

Sonoma County Water Agency

Community Choice Aggregation Commercial Market In-Depth Interviews

*Gauging Commercial/Business Interest in a
Sonoma County Clean Energy Program*

Summary Analysis 6-12-2012

Prepared for

The Sonoma County Board of Supervisors

by



239 Windsor River Road, Windsor, CA 95492
Phone: (707) 836-0300 Fax: (707) 836-0842

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Executive Summary

Similar to findings from the web survey conducted previously among Sonoma County businesses, this study confirms that many, but certainly not all, local businesses are sensitive to environmental issues such as the reduction of greenhouse gas (GHG) emissions and tapping into renewable and clean sources of energy such as solar and wind.

All the companies participating in the in-depth interviews (IDI) reported having at least cursory energy savings measures in place and a few had explicit sustainability strategies and processes. However, it is important to note that for the majority, the adoption of these measures seems to be driven at least as much, if not more, by the bottom line rather than the greater good. One organization interviewed practices the Triple Bottom Line approach when evaluating and considering such matters.

And while the web survey indicated at least a moderate support among a majority of companies for a local and renewable energy source owned by the community, the in-depth interviews indicate a more neutral to negative stance among the majority of companies.

Sonoma County companies are feeling the pinch of the current economy and green energy is viewed as a cost center with a long payback. Most businesses are unable to make such an investment at this time and are reluctant to pass cost increases along to their customers; given the tough current economic climate, margins are very thin and any perceived cost increases are not well received.

While the potential for increased energy costs is chief among their concerns, there is also a great deal of push-back regarding the notion of a government agency in general, and Sonoma County in particular, getting into the energy business. While a very small minority embrace the idea, the overwhelming majority have some grave concerns, including, but not limited to:

- With the county currently facing steep pension obligations and cutting social services and other programs (road improvements, county parks), this is no time to delve into an experimental program.
- Distrust that a government bureaucracy can provide cost-effective, reliable and responsive service.
- The vagaries of politics: what will happen when, through the election process, the tenor and agenda of the leadership changes? Will the program be abandoned leaving ratepayers and taxpayers with a costly mess?
- Is this needed? What are we trying to fix?

“Is the current system broken? What are we fixing? Would it be more beneficial to work with PG&E to mandate or incentivize them to build generation locally?”

“We are getting some of the cleanest energy in the nation. This program is not needed in our county.”

The research team also learned that to appeal to some non-profit businesses, Sonoma Clean Power would need to provide prices that are comparable with PG&E's CARE (California Alternate Rates for Energy) program for low income and assisted housing facilities.

Despite their concerns, many company representatives seem to be keeping an open mind and there was a great interest among several to have more information including a realistic and detailed plan that provides models, case studies and cost-benefit analyses. The bottom line is that they want to know what it is going to cost their companies, ratepayers in general, taxpayers, and the county so they can determine for themselves if the benefits outweigh the costs.

Background

To gain a deeper understanding into the perceptions among commercial ratepayers about electricity rates and renewable energy in Sonoma County, this qualitative study was coordinated and conducted by Data Instincts as a follow-up to a web-based quantitative effort that was conducted earlier in the year. Specifically, in-depth face-to-face or telephone interviews were conducted among 26 people representing 20 local commercial enterprises to better understand and assess the level of potential interest and possible support among Sonoma County businesses for the formation of Sonoma Clean Power, a Community Choice Aggregation program that would create a locally controlled electricity portfolio in Sonoma County.

The primary objective of Sonoma Clean Power is to provide ratepayers with a choice of electricity providers, with a focus on generating and procuring a higher mix of electricity from renewable sources than is offered by the current electric utility that serves most of Sonoma County. In addition to greater investment in renewables, other ancillary benefits of the Sonoma Clean Power program would potentially include the creation of more local careers, enhanced economic development through the reinvestment of program rates back into the community, and increased electricity rate stability.

For this study, potential participants were selected from a list of Sonoma County companies that was provided to the research team by the Sonoma County Water Agency based on input from the CCA Steering Committee. The list identified, and was organized by, companies that are large, medium or small in terms of energy usage. Owners and/or senior level members of management (CEO, COO, CFO, or Operational and/or Facility Managers) of the selected companies were then contacted and interviews were scheduled with those willing to participate. Every effort was made to include a broad cross section of industries across all supervisorial districts and an equal representation of energy usage types (large, medium, small). The interviews were conducted May 10 to May 21, 2012.

The following tables describe various characteristics of the final sample:

Energy Usage	# Orgs.	Number of Employees*	# Orgs.
Large	7	500+	4
Medium	7	100-500	11
Small	6	6-100	5

**At Sonoma County locations(s)*

District	#Orgs
First	1
Second	8
Third	9
Fourth	8
Fifth	2

Business Sector	# Orgs*
Retail Trade	2
Education & Health Services	2
Leisure & Hospitality	5
Manufacturing	4
Food Production/Winery	8
Agricultural	4
Information Technology	1
Other	2

**Some companies identified in multiple classification sectors*

Role of Top Ranking Interviewee	#
Owner/CEO	5
Controller/CFO	1
Facility Manager/CCO	13
Other	1

Purpose & Objectives

To gain a deeper understanding into the perceptions among commercial ratepayers about electricity rates and renewable energy in Sonoma County, this qualitative, in-depth interview study was coordinated and conducted by Data Instincts as a follow-up to a web-based quantitative effort among 990 respondents that was conducted earlier in the year. The primary objective of the in-depth interviews is to provide a greater depth of detail to the findings from the previous quantitative web survey by hearing first-hand what is on the minds of local business people with regard to the formation of a Community Choice Aggregation program, which would create a locally controlled electricity portfolio in Sonoma County. Specifically, through 20 in-depth interviews this study sought to:

- Assess overall perceptions and opinions about the proposed CCA program
- Identify opportunities and barriers to gaining local business support of the proposed program
- Gauge price sensitivity
- Identify preferred sources and methods for future communications with the local business audience

Methodology

The in-depth interview (IDI) technique was employed for this effort. This investigative technique uses a one-on-one or small group approach to information gathering, which allows for a free and open exchange.

Because of the study sample size and recruitment techniques employed, it should be understood that the IDI technique seeks to develop deeper insights into and understanding of the people and issues involved with the Program, but the findings are not scientific or statistically applicable to a larger population.

Core Findings

Importance of Energy Issues

For the majority of businesses we interviewed, it is at least moderately important to their company that electricity comes from sources like solar and wind as opposed to non-renewable sources. But many consider it only slightly important and a couple said it is not important at all. More medium-sized energy users think it is important compared to their larger or smaller energy-user counterparts.

Similarly, while all medium energy users said that reducing Greenhouse Gas emissions was either moderately or very important to their organization, the responses were less definitive for their larger and smaller counterparts. Many respondents, across all usage types, viewed the question in practical terms, meaning the importance that they as a company take measures to reduce such emissions. Some claimed not to be big GHG producers, so did not consider it to be a significant issue for their organization. Others said their company's main focus is on the bottom line.

Other respondents seemed to interpret the question more theoretically, meaning how important it is to the company that GHG emissions are reduced in general, not necessarily by their organization. Whatever way the question was interpreted, there were mixed responses and many noted that when it comes to using renewable energy sources and reducing GHG, the financial implications are of major concern:

"We want to be green, but we're about the bottom line at the end of the day."

"Our decisions are financially driven."

"We look for processes that are sustainable and measure cost against impacts and benefits."

All those interviewed said their companies had energy efficiency measures in place and the majority said they would be interested in establishing more such measures if they led to additional cost savings. A few noted that, when it comes to additional energy efficiency measures, it would really depend on what the measures were and what the “payback” or cost savings would be. Among the energy efficiency measures already in place, the following were mentioned:

Large Energy Users	Medium Energy Users	Small Energy Users
<ul style="list-style-type: none"> • Retrofitted lighting to T5 & T8 • Cool roof (SCEIP) • Demand response systems • Full energy analysis • Do not wash linens daily (hotel) • Efficient HVAC • Light sensors • Replace old motors with efficient ones • Conducted equipment analysis and optimization • Solar co-generation • Purchasing credits and negotiating for renewables 	<ul style="list-style-type: none"> • Retrofitted lighting to T5 & T8 • Solar hot water and electricity • PG&E rebates • Efficient motors and systems • Efficient lighting and automatic sensors • Photovoltaic array (PV) • Best management practices 	<ul style="list-style-type: none"> • Retrofitted lighting to T5 & T8 • Energy audit • Replaced all lighting and fixtures • LED and florescent lighting • Efficient refrigeration units • HVAC seals • Solar panels • Recycling programs • Water Recycling

One medium energy user expressed frustration that PG&E seems unwilling to provide them with credits for the supplemental energy produced by their large PV system: *“We are a net energy provider, at the end of the day, due to our extensive PV system and would welcome a program that pays us for our extra energy generation capacity.”*

Several respondents, across all usage types, mentioned future energy saving measures the companies plan to undertake. And a few mentioned that they looked into solar power systems, but they did not prove to be cost-effective for their situation.

The majority of respondents, especially among medium to small energy users, said that the cost of energy has a significant effect on their business, though a few across all usage types said it did not. Their annual energy costs ran from \$8,000 for the smallest user to \$10 million for the largest and represents anywhere from 1 to 10 percent of their operating costs.

Community Choice Aggregation (CCA) Perceptions & Opinions

Though a handful had no knowledge about the Sonoma Clean Power Program, most of those we spoke to knew at least something about it. Many of them learned about the program through one or more resources including the Clean Power staff or steering committee, Board of Supervisors, local

city government and/or the newspaper. A couple of respondents mentioned reading about it on the Internet and hearing about it from friends and colleagues.

Based on what they already knew and/or a brief program description that was read to them during the interview and a fact sheet hand out given to them, half the respondents said they had a somewhat neutral impression of the program, particularly in relation to their business. In the words of one non-profit participant, *“PG&E offers the CARE program (20% discount), which keeps costs low. Our budget is tight. Any program the county implements would have to match the price we get from PG&E.”*

A handful of respondents had a positive impression of the program; a couple held a negative view and some were unsure. In the words of one respondent, *“This feels like they are pushing a position based on political views versus economic realities; being environmentally favorable, but not economically feasible.”*

A few respondents noted some positive aspects of local government driving Sonoma County toward a cleaner environment — job creation and the benefits of setting up a competitive environment in the energy business being chief among them. However, the overwhelming majority of those we spoke to were wary or outright opposed to the government stepping into this role. Their concerns hinged primarily on the inefficiencies of bureaucracies, the vagaries of the political climate, and the potential costs to taxpayers or ratepayers.

“Government should not be in the energy business. I’m okay with government oversight, but not having it run by county government. There is too much bureaucracy, which creates inefficiencies. They are not motivated to perform in the same way the private sector is.”

“If this is an effort to raise money we already give back to the community in so many ways. This starts to feel like a tax that we do not need at this time. “

“We would opt out if it costs more. This effort is a waste of time. There are plenty of green choices already available.”

“We appreciate their interest but are concerned if the government can do so in a manner that is cost effective.”

“Government does social services programs well; the rest should be left to private enterprise. Government getting involved takes out competition.”

“The government should be working with the private sector and the public to help us create more jobs.”

“When government gets involved the outcome is not as good. Public private partnerships would be a better approach.”

“Power reliability would be key. The SMART train showed us how things can double and triple when government gets involved. And then there is the issue of pensions and just creating even more problems than the county has been able to solve yet.”

When specifically asked, many, especially large and medium energy users, agreed that local clean energy would spur job creation and economic growth.

“In Phase II of the project, where partnerships are formed; and perhaps it will help solve other local environmental problems.”

However, nearly an equal number of interviewees were less convinced:

“There are other ways to do it that is not on the backs of businesses.”

“The question is what kind of jobs? Good jobs? Local jobs?”

“It depends on the process they put in place, which will be key to successful adoption by the business community.”

Still, just as the web survey indicated a fairly healthy level of support, about half of those participating in the in-depth interviews indicated they would be “moderately” to “very supportive” of a local and renewable electricity source owned by the community if they knew the revenues would be reinvested back into the local community. That level of support seems strongest among medium to small energy users and many potential supporters across all usage types expressed the caveat that the rates would need to be the same or similar as current costs: *“I’m all for it as long as costs are competitive.”* Just under half would be only slightly supportive, some saying they needed to know more, and one said they were not supportive at all.

“I’m very suspicious if it will really work and be successful. The philosophy is there. The ideal is there. But making it actually happen is another story. In these short times, money gets redistributed elsewhere.”

In order for the Sonoma Clean Power program to maintain or gain their support, here are some of the key issues respondents say the program would need to address:

- Ensure competitive costs (including discounted rates for non-profits)
- Develop a realistic and detailed plan/provide a model and case studies/cost-benefit analyses
- Establish predictable costs
- Provide consistent and reliable supply/service

“Reliability is the key issue for us. New, unproven technologies are bad for our business.”

“The level of service needs to be there. It has to be zero impact to our operations – no disruption of service. Depends on marginal benefit; is the feel-good factor greater than the costs?”

- Ensure quick response time to problems/outages

“As it stands now, if I call PG&E, they are here in an hour. If I call Parks & Recreation, they are here in a week.”

- Create ways for customers to partner in energy development
- Create local, private-sector jobs
- Buy renewables with focus on locally generated sources
- Ensure program does not need to be subsidized

“If it needs subsidies to be successful, it is not successful in my opinion.”

- Provide funding for customers’ up front capital costs through ancillary funding programs
- Establish non-profit rates that are competitive with PG&E’s CARE program

Similarly, when asked if there were any “deal killers” for gaining their support, most said there were. Here is what they mentioned:

- If costs are not equal to or lower than PG&E
- If the county cannot ensure a reliable supply
- If customer service is unresponsive
- If the program is not self-sustaining and/or requires subsidies
- If county took on more debt to do the program
- If materials used were manufactured in China
- If it created public sector rather than private sector jobs

Price Sensitivity

While a handful of respondents (mostly among medium energy users) said they would be willing to pay more for the kind of clean and green power promised by the program, it is clear they are not willing to pay much more. Similar to the findings from the web survey, there are nearly equal numbers willing to pay more and not willing to pay more. And, during the in-depth interviews, many said they simply did not have enough information about the program to determine whether or not it would be worth paying more.

Unlike the web survey, in these discussions, an effort was made to determine how much more, if any, these respondents would be willing to pay. The majority across all usage types said they would pay anywhere from zero to five percent more, with nearly all large energy users saying they would not be willing to pay any more. Only a couple of respondents said they might be willing to go as high as ten percent more and a few just were not sure.

Among nearly all respondents was the desire for detailed plans and program specifics, which would help them determine the value of the program to their company and, in some cases, to the community. Several respondents mentioned that they operate on very thin margins and simply could not justify paying higher energy costs. Others were concerned about “start-up” costs their companies could incur and several wanted to know what kind of savings they could realize in the future to offset higher costs in the program’s earlier stages.

“We need to see a plan; we can’t say how much we would be willing to pay, without first seeing a plan.”

“We could pay a little more, if there is payback within a few years.”

“We could deal with some initial startup costs as long as there is some savings later.”

“A five percent increase to residential customers is one thing, but five percent to a business could be devastating.”

Information Sources

The Internet and newspapers are the resources most often cited as ones to which these respondents turn to learn more or make decisions about the kinds of issues that surround the Sonoma Clean Power program. And when it comes to reaching potential decision makers that are considering or making decisions regarding energy use, a large majority said the best communications methods are via email and presentations. Similarly, nearly all said they would like to be kept informed about the program via email; only two said they did not want further contact.

Appendix

- 1. Verbatim Responses to Open-Ended Questions*
- 2. Discussion Guide*
- 3. CCA Handout/Factsheet*

Verbatim Responses to Open-Ended Questions

Q11. In your opinion, what role, if any, should local government play in driving Sonoma County toward a cleaner economy?

Large Energy Users

Government partnership to develop renewable energy assets, where government helps with the upfront costs (solar, biogas). Help provide cost sharing opportunities. I would like to see the county do more. Great idea. We're all for it.

If local government is pushing the program, they have to be involved.

I don't think the government should be in the utility business. Government should provide oversight, not operations. Anything operated by a government entity has too many bureaucracies and not enough efficiencies. Government should instead advocate to help increase competition for PG&E and make them more accountable.

If this is an effort to raise money we already give back to the community in so many ways. This starts to feel like a tax that we do not need at this time.

If they can keep the politics out of it, if people change, so will the policies.

We would opt out if it cost more. This effort is a waste of time. There are plenty of green choices already available. Supportive of the idea, but we really already have enough choices. Consumers have choices too.

More choice is good, and maybe some oversight. Local government should be involved as little as possible.

Government doesn't perform more efficiently than the private sector. We appreciate their interest but are concerned if the government can do so in a manner that is cost effective. Would be interested in seeing how well it works in other areas.

Medium Energy Users

There needs to be a leader, not sure it should be the government, but if nobody else steps up, the government should step up.

If you want the program to be successful the government should stay out of it. Program would make more money without the government being involved.

Government does social services programs well, the rest should be left to the private enterprise. Government getting involved takes out competition.

The government should be working with the private sector and public to help us create more jobs.

It is the wave of the future; very important if we are going to build a sustainable future. County has been progressive.

I really have no opinion, but coming from the local level is better than the state or federal level.

Small Energy Users

Depends on circumstance of the area. Regional issues may be better utilized elsewhere. I just don't know enough or have enough information.

No concerns

I do believe local government should be setting goals, but they should not be among the first ones to do a program like this. Yes they should look it though.

Make it cost efficient, make it easy to do, there's usually a lot of red tape with many government-run programs and the permitting process

County is not to be trusted. They are not qualified. When government gets involved the outcome is not as good. Public private partnership would be a better approach

They should be involved; but we need to know more.

As a business owner it's always a question of cost & benefit

Q16. What are the key issues the Sonoma Clean Power program would need to address in order to gain your support?

Large Energy Users

County should ask the largest customers how they can partner to develop energy. Make the planning process easier.

Reliability is the key issue for us. New, unproven technologies are bad for our business.

100% cost parity

Service and product has to be there. As it stands now, if I call PG&E, they're here in an hour. If I call Parks & Rec, they're here in a week.

Assurance of reliability and deliverability. Assurance of the benefit to the county. Also, how soon the cost will be in line or competitive? Equal to or less than what we are currently paying would be worth it to us. Margins are small in baking business. A 5 - 10% increase would be a hard sell for us. We are very interested in specifics: how they generate the energy, the impact for creating the energy, where is it generated, and the environmental impact of creating the energy.

We are already getting some of the cleanest energy in the nation. This program is not needed in our county.

The level of service needs to be there. It has to be zero impact to our operations – no disruption of service. Depends on marginal benefit; is the feel-good factor greater than the costs? If there is a cost increase, what will it be? We need to know the details.

Buy renewables and focus on creating locally generated renewables. Show us a model & case studies. Government would need to offer truly competitive pricing. Participating should not be harmful to our business - design the program in a way that is not harmful to our business.

Medium Energy Users

*We need to see a detailed plan that is doable – not a bunch of goobily gook. It **MUST** create local jobs and have a measurable effect on carbon emission reductions. The program can't be cost prohibitive (above 10% more expensive). Make it easy to use & be cost effective.*

Position the program in a way for the community to feel good about supporting the program. Need to create private sector jobs as opposed to public sector jobs.

Consistent service levels must be maintained. Savings should be realized and passed on to the customers. Want local jobs truly created, not just given lip service. More layers of government make me nervous.

Government does not manage well and there would be no incentive to over perform. Economies of scale regarding PPA's might be challenging. This is a complicated topic and most people just fundamentally don't understand it. Is the system broken? What exactly are we trying to fix? Is there a way to just work with PG&E to mandate or incentivize them to work to build generation locally?

If I invest in new energy source what can I get out of it. How can we utilize what excess resources we have; like water and wastewater? Can the county partner in programs to create new energy sources? I would love to partner with an energy program that provides the up-front capital to help me create energy from my excess whey.

Turn water back into power. Keep Agriculture sustainable. Water could be recycled. We are willing to put windmills on our properties.

Would there be avenues/ancillary programs that provide loans/funding for the upfront capital costs?

Lack of funding from state means we dip into our general fund. We have no scheduled maintenance money.

Competitively priced with PG & E

Small Energy Users

It would need to be cost competitive and reliable

Must absolutely be cost competitive. Must meet the discounted PG&E rate for non-profits. Need to offer rates competitive with the CARE program thru PG&E.

A new power company would have to have consistency in supply and provide good customer services.

Needs to provide for rates and overall costs to the consumer that would be lower than today.

Establish predictable numbers so we can build them into our planning

Make it cost efficient. We can't pass cost increases along to the consumer or businesses.

Need more factual information. Pricing would have to be clear in its structure. If it needs subsidies to be successful, it is not successful in my opinion. Subsidies are a problem.

County needs to clearly disclose pricing and benefits and provide detailed factual information. It's all about cost & benefit. I need specifics on program before I can fully support it.

Q17. Is there anything that would be an absolute deal killer for gaining your support of a program like this? – Yes. What?

Large Energy Users

Cost would be number one, if not competitive. Government should not be doing this in the first place though.

Cost is critical. If it is too large of an initial investment. The unknown to the community if it does not pan out. What are the real benefits?

Price. We do not like the opt-out option. Healdsburg is doing fine because they own their own transmission lines. Calpine provides tons of green power. We would opt out if it cost more. This effort is a waste of time. There are plenty of green choices already available.

There could be no negative impact to our operations. If it could not deliver reliable source we would not be interested.

If the increases were between 5-10%, that would be a deal killer.

If the county took on additional debt to do this program. We already have enough debt in this county.

Make certain no materials are manufactured in China that would be a turn off. Verify origin of all materials used.

Medium Energy Users

If it created too many public sector jobs instead of private sector jobs. We do not need more bureaucracy and long term pension issues.

Power reliability would be key. The SMART train showed us how things can double and triple when government gets involved. And then there is the issue of pensions and just creating even more problems than the county has been able to solve yet.

Cost

The cost. We run on a very thin margin. This is a critical economic time.

Cost is key. Our budgets are already horrific.

Small Energy Users

Price. Not sure how much more we would pay, but there is a sensitivity. The higher above the competitive price, the more difficult the decision to support the program becomes.

Cost is imperative. Customer service is very important. Repairs, troubleshooting, etc. We call PG&E quite a bit. How quickly repairs can be made is very important.

Price is the key issue

Cost. It must be cost competitive. In this economy we can't afford to spend a dime more.

Subsidies of any kind would be a turn off.

Cost

Discussion Guide
Sonoma Clean Power In-Depth Interview's

Name: _____ Date: _____

1. How important is it to your company that electricity comes from sources like solar and wind as opposed to non-renewable sources?

- Very important
- Moderately important
- Slightly important
- Not important at all
- Don't know

2. How important is reducing Greenhouse Gas emissions to your organization?

- Very important
- Moderately important
- Slightly important
- Not important at all
- Don't know

3. Does your company currently have any energy efficiency measures in place?

- Don't know
- No
- Yes. What are they?

4. Would your company be interested in establishing more energy efficiency measures if they led to additional cost savings?

- Yes
- No
- Depends
- Don't know

5. Does the cost of energy have a significant effect on your business?

- Yes
- No
- Don't know

6. Approximately what are your company's current electricity costs on a monthly or annual basis?

_____ Monthly/Yearly (circle one)
(if, don't know, enter DK in blank above)

7. Approximately, what percentage of your operating costs do your energy costs represent?

(if, don't know, enter DK in blank above)

Sonoma County is currently considering implementing an energy program called Sonoma Clean Power. The primary objective of this program is to provide a choice of electricity providers. Sonoma Clean Power will aim to derive electricity from a greater mix of renewable energy sources.

8. Before I mentioned it, had you heard or read anything about the Sonoma Clean Power Program?

- Yes (ask Q9)
- No (skip to Q10)
- Don't know (skip to Q10)

9. How did you learn about the Sonoma Clean Power Program?

- Sonoma Clean Power/Steering Committee/ SCWA Staff:
 - To whom did you speak? _____
- Board of Supervisors/Supervisor
- Local City Council/City government
- Newspaper
- Radio
- Television
- Web/Internet (Specify site) _____
- Friends/Neighbors
- Other _____

10. Based on what you have read, heard, or the description I just read to you, would you say you generally have a positive or negative impression of the program, particularly in relation to your business?

- Positive
- Negative
- Neutral
- Depends
- Don't know

11. In your opinion, what role, if any, should local government play in driving Sonoma County toward a cleaner economy?

12. How supportive would your company be of a local and renewable electricity source owned by the community if you knew the revenues would be reinvested back into the local economy?

- Very supportive
- Moderately supportive
- Slightly supportive
- Not supportive at all
- Don't know

13. Compared to your current energy expenses, would your company be willing to pay more for the kind of clean and green power promised by this program?

- Yes (ask Q14)
- No (Skip to Q15)
- Depends (Skip to Q15)
- Don't know (Skip to Q15)

14. Expressed as a percentage of your current costs of electricity, approximately how much more would your company be willing to pay? (DO NOT READ RESPONSES) None

- 1% to 5%
- 6% to 10%
- 11% to 15%
- More than 15 percent (specify) _____
- Don't know

15. Do you believe local clean energy investments would spur job creation and economic growth?

- Yes
- No
- Depends
- Don't know

16. What are the key issues the Sonoma Clean Power program would need to address in order to gain your support?

17. Is there anything that would be an absolute deal killer for gaining your support of a program like this?

- Don't know
- No
- Yes. What?

18. What kinds of resources do you generally use to learn more or make decisions about issues like those we have discussed today?

- Internet
- Magazines
- Newspapers
- Radio
- Television
- Service or Industry Groups
- Social Media
- Other:

19. What ways do you think are best to reach potential decision makers like yourself for considering or making a decision regarding energy use?

- Letters
- Email
- Ads/Print, radio, TV
- Billboards
- Presentations
- Social Media
- Other:

20. Sonoma County wants to keep businesses and residents informed about this program and project. How would you like to receive information about this project?

- Web
- E-mail*
- Phone*
- Mail*
- Fax
- Newspaper
- TV
- Radio
- Social Media
- Other_____
- Do not contact

*Get contact information as appropriate

Sonoma Clean Power Fact Sheet

April 25, 2012

Sonoma Clean Power

State law allows California cities, counties, or Joint Powers Authorities comprised of two or more cities and counties to implement a program which provides the power generation needs within their jurisdictions. The program aggregates the buying power of individual customers within the jurisdictions in order to secure alternative energy supplies.

Sonoma Clean Power's general goals are to: reduce greenhouse gas emissions related to the use of power in Sonoma County; be cost competitive; stimulate and sustain the local economy by developing local clean jobs in renewable energy; and develop long-term rate stability and energy reliability for Sonoma County residents through local control.

Here's how it works

Only the power generation portion of the overall electricity service would be provided by SCP. The existing utility continues to provide transmission, distribution and customer service to all customers. The existing utility also continues to bill all customers for all power services. The only change would be a new line item for power generation which would go to SCP.

Opt-Out

Customers within SCP's service area have the choice to opt out of SCP and continue to receive power from the utility (e.g. PG&E). Those who do not opt out will have their power generation services supplied by SCP.

Power costs

Sonoma Clean Power aims to be cost competitive with other power providers in the area. A feasibility study has been performed to analyze a range of power mixes (ranging from 33% to 85% of power from renewable sources by 2020) which estimates that the average household bill would increase \$4-10 per month. The actual rate will not be known for some time.

Goals of Sonoma Clean Power

1. Provide at least 50% renewable energy portfolio from outset
2. Develop at least 30 megawatts (MW) of local renewable energy by 2020
3. Develop at least 120 MW of local renewable energy by 2030
4. Evaluate energy storage adequate for optimizing intermittent source generation projects
5. Provide cost-effective administration services
6. Provide a feed-in tariff to customers who produce more renewable energy than they use
7. Provide local energy efficiency programs

Other CCAs in California

To date, Marin County has formed the only fully operational CCA in California, Marin Clean Energy. The program is operated by the Marin Energy Authority, a joint powers authority comprised of the County of Marin and several cities. Richmond and San Francisco are also in the process of developing CCA programs.

Next steps

An Implementation Plan (business plan) is being developed to project start-up costs, financing, cash flows, power supply and level of participation. In addition, the formation of a Joint Powers Authority to govern Sonoma Clean Power is being pursued.

Timeline for Sonoma Clean Power moving forward

- Implementation plan completion (Q4 2012)
- Perform City Council workshops (Q3 – Q4, 2012)
- Negotiate Joint Powers authority (Q3, 2012 – Q2, 2013)
- Determination of Governance by Joint Powers Authority (Q3, 2013)
- Issue RFP for power supply (Q3, 2013)
- Customer notification of opt-out ability (Q4, 2013)
- Begin service (Q4, 2013)