San Diego Gas and Electric - opposed this proposal. SCP staff have engaged with multiple Commissioner advisors. In light of the robust response, the Commission held an all-party meeting on January 4th to solicit feedback. Following that discussion, the Commission postponed voting on the Proposed Decision. It was delayed until January 31st, and most recently until Feb. 21st. Commissioners held a private rate-setting deliberative meeting on the topic on January 28th, but no other information is available.

Legislative Report

California's 40th Governor was sworn into office on January 7th and a few hours later, the Legislature officially started the 2019-20 legislative session. Three days later, Governor Newsom presented his \$209 billion budget. Governor Newsom's first budget looks at paying down the debt, boosts spending on education and health care programs, and includes significant housing and homelessness elements. In his budget address, Governor Newsom pointed out that California wildfires were deadlier than ever and proposed adding \$121 million to help CalFire replace the helicopters and operate newly acquired air tankers from the U.S. Air Force. Over the next five months, the Legislature will have over 100 hearings on the proposed budget. The Legislature has until June 15 to pass the budget.

Energy

Energy is the main topic of discussion at the Capitol. At this time, the Legislature does not have the appetite to remove PG&E from its liabilities and Governor Newsom's goal is to keep the lights on. Since the discussion surrounding energy is so fluid, I am highlighting issues being discussed around the Capitol in recent days:

- Now that PG&E has filed for bankruptcy protection under Chapter 11, what will PG&E look like in the coming years? Will PG&E be divided into two or three separate companies? Will parts of PG&E's territory become municipalized?
- The California Public Utilities Commission approved PG&E's request for an exemption to finance \$5.5 billion prior to filing for reorganization under Chapter 11.
- Will the Legislature revisit inverse condemnation with the recent reduction in bond ratings for both Southern California Edison and San Diego Gas & Electric?
- How will CalFire's report exonerating PG&E for the Tubbs Fire change the discussion?
- Insurance Commissioner Lara released a report stating the total loss from the 2018 wildfires is up to \$11.4 billion. This is a 25 percent increase from the initial report released in November 2018.
- Assembly Budget Committee passed two budget trailer bills pertaining to emergency and disaster funding.
- Governor Newsom announced appointments to the California Public Utilities Commission, the California Energy Commission, the California Independent System Operator board of governors, his three appointments to the Commission on Catastrophic Wildfire Cost and Recovery, and the California Air Resources Board.

Legislation

To date, over 30 pieces of legislation related to climate change, energy, and fires, have been introduced. The Assembly Budget Committee held a hearing on January 29th with the purpose of passing two trailer bills -- AB 72

(Committee on Budget) and AB 73 (Committee on Budget) which both amend the 2018 budget act.

AB 72 (Committee on Budget) amends the 2018-19 budget act to provide resources relating to emergency and disaster events. The total cost of the bill is \$131.3 million of which \$116.3 million is in the Governor's proposed 2019-20 budget package. Of the \$131.3 million, \$31.3 million is appropriated to backfill property tax losses incurred as a result of the wildfires in Butte and Lake Counties. This funding represents backfill funding for the next three years. Assembly Member Wood asked why Sonoma and Mendocino counties are not part of the three-year backfill funding. Department of Finance staff stated they need to hear from the counties before they are added to the funding.

AB 73 (Committee on Budget) contains an updated provision to disaster response language adopted in the 2018 Budget Conference Committee agreement that provides the Director of Finance financial flexibility in emergency response situations. The proposed language would reconstitute the Disaster Response Emergency Operations Account, which sunset on January 1, 2019. The fund allows the director of Finance to transfer funding from the State's reserve for expenses related to a declared emergency.

Appointments

California Public Utilities Commission (CPUC)

Genevieve Shiroma -- Shiroma has been a member of the Agricultural Labor Relations Board since 1999, serving as chair since 2017. She served as chief of the Air Quality Branch at the California Air Resources Board from 1990 to 1999 and as an air quality engineer from 1978 to 1990. From 1999 to 2018, Shiroma was the elected director of Ward 4 of the Sacramento Municipal Utility District.

California Independent System Operator (CAISO)

Severin Borenstein -- Borenstein has been professor at the University of California at Berkeley Haas School of Business since 1996. He was a professor of economics at the University of California at Davis from 1989 to 1996, and an assistant professor of economics at the University of Michigan from 1983 to 1989. Borenstein served as staff economist for the United States Civil Aeronautics Board from 1978 to 1979.

Mary Leslie -- Leslie has been president of the Los Angeles Business Council since 2002 and was a commissioner at the Los Angeles Department of Water and Power from 2001 to 2003. Leslie served as deputy mayor to Los Angeles Mayor Richard Riordan from 1994 to 1995. She was also the deputy director for the U.S. Small Business Administration and executive director for the California Economic Development Commission.

David Olsen -- Olsen was reappointed to CAISO where he has served since 2012. Prior to joining CAISO, he was the managing director for the Western Grid Group from 2003 to 2013 and served as coordinator for the California Renewable Energy Transmission Initiative for the California Energy Commission from 2007 to 2010. He was a coordinator for the Tehachapi Collaborative Study Group from 2005 to 2007. Olsen was president of Clipper Windpower Development from 2001 to 2003 and CEO at Patagonia Inc. from 1996 to 1999. He was vice president of Magma Power Company from 1988 to 1995 and president and CEO of Northern Power Systems from 1984 to 1988.

California Energy Commission

David Hochschild – Hochschild has been reappointed to the California Energy Commission, where he has served since 2013. Hochschild was vice president of external affairs at Solaria Corporation from 2007 to 2013. He was executive director at PV Now from 2005 to 2007, and co-founder and director of policy at the Vote Solar Initiative from 2002 to 2005. Hochschild was special assistant to San Francisco Mayor Willie Brown from 2000 to 2001 and program director at The President’s Award, Port Alfred, South Africa from 1996 to 1997. Hochschild served as a member of the San Francisco Public Utilities Commission from 2007 to 2008.

Commission on Catastrophic Wildfire Cost and Recovery.

The five-member commission was established within the Governor’s Office of Planning and Research as a result of last year’s Senate Bill 901. The commission is required to hold public meetings with the purpose of evaluating the short and long-term costs of catastrophic wildfire to the state, and prepare a report including recommendations for changes to the law that would address these costs and ensure equitable distribution among affected parties. The Governor appoints three members to the commission while the Senate Committee on Rules and the Speaker of the Assembly each appoint one member.

Governor's Appointees:

Dave Jones -- Jones served as the California Insurance Commissioner from 2011 to 2019. Prior to his service as Insurance Commissioner, Jones served as a member of the California State Assembly from 2001 to 2010 and of the Sacramento City Council from 1999 to 2001. He was Counsel to U.S. Attorney General Janet Reno from 1996 to 1998, as well as White House Fellow to the U.S. Attorney General from 1995 to 1996.

Michael A. Kahn - Kahn has been of counsel at Crowell and Moring LLP since 2009 and was senior counsel at Folger Levin and Kahn LLP from 1979 to 2009. Kahn served as Chair of the California Independent System Operator from 2001 to 2005, Chair of the California Electricity Oversight Board from 2000 to 2001, member of the California State Insurance Commissioner Task Force on Environmental Liability Insurance from 1993 to 1994, member of the California State Insurance Commissioner Task Force on Insurance Industry Practices in 1993 and Commissioner on the California State Senate Commission on Property Tax Equity and Revenue in 1990.

Carla Peterman -- Peterman served as a member of the California Public Utilities Commission from 2013 to 2018. She served as a member of the California Energy Commission from 2011 to 2012. Peterman was a researcher at the University of California Energy Institute from 2006 to 2011, researcher at the Lawrence Berkeley National Laboratory from 2008 to 2010, and a business analyst at Isles from 2004 to 2005. Peterman was an associate in the Investment Banking Division at Lehman Brothers from 2002 to 2004. She earned a Doctor of Philosophy degree in energy and resources from the University of California, Berkeley and Master of Science in environmental change and management and Master of Business Administration degrees from the University of Oxford.

Air Resources Board

Nathan Fletcher - Fletcher has been a member of the San Diego County Board of Supervisors and the San Diego County Air Pollution Control District since 2019. He served as a member of the California State Assembly from 2008 to 2012 and was a member of the United States Marine Corps from 1997 to 2007. He is a member of the San Diego Metropolitan Transit System Board of Directors, the Regional Task Force on the Homeless, and the San Diego Association of Governments' Transportation Committee.

Select Committee on California's Clean Energy Economy

Assembly Member Quirk has scheduled a hearing of the Select Committee on California's Clean Energy Economy on February 13. The topic of discussion will be *Balancing Energy Supply and Demand: The Policy Challenges of 100% Renewables by 2045*. Assembly Member Quirk hopes the discussion will provide a high-level overview of the challenges managing California's grid.

Next Legislative Deadline

The Legislature has until February 22nd to introduce bills.

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Staff Report - Item 04

To: Sonoma Clean Power Authority Board of Directors
From: Kate Kelly, Director of Public Relations and Marketing
Issue: Receive Update on SCP Mission Statement Project
Date: February 7, 2019

No written materials for this item. A verbal update will be provided in the meeting.

SCP Mission Statement

Project Update

Project Goals

What We Did

Who We Spoke With

Insights

Proudly represent our mission

- + Create a mission statement that evokes the values of our organization
- + Include the voices and opinions of our staff, Board and CAC members

Continue the brand evolution

- + Create a mission statement that allows us to concisely speak to who we are, why we exist, and what we do.

Project Goals



Existing Mission Statement

*Your public electricity provider
for Sonoma & Mendocino Counties,
providing cleaner energy at competitive rates
and promoting local solutions to climate change.*



What We Did

- + Sent initial survey:
 - + SCP staff
 - + Board of Directors
 - + Community Advisory Committee
- + 21 responded to survey
- + Interviewed seven participants



Insights



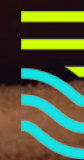
Our mission matters.

It's the reason our people choose to work here.



**We're making a
difference.**

**Confidently leading
the way to a cleaner
California.**





Stakes are high.

**We know we can
effect change.**

Next Steps

- + Collaborative Work Session (completed)
- + Review and Refine Options (completed)
- + Collect Feedback and Build Consensus (in process)
- + Finalize & Debut (to follow)



Staff Report – Item 05

To: Sonoma Clean Power Authority Board of Directors

From: Neal Reardon, Director of Regulatory Affairs
Erica Torgerson, Director of Customer Service

Item: Approve SCPA’s new Information Technology Security Policy and Advance Metering Infrastructure Data Security and Privacy Policy

Date: February 7, 2019

Recommendation

Approve SCPA’s new Information Technology (IT) Security Policy A.4 and Advance Metering Infrastructure (AMI) Data Security and Privacy Policy A.5.

Discussion

The California Public Utilities Commission requires all energy service providers (including CCAs) to follow Decision 12-08-045: “Decision Extending Privacy Protections to Customers of Gas Corporation and Community Choice Aggregators, and to Residential and Small Commercial Customers of Electric Service Providers” to ensure protection of confidential energy use information for customers. SCPA currently follows its Customer Service Policy A.1 that was originally approved by SCPA’s Board of Directors on November 7, 2013 and subsequently updated and approved on May 7, 2015 and October 22, 2015. Policy A.1 and the proposed policies are in line with D. 12-08-045 and will bring SCP fully in compliance with Commission direction.

The purpose of the new policies is to further bolster SCPA’s dedication to customer privacy as more Advance Metering Infrastructure (AMI) data is received from PG&E. AMI data, although not defined by the CPUC, is generally considered to be SmartMeter (15 minute or hourly) data that can reasonably be used to identify an individual, family, household, residence, or non-residential customer. This information is used by SCPA for the purposes of billing, providing for system, grid, or operational needs, providing services as required by state or federal law or as specifically authorized by an order of the Commission, and to plan, implement, or evaluate demand response, energy management, or energy efficiency programs. As this data is stored on SCPA’s servers, staff decided a more formal IT Security Policy was prudent as well.

Information Technology (IT) Security Policy A.4

Information Technology (IT) is a critical Sonoma Clean Power Authority (SCPA) asset and will be managed to ensure that it remains accurate, confidential, and available for authorized business activities only. Proper management of information technology is required to support regulatory compliance, minimize legal liability, reduce the risk of criminal activity, and to sustain stakeholder and customer satisfaction.

SCPA is dependent on information technology to conduct business operations. The Chief Executive Officer, Director of Internal Operations, and Director of Customer Service, in collaboration with the IT Consultant have been designated as the IT Security Team (IST) and are responsible for communicating IT policies and standards, helping all personnel achieve compliance with policies and standards, and reporting to management on any non-compliance or areas of risk.

SCPA will make information technology accessible only to authorized employees or designated vendors as needed and such information shall only be used for authorized agency purposes. To ensure protection of information technology, operational guidelines will be in place for employees and designated vendors to follow which adhere to the principles below:

- Access to specific information technology is to be assigned to SCPA employees or designated vendors with the minimum level of access necessary to perform respective responsibilities.
- Access to information technology will be made available only to the extent necessary to support authorized business functions.
- Security systems are to be structured with multiple layers of security, including physical, network, host, and personnel security measures.
- The degree of information security protection is to be commensurate with the impact of inadvertent or intentional misuse, improper disclosure, damage or loss.
- Adequate controls will divide sensitive duties among more than one individual to provide checks and balances that help ensure operational guidelines are followed.
- Security is not an optional component of operations. All SCPA staff and designated vendors are required to protect information. All staff and designated vendors that use or have access to SCPA information technology are personally responsible for exercising the proper control over information according to the operational guidelines provided to them.

Operational guidelines for treatment of information technology are subject to change as needed to protect SCPA based on any changes in systems, threats, and practices. All substantive changes will be brought back before SCPA's Board of Directors for formal approval.

Adopted:

Advance Metering Infrastructure (AMI) Data Security and Privacy Policy A.5

Sonoma Clean Power Authority (SCPA) developed the following policy for ensuring the privacy and security of AMI data and customer usage information pursuant to Attachment B of the California Public Utilities Commission Decision 12-08-045.

1) GENERAL

- a) SCPA shall implement reasonable administrative, technical, and physical safeguards to protect covered information from unauthorized access, destruction, use, modification, or disclosure.
- b) SCPA and all third parties shall provide reasonable training to all employees and contractors who use, store or process covered information as needed.
- c) SCPA shall collect, store, use, and disclose only as much covered information as is reasonably necessary or as authorized by the Commission to accomplish a specific primary purpose.

2) TRANSPARENCY AND NOTIFICATION

- a) SCPA shall provide customers with meaningful, clear, accurate, specific, and comprehensive notice regarding; the accessing, collection, storage, use, and disclosure of AMI data. Provided, however, that SCPA is using AMI data solely for a primary purpose, it is not required to provide separate notice.
- b) SCPA shall provide written notice when; confirming a new customer account and at least once a year. The notice shall inform customers how they may obtain a copy of SCPA's notice regarding the accessing, collection, storage, use, and disclosure of AMI data (aka "covered information") and shall provide a conspicuous link to the notice on the home page of their website and include a link to their notice in all electronic correspondence to customers.
 - The notice shall be labeled Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information and shall—be written in easily understandable language and be no longer than is necessary to convey the requisite information.
 - The notice and the posted privacy policy shall state clearly— the identity of SCPA, the effective date of the notice or posted privacy policy, SCPA's process for altering the notice or posted privacy policy, including how the customer will be informed of any alterations, and where prior versions will be made available to customers, and the title and contact information, including email address, postal address, and telephone number, of an official at SCPA who can assist the customer with privacy questions, concerns, or complaints regarding the collection, storage, use, or distribution of covered information.
 - The notice shall provide an explicit description of— each category of covered information collected, used, stored or disclosed, and for

Adopted:

- each category of covered information, the reasonably specific purposes for which it will be collected, stored, used, or disclosed.
- Each category of covered information that is disclosed to third parties, and, for each such category, (i) the purposes for which it is disclosed, and (ii) the categories of third parties to which it is disclosed, and the identities of those third parties to whom data is disclosed for secondary purposes, and the secondary purposes for which the information is disclosed; the approximate period of time that covered information will be retained by the covered entity a description of the means by which customers may view, inquire about, or dispute their covered information, and the means, if any, by which customers may limit the collection, use, storage or disclosure of covered information and the consequences to customers if they exercise such limits.
- c) SCPA shall provide to customers upon request convenient and secure access to their covered information— in an easily readable format that is at a level no less detailed than that at which the covered entity discloses the data to third parties.

3) USE, DISCLOSURE, AND CUSTOMER AUTHORIZATION

- a) SCPA may disclose covered information without customer consent to a third party acting under contract with the Commission for the purpose of providing services authorized pursuant to an order or resolution of the Commission or to a governmental entity for the purpose of providing energy efficiency or energy efficiency evaluation services pursuant to an order or resolution of the Commission.
- b) SCPA may disclose covered information to a third party without customer consent when explicitly ordered to do so by the Commission; or for a primary purpose being carried out under contract with and on behalf of SCPA provided that the covered entity disclosing the data shall, by contract, require the third party to agree to access, collect, store, use, and disclose the covered information under policies, practices and notification requirements no less protective than those under which the covered entity itself operates.
- c) Any entity that receives covered information derived initially from SCPA may disclose such covered information to another entity with SCPA's consent, but without customer consent for a primary purpose, provided that the entity disclosing the covered information shall, by contract, require the entity receiving the covered information to use the covered information only for such primary purpose and to agree to store, use, and disclose the covered information under policies, practices and notification requirements no less protective than those under which the covered entity from which the covered information was initially derived operates.
- d) When SCPA discloses covered information to a third party under this subsection (reference is to subsection 6(c) of Attachment B to CPUC Decision 12-08-045) it shall specify by contract, unless otherwise ordered by the Commission, that it shall be considered a material breach if the third party engages in a pattern or practice of accessing, storing, using or disclosing the covered information in violation of the

third party's contractual obligations to handle the covered information under policies no less protective than those under which the covered entity from which the covered information was initially derived.

- e) If SCPA finds that a third party contractor to which it disclosed covered information is engaged in a pattern or practice of accessing, storing, using or disclosing covered information in violation of the third party's contractual obligations related to handling covered information, SCPA shall promptly cease disclosing covered information to such third party.
- f) If SCPA receives a customer complaint about a covered entity disclosing covered information to a Commission-authorized or customer-authorized third party and the third party's misuse of data or other violation of the privacy rules, SCPA shall upon customer request or at the Commission's direction, promptly cease disclosing that customer's information to such third party. SCPA shall notify the Commission of any such complaints or suspected violations.
- g) No covered entity shall use or disclose covered information for any secondary purpose without obtaining the customer's prior, express, written authorization for each type of secondary purpose. This authorization is not required when information is - (i) provided pursuant to a legal process; (ii) provided in situations of imminent threat to life or property; or (iii) authorized by the Commission pursuant to its jurisdiction and control.
- h) Separate authorization by each customer must be obtained for all disclosures of covered information except as otherwise provided for herein.
- i) SCPA shall permit customers to cancel authorization for any secondary purpose of their covered information by the same mechanism initially used to grant authorization.
- j) The consent of a residential customer shall continue without expiration, but an entity receiving information pursuant to a residential customer's authorization shall contact the customer, at least annually, to inform the customer of the authorization granted and to provide an opportunity for revocation. The consent of a non-residential customer shall continue in the same way, but an entity receiving information pursuant to a nonresidential customer's authorization shall contact the customer, to inform the customer of the authorization granted and to provide an opportunity for revocation either upon the termination of the contract, or annually if there is no contract.
- k) SCPA shall permit the use of aggregated usage data that is removed of all personally-identifiable information to be used for analysis, reporting or program management provided that the release of that data does not disclose or reveal specific customer information because of the size of the group, rate classification, or nature of the information.