

PENINSULA CLEAN ENERGY CCA CASH FLOW SUMMARY TABLE

1/8/2016

Prepared by Pacific Energy Advisors, Inc.

Peninsula Clean Energy Illustrative Cash Flow Projections

These cash flow projections were prepared to illustrate the potential timing for sources and uses of funds related to the formation and operation of Peninsula Clean Energy (PCE). The cash flow projections are based on the underlying economic assumptions of the PCE Technical Study. These projections assume full participation of all San Mateo County cities with service offered in three equal phases over a 24-month period. The first phase is assumed to begin on October 1, 2016.

Prior to realization of revenue from power sales, funding is assumed to be provided via a loan from the County (\$1.5 million in three parts) for pre-startup costs and a bank loan (\$6.5 million) drawn in August 2016 to cover remaining startup and working capital costs. Both loans are assumed to be amortized and paid back over a five year period.

PCE rates are assumed to be set at parity with PG&E, net of the applicable CCA-related surcharges (Power Charge Indifference Adjustment and Franchise Fee Surcharge). While the projected surpluses are shown as accumulated account balances in the cash flow projections, these should be understood to represent the total funds available for one or more of the following purposes: accumulation of program reserves; provision of customer savings through reduced rates (would reduce revenues relative to projections); and, administration of other customer benefit programs (would increase other expenditures relative to projections).

Power supply costs are based on the assumption of a 50% renewable energy content, consistent with "Scenario 2" as set forth in the Technical Study. For purposes of these projections, all power purchases are presumed at market prices projected for each year. It is assumed the payments for power will be due 50 days from the end of the calendar month during which deliveries occurred, consistent with the payment provisions of Sonoma Clean Power and Lancaster Choice Energy for their initial power supply contracts. Power collateral is assumed to be represented by grant of security interest in PCE revenues.

Other expenditures represent the aggregate of all operating and administrative costs other than power supply, including: staffing, professional services, communications and notices, data management, PG&E fees, energy programs (Net Energy Metering/Demand Response, etc.), and other administrative and general expenses.

Cash deposits include the CCA bond to be posted with the CPUC (\$100,000), a security deposit posted to PG&E (\$15,000), and a deposit posted to the California Independent System Operator (\$500,000) related to PCE becoming eligible for an allocation of Congestion Revenue Rights.

PCE Program Cash Flow Projections								
Oct-15								
	2015	2015	2015	2015	2016	2016	2016	2016
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<u>Sources of Funds</u>								
Sales Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,600,995
County Transfer	\$ 300,000	\$ -	\$ -	\$ 800,000	\$ 400,000	\$ -	\$ -	\$ -
Bank Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,500,000	\$ -
Total Sources of Funds	\$ 300,000	\$ -	\$ -	\$ 800,000	\$ 400,000	\$ -	\$ 6,500,000	\$ 9,600,995
<u>Uses of Funds</u>								
Power Supply Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,865,087
Other Expenditures	\$ 80,556	\$ 122,500	\$ 128,333	\$ 219,167	\$ 266,667	\$ 416,667	\$ 662,816	\$ 1,547,697
County Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,389
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 615,000	\$ -
Total Uses of Funds	\$ 80,556	\$ 122,500	\$ 128,333	\$ 219,167	\$ 266,667	\$ 416,667	\$ 1,277,816	\$ 8,763,173
Net Increase in Available Fund Balance	\$ 219,444	\$ (122,500)	\$ (128,333)	\$ 580,833	\$ 133,333	\$ (416,667)	\$ 5,222,184	\$ 837,822
<u>Available Fund Balance</u>								
Beginning Balance	\$ -	\$ 219,444	\$ 96,944	\$ (31,389)	\$ 549,444	\$ 682,778	\$ 266,111	\$ 5,488,295
Net Increase in Available Fund Balance	\$ 219,444	\$ (122,500)	\$ (128,333)	\$ 580,833	\$ 133,333	\$ (416,667)	\$ 5,222,184	\$ 837,822
Ending Balance	\$ 219,444	\$ 96,944	\$ (31,389)	\$ 549,444	\$ 682,778	\$ 266,111	\$ 5,488,295	\$ 6,326,116
<u>Other Deposits Accounts</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 615,000	\$ 615,000
Total Fund Balance	\$ 219,444	\$ 96,944	\$ (31,389)	\$ 549,444	\$ 682,778	\$ 266,111	\$ 6,103,295	\$ 6,941,116
San Mateo County Cash Flow Projections								
County Beginning Balance	\$ -	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (1,100,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)
County Transfer to PCE	\$ (300,000)	\$ -	\$ -	\$ (800,000)	\$ (400,000)	\$ -	\$ -	\$ -
PCE Transfer to County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County Ending Balance	\$ (300,000)	\$ (300,000)	\$ (300,000)	\$ (1,100,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)	\$ (1,500,000)

PCE Program Cash Flow Projections								
Oct-15								
	2017	2017	2017	2017	2018	2018	2018	2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Sources of Funds</i>								
Sales Revenue	\$ 28,238,446	\$ 28,395,779	\$ 38,598,549	\$ 38,108,330	\$37,688,924	\$58,211,348	\$79,127,026	\$ 78,122,076
County Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sources of Funds	\$ 28,238,446	\$ 28,395,779	\$ 38,598,549	\$ 38,108,330	\$37,688,924	\$58,211,348	\$79,127,026	\$ 78,122,076
<i>Uses of Funds</i>								
Power Supply Costs	\$ 23,309,226	\$ 24,991,021	\$ 24,864,120	\$ 25,146,139	\$35,725,764	\$52,428,105	\$52,161,278	\$ 52,752,515
Other Expenditures	\$ 1,803,936	\$ 1,907,344	\$ 1,907,344	\$ 2,130,755	\$ 3,136,123	\$ 3,408,261	\$ 3,408,261	\$ 3,631,672
County Repayment	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Bank Debt Service	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Uses of Funds	\$ 25,538,551	\$ 27,323,755	\$ 27,196,854	\$ 27,702,284	\$39,287,276	\$56,261,756	\$55,994,928	\$ 56,809,576
Net Increase in Available Fund Balance	\$ 2,699,895	\$ 1,072,025	\$ 11,401,696	\$ 10,406,046	\$ (1,598,352)	\$ 1,949,592	\$23,132,098	\$ 21,312,500
<i>Available Fund Balance</i>								
Beginning Balance	\$ 6,326,116	\$ 9,026,011	\$ 10,098,036	\$ 21,499,731	\$31,905,777	\$30,307,425	\$32,257,017	\$ 55,389,115
Net Increase in Available Fund Balance	\$ 2,699,895	\$ 1,072,025	\$ 11,401,696	\$ 10,406,046	\$ (1,598,352)	\$ 1,949,592	\$23,132,098	\$ 21,312,500
Ending Balance	\$ 9,026,011	\$ 10,098,036	\$ 21,499,731	\$ 31,905,777	\$30,307,425	\$32,257,017	\$55,389,115	\$ 76,701,615
<i>Other Deposits Accounts</i>								
	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000
Total Fund Balance	\$ 9,641,011	\$ 10,713,036	\$ 22,114,731	\$ 32,520,777	\$30,922,425	\$32,872,017	\$56,004,115	\$ 77,316,615
San Mateo County Cash Flow Projections								
County Beginning Balance	\$ (1,500,000)	\$ (1,425,000)	\$ (1,350,000)	\$ (1,275,000)	\$ (1,200,000)	\$ (1,125,000)	\$ (1,050,000)	\$ (975,000)
County Transfer to PCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PCE Transfer to County	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
County Ending Balance	\$ (1,425,000)	\$ (1,350,000)	\$ (1,275,000)	\$ (1,200,000)	\$ (1,125,000)	\$ (1,050,000)	\$ (975,000)	\$ (900,000)

PCE Program Cash Flow Projections								
Oct-15								
	2019	2019	2019	2019	2020	2020	2020	2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<i>Sources of Funds</i>								
Sales Revenue	\$ 59,382,044	\$ 59,666,631	\$ 81,105,202	\$ 80,075,128	\$ 61,464,395	\$ 61,464,088	\$ 83,548,496	\$ 82,487,391
County Transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Bank Financing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Sources of Funds	\$ 59,382,044	\$ 59,666,631	\$ 81,105,202	\$ 80,075,128	\$ 61,464,395	\$ 61,464,088	\$ 83,548,496	\$ 82,487,391
<i>Uses of Funds</i>								
Power Supply Costs	\$ 54,965,441	\$ 54,218,308	\$ 53,942,233	\$ 54,553,567	\$ 57,265,545	\$ 57,243,444	\$ 56,951,266	\$ 57,596,242
Other Expenditures	\$ 3,666,062	\$ 3,452,497	\$ 3,452,497	\$ 3,452,497	\$ 3,488,021	\$ 3,505,783	\$ 3,505,783	\$ 3,505,783
County Repayment	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Bank Debt Service	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389	\$ 350,389
Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Uses of Funds	\$ 59,056,893	\$ 58,096,195	\$ 57,820,120	\$ 58,431,454	\$ 61,178,956	\$ 61,174,616	\$ 60,882,438	\$ 61,527,414
Net Increase in Available Fund Balance	\$ 325,152	\$ 1,570,436	\$ 23,285,082	\$ 21,643,673	\$ 285,439	\$ 289,472	\$ 22,666,059	\$ 20,959,976
<i>Available Fund Balance</i>								
Beginning Balance	\$ 76,701,615	\$ 77,026,767	\$ 78,597,203	\$ 101,882,285	\$ 123,525,959	\$ 123,811,398	\$ 124,100,870	\$ 146,766,928
Net Increase in Available Fund Balance	\$ 325,152	\$ 1,570,436	\$ 23,285,082	\$ 21,643,673	\$ 285,439	\$ 289,472	\$ 22,666,059	\$ 20,959,976
Ending Balance	\$ 77,026,767	\$ 78,597,203	\$ 101,882,285	\$ 123,525,959	\$ 123,811,398	\$ 124,100,870	\$ 146,766,928	\$ 167,726,905
<i>Other Deposits Accounts</i>	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000
Total Fund Balance	\$ 77,641,767	\$ 79,212,203	\$ 102,497,285	\$ 124,140,959	\$ 124,426,398	\$ 124,715,870	\$ 147,381,928	\$ 168,341,905
San Mateo County Cash Flow Projections								
County Beginning Balance	\$ (900,000)	\$ (825,000)	\$ (750,000)	\$ (675,000)	\$ (600,000)	\$ (525,000)	\$ (450,000)	\$ (375,000)
County Transfer to PCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PCE Transfer to County	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
County Ending Balance	\$ (825,000)	\$ (750,000)	\$ (675,000)	\$ (600,000)	\$ (525,000)	\$ (450,000)	\$ (375,000)	\$ (300,000)

PCE Program Cash Flow Projections				
Oct-15				
	2021	2021	2021	2021
	Q1	Q2	Q3	Q4
<u>Sources of Funds</u>				
Sales Revenue	\$ 63,316,010	\$ 63,315,694	\$ 86,065,395	\$ 84,972,323
County Transfer	\$ -	\$ -	\$ -	\$ -
Bank Financing	\$ -	\$ -	\$ -	\$ -
Total Sources of Funds	\$ 63,316,010	\$ 63,315,694	\$ 86,065,395	\$ 84,972,323
<u>Uses of Funds</u>				
Power Supply Costs	\$ 60,470,432	\$ 60,442,932	\$ 60,132,637	\$ 60,812,470
Other Expenditures	\$ 3,542,325	\$ 3,560,596	\$ 3,560,596	\$ 3,560,596
County Repayment	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
Bank Debt Service	\$ 116,796	\$ -	\$ -	\$ -
Deposits	\$ -	\$ -	\$ -	\$ -
Total Uses of Funds	\$ 64,204,554	\$ 64,078,528	\$ 63,768,233	\$ 64,448,066
Net Increase in Available Fund Balance	\$ (888,544)	\$ (762,834)	\$ 22,297,162	\$ 20,524,257
<u>Available Fund Balance</u>				
Beginning Balance	\$167,726,905	\$166,838,361	\$166,075,527	\$188,372,689
Net Increase in Available Fund Balance	\$ (888,544)	\$ (762,834)	\$ 22,297,162	\$ 20,524,257
Ending Balance	\$166,838,361	\$166,075,527	\$188,372,689	\$208,896,947
<u>Other Deposits Accounts</u>	\$ 615,000	\$ 615,000	\$ 615,000	\$ 615,000
Total Fund Balance	\$167,453,361	\$166,690,527	\$188,987,689	\$209,511,947
San Mateo County Cash Flow Projections				
County Beginning Balance	\$ (300,000)	\$ (225,000)	\$ (150,000)	\$ (75,000)
County Transfer to PCE	\$ -	\$ -	\$ -	\$ -
PCE Transfer to County	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
County Ending Balance	\$ (225,000)	\$ (150,000)	\$ (75,000)	\$ -