



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, March 31, 2016**

San Mateo County Office of Education, Corte Madera Room
101 Twin Dolphin Drive, Redwood City, CA 94065
6:30pm

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Gordon Tong, Agenda Administrator, at least 2 working days before the meeting at (650) 363-4159 and/or gtong@smcgov.org. Notification in advance of the meeting will enable the PCEA to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.

If you wish to speak to the Board, please fill out a speaker's slip located on the tables as you enter the Board meeting room. If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of PCEA staff who will distribute the information to the Board members and other staff.

ROLL CALL

ADMINISTERING OATH OF OFFICE

The oath of office will be administered to any Board member or alternate who has not previously attended a PCEA meeting.

PUBLIC COMMENT

This item is reserved for persons wishing to address the Board on any PCEA-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda; 3) Chief Executive Officer's or Staff Report on the Regular Agenda; or 4) Board Members' Reports on the Regular Agenda. Public comments on matters not listed above shall be heard at the time the matter is called.

As with all public comment, members of the public who wish to address the Board are requested to complete a speaker's slip and provide it to PCEA staff. Speakers are customarily limited to two minutes, but an extension can be provided to you at the discretion of the Board Chair.

ACTION TO SET AGENDA and TO APPROVE CONSENT AGENDA ITEMS

This item is to set the final consent and regular agenda, and for the approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.

REGULAR AGENDA

1. Election of the Board Chair and Vice Chair (Action)
2. County Staff Report (Discussion)
3. Approve resolution adopting the Peninsula Clean Energy Implementation Plan (Action)
 - a. Open public hearing pursuant to section 366.2 of the Public Utilities Code
 - b. Close public hearing
4. Presentation and Direction: Energy Services RFP (Discussion)
5. Board Members' Reports (Discussion)

CONSENT AGENDA

6. Approve the minutes for the March 24, 2016 meeting (Action)
7. Appoint the County Counsel as Secretary of Peninsula Clean Energy (Action)

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the Office of Sustainability, located at 455 County Center, 4th Floor, Redwood City, CA 94063, for the purpose of making those public records available for inspection. The documents are also available on the PCEA's Internet Web site. The website is located at: <http://www.peninsulacleanenergy.com>.

MEMORANDUM

TO: THE BOARD OF DIRECTORS OF PENINSULA CLEAN ENERGY

FROM: DAVE PINE, SAN MATEO COUNTY SUPERVISOR

DATE: MARCH 29, 2016

RE: CANDIDACY FOR CHAIR

I have been involved in the creation of Peninsula Clean Energy (PCE) since the beginning, and I am excited about the rapid progress we have made towards the goal of bringing more renewable energy to San Mateo County residents, businesses and municipalities at competitive rates. The work to date has been rewarding and inspiring, and I would welcome the opportunity to continue to provide leadership to this effort by serving as PCE's Chair.

I believe our initial focus must be on flawless execution and financial stability. This will require a carefully planned and implemented launch in October of this year followed by a phase-in of all accounts over the subsequent 12 months. Throughout this period, my hope is that we will minimize opt out rates, achieve high opt up rates to the 100% renewable option, maintain pricing for our default product that is less than PG&E's, and build a solid reserve.

In the longer term, I believe the potential opportunities for PCE are extraordinary and that PCE should show statewide leadership through the adoption of innovative programs. In particular, I would like to see PCE encourage substantial local energy generation, develop energy efficiency, solar roof top, and demand management programs that are widely adopted, and enter into partnerships with the many large commercial energy users in the County.

I would bring to the PCE Chair position over twelve years of service in elective office as a County Supervisor (2011 to present) and a school board member for the Burlingame School District (2003 to 2007) and the San Mateo Union High School District (2007 to 2011). In addition, my prior career in Silicon Valley would be an asset as we launch and grow PCE. After working in private practice with Fenwick & West, I served as Vice President and General Counsel for Radius, Excite@Home, and Handspring. A summary of my business experience and education is attached.

It would be a privilege to serve as the Chair of PCE and to work with all of you as we create a community choice energy program that will set the standard for others throughout the state.

DAVE PINE

Legal and Business Experience

DAVE PINE, ATTORNEY AT LAW

Burlingame, CA / 2004 - 2011

- General corporate and commercial law practice assisting individuals and high technology companies.

HANDSPRING, INC.

Mountain View, CA / 2000-2003

VICE PRESIDENT, GENERAL COUNSEL & SECRETARY

- Responsible for law, public policy and stock administration for a publicly held provider of handheld computers and smartphones.
- Selected accomplishments include:
 - As executive staff member, contributed to the company's operational and strategic decisions.
 - Managed all legal work relating to the merger of Handspring and Palm, Inc.
 - Led restructuring negotiations of a \$350 million real estate commitment.
 - Negotiated a major operating software license agreement with PalmSolutions, Inc.
 - Oversaw all legal aspects of the company's relationships with wireless telecommunication carriers.
 - Implemented a patent filing and intellectual property protection program and managed patent litigation.
 - Managed compliance with Sarbanes-Oxley corporate governance reforms.

EXCITE@HOME

Redwood City, CA / 1996-2000

SENIOR VICE PRESIDENT, GENERAL COUNSEL & SECRETARY

- Responsible for law, public policy and stock administration for a publicly held provider of broadband Internet access, Internet media services, and targeted advertising and email solutions.
- Selected accomplishments include:
 - Served on executive staff providing both business and legal counsel.
 - Managed a 22 person legal organization.
 - Closed three private financings, an initial public offering, a secondary public offering and two debt offerings raising approximately \$1.25 billion.
 - Managed all legal work to acquire Excite, Inc. (\$6.5 billion deal value) and combine the operations of the two companies.
 - Established public policy function and led company's opposition to open cable access initiatives in Congress, the FCC, state legislatures and local municipalities.
 - Negotiated distribution agreements with 23 cable operators worldwide.
 - Managed a wide variety of litigation matters including a novel trademark cases relating to the sale of search words.

RADIUS INC.

San Jose, CA / 1990-1996

VICE PRESIDENT, GENERAL COUNSEL & SECRETARY

- Responsible for all legal matters for a publicly held manufacturer of computers, graphics cards, digital video products, displays and other Macintosh based products.
- Selected accomplishments include:
 - Drafted key inbound and outbound technology licensing agreements, including one of the first MacOS licenses.
 - Managed all legal work to acquire SuperMac and combine the operations of the two companies.
 - Served on the Board of Directors of Portrait Display Labs following its acquisition of Radius' pivot technology.
 - Completed sales agreements for domestic and international resellers, distributors and OEMs.

FENWICK & WEST
CORPORATE ASSOCIATE

Palo Alto, CA / 1985-1990

- General corporate and commercial law practice representing start-up and high-growth technology companies.
- Extensive experience in venture capital financings, intellectual property protection and dispute resolution.

Education

University of Michigan Law School, JD 1985

- Awarded prize at graduation for outstanding independent research and writing.

Dartmouth College, BA 1981

- Graduated Cum Laude with high distinction in economics and government.
- Awarded \$20,000 Harry S. Truman Scholarship for outstanding leadership potential.

March 29, 2016

Dear Jim,

I would like to be considered for Vice Chairman of the Board of Directors of Peninsula Clean Energy.

My professional background fulfills the needs of Peninsula Clean Energy in its beginning phase. My education includes a Ph.D. in electrical power engineering, and I have 30 some years experience with electric utility industry. I am enclosing a detailed resume to provide more information.

I am looking forward to working with the JPA Board to launch Peninsula Clean Energy successfully. Besides getting its supply contracts portfolio in place, we have to minimize fixed charges like PCIA. Currently with Supervisor Dave Pine, I am participating in CPUC Workshops to review the PCIA methodology which PG&E uses to set its PCIA charges.

Regionally, I am serving on the ABAG Board, CCAG's Resource Management and Climate Protection Committee, and as an alternate to the CCAG Board.

Sincerely yours,

Pradeep Gupta, Ph.D.
Vice Mayor, South San Francisco

Attach: Resume.

Pradeep C. Gupta, Ph.D.

SUMMARY

Dr. Gupta's 30 years professional experience includes eleven years at Electric Power Research Institute (EPRI), eight years at Southern California Edison Company, and ten years as a professional consultant for many international utilities.

EDUCATION

- Ph.D., Electrical Engineering, Purdue University, Lafayette, Indiana, USA, June 1969.
- MS, Electrical Engineering, Purdue University, Lafayette, Indiana, USA, January 1966
- B.Tech, Electrical Engineering, Indian Institute of Technology, Madras, April 1964.

EMPLOYMENT HISTORY

- Vice Mayor, Councilmember, City of South San Francisco, CA. 2013- present.
- Principal, Hagler Bailly Consulting, Inc., San Francisco, California, 1995-1998.
- Director, West Coast Operations, Synergic Resources Corporation, Oakland, California, 1992-1995
- Senior Vice President, Decision Systems International, Inc. , Atlanta, GA, 1991-1992
- Director, Utility Planning Methods Center, Electric Power Research Institute, Palo Alto, California, 1983-1991..
- Manager, Demand and Conservation Program, Electric Power Research Institute, Palo Alto, California, 1980-1983.
- Supervising Planning Engineer, Southern California Edison Company, Rosemead, California, 1972-1980.
- Research Engineer, Energy Group, Systems Control Inc., Palo Alto, California, 1969-1972.

PROFESSIONAL EXPERIENCE

- 1994 Instructor, Risk Management Course for Power System Operations for Decision Systems International (DSI), Atlanta, Georgia**
This workshop was organized for operations management of utilities to learn techniques of decision analysis and option pricing to issues of power market contracting and fuel procurement
- 1996 Evaluation of Impact of Energy Conservation Programs on Electricity Consumption For FIDE, Mexico**
The historical electricity consumption data was analyzed to estimate the impacts of economic growth, weather, prices, customer growth, and conservation programs on Mexico's electric use.
- 1994 Energy and Demand Forecasting Models for the Philippines- The Asian Development Bank**
The task included interaction with various governmental agencies; development of economic forecasts and development of forecasting. The staffs of major utilities and government agencies were provided training in the use of new methodologies.
- 1994 International Markets for Renewable Energy Resources for Aerovironment Inc., California, USA.**
A region-by-region analysis of the potential market size for distributed energy resources such as photovoltaic, windmills, geothermal, biomass, and batteries was conducted to develop an

evaluation framework for a Fortune 500 client. The analysis looked at the current status of technologies as well as the potential trends in performance and costs. The attractiveness of each resource was tied to regional parameters such as economy, transportation networks, and availability of natural resources, population density, and the infrastructure.

1994 Integrated Resource Planning Training of Russian Trainers for USAID-ETP Program

The course, sponsored by USAID through its New Independent States Exchanges and Training (NET) project, was designed to help Russian staff adapt the techniques of IRP to their own country. The participants were mainly directors from public utility companies and energy policy agencies.

1995 Energy Conservation Workshop, Ghana for USAID- ETP Program

The two-weeks workshop, co-sponsored by the USAID-ETP, USAID Ghana Mission, UST, Volta River Authority (VRA), and Electricity Corporation of Ghana (ECG), was attended by 48 participants from utilities (VRA, ECG), Ministry of Energy and Mines, UST, and electricity consumers such as oil refineries, gold mines, and other mining businesses. **1995 Energy**

1995 Energy Conservation Seminar, San Francisco for USAID- ETP Program

Dr. Gupta organized and conducted a six week IRP training program for twenty four energy professionals from five countries. Most participants were exposed to decision making techniques for the first time, but the course enabled them to tackle a case study with multiple objectives and many sources of uncertainty.

1993 Energy Conservation Plan Guam Power Authority (GPA)

A comprehensive DSM plan was prepared for GPA including formation of an advisory group to encourage citizen participation. The plan was accepted by the regulatory agency.

1983- 1990 Research Management of Electric Utility Planning Tools- EPRI

Dr. Gupta directed Utility Planning Methods Center of EPRI to plan, execute, and market two research programs: utility strategic planning methodologies and fuel and operations management. Well-known software such as MIDAS for integrated resource planning under uncertainty and innovative DSM options such as PRISM (Priority Service Methodology) were developed to address the issues of utility fuel planning, strategic planning, and integrated resource planning.

1980- Research Management of DSM and Demand Forecasting Tools, EPRI

1983 Dr. Gupta managed a \$4 million (annual) Demand and Conservation program for EPRI, which included more than 25 projects on load forecasting and demand-side management. This effort led to development of internationally well-known software such as REEPS, COMMEND, HELM, COGEN, RETOU, FORECAST, MASTER, and INDEPTH.

1976- Demand-Side Management Planning, Southern California Edison Company

1980 Dr. Gupta prepared the first Southern California Edison report on the cost-effectiveness of DSM options and the DSM Plan. He designed and evaluated a two-year, 2,000-customer pilot DSM program to determine the cost-effectiveness of direct load control of central air conditioners for Southern California Edison. He played an active part in the development of Southern California Edison patented DSM technology, Demand Subscription Service. Dr. Gupta also chaired the interdepartmental Load Management Technology Assessment Committee for Southern California Edison.

- 1972- Sales and Demand Forecasting Models, Southern California Edison Company**
1976 Dr. Gupta developed computerized load forecasting methodologies for Southern California Edison. He served as an expert witness on behalf of Southern California Edison at public hearings conducted by the California Energy Commission and the Public Utilities Commission related to demand forecasts.

SELECTED PUBLICATIONS

PH.D. Dissertation

Statistical and Stochastic Methods for Peak Demand Forecasting in Electric Utility Systems, Ph.D. Thesis, Purdue University, June 1969.

Books and Book Chapters

1. *Applications of Option Valuation Technologies to Utility Decision Making: A Case Study with New England Power Service*. 1994. Electric Power Research Institute, TR 104579, Project 758102, Final Report.
2. *Strategic Management and Planning for the Electric Utility Industry* (with J. Plummer and E. Oatman; Eds.). 1986. Englewood Cliffs, NJ, Prentice Hall.
3. Adaptive Short-Term Forecasting of Hourly Loads using Weather Information. [?] Chapter 4 in *Comparative Models for Electric Load Forecasting*. Edited by D.W. Dunn and E.D. Farmer. 1985. John Wiley and Sons, England.
4. Ten Propositions in Modeling Industrial Electricity Demand. [?] 1985. *Forecasting U.S.A. Electricity Demand: Trends and Methodology*. Edited by A.M. Bolet, Energy Policy Series. Columbus, Ohio: Waterview Press.

PROFESSIONAL AFFILIATIONS AND HONORS

- Registered Profession Engineer in California 1975-85
- Board member of the International Association of Business Forecasters (1988- 1990)
- Invited Guest of the National Academy of Sciences, USSR, 1988
- Member of the U.S. Delegation to the International Task Force on Utility Planning, IIASA, Vienna, Austria, June, 1987
- Lifetime Senior Member of the Institute for Electrical and Electronics Engineers (IEEE)

25 March 2016

TO: PCE Board of Directors

FROM: Jeff Aalfs, Council Member, Portola Valley

To my fellow Board Members,

First of all, I want to thank all of you for your efforts this past year. It's been a real joy working with you, and I'm excited about the environmental, economic, and social benefits we will be bringing to San Mateo County. To that end, I am asking you to consider me as a candidate for Vice Chair of Peninsula Clean Energy's Board of Directors.

As you've probably noticed, I am very passionate about the work we're doing. In my "day job", I work as an Energy Efficiency Consultant. I have worked with IOUs on behalf of customers, and seen firsthand the challenges of pursuing incentives for energy efficiency and other demand-side savings. I am convinced that PCE can do more for our ratepayers in this area, and I want to make sure that our programs are as good as any offered in the United States.

I also do a lot of work with energy codes and standards, mostly participating in advisory committees. Again, the process of developing mature energy codes can be challenging, and at times confusing, but the results are crucial to our ability to deliver value to our ratepayers, while helping to address climate change. While we have a clear mandate to maximize PCE's ultimate use of renewables, it's important to remember that the energy we don't use is just as valuable, and often more affordable, than the clean energy we will bring to our ratepayers. I want to make sure that both of these objectives are pursued vigorously and effectively.

I pride myself on being "relentlessly curious" regarding new subjects, and on learning technical information well enough to explain it clearly in non-technical language. I think it's important to foster thorough discussion of our key challenges, but I also respect your time as Board Members. I think our agendas and staff reports can be used to focus the Board's time and attention on the central issues facing us. In getting to know many of you, I know that, like me, this is one of your many public duties; I'm willing and able to devote my time and attention to understanding PCE's needs and relaying them to you concisely, so that we can arrive as a group at the best possible decisions for the organization.

Please do not hesitate to contact me with questions or concerns.

Best Regards,

Jeff Aalfs



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: March 25, 2016
BOARD MEETING DATE: March 31, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Joint Powers Board
FROM: Jim Eggemeyer, Director, Office of Sustainability, County of San Mateo
SUBJECT: Adopt the Peninsula Clean Energy Implementation Plan

RECOMMENDATION:

Adopt the Peninsula Clean Energy Implementation Plan

BACKGROUND:

California Assembly Bill 117 (2002)—the enabling legislation for Community Choice Aggregation Programs in California—requires all Community Choice Aggregation programs to file an implementation plan with the California Public Utilities Commission (CPUC). This plan must be adopted at a public hearing and certified by the CPUC before a Community Choice Aggregation program can begin service.

AB 117 lists the required elements for the implementation plan, which includes:

- An organizational structure of the program, its operations, and its funding
- Rate-setting and other costs to participants
- Provisions for disclosure and due process in setting rates and allocating costs among participants
- Methods for entering and terminating agreements with other entities
- Rights and responsibilities of program participants
- Provisions for the termination of program
- Description of third parties that will be supplying electricity under the program

The County's Office of Sustainability (OOS) recognized the need to elicit stakeholder feedback on the key elements of the implementation plan before bringing a draft to your Board. Therefore, the OOS extended its agreement with Pacific Energy Advisors (PEA) to assist with development of a draft plan. PEA presented on the content and purpose of the implementation plan at the November 2015 and January 2016 Peninsula Clean

Energy Advisory Committee (Advisory Committee) meetings. Based on feedback from members of the Advisory Committee and the public, the OOS and PEA developed a draft plan and presented it to the Advisory Committee in February 2016.

On March 24, 2016, your Board received a draft implementation plan and presentation from PEA which reflected comments and recommendations from the Advisory Committee. After hearing further comments and feedback from your Board, PEA revised the plan accordingly and has now released a final version of the document.

DISCUSSION:

The OOS worked with PEA to develop the Peninsula Clean Energy implementation plan (Attachment A) using a template plan supplied by the CPUC. Although most of the language in the plan is standard, there are a number of ‘decision points’ that will serve as guidelines for how PCE operates and serves its customers. The OOS has made recommendations on these decisions points, based on comments from the Advisory Committee. A summary of the key recommendations are listed as follows:

- Financing plan: Start-up funding will be provided by a loan from the County of San Mateo and a bank credit facility; Start-up costs will be fully recovered through rates within the first several years of operation
- Program phase-in: Service will be rolled-out to customers in three phases over a one year period; PCE will offer an “early adopter” program for customers who are designated to be in Phases 2 or 3 but wish to be in Phase 1
- Load forecast and resource plan: PCE’s initial resource mix will include a renewable energy content of at least 50%, which will incrementally increase; PCE will offer an additional, voluntary 100% renewable energy option; PCE will invest in demand reduction measures to reduce customer energy costs; PCE will invest in local infrastructure, projects and energy programs
- Ratesetting: PCE’s goal will be to offer competitive rates and ensure rate stability and revenue sufficiency; Rate structure will be similar to that of the incumbent utility (PG&E)
- Electric supply procurement process: PCE will choose an energy provider based on a competitive solicitation process; Final supplier selection will be made by your Board

The implementation plan (Attachment A) highlights each of these decision points for your Board’s consideration. It should be noted that the implementation plan is flexible and does not commit PCE to the decision points outlined above; in the future, your Board may change certain elements depending on the changing energy demands or other needs.

FISCAL IMPACT:

There will be no fiscal impact.

ATTACHMENT

A. Peninsula Clean Energy Implementation Plan

PENINSULA CLEAN ENERGY

DRAFT COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT

March 2016

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CHAPTER 1 – Introduction

The Peninsula Clean Energy Authority (“PCEA”) is a public agency located within the geographic boundaries of San Mateo County, formed for the purposes of implementing a community choice aggregation (“CCA”) program (the “PCE Program” or “PCE”). Member Agencies of the PCEA include the twenty (20) municipalities located within the County of San Mateo (“County”) as well as the unincorporated areas of the County (together, the “Members”), all of which have elected to allow the PCEA to provide electric generation service within their respective jurisdictions. Currently, the following Members have elected to join the PCEA:

Town of Atherton	City of Millbrae
City of Belmont	City of Pacifica
City of Brisbane	City of Portola Valley
City of Burlingame	City of Redwood City
Town of Colma	City of San Bruno
City of Daly City	City of San Carlos
City of East Palo Alto	City of San Mateo
City of Foster City	City of South San Francisco
City of Half Moon Bay	Town of Woodside
Town of Hillsborough	Unincorporated San Mateo County
City of Menlo Park	

This Implementation Plan and Statement of Intent (“Implementation Plan”) describes the PCEA’s plans to implement a voluntary CCA program for electric customers within the jurisdictional boundaries of its Member Agencies that currently take bundled electric service from Pacific Gas and Electric Company (“PG&E”). The PCE Program will give electricity customers the opportunity to join together to procure electricity from competitive suppliers, with such electricity being delivered over PG&E’s transmission and distribution system. The planned start date for the Program is October 1, 2016 (subject to the final review and approval of the PCEA Governing Board). All current PG&E customers within the PCEA service area will receive information describing the PCE Program and will have multiple opportunities to express their desire to remain full requirement (“bundled”) customers of PG&E, in which case they will not be enrolled. Thus, participation in the PCE Program is completely voluntary; however, customers, as provided by law, will be automatically enrolled according to the anticipated phase-in schedule later described in Chapter 5 unless they affirmatively elect to opt-out.

Implementation of PCE will enable customers within PCEA’s service area to take advantage of the opportunities granted by Assembly Bill 117 (“AB 117”), the Community Choice Aggregation Law. The PCEA’s primary objectives in implementing this Program are to provide cost competitive electric services; reduce electric sector greenhouse gas emissions within the County; stimulate and sustain the local economy by developing local jobs in renewable energy and energy

efficiency; implement energy efficiency and demand reduction programs; and develop long-term rate stability and energy reliability for residents through local control. The prospective benefits to consumers include a substantial increase in renewable energy supply, stable and competitive electric rates, public participation in determining which technologies are utilized to meet local electricity needs, and local/regional economic benefits.

To ensure successful operation of the Program, the PCEA will receive assistance from experienced energy suppliers and contractors in providing energy services to Program customers. Following a competitive solicitation process and subsequent contract negotiations (which are expected to occur during the months of April, May and June 2016), one or more qualified energy services providers will be selected to support PCE implementation, providing requisite energy products and scheduling coordinator services to meet the electric energy requirements of PCE's initial customer phase. Information regarding the anticipated solicitation process for PCE's initial energy services providers is contained in Chapter 10. As planned, final selection of PCE's initial energy supplier(s) will be made by the PCEA Board following administration of the aforementioned solicitation process and related contract negotiations.

The PCEA's Implementation Plan reflects a collaborative effort among the PCEA, its Members, the PCE Advisory Committee and members of the public to bring the benefits of competition and choice to residents and businesses within the Member communities. By exercising its legal right to form a CCA Program, PCEA will enable its Members' constituents to access the competitive market for energy products and services for purposes of obtaining access to increased clean energy supplies and resultant reductions in GHG emissions. Absent action by the PCEA and its individual Members, most customers would have no ability to choose an electric supplier and would remain captive customers of the incumbent utility.

The California Public Utilities Code provides the relevant legal authority for the PCEA to become a Community Choice Aggregator and invests the California Public Utilities Commission ("CPUC" or "Commission") with the responsibility for establishing the cost recovery mechanism that must be in place before customers can begin receiving electrical service through the PCE Program. The CPUC also has responsibility for registering the PCEA as a Community Choice Aggregator and ensuring compliance with basic consumer protection rules. The Public Utilities Code requires that an Implementation Plan be adopted at a duly noticed public hearing and that it be filed with the Commission in order for the Commission to determine the cost recovery mechanism to be paid by customers of the Program in order to prevent shifting of costs to bundled customers of the incumbent utility.

On **March 31, 2016**, the PCEA, at a duly noticed public hearing, considered and adopted this Implementation Plan, through PCEA Resolution No. **_____** (a copy of which is included as part of Appendix A). The Commission has established the methodology that will be used to determine the cost recovery mechanism, and PG&E now has approved tariffs for imposition of the cost recovery mechanism. Finally, each of the PCEA's Members has adopted an ordinance to implement a CCA program through its participation in the PCEA, and each of the Members has

adopted a resolution permitting the PCEA to provide service within its jurisdiction.¹ With each of these milestones having been accomplished, PCE now submits this Implementation Plan to the CPUC. Following the CPUC's certification of its receipt of this Implementation Plan and resolution of any outstanding issues, the PCEA will take the final steps needed to register as a CCA prior to initiating the customer notification and enrollment process.

Organization of this Implementation Plan

The content of this Implementation Plan complies with the statutory requirements of AB 117. As required by PU Code Section 366.2(c)(3), this Implementation Plan details the process and consequences of aggregation and provides PCEA's statement of intent for implementing a CCA program that includes all of the following:

- Universal access;
- Reliability;
- Equitable treatment of all customer classes; and
- Any requirements established by state law or by the CPUC concerning aggregated service.

The remainder of this Implementation Plan is organized as follows:

- Chapter 2: Aggregation Process
- Chapter 3: Organizational Structure
- Chapter 4: Startup Plan and Funding
- Chapter 5: Program Phase-In
- Chapter 6: Load Forecast and Resource Plan
- Chapter 7: Financial Plan
- Chapter 8: Ratesetting
- Chapter 9: Customer Rights and Responsibilities
- Chapter 10: Procurement Process
- Chapter 11: Contingency Plan for Program Termination
- Appendix A: PCEA Resolution Approving Implementation Plan and Member Ordinances
- Appendix B: Joint Powers Agreement

The requirements of AB 117 are cross-referenced to Chapters of this Implementation Plan in the following table.

¹ Copies of individual ordinances adopted by PCEA's Members are included within Appendix A.

AB 117 Cross References

AB 117 REQUIREMENT	IMPLEMENTATION PLAN CHAPTER
Statement of Intent	Chapter 1: Introduction
Process and consequences of aggregation	Chapter 2: Aggregation Process
Organizational structure of the program, its operations and funding	Chapter 3: Organizational Structure Chapter 4: Startup Plan and Funding Chapter 7: Financial Plan
Disclosure and due process in setting rates and allocating costs among participants	Chapter 8: Ratesetting
Ratesetting and other costs to participants	Chapter 8: Ratesetting Chapter 9: Customer Rights and Responsibilities
Participant rights and responsibilities	Chapter 9: Customer Rights and Responsibilities
Methods for entering and terminating agreements with other entities	Chapter 10: Procurement Process
Description of third parties that will be supplying electricity under the program, including information about financial, technical and operational capabilities	Chapter 10: Procurement Process
Termination of the program	Chapter 11: Contingency Plan for Program Termination

Introduction

This chapter describes the background leading to the development of this Implementation Plan and describes the process and consequences of aggregation, consistent with the requirements of AB 117.

Beginning in late 2014, the County began investigating formation of a CCA Program, pursuant to California state law, with the following objectives: 1) provide cost competitive electric services; 2) reduce greenhouse gas emissions related to the use of electric power within the County; 3) develop long-term rate stability and energy reliability for residents through local control; and 4) stimulate and sustain the local economy by developing local jobs in renewable energy. A technical feasibility study for a CCA Program serving the County was completed in October 2015 and an independent review of the study was completed thereafter in February 2016.

After nearly a year of collaborative work by representatives of the participating municipalities, independent consultants, the PCE Advisory Committee, local experts and stakeholders, the County released a draft Implementation Plan in February 2016, which described the planned organization, governance and operation of the CCA Program. Consistent with the Implementation Plan's described organizational structure, the PCEA was formed in January 2016 to implement the PCE Program.

The PCE Program represents a culmination of planning efforts that are responsive to the expressed needs and priorities of the citizenry and business community within San Mateo County. The PCEA plans to expand the energy choices available to eligible customers through creation of innovative new programs for voluntary purchases of renewable energy, net energy metering to promote customer-owned renewable generation, energy efficiency, demand responsiveness to promote reductions in peak demand, customized pricing options for large energy users, and support of local renewable energy projects through the eventual offering of a standardized power purchasing agreement or "feed-in-tariff".

Process of Aggregation

Before customers are enrolled in the Program, customers will receive two written notices in the mail, from the PCEA, that will provide information needed to understand the Program's terms and conditions of service and explain how customers can opt-out of the Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled, and service will begin at their next regularly scheduled meter read date at least thirty days following the date of automatic enrollment, subject to the service phase-in plan described in Chapter 5. The initial enrollment notices will be provided to the first phase of customers in July 2016. Initial enrollment notices will be provided to subsequent customer phases consistent with statutory requirements and based on schedule(s) determined by PCE's Board of Directors. These notices will be sent to customers in subsequent phases beginning 90 to 105 days prior to commencement of service (or twice within 60 days of automatic enrollment).

Customers enrolled in the PCE Program will continue to have their electric meters read and to be billed for electric service by the distribution utility (PG&E). The electric bill for Program customers will show separate charges for generation procured by the PCEA as well as other charges related to electricity delivery and other utility charges assessed by PG&E.

After service cutover, customers will have approximately 60 days (two billing cycles) to opt-out of the PCE Program without penalty and return to the distribution utility (PG&E). PCE customers will be advised of these opportunities via the distribution of two additional enrollment notices provided within the first two months of service. Customers that opt-out between the initial cutover date and the close of the post enrollment opt-out period will be responsible for program charges for the time they were served by PCE but will not otherwise be subject to any penalty for leaving the program. Customers that have not opted-out within thirty days of the fourth enrollment notice will be deemed to have elected to become a participant in the PCE Program and to have agreed to the PCE Program's terms and conditions, including those pertaining to requests for termination of service, as further described in Chapter 8.

Consequences of Aggregation

Rate Impacts

PCE Customers will pay the generation charges set by the PCEA and no longer pay the costs of PG&E generation. Customers enrolled in the Program will be subject to the Program's terms and conditions, including responsibility for payment of all Program charges as described in Chapter 9.

The PCEA's rate setting policies described in Chapter 7 establish a goal of providing rates that are competitive with the projected generation rates offered by the incumbent distribution utility (PG&E). The PCEA will establish rates sufficient to recover all costs related to operation of the Program, and actual rates will be adopted by the PCEA's governing board.

Initial PCE Program rates will be established following approval of the PCEA's inaugural program budget, reflecting final costs from the PCE Program's energy supplier(s). The PCEA's rate policies and procedures are detailed in Chapter 7. Information regarding final PCE Program rates will be disclosed along with other terms and conditions of service in the pre-enrollment and post-enrollment notices sent to potential customers.

Once the PCEA gives definitive notice to PG&E that it will commence service, PCE customers will generally not be responsible for costs associated with PG&E's future electricity procurement contracts or power plant investments. Certain pre-existing generation costs and new generation costs that are deemed to provide system-wide benefits will continue to be charged by PG&E to CCA customers through separate rate components, called the Cost Responsibility Surcharge and the New System Generation Charge. These charges are shown in PG&E's electric service tariffs,

which can be accessed from the utility's website, and the costs are included in charges paid by both PG&E bundled customers as well as CCA and Direct Access customers.²

Renewable Energy Impacts

A second consequence of the Program will be an increase in the proportion of energy generated and supplied by renewable resources. The resource plan includes procurement of renewable energy sufficient to meet a minimum 50 percent of the PCE Program's electricity needs for all enrolled customers, increasing annually thereafter, subject to economic and operational constraints. PCE customers may also voluntarily participate in a 100 percent renewable supply option. To the extent that customers choose PCE's 100 percent renewable energy option, the renewable content of PCE's aggregate supply portfolio will be even greater. Initially, requisite renewable energy supply will be sourced through one or more power purchase agreements. Over time, however, the PCEA may consider independent development of new renewable generation resources, subject to then-current considerations (such as development costs, regulatory requirements and other concerns). The PCEA will emphasize procurement from locally situated renewable energy projects to the greatest extent practical.

Energy Efficiency Impacts

A third consequence of the Program will be an anticipated increase in energy efficiency program investments and activities. The existing energy efficiency programs administered by the distribution utility are not expected to change as a result of PCE Program implementation. CCA customers will continue to pay the public benefits surcharges to the distribution utility, which will fund energy efficiency programs for all customers, regardless of generation supplier. The energy efficiency investments ultimately planned for the PCE Program, as described in Chapter 6, will be in addition to the level of investment that would continue in the absence of the PCE Program. Thus, the PCE Program has the potential for increased energy savings and a further reduction in emissions due to expanded energy efficiency programs. As planned, PCE will apply for administration of requisite program funding from the CPUC to independently administer energy efficiency programs within its jurisdiction.

² For PG&E bundled service customers, the Power Charge Indifference Adjustment element of the Cost Responsibility Surcharge is contained within the tariffed Generation rate. Other elements of the Cost Responsibility Surcharge are set forth in PG&E's tariffs as separate rate charges paid by all customers (with limited exceptions).

CHAPTER 3 – Organizational Structure

This section provides an overview of the organizational structure of the PCEA and its proposed implementation of the CCA program. Specifically, the key agreements, governance, management, and organizational functions of the PCEA are outlined and discussed below.

Organizational Overview

The PCE Program will have a governing board that establishes PCE Program policies and objectives; management that is responsible for operating the PCE Program in accordance with such policies, and contractors that will provide energy and other specialized services necessary for PCE Program operations.

Governance

The PCE Program would be governed by the PCEA’s Board of Directors (“Board”), which shall include one appointed designee from each of the Members. The PCEA is a joint powers agency created in January 2016 and formed under California law. The Members of the PCEA include the twenty (20) municipalities located within the County as well as the unincorporated areas of the County, all of which have elected to allow the PCEA to provide electric generation service within their respective jurisdictions. The PCEA is the CCA entity that will register with the CPUC, and it is responsible for implementing and managing the program pursuant to the PCEA’s Joint Powers Agreement (“JPA Agreement”). The PCEA Board is comprised of representatives appointed by each of the Members in accordance with the JPA agreement. The PCE Program will be operated under the direction of a Chief Executive Officer (“CEO”) appointed by the Board, with legal and regulatory support provided by a Board appointed General Counsel.

The Board’s primary duties will be to establish program policies, approve rates and provide policy direction to the CEO, who will have general responsibility for program operations, consistent with the policies established by the Board. The Board will establish a Chairman and other officers from among its membership and may establish an Executive Committee and other committees and sub-committees as needed to address issues that require greater expertise in particular areas (e.g., finance or contracts). The PCEA may also form various standing and ad hoc committees, as appropriate, which would have responsibility for evaluating various issues that may affect the PCEA and its customers, including rate-related and power contracting issues, and would provide analytical support and recommendations to the Board in these regards.

Management

The CEO may be a person or an operating entity. The CEO could be an employee of the PCEA, an individual under contract with the PCEA, a public agency, a private entity, or any other person or organization so designated by the Board. The Board will be responsible for evaluating and managing the CEO’s performance.

The CEO will have management responsibilities over the functional areas of Resource Planning, Electric Supply, Local Energy Programs, Finance and Rates, Customer Services and Regulatory Affairs. In performing his or her obligations to the PCEA, the CEO may utilize a combination of internal staff and/or contractors. Certain specialized functions needed for program operations, namely the electric supply and customer account management functions described below, will be performed initially by experienced third-party contractors.

Major functions of the PCEA that will be managed by the CEO are summarized below.

Resource Planning

The PCEA must plan for meeting the electricity needs of its customers utilizing resources consistent with its policy goals and objectives as well as applicable legislative and/or regulatory mandates. The CEO will oversee development of long term resource plans under the policy guidance provided by the Board and in compliance with California Law and other requirements of California regulatory bodies.

Long-term resource planning includes load forecasting and supply planning on a ten- to twenty-year time horizon. The PCEA will develop integrated resource plans that meet program supply objectives and balance cost, risk and environmental considerations. Such integrated resource plans will also conform to applicable requirements imposed by the State of California. Integrated resource planning efforts of the PCEA will make maximum use of demand side energy efficiency, distributed generation and demand response programs as well as traditional supply options, which rely on structured wholesale transactions to meet customer energy requirements. The PCE Program will require an independent planning function even if the day-to-day electric supply operations are contracted to a third party energy supplier. Resource plans will be updated and adopted by the Board on an annual basis.

Electric Supply Operations

Electric supply operations encompass the activities necessary for wholesale procurement of electricity to serve end use customers. These highly specialized activities include the following:

- *Electricity Procurement* – assemble a portfolio of electricity resources to supply the electric needs of Program customers.
- *Risk Management* – application of standard industry techniques to reduce exposure to the volatility of energy and credit markets and insulate customer rates from sudden changes in wholesale market prices.
- *Load Forecasting* – develop accurate load forecasts, both long-term for resource planning and short-term for the electricity purchases and sales needed to maintain a balance between hourly resources and loads.
- *Scheduling Coordination* – scheduling and settling electric supply transactions with the CAISO.

The PCEA will initially contract with one or more experienced and financially sound third party energy services providers to perform most of the electric supply operations for the PCE Program. These requirements include the procurement of energy, capacity and ancillary services, scheduling coordinator services, short-term load forecasting and day-ahead and real-time electricity trading. Longer term energy procurement and generation project development will be managed by the CEO.

Local Energy Programs

A key focus of the PCE Program will be the development and implementation of local energy programs, including energy efficiency programs, distributed generation programs and other energy programs responsive to community interests. The CEO will be responsible for further development of these programs, as these are likely to be implemented on a phased basis during the first several years of operations.

The PCEA will administer energy efficiency, demand response and distributed generation programs that can be used as cost-effective alternatives to procurement of supply-side resources while supporting the local economy. The PCEA will attempt to consolidate existing demand side programs into this organization and leverage the structure to expand energy efficiency offerings to customers throughout its service territory, including the CPUC application process for third party administration of energy efficiency programs and use of funds collected through the existing public benefits surcharges paid by PCE customers.

Finance and Rates

The CEO will be responsible for managing the financial affairs of the PCEA, including the development of an annual budget, revenue requirement and rates; managing and maintaining cash flow requirements; arranging potential bridge loans as necessary; and other financial tools.

The Board of Directors has the ultimate responsibility for approving the electric generation rates for the PCE Program's customers. The CEO, in cooperation with staff and appropriate advisors, consultants and committees of the Board will be responsible for developing proposed rates and options for the Board to consider before finalization. The final approved rates must, at a minimum, meet the annual budgetary revenue requirement developed by the CEO, including recovery of all expenses and any reserves or coverage requirements set forth in bond covenants or other agreements. The Board will have the flexibility to consider rate adjustments within certain ranges, provided that the overall revenue requirement is achieved. The PCEA will administer a standardized set of electric rates and may offer optional rates to encourage policy goals such as economic development or low income subsidy programs.

The PCEA may also offer customized pricing options such as dynamic pricing or contract-based pricing for energy intensive customers to help these customers gain greater control over their energy costs. This would provide such customers – mostly larger energy users within the commercial sector – with a greater range of power options than is currently available.

The PCEA's finance function will be responsible for arranging financing necessary for any capital projects, preparing financial reports, and ensuring sufficient cash flow for successful operation of the PCE Program. The finance function will play an important role in risk management by monitoring the credit of energy suppliers so that credit risk is properly understood and mitigated. In the event that changes in a supplier's financial condition and/or credit rating are identified, the PCEA will be able to take appropriate action, as would be provided for in the electric supply agreement(s). The Finance function establishes general credit policies that the PCE Program must follow.

Communications and Customer Services

The customer services function includes general program marketing and communications as well as direct customer interface ranging from management of key account relationships to call center and billing operations. The PCEA will conduct program marketing to raise consumer awareness of the PCE Program and to establish the PCE "brand" in the minds of the public, with the goal of retaining and attracting as many customers as possible into the PCE Program. Communications will also be directed at key policy-makers at the state and local level, community business and opinion leaders, and the media.

In addition to general program communications and marketing, a significant focus on customer service, particularly representation for key accounts, will enhance the PCEA's ability to differentiate itself as a highly customer-focused organization that is responsive to the needs of the community. The PCEA will also establish a customer call center designed to field customer inquiries and routine interaction with customer accounts.

The customer service function also encompasses management of customer data. Customer data management services include retail settlements/billing-related activities and management of a customer database. This function processes customer service requests and administers customer enrollments and departures from the PCE Program, maintaining a current database of enrolled customers. This function coordinates the issuance of monthly bills through the distribution utility's billing process and tracks customer payments. Activities include the electronic exchange of usage, billing, and payments data with the distribution utility and the PCEA, tracking of customer payments and accounts receivable, issuance of late payment and/or service termination notices (which would return affected customers to bundled service), and administration of customer deposits in accordance with credit policies of the PCEA.

The customer data management services function also manages billing-related communications with customers, customer call centers, and routine customer notices. The PCEA will initially contract with a third party, who has demonstrated the necessary experience and administers appropriate computer systems (customer information system), to perform the customer account and billing services functions.

Legal and Regulatory Representation

The PCE Program will require ongoing regulatory representation to manage various regulatory compliance filings related to resource plans, resource adequacy, compliance with California's Renewables Portfolio Standard ("RPS"), and overall representation on issues that will impact the PCEA, its Members and customers. The PCEA will maintain an active role at the CPUC, the California Energy Commission, the California Independent System Operator, the California legislature and, as necessary, the Federal Energy Regulatory Commission.

Under the direction of its General Counsel, the PCEA will retain outside legal services, as necessary, to administer the PCEA, review contracts, and provide overall legal support related to activities of the PCE Program.

CHAPTER 4 – Startup Plan and Funding

This Chapter presents the PCEA's plans for the start-up period, including the necessary expenses and capital outlays, which will commence once the CPUC certifies its receipt of this Implementation Plan. As described in the previous Chapter, the PCEA may utilize a mix of staff and contractors in its CCA Program implementation.

Startup Activities

The initial program startup activities include the following:

- Hire staff and/or contractors to manage implementation
- Identify qualified suppliers (of requisite energy products and related services) and negotiate supplier contracts
 - Electric supplier and scheduling coordinator
 - Data management provider (if separate from energy supply)
- Define and execute communications plan
 - Customer research/information gathering
 - Media campaign
 - Key customer/stakeholder outreach
 - Informational materials and customer notices
 - Customer call center
- Post CCA bond and complete requisite registration requirements
- Pay utility service initiation, notification and switching fees
- Perform customer notification, opt-out and transfers
- Conduct load forecasting
- Establish rates
- Legal and regulatory support
- Financial management and reporting

Other costs related to starting up the PCE Program will be the responsibility of the PCE Program's contractors (and are assumed to be covered by any fees/charges imposed by such contractors). These include capital requirements needed for collateral/credit support for electric supply expenses, customer information system costs, electronic data exchange system costs, call center costs, and billing administration/settlements systems costs.

Staffing and Contract Services

Personnel in the form of PCEA staff or contractors will be added incrementally to match workloads involved in forming the new organization, managing contracts, and initiating customer outreach/marketing during the pre-operations period. During the startup period, minimal personnel requirements would include a CEO, a General Counsel, and other personnel needed to support regulatory, procurement, finance, legal and communications activities.

For budgetary purposes, it is assumed that eight full-time equivalents (staff or contracted professional services) supporting the above listed activities would be engaged during the initial start-up period. Following this period, additional staff and/or contractors will be retained to support the roll-out of additional value-added services (e.g., efficiency projects) and local generation projects and programs.

Capital Requirements

The Start-up of the CCA Program will require capital for three major functions: (1) staffing and contractor costs; (2) deposits and reserves; and (3) working capital. Each of these functions and associated capital requirements are discussed below. The finance plan in Chapter 7 provides a more detailed discussion of the capital requirements and Program finances.

Staffing and contractor costs during startup and pre-startup activities are estimated to be approximately \$2.2 million, including direct costs related to public relations support, technical support, and customer communications. Actual costs may vary depending upon how PCE manages its start-up activities and the degree to which some or most of these start-up activities are performed by the selected energy services provider rather than by PCE.

Requisite deposits and operating reserves of the PCE program are estimated to approximate \$6.7 million and include the following items: 1) operating reserves to address anticipated cash flow variations (as well as operating reserve deposits that will likely be required by the PCEA's power supplier(s)) - \$6.1 million; 2) requisite deposit with the California Independent System Operator prior to commencing market operations - \$500,000; 3) CCA bond (posted with the CPUC) - \$100,000; and 4) PG&E service fee deposit - \$30,000.

Operating revenues from sales of electricity will be remitted to the PCEA beginning approximately sixty days after the initial customer enrollments. This lag is due to the distribution utility's standard meter reading cycle of 30 days and a 30 day payment/collections cycle. The PCEA will need working capital to support electricity procurement and costs related to program management, which will be included in the financing program associated with start-up funding. As discussed in Chapter 7, the initial working capital requirement is estimated at \$4.6 million.

Therefore, the total staffing and contractor costs, applicable deposits and working capital costs are expected to be approximately \$13.5 million. These are costs that ultimately will be collected through PCE Program rates; however, some of these costs will be incurred prior to the PCEA selling its first kWh of electricity and will require financing.

Financing Plan

The majority of anticipated start-up funding (approximately \$12 million) will be provided to the PCEA via a bank credit facility that can be drawn upon as needed to cover expenditures; the balance of requisite start-up funding (\$1.5 million) has been provided by the County and the PCEA will make monthly repayments (including interest) to the County over a thirty-six month

term starting in January 2017. The PCEA will recover the principal and interest costs associated with the start-up funding via retail generation rates charged PCE customers. It is anticipated that the start-up costs will be fully recovered through such customer generation rates within the first several years of operations.

The PCEA will roll out its service offering to customers over the course of three or more phases:

- Phase 1. All municipal accounts, all small and medium commercial accounts, 20 percent of residential accounts, and all customer accounts that have voluntarily expressed interest in Phase 1 enrollment.
- Phase 2. All large commercial and industrial accounts as well as 35 percent of residential accounts.
- Phase 3. All agricultural and street lighting accounts as well as the remaining 45 percent of residential accounts.
- Phase 4. Any remaining accounts, if necessary.

This approach provides the PCEA with the ability to initiate its program with sufficient economic scale and with a manageable number of accounts served, before gradually building to full program integration for an expected customer base of approximately 257,000 accounts. This approach also allows the PCEA and its energy supplier(s) to address all system requirements (billing, collections, payments) under a phase-in approach to minimize potential customer service challenges as well as exposure to uncertainty and financial risk. The PCEA will offer service to all customers on a phased basis expected to be completed within twelve months of initial service to Phase 1 customers.

Phase 1 of the Program is targeted to begin on or about October 1, 2016, subject to a decision to proceed by the Board. During Phase 1, the PCEA anticipates serving approximately 68,000 accounts, comprised of all municipal accounts, small and medium commercial accounts, and a certain portion of residential accounts, totaling nearly 1,185 GWh of annual energy sales. The PCEA is currently refining the potential composition of Phase 1 accounts in consideration of opportunities for maximizing energy efficiency and renewable energy impacts, synergies with local ordinances and other customer programs such as a municipally financed solar program, cost of service and customer load characteristics, and other operational considerations. Specific accounts to be included in Phase 1 will approximate 35 percent of the PCEA's total customer load and will be specifically defined after further analysis and consideration of the Board.

The PCEA will provide the opportunity for any future PCE customer to make a positive election to enroll in Phase 1, even if that customer is not initially scheduled to be offered service during Phase 1. This early enrollment period will open around April 2016 and close at the end of June 2016, prior to the execution of PCE's initial electric power supply contract(s). Depending on the level of early enrollment interest for Phase 1, the PCEA could choose to offer an additional early enrollment period prior to the launch of Phase 2.

Phase 2 of the Program will commence following successful operation of the PCE Program over an approximate 6-month term. It is anticipated that approximately 82,000 additional customers, comprised of large commercial, industrial and additional residential accounts, will be included in Phase 2, with annual energy consumption of approximately 1,570 GWh, or 47 percent of the PCEA's total prospective customer load.

Following this initial operating period, expected to continue for no more than twelve months, the Board will commence the process of completing the CCA roll out to all remaining customers in Phase 3. This phase is expected to comprise the remaining residential accounts within the PCEA's service territory as well as all agricultural and street lighting accounts. Phase 3 is expected to total approximately 107,000 accounts with annual energy consumption of approximately 610 GWh, or 18 percent of the PCEA's total prospective customer load.

To the extent that additional customers require enrollment after the completion of Phase 3, the PCEA will evaluate a subsequent phase of CCA enrollment.

The Board may also evaluate other phase-in options based on then-current market conditions, statutory requirements and regulatory considerations as well as other factors potentially affecting the integration of additional customer accounts.

Introduction

This Chapter describes the planned mix of electric resources and demand reduction programs that will meet the energy demands of the PCEA's customers using a highly renewable, diversified portfolio of electricity supplies. Several overarching policies govern the resource plan and the ensuing resource procurement activities that will be conducted in accordance with the plan. These key policies are as follows:

- The PCEA will seek to increase use of renewable energy resources and reduce reliance on fossil-fueled electric generation.
- The PCEA will manage a diverse resource portfolio to increase control over energy costs and maintain competitive and stable electric rates.
- The PCEA will help customers reduce energy costs through investment in and administration of enhanced customer energy efficiency, distributed generation, and other demand reducing programs.
- The PCEA will benefit the area's economy through investment in local infrastructure, projects and energy programs.

The PCEA's initial resource mix will include a renewable energy content of at least 50%. As the PCE Program moves forward, incremental renewable supply additions will be made based on resource availability as well as economic goals of the PCE Program to achieve increased renewable energy content over time. The PCEA's aggressive commitment to renewable generation adoption may involve both direct investment in new renewable generating resources, partnerships with experienced public power developers/operators and purchases of renewable energy from third party suppliers.

The PCEA will seek to supply the program with local renewable resources to the greatest extent technically and economically feasible. Specific objectives will be identified in resource plans and other planning documents prepared by the PCEA.

The resource plan also sets forth ambitious targets for improving customer side energy efficiency.

The plan described in this section would accomplish the following:

- Procure energy needed to offer two generation rate tariffs: 100 percent renewable and minimum 50 percent renewable through one or more contracts with experienced, financially stable energy suppliers.
- Continue increasing minimum renewable energy supplies over time, subject to resource availability and economic viability.
- Administer customer programs to reduce net electricity purchases by 1%-2% annually.

- Encourage distributed renewable generation in the local area through the offering of a net energy metering tariff; a standardized power purchase agreement or “Feed-In Tariff”; and other creative, customer-focused programs targeting increased access to local renewable energy sources.

The PCEA will be responsible for complying with regulatory rules applicable to California load serving entities. The PCEA will arrange for the scheduling of sufficient electric supplies to meet the hour-by-hour demands of its customers. The PCEA will adhere to capacity reserve requirements established by the CPUC and the CAISO designed to address uncertainty in load forecasts and potential supply disruptions caused by generator outages and/or transmission contingencies. These rules also ensure that physical generation capacity is in place to serve the PCEA’s customers, even if there were a need for the PCE Program to cease operations and return customers to PG&E. In addition, the PCEA will be responsible for ensuring that its resource mix contains sufficient production from renewable energy resources needed to comply with the statewide RPS (33 percent renewable energy by 2020, increasing to 50 percent by 2030). The resource plan will meet or exceed all of the applicable regulatory requirements related to resource adequacy and the RPS.

Resource Plan Overview

To meet the aforementioned objectives and satisfy the applicable regulatory requirements pertaining to the PCEA’s status as a California load serving entity, PCEA’s resource plan includes a diverse mix of power purchases, renewable energy, new energy efficiency programs, demand response, and distributed generation. A diversified resource plan minimizes risk and volatility that can occur from over-reliance on a single resource type or fuel source, and thus increases the likelihood of rate stability. The ultimate goal of the PCEA’s resource plan is to minimize customer energy consumption and maximize use of renewable resources, particularly local resources, subject to economic and operational constraints. The planned power supply is initially comprised of power purchases from third party electric suppliers and, in the longer-term, may also include renewable generation assets owned and/or controlled by the PCEA.

Once the PCE Program demonstrates it can operate successfully, the PCEA may begin evaluating opportunities for investment in renewable generating assets, subject to then-current market conditions, statutory requirements and regulatory considerations. Any renewable generation owned by the PCEA or controlled under long-term power purchase agreement with a proven public power developer, could provide a portion of the PCEA’s electricity requirements on a cost-of-service basis. Depending upon market conditions and, importantly, the applicability of tax incentives for renewable energy development, electricity purchased under a cost-of-service arrangement can be more cost-effective than purchasing renewable energy from third party developers, which will allow the PCE Program to pass on cost savings to its customers through competitive generation rates. Any investment decisions will be made following thorough environmental reviews and in consultation with qualified financial and legal advisors.

As an alternative to direct investment, the PCEA may consider partnering with an experienced public power developer (the Northern California Power Agency, for example) and enter into a long-term (20-to-30 year) power purchase agreement that would support the development of new renewable generating capacity. Such an arrangement could be structured to reduce the PCE Program’s operational risk associated with capacity ownership while providing its customers with all renewable energy generated by the facility under contract. This option may be preferable to the PCEA as it works to achieve increasing levels of renewable energy supply to its customers.

The PCEA’s resource plan will integrate supply-side resources with programs that will help customers reduce their energy costs through improved energy efficiency and other demand-side measures. As part of its integrated resource plan, the PCEA will actively pursue, promote and ultimately administer a variety of customer energy efficiency programs that can cost-effectively displace supply-side resources.

The PCEA’s proposed resource plan for the years 2016 through 2025 is summarized in the following table:

Peninsula Clean Energy Proposed Resource Plan (GWH) 2016 to 2025										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PCE Demand (GWh)										
Retail Demand	-253	-2,447	-3,382	-3,399	-3,416	-3,433	-3,451	-3,468	-3,485	-3,503
Distributed Generation	0	0	3	4	6	7	9	10	12	13
Energy Efficiency	0	0	0	3	7	10	14	17	21	25
Losses and UFE	-15	-147	-203	-203	-204	-205	-206	-206	-207	-208
Total Demand	-268	-2,593	-3,582	-3,595	-3,608	-3,621	-3,633	-3,646	-3,659	-3,672
PCE Supply (GWh)										
<u>Renewable Resources</u>										
Total Renewable Resources	127	1,223	1,691	1,700	1,708	1,803	1,898	1,994	2,091	2,189
<u>Conventional Resources</u>										
Total Conventional Resources	142	1,370	1,891	1,895	1,900	1,818	1,736	1,652	1,568	1,483
Total Supply	268	2,593	3,582	3,595	3,608	3,621	3,633	3,646	3,659	3,672
Energy Open Position (GWh)	0	0	0	0	0	0	0	0	0	0

Supply Requirements

The starting point for the PCEA’s resource plan is a projection of participating customers and associated electric consumption. Projected electric consumption is evaluated on an hourly basis, and matched with resources best suited to serving the aggregate of hourly demands or the program’s “load profile”. The electric sales forecast and load profile will be affected by the PCEA’s plan to introduce the PCE Program to customers in phases and the degree to which customers choose to remain with PG&E during the customer enrollment and opt-out periods. The PCEA’s phased roll-out plan and assumptions regarding customer participation rates are discussed below.

Customer Participation Rates

Customers will be automatically enrolled in the PCE Program unless they opt-out during the customer notification process conducted during the 60-day period prior to enrollment and

continuing through the 60-day period following commencement of service. The PCEA anticipates an overall customer participation rate of approximately 85 percent of PG&E bundled service customers, based on reported opt-out rates for the Marin Clean Energy, Sonoma Clean Power and Lancaster Choice Energy CCA programs. It is assumed that customers taking direct access service from a competitive electricity provider will elect to remain with their current supplier.

The participation rate is not expected to vary significantly among customer classes, in part due to the fact that the PCEA will offer two distinct rate tariffs that will address the needs of cost-sensitive customers as well as the needs of both residential and business customers that prefer a highly renewable energy product. The assumed participation rates will be refined as the PCEA's public outreach and market research efforts continue to develop.

Customer Forecast

Once customers enroll in each phase, they will be switched over to service by the PCEA on their regularly scheduled meter read date over an approximately thirty day period. Approximately 2,276 service accounts per day will be switched over during the first month of service. For Phase 2, the number of accounts switched over to PCE service will increase to about 2,759 accounts per day. For Phase 3, the number of accounts switched over to PCE service will increase again to about 3,531 accounts per day. The number of accounts served by the PCEA at the end of each phase is shown in the table below.

Peninsula Clean Energy			
Enrolled Retail Service Accounts			
Phase-In Period (End of Month)			
	Oct-16	Apr-17	Oct-17
PCE Customers			
Residential	46,199	127,682	232,150
Small Commercial	19,808	19,907	19,907
Medium Commercial	2,288	2,299	2,299
Large Commercial	-	1,150	1,150
Industrial	-	37	37
Street Lighting & Traffic	-	-	1,236
Agricultural & Pumping	-	-	237
Total	68,295	151,075	257,016

The PCEA assumes that customer growth will generally offset customer attrition (opt-outs) over time, resulting in a relatively stable customer base (0.5% annual growth) over the noted planning horizon. While the successful operating track record of California CCA programs continues to grow, there is a relatively short history with regard to CCA operations, which makes it fairly difficult to anticipate the actual levels of customer participation within the PCE Program. The

PCEA believes that its assumptions regarding the offsetting effects of growth and attrition are reasonable in consideration of the historical customer growth within San Mateo County and the potential for continuing customer opt-outs following mandatory customer notification periods. The forecast of service accounts (customers) served by the PCEA for each of the next ten years is shown in the following table:

Peninsula Clean Energy Retail Service Accounts (End of Year) 2016 to 2025										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PCE Customers										
Residential	46,199	232,150	233,311	234,477	235,650	236,828	238,012	239,202	240,398	241,600
Small Commercial	19,808	19,907	20,006	20,106	20,207	20,308	20,410	20,512	20,614	20,717
Medium Commercial	2,288	2,299	2,311	2,322	2,334	2,346	2,357	2,369	2,381	2,393
Large Commercial	-	1,150	1,156	1,162	1,167	1,173	1,179	1,185	1,191	1,197
Industrial	-	37	37	37	38	38	38	38	38	39
Street Lighting & Traffic	-	1,236	1,242	1,248	1,255	1,261	1,267	1,274	1,280	1,286
Agricultural & Pumping	-	237	238	239	241	242	243	244	245	247
Total	68,295	257,016	258,301	259,593	260,891	262,195	263,506	264,824	266,148	267,479

Sales Forecast

The PCEA's forecast of kWh sales reflects the roll-out and customer enrollment schedule shown above. The annual electricity needed to serve the PCEA's retail customers increases from nearly 270 GWh in 2016 to approximately 3,600 GWh at full roll-out. Annual energy requirements are shown below.

Peninsula Clean Energy Energy Requirements (GWH) 2016 to 2025										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PCE Energy Requirements (GWh)										
Retail Demand	253	2,447	3,382	3,399	3,416	3,433	3,451	3,468	3,485	3,503
Distributed Generation	0	0	-3	-4	-6	-7	-9	-10	-12	-13
Energy Efficiency	0	0	0	-3	-7	-10	-14	-17	-21	-25
Losses and UFE	15	147	203	203	204	205	206	206	207	208
Total Load Requirement	268	2,593	3,582	3,595	3,608	3,621	3,633	3,646	3,659	3,672

Capacity Requirements

The CPUC's resource adequacy standards applicable to the PCE Program require a demonstration one year in advance that the PCEA has secured physical capacity for 90 percent of its projected peak loads for each of the five months May through September, plus a minimum 15 percent reserve margin. On a month-ahead basis, the PCEA must demonstrate 100 percent of the peak load plus a minimum 15 percent reserve margin.

A portion of the PCEA's capacity requirements must be procured locally, from the Greater Bay area as defined by the CAISO and another portion must be procured from local reliability areas

outside the Greater Bay Area. The PCEA would be required to demonstrate its local capacity requirement for each month of the following calendar year. The local capacity requirement is a percentage of the total (PG&E service area) local capacity requirements adopted by the CPUC based on the PCEA’s forecasted peak load. The PCEA must demonstrate compliance or request a waiver from the CPUC requirement as provided for in cases where local capacity is not available.

The PCEA is also required to demonstrate that a specified portion of its capacity meets certain operational flexibility requirements under the CPUC and CAISO’s flexible resource adequacy framework.

The estimated forward resource adequacy requirements for 2016 through 2018 are shown in the following tables³:

Peninsula Clean Energy
Forward Capacity and Reserve Requirements
(MW)
2016 to 2018

Month	2016	2017	2018
January	-	264	780
February	-	289	839
March	-	246	709
April	-	499	789
May	-	650	785
June	-	692	837
July	-	665	799
August	-	708	854
September	-	719	866
October	165	716	770
November	268	767	769
December	261	769	771

The PCEA’s plan ensures that sufficient reserves will be procured to meet its peak load at all times. The PCEA’s projected annual capacity requirements are shown in the following table:

³ The figures shown above are estimates. PCEA’s resource adequacy requirements will be subject to modification due to application of certain coincidence adjustments and resource allocations relating to utility demand response and energy efficiency programs, as well as generation capacity allocated through the Cost Allocation Mechanism. These adjustments are addressed through the CPUC’s resource adequacy compliance process.

**Peninsula Clean Energy
Capacity Requirements
(MW)
2016 to 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Demand (MW)										
Retail Demand	220	631	713	716	720	723	727	731	734	738
Distributed Generation	-	-	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Energy Efficiency	-	-	-	(1)	(1)	(2)	(3)	(4)	(4)	(5)
Losses and UFE	13	38	43	43	43	43	43	43	43	43
Total Net Peak Demand	233	669	753	755	757	759	761	763	765	767
Reserve Requirement (%)	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Capacity Reserve Requirement	35	100	113	113	114	114	114	114	115	115
Capacity Requirement Including Reserve	268	769	866	869	871	873	875	878	880	882

Local capacity requirements are a function of the PG&E area resource adequacy requirements and the PCEA's projected peak demand. The PCEA will need to work with the CPUC's Energy Division and staff at the California Energy Commission to obtain the data necessary to calculate its monthly local capacity requirement. A preliminary estimate of the PCEA's annual local capacity requirement for the ten-year planning period ranges from approximately 268 MW to 882 MW as shown in the following table:

**Peninsula Clean Energy
Local Capacity Requirements
(MW)
2016 to 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
PCE Peak (MW)	233	669	753	755	757	759	761	763	765	767
Local Capacity Requirement (% of Peak)	-	36%	36%	36%	36%	36%	36%	36%	36%	36%
Greater Bay Area Share of Local Capacity Requirement (%)	-	34%	34%	34%	34%	34%	34%	34%	34%	34%
Other PG&E Areas Share of Local Capacity Requirement (%)	-	66%	66%	66%	66%	66%	66%	66%	66%	66%
Authority Local Capacity Requirement Greater Bay (MW)	-	82	92	92	93	93	93	93	94	94
Authority Local Capacity Requirement Other PG&E (MW)	-	159	179	179	180	180	181	181	182	182
Authority Local Capacity Requirement, Total (MW)	-	241	271	272	273	273	274	275	275	276

Due to the timing of Phase 1 customer enrollment, the PCEA will not receive a 2016 local capacity requirement from the CPUC. The CPUC assigns local capacity requirements during the year prior to the compliance period; thereafter, the CPUC provides local capacity requirement true-ups for the second half of each compliance year. Therefore, since PCE does not launch until October 2016, PCE will not have a local capacity requirement until the compliance month of January 2017.

The PCEA will coordinate with PG&E and appropriate state agencies to manage the transition of responsibility for resource adequacy from PG&E to the PCEA during CCA program phase-in. For system resource adequacy requirements, the PCEA will make month-ahead showings for each month that the PCEA plans to serve load, and load migration issues would be addressed through the CPUC's approved procedures. The PCEA will work with the California Energy Commission and CPUC prior to commencing service to customers to ensure it meets its local and system resource adequacy obligations through its agreement(s) with its chosen electric supplier(s).

Renewables Portfolio Standards Energy Requirements

Basic RPS Requirements

As a CCA, the PCEA will be required by law and ensuing CPUC regulations to procure a certain minimum percentage of its retail electricity sales from qualified renewable energy resources. For purposes of determining the PCEA’s renewable energy requirements, the same standards for RPS compliance that are applicable to the distribution utilities are assumed to apply to PCE.

California’s RPS program is currently undergoing reform. On October 7, 2015, Governor Brown signed Senate Bill 350 (“SB 350”; De Leon and Leno), the Clean Energy and Pollution Reduction Act of 2015, which increased California’s RPS procurement target from 33 percent by 2020 to 50 percent by 2030 amongst other clean-energy initiatives. Many details related to SB 350 implementation will be developed over time with oversight by designated regulatory agencies. However, it is reasonable to assume that interim annual renewable energy procurement targets will be imposed on CCAs and other retail electricity sellers to facilitate progress towards the 50 percent procurement mandate – for planning purposes, the PCEA has assumed straight-line annual increases (1.7 percent per year) to the RPS procurement target beginning in 2021, as the state advances on the 50 percent RPS. Prior to 2021, the PCEA will adopt a resource plan that complies with SB x1 2, including certain procurement quantity requirements identified in D.11-12-020 (December 1, 2011).

PCEA’s Renewables Portfolio Standards Requirement

The PCEA’s annual RPS procurement requirements, as specified under California’s RPS program, are shown in the table below. When reviewing this table, it is important to note that the PCEA projects increases in energy efficiency savings as well as increases in locally situated distributed generation capacity, resulting in only a slight upward trend in projected retail electricity sales.

	Peninsula Clean Energy RPS Requirements (MWH) 2016 to 2025									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Retail Sales	253,061	2,446,569	3,382,353	3,399,265	3,416,261	3,433,343	3,450,509	3,467,762	3,485,101	3,502,526
Annual Procurement Target	63,265	660,574	980,882	1,053,772	1,127,366	1,191,370	1,255,985	1,321,217	1,387,070	1,453,548
% of Current Year Retail Sales*	25%	27%	29%	31%	33%	35%	36%	38%	40%	42%

*Note: Specific details related to SB 350 implementation have yet to be identified. For purposes of this table, the PCEA assumed a straight-line increase from California’s 33 percent RPS procurement mandate in 2020 to California’s new, 50 percent RPS procurement mandate in 2030.

Based on planned renewable energy procurement objectives, the PCEA anticipates that it will significantly exceed the minimum RPS requirements as shown below.

**Peninsula Clean Energy
RPS Requirements and Program Renewable Energy Targets
(MWh)
2016 to 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Retail Sales (MWh)	253,061	2,446,569	3,382,353	3,399,265	3,416,261	3,433,343	3,450,509	3,467,762	3,485,101	3,502,526
Annual RPS Target (Minimum MWh)	50,612	489,314	676,471	679,853	741,329	799,969	862,627	936,296	1,010,679	1,085,783
Program Target (% of Retail Sales)	50%	50%	50%	50%	50%	53%	55%	58%	60%	63%
Program Renewable Target (MWh)	126,530	1,223,284	1,691,177	1,699,632	1,708,131	1,802,505	1,897,780	1,993,963	2,091,060	2,189,079
Surplus In Excess of RPS (MWh)	75,918	733,971	1,014,706	1,019,779	966,802	1,002,536	1,035,153	1,057,667	1,080,381	1,103,296
Annual Increase (MWh)	126,530	1,096,754	467,892	8,456	8,498	94,374	95,275	96,183	97,097	98,018

Purchased Power

Power purchased from power marketers, public agencies, generators, and/or utilities will be a significant source of supply during the first several years of PCE Program operation. The PCEA will initially contract to obtain all of its electricity from one or more third party electric providers under one or more power supply agreements, and the supplier(s) will be responsible for procuring the specified resource mix, including PCEA’s desired quantities of renewable energy, to provide a stable and cost-effective resource portfolio for the Program. Based on terms established in the third-party contract(s), the PCEA will be able to substitute electric energy generated by PCE-owned/controlled renewable resources for certain contract quantities in the event that such resources become operational during the delivery period. Initially, it is assumed that one of the Program’s third party electric suppliers will be responsible for fulfilling the needs of PCEA’s overall supply portfolio.

Renewable Resources

The PCEA will initially secure necessary renewable power supply from its third party electric supplier(s). The PCEA may supplement the renewable energy provided under the initial power supply contract(s) with direct purchases of renewable energy from renewable energy facilities or from renewable generation developed and owned by the PCEA. At this point in time, it is not possible to predict what projects might be proposed in response to future renewable energy solicitations administered by the PCEA, unsolicited proposals or discussions with other agencies. Renewable projects that are located virtually anywhere in the Western Interconnection can be considered (with a preference for local projects) as long as the electricity is deliverable to the CAISO control area, as required to meet the Commission’s RPS rules and any additional guidelines ultimately adopted by the PCEA’s Board of Directors. The costs of transmission access and the risk of transmission congestion costs would need to be considered in the bid evaluation process if the delivery point is outside of the PCEA’s load zone, as defined by the CAISO.

Energy Efficiency

The PCEA’s energy efficiency goals will reflect a strong commitment to increasing energy efficiency within the County, expanding beyond the savings achieved by PG&E’s programs. The PCEA will seek to maximize end-use customer energy efficiency by facilitating customer

participation in existing utility programs as well as by forming new programs that will displace the PCEA's need for traditional electric procurement activities.

Forecast energy efficiency savings building to 0.5 percent of the PCEA's projected energy sales (by 2023) appears to be a reasonable baseline for the demand-side portion of its resource plan. For example, the National Action Plan for Energy Efficiency states among its key findings "consistently funded, well-designed efficiency programs are cutting annual savings for a given program year of 0.15 to 1 percent of energy sales."⁴ The American Council for an Energy-Efficient Economy (ACEEE) reports for states already operating substantial energy efficiency programs that an energy efficiency goal of one percent, as a percentage of energy sales, is a reasonable level to target.⁵ These savings would be in addition to the savings achieved by PG&E administered programs. Achieving this goal would mean at least a doubling of energy savings relative to the status quo (without the program administered by the PCEA). It is assumed that energy efficiency programs of the PCEA will focus on closing the gap between the vast economic potential of energy efficiency within the County and what is actually achieved.

The PCEA will develop specific energy efficiency programs and seek requisite program funding from the CPUC to administer such programs. Additional details of the PCEA's energy efficiency plan will be developed once the first phase of the PCE Program is underway.

Demand Response

Demand response programs provide incentives to customers to reduce demand upon request by the load serving entity (i.e., the PCEA), reducing the amount of generation capacity that must be maintained as infrequently used reserves. Demand response programs can be cost effective alternatives to procured capacity that would otherwise be needed to comply with California's resource adequacy requirements. The programs also provide rate benefits to customers who have the flexibility to reduce or shift consumption for relatively short periods of time when generation capacity is most scarce. Like energy efficiency, demand response can be a win/win proposition, providing economic benefits to the electric supplier as well as customer service benefits.

In its ruling on local resource adequacy, the CPUC found that dispatchable demand response resources as well as distributed generation resources should be allowed to count for local capacity requirements. This resource plan anticipates that the PCEA's demand response programs would partially offset its local capacity requirements beginning in 2019.

PG&E offers several demand response programs to its customers, and the PCEA intends to recruit those customers that have shown a willingness to participate in utility programs into similar programs offered by the PCEA.⁶ The goal for this resource plan is to meet 5 percent of the PCE

⁴ National Action Plan for Energy Efficiency, July 2006, Section 6: Energy Efficiency Program Best Practices (pages 5-6)

⁵ Energy Efficiency Resource Standards: Experience and Recommendations, Steve Nadel, March 2006, ACEEE Report E063 (pages 28 - 30).

⁶ These utility programs include the Base Interruptible Program (E-BIP), the Demand Bidding Program (E-DBP), Critical Peak Pricing (E-CPP), Optional Binding Mandatory Curtailment Plan (E-OBMC), the Scheduled Load

Program’s total capacity requirements through dispatchable demand response programs that qualify to meet local resource adequacy requirements. This goal translates into approximately 44 MW of peak demand enrolled in PCE’s demand response programs. Achievement of this goal would displace approximately 47 percent of the PCEA’s local capacity requirement within the “Greater Bay Area” Local Reliability Area.⁷

**Peninsula Clean Energy
Demand Response Goals
(MW)
2016 to 2025**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Capacity Requirement (MW)	268	769	866	869	871	873	875	878	880	882
Greater Bay Area Capacity Requirement (MW)	-	82	92	92	93	93	93	93	94	94
Demand Response Target (MW)	-	-	-	4	11	17	24	31	37	44
Percentage of Local Capacity Requirement	0%	0%	0%	5%	12%	19%	26%	33%	40%	47%

The PCEA will adopt a demand response program that enables it to request customer demand reductions during times when capacity is in short supply or spot market energy costs are exceptionally high. The level of customer payments should be related to the cost of local capacity that can be avoided as a result of the customer’s willingness to curtail usage upon request.

Appropriate limits on customer curtailments, both in terms of the length of individual curtailments and the total number of curtailment hours that can be called should be included in the PCEA’s demand response program design. It will also be important to establish a reasonable measurement protocol for customer performance of its curtailment obligations and deploy technology to automate customer notifications and responses. Performance measurement should include establishing a customer specific baseline of usage prior to the curtailment request from which demand reductions can be measured. The PCEA will likely utilize experienced third party contractors to design, implement and administer its demand response programs.

Distributed Generation

Consistent with the PCEA’s environmental policies and the state’s Energy Action Plan, clean distributed generation is a significant component of the integrated resource plan. The PCEA will work with state agencies and PG&E to promote deployment of photovoltaic (PV) systems within the PCEA’s jurisdiction, with the goal of maximizing use of the available incentives that are funded through current utility distribution rates and public benefits surcharges. The PCEA will also implement an aggressive net energy metering program and eventually a feed-in-tariff to promote local investment in distributed generation.

Reduction Program (E-SLRP), and the Capacity Bidding Program (E-CBP). The PCEA plans to develop its own demand response programs, which may be similar to those currently administered by the incumbent utility.

⁷ The California Public Utilities Commission has defined five local Resource Adequacy areas, including the “Other PG&E” local area (which represents an aggregation of various locations within the PG&E service territory), which have been designated as transmission-constrained. Load serving entities, including the PCEA, must procure a certain portion of their respective resource adequacy obligations from resources located within these transmission-constrained areas. However, demand response programs may be used to directly reduce local resource adequacy obligations; the PCEA plans to reduce such obligations through the implementation of effective demand response programs.

There are significant environmental benefits and strong customer interest in distributed PV systems. The PCEA may provide direct financial incentives from revenues funded by customer rates to further support use of solar power within the local area. Finally, the PCEA plans to provide direct incentives for PV by offering a net metering rate to customers who install PV systems so that customers are able to sell excess energy to the PCEA. Such a program would be generally consistent with principles identified in Assembly Bill 920 (“AB 920”), which directed the CPUC to establish and implement a compensation methodology for surplus renewable generation produced by net energy metered facilities located within the service territories of California’s large investor owned utilities, including PG&E. However, the PCEA may choose to offer enhanced compensation structures, relative to those implemented as a result of AB 920, as part of the direct incentives that may be established to promote distributed generation development within San Mateo County. To the extent that incentives offered by the PCEA improve project economics for its customers, it is reasonable to assume that the penetration of distributed generation within the County would increase.

This Chapter examines the monthly cash flows expected during the startup and customer phase-in period of the PCE Program and identifies the anticipated financing requirements. It includes estimates of program startup costs, including the necessary expenses and capital outlays which will commence once the CPUC has certified its receipt of the Implementation Plan submitted by the PCEA. It also describes the requirements for working capital and long-term financing for the potential investment in renewable generation, consistent with the resource plan contained in Chapter 6.

Description of Cash Flow Analysis

The PCEA's cash flow analysis estimates the level of capital that will be required during the startup and phase-in period. The analysis focuses on the PCE Program's monthly costs and revenues and specifically accounts for the phased enrollment of PCE Program customers described in Chapter 5.

Cost of CCA Program Operations

The first category of the cash flow analysis is the Cost of CCA Program Operations. To estimate the overall costs associated with CCA Program Operations, the following components were taken into consideration:

- Electricity Procurement;
- Ancillary Service Requirements;
- Exit Fees;
- Staffing and Professional Services;
- Data Management Costs;
- Administrative Overhead;
- Billing Costs;
- Scheduling Coordination;
- Grid Management and other CAISO Charges;
- CCA Bond and Security Deposit;
- Pre-Startup Cost Reimbursement; and
- Debt Service.

Revenues from CCA Program Operations

The cash flow analysis also provides estimates for revenues generated from CCA operations or from electricity sales to customers. In determining the level of revenues, the analysis assumes the customer phase-in schedule described herein, and assumes that the PCEA charges a standard, default electricity tariff similar to the generation rates of the existing distribution utility for each

customer class and an optional 100% renewable energy tariff at a premium reflective of incremental renewable power costs. PCE Program rates are assumed to increase by 2.5% annually, which would support the cash flows presented herein – this projected rate increase is somewhat lower than the historical average rate increase that has been observed within the PG&E service territory.⁸ More detail on PCE Program rates can be found in Chapter 8.

Cash Flow Analysis Results

The results of the cash flow analysis provide an estimate of the level of capital required for the PCEA to move through the CCA startup and phase-in periods. This estimated level of capital is determined by examining the monthly cumulative net cash flows (revenues from CCA operations minus cost of CCA operations) based on assumptions for payment of costs or other cash requirements (e.g., deposits) by the PCEA, along with estimates for when customer payments will be received. This identifies, on a monthly basis, what level of cash flow is available in terms of a surplus or deficit.

The cash flow analysis identifies funding requirements in recognition of the potential lag between payments received and payments made during the phase-in period. The estimated financing requirements for the startup and phase-in period, including working capital needs associated with all three phases of customer enrollments, is approximately \$13.5 million. Of this total, approximately \$8.9 million would be needed during the startup period prior to the time Phase 1 customers are enrolled. Working capital requirements peak soon after enrollment of the Phase 1 customers.

CCA Program Implementation Pro Forma

In addition to developing a cash flow analysis which estimates the level of working capital required to move the PCEA through full CCA phase-in, a summary pro forma analysis that evaluates the financial performance of the CCA program during the phase-in period is shown below. The difference between the cash flow analysis and the CCA pro forma analysis is that the pro forma analysis does not include a lag associated with payment streams. In essence, costs and revenues are reflected in the month in which service is provided. All other items, such as costs associated with CCA Program operations and rates charged to customers remain the same. Cash provided by financing activities are not shown in the pro forma analysis, although payments for debt service are included as a cost item.

The results of the pro forma analysis are shown in the following table. Under these assumptions, over the entire phase-in period (which is projected to occur through 2017) the CCA program is projected to accrue a reserve account balance of approximately \$26 million. The following

⁸ According to the California Energy Commission Utility-wide Weighted Average Electric Utility Prices report, PG&E average electric rates have increased by an average of 4.6% per year since 2000 and 3.4% annually since 2005.

summary of CCA program startup and phase-in addresses projected PCE Program operations for the period beginning January 2016 through December 2025.⁹

Peninsula Clean Energy
Summary of CCA Program Startup and Phase-In
(January 2016 through December 2025)

CATEGORY	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
I. REVENUES FROM OPERATIONS (\$)											
ELECTRIC SALES REVENUE	16,643,801	182,856,794	246,925,988	254,330,641	261,958,189	269,815,346	277,909,028	286,246,360	294,834,680	303,681,550	2,395,202,375
LESS UNCOLLECTIBLE ACCOUNTS	(82,713)	(909,391)	(1,227,865)	(1,264,855)	(1,302,958)	(1,342,210)	(1,382,644)	(1,424,296)	(1,467,203)	(1,511,403)	(11,915,538)
TOTAL REVENUES	16,561,088	181,947,403	245,698,123	253,065,786	260,655,230	268,473,136	276,526,384	284,822,063	293,367,477	302,170,147	2,383,286,837
II. COST OF OPERATIONS (\$)											
(A) OPERATIONS AND ADMINISTRATIVE (O&A)											
STAFFING & PROFESSIONAL SERVIC	1,892,292	3,681,606	4,206,469	4,332,663	4,462,642	4,596,522	4,734,417	4,876,450	5,022,743	5,173,426	42,979,229
MARKETING	657,856	1,715,780	1,429,511	1,474,513	1,520,940	1,568,837	1,618,250	1,669,228	1,721,821	1,776,080	15,152,815
DATA MANAGEMENT SERVICES	307,326	2,825,116	4,649,417	4,672,664	4,696,027	4,719,507	4,743,105	4,766,820	4,790,655	4,814,608	40,985,244
IOU FEES (INCLUDING BILLING)	101,558	928,367	1,558,033	1,612,798	1,669,488	1,728,170	1,788,916	1,851,796	1,916,887	1,984,265	15,140,278
OTHER ADMINISTRATIVE & GENER	406,250	901,250	928,288	956,136	984,820	1,014,365	1,044,796	1,076,140	1,108,424	1,141,677	9,562,144
ENERGY PROGRAMS	125,000	901,250	1,060,900	1,092,727	1,125,509	1,159,274	1,194,052	1,229,874	1,266,770	1,304,773	10,460,129
SUBTOTAL O&A	3,490,281	10,953,368	13,832,617	14,141,501	14,459,427	14,786,675	15,123,536	15,470,308	15,827,299	16,194,828	134,279,841
(B) COST OF ENERGY	13,695,230	141,106,875	195,219,317	201,877,099	208,735,199	216,393,701	224,359,013	232,643,378	241,259,517	250,220,653	1,925,509,981
(C) DEBT SERVICE	359,374	3,110,953	3,110,953	3,110,953	2,587,491	2,228,118	-	-	-	-	14,507,843
TOTAL COST OF OPERATION	17,544,885	155,171,196	212,162,887	219,129,553	225,782,118	233,408,493	239,482,549	248,113,686	257,086,816	266,415,481	2,074,297,664
CCA PROGRAM SURPLUS/(DEFICIT)	(983,797)	26,776,207	33,535,236	33,936,233	34,873,112	35,064,642	37,043,835	36,708,378	36,280,661	35,754,666	308,989,173

The surpluses achieved during the phase-in period serve to build the PCEA's net worth and credit profile and to provide operating reserves for the PCEA in the event that operating costs (such as power purchase costs) exceed collected revenues for short periods of time.

PCE Financings

It is anticipated that a single financing will be necessary to support PCE Program implementation. Subsequent capital requirements will be self-funded from the PCEA's accrued financial reserves. The anticipated financings are described below.

CCA Program Start-up and Working Capital

As previously discussed, the anticipated start-up and working capital requirements for the PCE Program are \$13.5 million. This amount is dependent upon the amount of load initially served by the PCEA, actual energy prices, payment terms established with the third-party supplier, and program rates. This figure would be refined during the startup period as these variables become known. Once the PCE Program is up and running, these costs would be recovered from customers of the PCEA Program through retail rates.

It is assumed that this financing will be via a short term loan or letter of credit, which would allow the PCEA to draw cash as required. This financing would need to commence in the second quarter of 2016.

⁹ Costs projected for staffing & professional services and other administrative & general relate to energy procurement, administration of energy efficiency and other local programs, generation development, customer service, marketing, accounting, finance, legal and regulatory activities necessary for program operation.

Phases 2 and 3 Working Capital

The next potential financing would be working capital for Phase 2. It is currently estimated that Phases 2 and 3 can be financed with internally generated cash. If external financing were needed, it could be an extension (increase) of the letter of credit for the PCE Program’s start-up capital or a new short-term credit facility. This financing would need to commence prior to the Phase 2 customer enrollments. Another short-term credit facility could be used to support the Phase 3 customer enrollments, if necessary (see table below).

Renewable Resource Project Financing

The PCEA may consider project financings for renewable resources, likely local wind, solar, biomass and/or geothermal as well as energy efficiency projects. These financings would only occur after a sustained period of successful PCE Program operation and after appropriate project opportunities are identified and subjected to appropriate environmental review. The PCEA’s ability to directly finance projects will likely require a track record of five to ten years of successful program operations demonstrating strong underlying credit to support the financing; direct financing undertaken by the PCEA would not be expected to occur sooner than 2021.

In the event that such financing occurs, funds would include any short-term financing for the renewable resource project development costs, and would likely extend over a 20- to 30-year term. The security for such bonds would be the revenue from sales to the retail customers of the PCEA.

The following table summarizes the potential financings in support of the PCE Program:

PCE Program Financing Summary

Proposed Financing	Estimated Total Amount	Estimated Term	Estimated Issuance
1. Start-Up (County)	\$1.5 million	3 years	Issued
2. Start-Up (Bank)	\$12 million	5 years	Second Quarter 2016
3. Phase 2 Working Capital	\$0 million	5 years	Late 2016, if needed
4. Phase 3 Working Capital	\$0 million	5 years	Mid 2017, if needed
5. Potential Renewable Resource Project Financings	\$TBD	20-30 years	TBD

Introduction

This Chapter describes the initial policies proposed for the PCEA in setting its rates for electric aggregation services. These include policies regarding rate design, rate objectives, and provision for due process in setting Program rates. Program rates are ultimately approved by the Board. The Board would retain authority to modify program policies from time to time at its discretion.

Rate Policies

The PCEA will establish rates sufficient to recover all costs related to operation of the PCE Program, including any reserves that may be required as a condition of financing and other discretionary reserve funds that may be approved by the Board. As a general policy, rates will be uniform for all similarly situated customers enrolled in the PCE Program throughout the service area of the PCEA.

The primary objectives of the ratesetting plan are to set rates that achieve the following:

- 100 percent renewable energy supply option (voluntary service offering);
- Rate competitive tariff option (default service offering) with minimum 50% renewable energy;
- Rate stability;
- Equity among customers in each tariff;
- Customer understanding; and
- Revenue sufficiency.

Each of these objectives is described below.

Rate Competitiveness

The primary goal is to offer competitive rates for electric services that the PCEA would provide to participating customers. For participants in the PCEA's standard Tariff, the goal would be for PCE Program rates to be generally equivalent to (or potentially less than, subject to actual energy product pricing and decisions of the PCEA Board of Directors) the generation rates offered by PG&E. For voluntary participants in the PCE Program's 100 percent renewable energy Tariff, the goal would be to offer the lowest possible customer rates with an incremental monthly cost premium reflective of the actual cost of additional renewable energy supply required to serve such customers – based on current estimates, the anticipated cost premium for the PCE Program's 100 percent renewable supply option would be 5 to 10 percent relative to the default PCE tariff.

Competitive rates will be critical to attracting and retaining key customers. In order for the PCEA to be successful, the combination of price and value must be perceived as superior when compared to the bundled utility service alternative. The value provided by the PCE Program will

include a higher proportion of renewable energy relative to the incumbent utility, enhanced energy efficiency and customer programs, community focus and investment, local control, and general benefits that stem from PCE's mission to serve its customers rather than the interests of utility shareholders.

As previously discussed, the PCE Program will significantly increase renewable energy supply to program customers, relative to the incumbent utility, by offering two distinct rate tariffs. The default tariff for PCE Program customers will be the standard Tariff, which will maximize renewable energy supply while maintaining generation rates that are comparable to PG&E's. The initial renewable energy content provided under the standard Tariff will be at least 50%, and the PCEA will endeavor to increase this percentage on a going forward basis, subject to operational and economic constraints. The PCEA will also offer its customers a voluntary 100% renewable energy Tariff, which will supply participating customers with 100 percent renewable energy at rates that reflect PCE's cost for procuring related energy supplies.

Participating qualified low- or fixed-income households, such as those currently enrolled in the California Alternate Rates for Energy (CARE) program, will be automatically enrolled in the standard Tariff and will continue to receive related discounts on monthly electricity bills through PG&E.

Rate Stability

The PCEA will offer stable rates by hedging its supply costs over multiple time horizons and by including renewable energy supplies that exhibit stable costs. Rate stability considerations may prevent PCE Program rates from directly tracking similar rates offered by the distribution utility, PG&E, and may result in differences from the general rate-related targets initially established for the PCE Program. The PCEA will attempt to maintain general rate parity with PG&E to ensure that PCE Program rates are not drastically different from the competitive alternative.

Equity among Customer Classes

Initial rates of the PCE Program will be set based on cost-of-service considerations with reference to the rates customers would otherwise pay to PG&E. Rate differences among customer classes will reflect the rates charged by the local distribution utility as well as differences in the costs of providing service to each class. Rate benefits may also vary among customers within the major customer class categories, depending upon the specific rate designs adopted by the Board.

Customer Understanding

The goal of customer understanding involves rate designs that are relatively straightforward so that customers can readily understand how their bills are calculated. This not only minimizes customer confusion and dissatisfaction but will also result in fewer billing inquiries to the PCE Program's customer service call center. Customer understanding also requires rate structures to reflect rational rate design principles (i.e., there should not be differences in rates that are not justified by costs or by other policies such as providing incentives for conservation).

Revenue Sufficiency

PCE Program rates must collect sufficient revenue from participating customers to fully fund the PCEA's annual budget. Rates will be set to collect the adopted budget based on a forecast of electric sales for the budget year. Rates will be adjusted as necessary to maintain the ability to fully recover all of costs of the PCE Program, subject to the disclosure and due process policies described later in this chapter.

Rate Design

The PCEA will generally match the rate structures from the utilities' standard rates to avoid the possibility that customers would see significantly different bill impacts as a result of changes in rate structures that would take effect following enrollment in the PCE Program. The PCEA may also introduce new rate options for customers, such as rates designed to encourage economic expansion or business retention within the PCEA service area.

Initial PCE Program rates are projected to average 6.9 cents per KWh on an annualized basis, which is below PG&E's reported average generation rate. PCE customers' electric bills may increase somewhat due to PG&E's collection of its excess power supply costs through the surcharge known as the Power Charge Indifference Adjustment ("PCIA"). PG&E will add the PCIA to PCE customers' monthly electric bills along with other utility service charges. The PCIA is identified in each of PG&E's rate schedules and is expected to decline over time.

Custom Pricing Options

The PCEA will work to develop specially-tailored rate and electric service products that meet the specific load characteristics or power market risk profiles of larger commercial and industrial customers. This will allow such customers to have access to a wider range of products than is currently available under the incumbent utility and potentially reduce the cost of power for these customers. The PCEA may provide large energy users with custom pricing options to help these customers gain greater control over their energy costs. Some examples of potential custom pricing options are rates that are based on an observable market index (e.g., CAISO prices) or fixed priced contracts of various terms.

Net Energy Metering

Customers with on-site generation eligible for net metering from PG&E will be offered a net energy metering rate from the PCEA. Net energy metering allows for customers with certain qualified solar or wind distributed generation to be billed on the basis of their net energy consumption. The PG&E net metering tariff (NEM) requires the CCA to offer a net energy metering tariff in order for the customer to continue to be eligible for service on Schedule E-NEM. The objective is that the PCEA's net energy metering tariff will apply to the generation component of the bill, and the PG&E net energy metering tariff will apply to the utility's portion of the bill. The PCEA will pay customers for excess power produced from net energy metered generation systems in accordance with the rate designs adopted by the PCE Board.

The PCEA may also implement tariff and financing programs to provide incentives to residents and businesses to maximize the size of photovoltaic and other renewable energy systems in order to increase the amount of locally-produced renewable power. Current tariffs create an incentive for residents and businesses considering new PV or renewable systems to limit the size of those systems so that annual generation matches annual on-site load. By implementing tariffs and programs to provide an incentive to maximize the output of such systems, the PCEA can help to increase the amount of local PV and renewable generation with minimal impact on the environment or existing infrastructure.

Disclosure and Due Process in Setting Rates and Allocating Costs among Participants

Initial program rates will be adopted by the Board of Directors following the establishment of the first year's operating budget prior to initiating the customer notification process. Subsequently, the CEO, with support of appropriate staff, advisors and committees, will prepare an annual budget and corresponding customer rates and submit these as an application for a change in rates to the Board of Directors. The rates will be approved at a public meeting of the Board of Directors no sooner than sixty days following submission of the proposed rates, during which affected customers will be able to provide comment on the proposed rate changes.

Within forty-five days after submitting an application to increase any rate, the PCEA will furnish notice of its application to its customers affected by the proposed increase, either by mailing such notice postage prepaid to such customers or by including such notice with the regular bill for charges transmitted to such customers. The notice will provide a summary of the proposed rate increase and include a link to the PCE Program website where information will be posted regarding the amount of the proposed increase (expressed in both dollar and percentage terms), a brief statement of the reasons the increase is required or sought, and the mailing address of the PCEA to which any customer inquiries relative to the proposed increase, including a request by the customer to receive notice of the date, time, and place of any hearing on the application, may be directed.

CHAPTER 9 – Customer Rights and Responsibilities

This chapter discusses customer rights, including the right to opt-out of the PCE Program and the right to privacy of customer usage information, as well as obligations customers undertake upon agreement to enroll in the CCA Program. All customers that do not opt out within 30 days of the fourth enrollment notice will have agreed to become full status program participants and must adhere to the obligations set forth below, as may be modified and expanded by the PCE Board from time to time.

By adopting this Implementation Plan, the PCEA Board will have approved the customer rights and responsibilities policies contained herein to be effective at Program initiation. The Board retains authority to modify program policies from time to time at its discretion.

Customer Notices

At the initiation of the customer enrollment process, a total of four notices will be provided to customers describing the Program, informing them of their opt-out rights to remain with utility bundled generation service, and containing a simple mechanism for exercising their opt-out rights. The first notice will be mailed to customers approximately sixty days prior to the date of automatic enrollment. A second notice will be sent approximately thirty days later. The PCEA will likely use its own mailing service for requisite enrollment notices rather than including the notices in PG&E's monthly bills. This is intended to increase the likelihood that customers will read the enrollment notices, which may otherwise be ignored if included as a bill insert. Customers may opt out by notifying the PCEA using the PCE Program's designated telephone-based or internet opt-out processing service. Should customers choose to initiate an opt-out request by contacting PG&E, they would be transferred to the PCE Program's call center to complete the opt-out request. Consistent with CPUC regulations, notices returned as undelivered mail would be treated as a failure to opt out, and the customer would be automatically enrolled.

Following automatic enrollment, at least two notices will be mailed to customers within the first two billing cycles (approximately sixty days) after PCE service commences. Opt-out requests made on or before the sixtieth day following start of PCE Program service will result in customer transfer to bundled utility service with no penalty. Such customers will be obligated to pay charges associated with the electric services provided by the PCEA during the time the customer took service from the PCE Program, but will otherwise not be subject to any penalty or transfer fee from the PCEA.

Customers who establish new electric service accounts within the Program's service area will be automatically enrolled in the PCE Program and will have sixty days from the start of service to opt out if they so desire. Such customers will be provided with two enrollment notices within this sixty-day post enrollment period. Such customers will also receive a notice detailing the PCEA's privacy policy regarding customer usage information. The PCEA's Board of Directors will have the authority to implement entry fees for customers that initially opt out of the Program,

but later decide to participate. Entry fees, if deemed necessary, would aid in resource planning by providing additional control over the PCE Program’s customer base.

Termination Fee

Customers that are automatically enrolled in the PCE Program can elect to transfer back to the incumbent utility without penalty within the first two months of service. After this free opt-out period, customers will be allowed to terminate their participation subject to payment of a Termination Fee. The Termination Fee will apply to all customers of the PCE Program that elect to return to bundled utility service or elect to take “direct access” service from an energy services provider following the aforementioned two-month window. Customers that relocate within the PCEA’s service territory would have their CCA service continued at the new address. If a customer relocating to an address within the PCEA’s service territory elected to cancel CCA service, the Termination Fee will apply. Program customers that move out of the PCEA’s service territory would not be subject to the Termination Fee.

PG&E will collect the Termination Fee from returning customers as part of the final bill to the customer from the CCA Program.

The Termination Fee would vary by customer class as set forth in the table below, subject to adjustment by the PCEA’s Board as described below.

PCE Program: Schedule of Fees for Service Termination

Customer Class	Fee
Residential	\$5
Non-Residential	\$25

The Termination Fee will be clearly disclosed in the four enrollment notices sent to customers during the sixty-day period before automatic enrollment and following commencement of service. The fee could be changed prospectively by the PCEA’s Board of Directors, subject to applicable customer noticing requirements; provided, however, that in no event will any Termination Fee in excess of the amounts set forth above be imposed on any customer leaving before January 1, 2018, except for terminating customers participating in a voluntary tariff. As previously noted, customers that opt-out during the statutorily mandated notification period will not pay the Termination Fee that may be imposed by the PCEA.

Customers electing to terminate service after the initial notification period (that provided them with at least four enrollment notices) would be transferred to PG&E on their next regularly scheduled meter read date if the termination notice is received a minimum of fifteen days prior to that date. Such customers would also be liable for the nominal reentry fees imposed by PG&E and would be required to remain on bundled utility service for a period of one year, as described in the utility CCA tariffs.

Customer Confidentiality

The PCEA will establish policies covering confidentiality of customer data that are fully compliant with the California Public Utilities Commission's required privacy protection rules for CCA customer energy usage information, as detailed within Decision 12-08-045. The PCEA will maintain the confidentiality of individual customers' names, service addresses, billing addresses, telephone numbers, account numbers, and electricity consumption, except where reasonably necessary to conduct business of the PCEA or to provide services to customers, including but not limited to where such disclosure is necessary to (a) comply with the law or regulations; (b) enable the PCEA to provide service to its customers; (c) collect unpaid bills; (d) obtain and provide credit reporting information; or (e) resolve customer disputes or inquiries. The PCEA will not disclose customer information for telemarketing, e-mail, or direct mail solicitation. Aggregate data may be released at the PCEA's discretion. The PCEA will handle customer energy usage information in a manner that is fully compliant with the California Public Utility Commission's required privacy protections for customers of Community Choice Aggregators, as defined in Decision 12-08-045.

Responsibility for Payment

Customers will be obligated to pay PCE Program charges for service provided through the date of transfer including any applicable Termination Fees. Pursuant to current CPUC regulations, the PCEA will not be able to direct that electricity service be shut off for failure to pay PCE bills. However, PG&E has the right to shut off electricity to customers for failure to pay electricity bills, and PG&E Electric Rule 23 mandates that partial payments are to be allocated pro rata between PG&E and the CCA. In most circumstances, customers would be returned to utility service for failure to pay bills in full and customer deposits (if any) would be withheld in the case of unpaid bills. PG&E would attempt to collect any outstanding balance from customers in accordance with Rule 23 and the related CCA Service Agreement. The proposed process is for two late payment notices to be provided to the customer within 30 days of the original bill due date. If payment is not received within 45 days from the original due date, service would be transferred to the utility on the next regular meter read date, unless alternative payment arrangements have been made. Consistent with the CCA tariffs, Rule 23, service cannot be discontinued to a residential customer for a disputed amount if that customer has filed a complaint with the CPUC, and that customer has paid the disputed amount into an escrow account.

Customer Deposits

Under certain circumstances, PCE customers may be required to post a deposit equal to the estimated charges for two months of CCA service prior to obtaining service from the PCE Program. A deposit would be required for an applicant who previously had been a customer of PG&E or the PCEA and whose electric service has been discontinued by PG&E or the PCEA during the last twelve months of that prior service arrangement as a result of bill nonpayment. Such customers may be required to reestablish credit by depositing the prescribed amount. Additionally a customer who fails to pay bills before they become past due as defined in PG&E Electric Rule 11 (Discontinuance and Restoration of Service), and who further fails to pay such bills within five days after presentation of a discontinuance of service notice for nonpayment of

bills, may be required to pay said bills and reestablish credit by depositing the prescribed amount. This rule will apply regardless of whether or not service has been discontinued for such nonpayment¹⁰. Failure to post deposit as required would cause the account service transfer request to be rejected, and the account would remain with PG&E.

¹⁰ A customer whose service is discontinued by the PCEA is returned to PG&E generation service.

Introduction

This Chapter describes the PCEA's initial procurement policies and the key third party service agreements by which the PCEA will obtain operational services for the PCE Program. By adopting this Implementation Plan, the PCEA's Board of Directors will have approved the general procurement policies contained herein to be effective at Program initiation. The Board retains authority to modify Program policies from time to time at its discretion.

Procurement Methods

The PCEA will enter into agreements for a variety of services needed to support program development, operation and management. It is anticipated that the PCEA will generally utilize Competitive Procurement methods for services but may also utilize Direct Procurement or Sole Source Procurement, depending on the nature of the services to be procured. Direct Procurement is the purchase of goods or services without competition when multiple sources of supply are available. Sole Source Procurement is generally to be performed only in the case of emergency or when a competitive process would be an idle act.

The PCEA will utilize a competitive solicitation process to enter into agreements with entities providing electrical services for the program. Agreements with entities that provide professional legal or consulting services, and agreements pertaining to unique or time sensitive opportunities, may be entered into on a direct procurement or sole source basis at the discretion of the PCEA's CEO or Board of Directors.

The CEO will be required to periodically report (e.g., quarterly) to the Board a summary of the actions taken with respect to the delegated procurement authority.

Authority for terminating agreements will generally mirror the authority for entering into such agreements.

Key Contracts

Electric Supply Contract

The PCEA will initiate service using one or more multi-year electricity supply contracts with one or more qualified providers. The third party provider(s) will supply electricity and related services to customers under contract(s) between the provider and the PCEA. The PCEA may complete additional solicitations to supplement its energy supply and/or to replace contract volumes provided under the original contract. The PCEA would begin such procurement sufficiently in advance of contract expiration so that the transition from the initial supply contract occurs smoothly, avoiding dependence on market conditions existing at any single point in time.

As anticipated, a primary supplier will be identified and placed under contract, committing such supplier serving the composite electrical loads of customers in the Program. The primary supplier will also be responsible for ensuring that a certified Scheduling Coordinator schedules the loads of all customers in the PCE Program, providing necessary electric energy, capacity/resource adequacy requirements, renewable energy and ancillary services. The primary supplier is responsible for day-to-day energy supply operations of the PCE Program and for managing the predominant supply risks for the term of the contract. It is anticipated that the primary supplier will also contribute to meeting the Program's renewable energy supply goals. However, additional suppliers may be identified to supplement requisite renewable energy supplier of the PCE program. Finally, the primary supplier will be responsible for ensuring the PCEA's compliance with all applicable resource adequacy and regulatory requirements imposed by the CPUC or FERC.

The PCEA anticipates executing the electric supply contract for Phase 1 loads in mid-2016. The contract for Phase 2 and Phase 3 loads will be executed approximately four months prior to commencement of service to these customers.

Data Management Contract

A data manager will provide the retail customer services of billing and other customer account services (electronic data interchange or EDI with PG&E, billing, remittance processing, and account management). Recognizing that some qualified wholesale energy suppliers do not typically conduct retail customer services whereas others (i.e., direct access providers) do, the data management contract may be separate from the electric supply contract. A single contractor will be selected to perform all of the data management functions.¹¹

The data manager is responsible for the following services:

- Data exchange with PG&E;
- Technical testing;
- Customer information system;
- Customer call center;
- Billing administration/retail settlements; and
- Settlement quality meter data reporting
- Reporting and audits of utility billing.

Utilizing a third party for account services eliminates a significant expense associated with implementing a customer information system. Such systems can impose significant information technology costs and take significant time to deploy. A longer term contract is appropriate for this service because of the time and expense that would be required to migrate data to a new

¹¹ The contractor providing data management may also be the same entity as the contractor supplying electricity for the program.

system. Separation of the data management contract from the energy supply contract gives the PCEA greater flexibility to change energy suppliers, if desired, without facing an expensive data migration issue.

It is anticipated that PCE will execute a contract for data management services in mid-2016.

Electric Supply Procurement Process

The PCEA plans to issue a request for proposals (“RFP”) for shaped energy, renewable energy, carbon free energy, resource adequacy capacity, and scheduling coordinator services as part of a competitive solicitation process. This RFP will be released early in the second quarter of 2016 with responses due approximately two weeks thereafter. Contract negotiations will commence immediately following proposal evaluation and short-list selection. Similar to the initial supplier selection processes administered by California’s currently operating CCA programs, the PCEA intends to identify a highly qualified pool of suppliers for further negotiations, which will be completed prior to initiation of CCA service. Following the identification of short-listed energy services provider candidates, the PCEA will update the Commission regarding its selection process. It is anticipated that final supplier selection will be made by the PCEA Board by mid-2016.

Introduction

This Chapter describes the process to be followed in the case of PCE Program termination. By adopting the original Implementation Plan, the PCEA's Board of Directors will have approved the general termination process contained herein to be effective at Program initiation. In the unexpected event that the PCEA would terminate the PCE Program and return its customers to PG&E service, the proposed process is designed to minimize the impacts on its customers and on PG&E. The proposed termination plan follows the requirements set forth in PG&E's tariff Rule 23 governing service to CCAs. The Board retains authority to modify program policies from time to time at its discretion.

Termination by PCE

The PCEA will offer services for the long term with no planned Program termination date. In the unanticipated event that the majority of the Member's governing bodies (County Board of Supervisors and/or City/Town Councils) decide to terminate the Program, each governing body would be required to adopt a termination ordinance or resolution and provide adequate notice to the PCEA consistent with the terms set forth in the JPA Agreement. Following such notice, the PCEA would vote on Program termination subject to voting provisions as described in the JPA Agreement. In the event that the Board affirmatively votes to proceed with JPA termination, the Board would disband under the provisions identified in its JPA Agreement.

After any applicable restrictions on such termination have been satisfied, notice would be provided to customers six months in advance that they will be transferred back to PG&E. A second notice would be provided during the final sixty-days in advance of the transfer. The notice would describe the applicable distribution utility bundled service requirements for returning customers then in effect, such as any transitional or bundled portfolio service rules.

At least one year advance notice would be provided to PG&E and the CPUC before transferring customers, and the PCEA would coordinate the customer transfer process to minimize impacts on customers and ensure no disruption in service. Once the customer notice period is complete, customers would be transferred *en masse* on the date of their regularly scheduled meter read date.

The PCEA will post a bond or maintain funds held in reserve to pay for potential transaction fees charged to the Program for switching customers back to distribution utility service. Reserves would be maintained against the fees imposed for processing customer transfers (CCASRs). The Public Utilities Code requires demonstration of insurance or posting of a bond sufficient to cover reentry fees imposed on customers that are involuntarily returned to distribution utility service under certain circumstances. The cost of reentry fees are the responsibility of the energy services provider or the community choice aggregator, except in the case of a customer returned for default or because its contract has expired. The PCEA will post financial security in the

appropriate amount as part of its registration materials and will maintain the financial security in the required amount, as necessary.

Termination by Members

The JPA Agreement defines the terms and conditions under which Members may terminate their participation in the program.

CHAPTER 12 – Appendices

Appendix A: PCEA Resolution Adopting Implementation Plan

Appendix B: Peninsula Clean Energy Authority Joint Powers Agreement

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,

STATE OF CALIFORNIA

* * * * *

**RESOLUTION APPROVING THE ADOPTION OF THE PENINSULA CLEAN ENERGY
COMMUNITY CHOICE AGGREGATION IMPLEMENTATION PLAN AND
STATEMENT OF INTENT**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, the Peninsula Clean Energy Authority (“PCEA”) is a joint powers authority established on February 29, 2016, and organized under the Joint Exercise of Powers Act (Government Code Section 6500 et seq.); and

WHEREAS, PCEA members include the following San Mateo County communities: the County of San Mateo, the Town of Atherton, the City of Belmont, the City of Burlingame, the City of Brisbane, the Town of Colma, the City of Daly City, the City of East Palo Alto, the City of Foster City, the City of Half Moon Bay, the Town of Hillsborough, the City of Menlo Park, the City of Millbrae, the City of Pacifica, the Town of Portola Valley, the City of Redwood City, the City of San Bruno, the City of San Carlos, the City of San Mateo, the City of South San Francisco, the Town of Woodside; and

WHEREAS, California Assembly Public Utilities Code Section 366.2 requires that an Implementation Plan be filed with the California Public Utilities Commission; and

WHEREAS, the Public Utilities Code specifies that a CCA Implementation Plan must include the organizational structure of the program, its operations, and funding, rate setting and other costs to participants, disclosure and due process in setting rates and allocating costs among participants, methods for entering and terminating agreements with other entities, the rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures; termination of the program; a description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities; and

WHEREAS, Pacific Energy Advisors has developed the Peninsula Clean Energy Community Choice Aggregation Implementation plan with input from city and county staff, members of the Peninsula Clean Energy Advisory Committee and the Peninsula Clean Energy Authority Board; and

WHEREAS, the Implementation Plan has been presented to the Peninsula Clean Energy Authority Board, reference to which is hereby made for further particulars, and the Board has considered the Implementation Plan at a duly noticed public hearing;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED by the Board of Directors of the Peninsula Clean Energy Authority that the Peninsula Clean Energy Community Choice Aggregation Implementation Plan is adopted and approved for filing with the California Public Utilities Commission.

* * * * *



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: March 25, 2016
BOARD MEETING DATE: March 31, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Joint Powers Board
FROM: Jim Eggemeyer, Director, Office of Sustainability, County of San Mateo
SUBJECT: Energy Services Provider Request for Proposals Update

RECOMMENDATION:

Receive an update on “Energy Services Provider Request for Proposals.”

BACKGROUND:

In order to procure electricity for its customers, Peninsula Clean Energy (PCE) will need to solicit bids from providers of electric power products and services. These products and services include: shaped conventional energy, renewable energy, greenhouse gas free energy, resource adequacy, and scheduling coordination services. The Office of Sustainability has worked with the firm Pacific Energy Advisors, Inc. (PEA) to draft a request for proposals (RFP) for an energy service provider. The scope of the work in the RFP was developed based on similar contracts held by existing Community Choice Energy programs in California and adapted to meet the goals and electricity needs of PCE.

On March 24, 2016, your Board received a presentation from PEA regarding the various elements of the RFP as well as its intent and process. After the presentation, PEA took note of the feedback provided by your Board and have drafted an updated version of the RFP with minor changes.

DISCUSSION:

The RFP for an energy service provider for PCE includes the scope of work, RFP schedule, and criteria for evaluating proposals. The anticipated contract term will be for four years; at that time, your Board may re-evaluate the scope of services for the energy service provider in order to adapt to PCE’s changing needs. Per the procurement standards outlined in the draft implementation plan, PCE will be seeking electric power

products to fulfill its offerings of a 50% renewable default product and 100% renewable option, with preference given to local products.

Scope of Work

The products and services requested in this RFP are as follows:

- **Shaped Energy:** Proposers are asked to shape conventional energy deliveries to match the projected hourly load profile of PCE customers. They are also required to describe where they intend to source these conventional energy supplies.
- **Renewable Energy:** Proposers are asked to provide energy from qualifying renewable resources that meet eligibility criteria established under California's Renewable Portfolio Standard (RPS) program. These resources generally include, but are not limited to, the following technologies: wind, small hydroelectric (30 MW or less), geothermal, biogas including landfill gas or other gasification technologies, biomass combustion, photovoltaic, solar thermal, tidal current, and ocean wave. These resources should meet delivery requirements established for Portfolio Content Category 1 (PCC1) and Portfolio Content Category 2 (PCC2) as defined under California's RPS program. PCE will rely solely on the use of PCC1 and PCC2 resources. There is a strong preference for local renewable energy resources (within San Mateo County), but other purchases of bundled energy and renewable attributes from regionally located renewable generating resources will also be considered. These resources will receive a preference during evaluation based on their relative proximity to the County.
- **Carbon Free Energy:** Proposers are asked to provide carbon-free energy to meet PCE's annual carbon reduction targets. This energy will be limited to unit-specific hydroelectricity produced by California-based or regional generators (located within the Western Electricity Coordinating Council and deliverable to California).
- **Resource Adequacy Capacity:** PCE seeks bids for resource adequacy (RA) capacity satisfying applicable requirements for the following capacity products: Northern California CAISO Zone, North-of-Path 15 (NP 15) System RA; Local RA; and Flexible RA. Local RA is to be provided/scheduled from resources located within the PG&E "Greater Bay Area" and the "Other PG&E" local capacity areas.
- **Scheduling Coordinator Services:** These services include all California Independent System Operator (CAISO) interface services and the submission of schedules, bids, and other required information for PCE's shaped energy, renewable energy, carbon-free energy, and RA in accordance with the obligations of a Scheduling Coordinator (SC).

Evaluation

Proposers will be evaluated based on the following criteria:

- Qualifications and experience of the entity, including capability and experience of

key personnel and experience with other public and/or private agencies to provide these services

- History of successfully performing services for public and/or private agencies and other CCA's
- Financial viability of proposer
- Reliability and environmental attributes of proposed power supply, including the anticipated fuel source(s) associated therewith
- Use of local renewable energy resources
- Ability to support achievement of quantifiable demand reductions (e.g. energy efficiency savings, conservation, load interruption, demand response, etc.), as demonstrated by the proposer
- Proposed approach, including clarity of understanding of the scope of services to be provided and appropriateness of the proposed solution/services
- Ability to meet any required timelines or other requirements
- Existence of and circumstances surrounding any claims and violations against you or your organization
- Cost to PCE for the primary services described by this RFP
- References
- Compliance with RFP and contractual requirements

Schedule

EVENT	DATE
Release Request for Proposals	April 4, 2016
Questions Submitted to County Deadline	April 11, 2016
Release Responses to Questions	April 13, 2016
Proposal Deadline	April 15, 2016
Short Listing and Notification for Interviews ⁽¹⁾	April 19, 2016
Conduct Interviews ⁽¹⁾	April 26, 2016
Final Selection and Contract Negotiations Begin ⁽¹⁾	May 2, 2016
Protest Deadline ⁽¹⁾	May 9, 2016
Master Agreement Execution	June 9, 2016
Best and Final Offer	June 10, 2016
Confirmation(s) Execution ⁽¹⁾	June 10, 2016

⁽¹⁾ Subject to change

Updates

Most of the information contained in the RFP was unchanged. There were only minor edits to include language clarifying that environmental attributes will be evaluated for all products requested including conventional, carbon-free, and renewable energy. There was also an additional request for proposers to list a complete inventory of anticipated generating resources including generator name, resource location, fuel source, and

capacity to provide more information to evaluate. It should be noted that being too prescriptive or imposing too many requirements in the RFP may limit the amount of responses received from energy providers; it may be better to be more general in the RFP and evaluate each proposal when they are received.

FISCAL IMPACT:

There will be no fiscal impact associated with receiving this presentation.

ATTACHMENT

- A. Draft Power Supplies and Services Request for Proposals

REQUEST FOR PROPOSALS



COMMUNITY CHOICE AGGREGATION POWER SUPPLIES AND SERVICES

RFP Number

County of San Mateo Office of Sustainability

Release Date: April 4, 2016

Responses must be Received
by 5:00 p.m. Pacific Standard Time
on April 15, 2016

**REQUEST FOR PROPOSALS
FOR
SHAPED ENERGY, RENEWABLE ENERGY, CARBON FREE
ENERGY, RESOURCE ADEQUACY CAPACITY, AND
SCHEDULING COORDINATOR SERVICES FOR PENINSULA
CLEAN ENERGY**

Interested vendors must register online with the County at
www.publicpurchase.com

Proposals must be submitted electronically to
www.publicpurchase.com

By 5:00 p.m. Pacific Time on April, 15 2016

PROPOSALS WILL NOT BE ACCEPTED AFTER THIS DATE AND TIME

Note regarding the Public Records Act:

Government Code Sections 6250 *et seq.*, the California Public Record Act, defines a public record as any writing containing information relating to the conduct of the public business. The Public Record Act provides that public records shall be disclosed upon written request and that any citizen has a right to inspect any public record unless the document is exempted from disclosure.

Be advised that any contract that eventually arises from this Request For Proposals is a public record in its entirety. Also, all information submitted in response to this Request For Proposals is itself a public record **without exception**. Submission of any materials in response to this Request For Proposals constitutes a waiver by the submitting party of any claim that the information is protected from disclosure. By submitting materials, (1) you are consenting to release of such materials by the County if requested under the Public Records Act without further notice to you and (2) you agree to indemnify and hold harmless the County for release of such information.

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SECTION I – GENERAL INFORMATION

A. STATEMENT OF INTENT

As outlined in more detail in Section II – Scope of Work, this Request for Proposals (“RFP”) seeks a provider of electric power products and services to fulfill the retail electricity requirements of customers who will participate in a Community Choice Aggregation (“CCA”) Program (“CCA Program” or “Program”) promoting the use of renewable and low carbon emitting energy sources throughout the County of San Mateo, California. The target start date and delivery term for the requested electric power products and services is **October 1, 2016 through December 31, 2020, subject to negotiation of a final agreement.**

B. BACKGROUND

The County of San Mateo (“County”) began exploring the possibility of creating a CCA program in late 2014 with the objective to reduce greenhouse gas emissions from the use and generation of electricity while maintaining competitive electric rates for participating residential and business customers. As part of this process, the Board of Supervisors allocated funds for a technical feasibility study that was completed by Pacific Energy Advisors in October 2015. All twenty cities in the County (and the County itself) participated in this study. The technical feasibility study showed that a CCA program that met both the environmental and economic goals of the County would be feasible in consideration of current wholesale pricing for requisite energy products and services.

The County then began to educate residents, businesses and local elected officials about CCA by hosting workshops, presenting at study sessions, and developing a related website (<http://www.peninsulacleanenergy.com>). The County also convened an Advisory Committee for the program, comprised of representatives from all of the cities in the county as well as relevant stakeholder groups. The Committee met on a monthly basis to provide input on various aspects of the program.

By early February 2016, all cities in the county had individually passed resolutions providing for the formation of a Joint Powers Agency called the Peninsula Clean Energy Authority (“PCEA”), which would administer a CCA program in San Mateo County (called Peninsula Clean Energy, or PCE). The first meeting of the PCEA Board was held in March 2016. PCEA plans to begin a full public outreach and marketing campaign in June 2016 and plans to commence electric service to the CCA’s initial customers in October 2016.

An Implementation Plan (“Plan”) outlining PCE’s basic program features was approved by the PCEA Board of Directors on March 24th, 2016 and has been submitted to the California Public Utilities Commission for certification, consistent with applicable sections of the California Public Utilities Code. The Plan includes key

decision points for the organization, such as the retail electricity product options and the proposed phasing schedule for CCA customers.

As described in the Plan, PCE will offer two retail electricity products to participating customers: (1) a default option (minimum 50% renewable energy content); and (2) a voluntary “opt-up” option (100% renewable energy content). Once offered service, prospective customers may also opt-out of the CCA program, continuing to receive electric generation service from the incumbent utility, Pacific Gas & Electric Company (“PG&E”).

The County anticipates that there will be a phased implementation approach to CCA service delivery, meaning that various prospective customers of the CCA program will be enrolled over time. Such a phase-in process may take one or more years, subject to financial and administrative considerations. Pacific Energy Advisors—the County’s technical consultant—in cooperation with County staff and elected leadership has developed a phase-in schedule, which would include approximately 60,000 electric accounts in phase one (comprised of residential, municipal, and all small/medium business accounts), commencing in/around October 2016. The second phase is expected to occur six months after the first, commencing in spring 2017, and will include roughly 80,000 additional customers. Following the successful implementation of phases one and two, commencement of the final phase will occur approximately six months thereafter (Fall 2017) and will include all remaining prospective customers (~100,000 additional accounts). However, it is worth noting that these numbers reflect projected opt-out rates; actual customer participation may vary from such projections, resulting in final customer counts that may be higher or lower than the aforementioned totals. For additional detail related to PCE’s opt-out rate projections and sensitivity analyses, as well as other information related to the expected operations of the PCE program, please see the Peninsula Clean Energy CCA Technical Study (Enclosure 7).

The products and services requested in this RFP include: (1) shaped energy; (2) renewable energy; (3) carbon free energy; (4) resource adequacy capacity; and (5) scheduling coordinator services.

C. THE REQUEST FOR PROPOSAL PROCESS

This RFP seeks the submission of proposals to provide the requested electric power products and services from qualified proposers. The County of San Mateo seeks by way of this RFP to obtain the listed services in a manner that maximizes the quality of services while also maximizing value to the County and, by extension, the citizens of the County. Proposers must be able to show that they are capable of performing the services requested. Such evidence includes, but is not limited to, the proposer's demonstrated competency and experience in delivering services of a similar scope and type and local availability of the proposer's personnel and resources.

SECTION II – SCOPE OF WORK

A. DESCRIPTION

The energy supply products and services being requested under this solicitation are described below.

1. Shaped Conventional Energy

All electric energy requirements associated with the PCE customer accounts included within the first phase of customer enrollments. The selected supplier shall be responsible for electric energy delivery to the PG&E Load Aggregation Point (“Delivery Point”), as defined by the California Independent System Operator (“CAISO”). Proposers should shape conventional energy deliveries to match the projected hourly load profile of PCEA (profiles can be located in Exhibit A provided in the Bid Workbook).

Proposers must describe whether they intend to source the requested conventional energy supplies from: 1) generating units owned by the proposer; 2) generating units controlled under contract (and identified as specified generating sources to PCE); and/or 3) unspecified/market sources (information to be provided in Exhibit E of the Bid Workbook). Where possible, any specified generating sources to be used in fulfilling delivery of the proposed power supplies must be identified by the proposer or be identified as “to be determined” in the proposer’s bid materials.

2. Renewable Energy

Energy from qualifying renewable resources that meet the eligibility criteria established under California’s Renewables Portfolio Standard (“RPS”) program (also known as “Eligible Renewable Resources”), as published and occasionally updated by the California Energy Commission (“CEC”). Eligible Renewable Resources, as defined by the CEC, generally include electric generators utilizing one or more of the following technologies: wind, small hydroelectric (30 MW or less), geothermal, biogas including landfill gas, digester gases and gas conversion or gasification technologies, direct combustion biomass, biodiesel power producing facilities, photovoltaic, solar thermal, fuel cells using eligible renewable fuels, qualifying municipal solid waste conversion, tidal current, ocean wave, and ocean thermal technology. PCEA seeks proposals that include renewable energy products meeting the delivery requirements established for Portfolio Content Category 1 (“PCC1”) and Portfolio Content Category 2 (“PCC2”), as defined under California’s RPS program. The specific annual volumes of PCC1 and PCC2 renewable energy are provided in Exhibit B of the Bid Workbook. PCEA expects that all renewable energy certificates associated with the requested renewable energy product volumes will be timely transferred by the proposer to PCEA via the Western Renewable Energy Generation Information System (“WREGIS”).

PCEA has a need for renewable energy to meet its RPS procurement obligations (“Compliance Renewable Energy”) and renewable energy to meet its own, voluntary renewable energy procurement requirements (“Voluntary Renewable Energy”), which are expected to exceed applicable Compliance

Renewable Energy mandates. PCEA requires Compliance Renewable Energy that meets all requirements of California's RPS; however, with respect to the SB1X categorical limitations/requirements, the PCEA will rely on the exclusive use of PCC1 and PCC2 resources. PCEA requires Voluntary Renewable Energy volumes to supplement the requested Compliance Renewable Energy volumes in order to achieve the following portfolio objectives: 1) an overall initial 50% renewable energy content for PCE's Standard Tariff product; and 2) 100% renewable energy content for customers participating in PCE's voluntary renewable energy product option. Voluntary Renewable Energy will be met with both PCC1 and PCC2 Eligible Renewable Resources.

PCEA has a strong preference for Local renewable energy resources but may also consider purchases of bundled energy and renewable attributes from regionally located renewable generating resources. For purposes of this solicitation, Local renewable resources are defined as those resources located within the County of San Mateo's geographic boundaries. Local resources will be scored with the highest possible point rating during the PCEA's evaluation of RFP responses. Regional renewable resources are defined as resources located outside of the County of San Mateo but within the Northern California CAISO Zone, North-of-Path 15 ("NP 15"), including all counties within this region as well as portions of Monterey, San Benito, Fresno, Tulare and Inyo counties. Regional resources will receive evaluative preference (i.e., higher point ratings) based on relative proximity to the County. Other renewable resources, which include resources not previously defined as Local or Regional, may be proposed in response to this solicitation but will receive reduced point ratings in consideration of the relative proximity of such resources to the County. Proposed power supplies that include Local renewable resources will be given preference over those containing remotely located resources as further described in the Evaluation Criteria.

3. Carbon Free Energy

In order for PCEA to meet its annual carbon reduction targets, it seeks bids for additional carbon free energy volumes to supplement the aforementioned renewable energy volumes. For purposes of this solicitation, carbon free energy will be limited to unit-specific hydroelectricity produced by California-based or regional generators (located within the Western Electricity Coordinating Council and deliverable to California) and accompanied by sufficient documentation that will substantiate the PCEA's inclusion of such volumes under the reporting requirements of California's Power Source Disclosure Program, including related hydroelectricity claims on the PCEA's annual Power Content Label. All carbon free energy shall be scheduled for delivery to the CAISO in a manner that reduces financial risks to the PCEA while ensuring that any/all GHG emissions benefits associated with such carbon free volumes are retained by PCEA. Annual carbon free energy volumes are provided in Exhibit C of the Bid Workbook.

4. Resource Adequacy Capacity

PCEA seeks bids for resource adequacy ("RA") capacity satisfying applicable requirements for the following capacity products: (1) NP 15 System RA; (2) Local RA; and (3) Flexible RA. Qualifying capacity will be determined by the

most recent CAISO rating of generating units for RA purposes and include any flexible capacity attributes. RA products are to be provided/scheduled over a minimum term of fifteen (15) months commencing in October 2016. Local RA is to be provided/scheduled from resources located within the PG&E “Greater Bay Area” and the “Other PG&E” local capacity areas, as specified in Exhibit D of the Bid Workbook.

5. Scheduling Coordination Services

All CAISO interface services, which includes the submission to the CAISO of all schedules and meter data reports required to be filed by the Scheduling Coordinator (“SC”) for the meters enrolled in the Program, and the submission of schedules, bids and other required information for PCEA’s shaped energy, renewable energy, carbon free energy and RA in accordance with the obligations of an SC as defined by the CAISO.

SC services include short-term forecasting of load (i.e., week-ahead, day-ahead, and hour-ahead), scheduling load into the CAISO day-ahead market, validating CAISO statements for load settlements, minimizing and managing real-time imbalance exposure, as well as managing a Congestion Revenue Rights (“CRR”) portfolio and bidding into the various CRR auctions. PCEA is not requesting generation scheduling services as part of this RFP, but all proposers must possess the capability and experience to schedule future PCEA renewable generation projects into the CAISO market. Additionally, the SC will be required to submit regulatory and compliance filings, such as monthly RA compliance reports, to the CAISO on behalf of PCEA.

It is also expected that the SC will be responsible for satisfying the various CAISO financial requirements and obligations (i.e., collateral obligations).

B. LENGTH OF AGREEMENT

The anticipated duration of the agreement will be a minimum thirty-nine month term, but proposers may offer extended term lengths up to fifty-one months in duration. The term of agreement shall begin on October 1, 2016.

Proposers should note that while the County of San Mateo is administering this RFP, the final contract will be negotiated and executed with PCEA.

C. ADDITIONAL REQUIREMENTS/CONSIDERATIONS

1. Proposals shall specify the following pricing criteria:

- For shaped conventional power, bids are to be provided as a fixed \$/MWh price for each calendar year (or portion thereof) of the proposed contract term for delivery to the delivery point defined as DLAP_PGAE-APND by the CAISO.
- For renewable energy, bids are to be provided as a fixed \$/MWh price premium (expressed as an adder on top of the shaped conventional energy price) for each calendar year (or portion thereof) of the proposed contract term.
- For carbon free energy, bids are to be provided as a fixed \$/MWh price premium (expressed as an adder on top of the shaped conventional energy price) for each calendar year (or portion thereof) of the proposed contract term.

- For resource adequacy capacity, bids are to be provided as a fixed \$/kW-month price for each calendar year of the proposed contract term.
 - For SC services, bids are to be provided as a fixed \$/MWh price over the entire contract term. PCEA anticipates that the fixed \$/MWh price for SC services would be applied to PCEA's monthly usage as reported to the CAISO (SC payments by PCEA would be based on the initial CAISO statements as well as all CAISO resettlement statements thereafter).
2. Proposers offering to provide energy products must be certified by CAISO as an SC, or must put forward a certified SC that will be responsible for scheduling loads and resources under the proposal. *If the proposer is not a certified CAISO SC and will be putting forward a third-party to serve in this capacity, PCEA will require these proposers to submit responses that are co-signed by the anticipated SC, verifying the intended business relationship and the anticipated scope of services to be provided.*
 3. Energy product proposals must describe the proposed sources of power supply (Exhibit E of the Bid Workbook), including resources that will be used to fulfill PCEA's conventional power requirements, RPS requirements, carbon free energy requirements and resource adequacy reserves in compliance with the California Public Utilities Commission's and CAISO's resource adequacy standards. Proposals must describe whether electricity would be provided from generation owned by the proposer, obtained under long-term contracts, obtained under short-term contracts and/or spot market purchases. Sufficient information regarding anticipated renewable resource use must be provided by the proposer to facilitate PCEA's determination regarding generator eligibility under California's RPS program and PCEA's locational resource preferences. **Proposers are encouraged to provide a list of all generating facilities, including the location, fuel source, nameplate capacity and anticipated emissions rate of each resource, which will be used to fulfill PCEA's conventional, renewable and carbon-free energy requirements during the proposed term of agreement.**
 4. Proposals must include a description of the proposed invoicing process, including anticipated timelines for PCEA payment delivery. PCEA is requesting proposals that provide for monthly invoices to be delivered no later than the fifteenth day of the month for products/services provided during the previous calendar month; payments would be due and payable on the twenty-fifth day of the month following the month in which such invoice was delivered.
 5. Energy product proposals must accommodate and include proposed terms for the integration/substitution of electric energy produced by renewable generating facilities that may be owned and/or controlled by PCEA throughout the prospective contract term.
 6. All proposals must indicate the date after which the proposed prices are no longer valid and subject to re-pricing.
 7. For all renewable energy purchased by PCEA, the supplier shall complete regular (i.e., monthly) certificate transfers via the WREGIS system. Through such transfers, all Environmental Attributes and Renewable Energy Certificates associated with PCEA's renewable energy purchases shall be conferred to PCEA, evidencing that PCEA has exclusive rights to the Environmental

Attributes/Renewable Energy Certificates. E-tag documentation for PCC2 shall not associate any PCC2 delivered volumes with generators utilizing coal or nuclear fuel sources.

8. Delivery of carbon free volumes shall be documented through use of the CAISO inter-scheduling coordinator trade process or through appropriate identification of PCEA as the buyer on corresponding e-tags for imports into the CAISO balancing area, or other evidence sufficient to document delivery of carbon free energy volumes to PCEA.
9. The proposer or any guarantor must provide the following:
 - Audited financial statements from the prior two years of operations or a web address where such information may be accessed by the PCEA.
 - If available, a credit rating from two of the following: Standard & Poors, Moody's, or Fitch Investor Services from the most recent rating agency report.

SECTION III – GENERAL TERMS AND CONDITIONS

Read all Instructions. Read the entire RFP and all enclosures before preparing your proposal.

Proposal Costs. Costs for developing proposals are entirely the responsibility of the proposer and shall not be charged to the County or otherwise reimbursed by the County.

Proposal Becomes County Property. The RFP and all materials submitted in response to this RFP will become the property of the County.

Questions and Responses Process. Submit all questions relating to this RFP to the designated questions field associated with this RFP at publicpurchase.com.

All questions must be received no later than 5:00 p.m. on April 11, 2016.

All questions and responses will be posted to publicpurchase.com.

If changes to the RFP are warranted, they will be posted to the publicpurchase.com website. It is the responsibility of each proposer to check the website for changes and/or clarifications to the RFP prior to submitting a response. A proposer's failure to do so will not provide a ground for protest.

Alteration of Terms and Clarifications. No alteration or variation of the terms of this RFP is valid unless made or confirmed in writing by the County. Likewise, oral understandings or agreements not incorporated into the final contract are not binding on the County.

If a proposer discovers any ambiguity, conflict, discrepancy, omission, or other error in the RFP, the proposer must immediately notify the County of such error in writing and request modification or clarification of the document. If a proposer fails to notify the

County of an error in the RFP prior to the date fixed for submission, the proposer shall submit a response at his/her own risk, and if the proposer enters into a contract, the proposer shall not be entitled to additional compensation or time by reason of the error or its later correction.

Modifications or clarifications to the RFP will be posted to the publicpurchase.com website as outlined above without divulging the source of the request for same. The County may, at its discretion, also give electronic notice by email to all parties who have notified the County of their electronic contact information in response to this RFP, but no party that fails to receive email notice has any basis for protest given that all clarifications will be available online. It is the obligation of all proposing parties to check the publicpurchase.com website for updates regarding the RFP if they wish to be kept advised of clarifications prior to submitting a proposal.

Selection of Provider(s). The selection of a provider will be memorialized in the form of a “County Agreement with Independent Contractor” (see the enclosed sample template), authorized by a resolution of the County Board of Supervisors and signed by both parties.

The County reserves the right to reject any or all proposals without penalty. The County’s waiver of any deviation in the proposal shall in no way modify the RFP documents or excuse the proposer from full compliance with any eventual contract.

Once a provider is selected, the Agreement with that provider must still be negotiated and submitted to the San Mateo County Board of Supervisors for approval, and there is no contractual agreement between the selected provider unless and until the Board of Supervisors accepts and signs the Agreement. Selection of a proposal for negotiation of contract terms and eventual submission to County leadership by way of an Agreement does not constitute an offer, and proposers acknowledge by submission of a proposal that no agreement is final unless and until approved by the Board of Supervisors.

Equal Benefits. With respect to the provision on employee benefits, contractor/ provider must comply with the County Ordinance prohibiting discrimination in the provision of employee benefits between a full-time employee with a registered domestic partner and one with a spouse. See attached materials.

Jury Duty. The contractor must comply with the County Ordinance requiring that the contractor have and adhere to a written policy the provides its full-time employees who live in San Mateo County with no fewer than five days of regular pay for actual jury service in San Mateo County. This policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employee’s regular pay the fees received for jury service. See the Jury Service Requirements Chapter 2.85 of the Ordinance Code of San Mateo County enclosure. If the proposer has no employees that qualify for jury duty in San Mateo County, the proposer may satisfy this requirement by providing the County with written confirmation of the fact that (1) it has no

such employees and (2) it will comply with the jury service pay ordinance with respect to any future qualifying employees.

Insurance. The County has certain insurance requirements that must be met. In most situations those requirements include the following: the contractor must carry \$1,000,000 or more in comprehensive general liability insurance; the contractor must carry motor vehicle liability insurance, and if travel by car is a part of the services being requested, the amount of such coverage must be at least \$1,000,000; if the contractor has two or more employees, the contractor must carry the statutory limit for workers' compensation insurance; if the contractor or its employees maintain a license to perform professional services (e.g., architectural, legal, medical, psychological, etc.), the contractor must carry professional liability insurance; and generally the contractor must name the County and its officers, agents, employees, and servants as additional insured on any such policies (except workers compensation). Depending on the nature of the work being performed, additional requirements may need to be met.

Incomplete Proposals May be Rejected. If a proposer fails to satisfy any of the requirements identified in this RFP, the proposer may be considered non-responsive and the proposal may be rejected.

Contact With County Employees. As of the issuance date of this RFP and continuing until the final date for submission of proposals, all proposers are specifically directed not to hold meetings, conferences, or technical discussions with any County employee for purposes of responding to this RFP except as otherwise permitted by this RFP. Any proposer found to be acting in any way contrary to this directive may be disqualified from entering into any contract that may result from this RFP.

Proposers should submit questions or concerns about the process as stated above. The proposer should not otherwise ask any County employees questions about the RFP or related issues, either orally or by written communication, unless invited to do so.

Group Purchasing Organization Participation. Proposers should keep in mind that the County is a participant in more than one Group Purchasing Organization (GPO), and this RFP is open to those who provide services under a GPO. Proposers should ensure their proposals are as competitive as possible while also providing the highest quality services in order to be considered a viable provider for the listed services. The County reserves the right to use a GPO provider if doing so is in the County's best interest, as determined solely by the County, even if that provider does not submit a proposal in response to this RFP.

Travel Costs. If the services requested will require you or your employees to travel to the Bay Area, and if the County opts to permit travel expenses to be reimbursed, there are some general guidelines regarding reimbursement rates that will apply. In general, the following restrictions should be kept in mind: reimbursement for the actual cost of lodging, meals, and incidental expenses ("LM&I Expenses") is limited to the then-current

Continental United States (“CONUS”) rate for the location of the work being done (San Mateo/Foster City/Belmont, California), as set forth in the Code of Federal Regulations and as listed by the website of the U.S. General Services Administration (available online by searching www.gsa.gov for the term ‘CONUS’); airline and car rental travel expenses (“Air & Car Expenses”) are limited to reasonable rates obtained through a cost-competitive travel service (for example, a travel or car-rental website), with air travel restricted to coach fares and car rental rates restricted to the mid-level size range or below; and certain other reasonable travel expenses (“Other Expenses”) such as taxi fares, parking costs, train or subway costs, etc. may be reimbursable on an actual-cost basis. You should not assume that the County will permit travel from the Bay Area to be reimbursed, and your proposal should include such travel costs if applicable. Travel costs should be minimized or eliminated in order for a proposal to be competitive.

Miscellaneous. This RFP is not a commitment or contract of any kind. The County reserves the right to pursue any and/or all ideas generated by this RFP. The County reserves the right to reject any and all proposals and/or terminate the RFP process if deemed in the best interest of the County. Further, while every effort has been made to ensure the information presented in this RFP is accurate and thorough, the County assumes no liability for any unintentional errors or omissions in this document. The County reserves the right to waive or modify any requirements of this RFP when it determines that doing so is in the best interest of the County. Finally, the County may revise or clarify aspects of the required services after proposals are submitted by communicating directly to some or all of the providers that submitted proposals.

SECTION IV – REQUEST FOR PROPOSALS PROCEDURE

This section describes the general RFP procedure used by the County, and the remaining sections of this RFP list detailed requirements.

A. TENTATIVE SCHEDULE OF EVENTS

EVENT	DATE
Release Request for Proposals	April 4, 2016
Questions Submitted to County Deadline	April 11, 2016
Release Responses to Questions	April 13, 2016
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Protest Deadline ⁽¹⁾	May 9, 2016
Master Agreement Execution	June 9, 2016

Best and Final Offer	June 10, 2016
Confirmation(s) Execution ⁽¹⁾	June 10, 2016

(1) Dates are subject to change

B. SUBMISSION OF PROPOSALS

Provider/Service Provider Registration: Providers/service providers interested in responding to this RFP must register online with the County of San Mateo at www.publicpurchase.com. The County will not be held responsible for, or held liable for registration errors.

Proposal: The RFP response will be submitted electronically to www.publicpurchase.com by 5:00 p.m. Pacific Standard Time on April 15, 2016.

All responses must be received by the stated date and time in order to be considered for award. The County will not be responsible for and may not accept late proposals due to slow internet connection, or for any other electronic failure (including but not limited to information transmission and internet connectivity failures) of the publicpurchase.com system.

By submitting a proposal, each proposer certifies that its submission is not the result of collusion or any other activity which would tend to directly or indirectly influence the selection process. The proposal will be used to determine the proposer's capability of rendering the services to be provided. The failure of a proposer to comply fully with the instructions in this RFP may eliminate its proposal from further evaluation as determined in the sole discretion of the County. The County reserves the sole right to evaluate the contents of proposals submitted in response to this RFP and to select a contractor, if any.

Proposals received late will not be opened or given any consideration for the proposed services unless doing so is deemed to be in the best interest of the County, as determined in the sole discretion of the County.

C. CONFIDENTIALITY OF PROPOSALS

California Government Code Sections 6250 et seq. (the "California Public Records Act" or the "Act") defines a public record as any writing containing information relating to the conduct of the public business. The Act provides that public records shall be disclosed upon written request and that any citizen has a right to inspect any public record unless the document is exempted from disclosure. The materials submitted in response to this RFP are subject to the California Public Records Act.

Be advised that any contract that eventually arises from this RFP is a public record in its entirety. Also, all information submitted in response to this RFP is itself a public record without exception. Submission of any materials in response to this RFP constitutes a waiver by the submitting party of any claim that the information is protected from disclosure. By submitting materials, (1) you are consenting to release of such materials

by the County if requested under the Public Records Act without further notice to you and (2) you agree to indemnify and hold harmless the County for release of such information.

If the County receives a request for any portion of a document submitted in response to this RFP, the County will not assert any privileges that may exist on behalf of the person or entity submitting the proposal, and the County reserves the right to disclose the requested materials without notice to the party who originally submitted the requested material. To the extent consistent with the Public Records Act and applicable case law interpreting those provisions, the County and/or its officers, agents, and employees retain discretion to release or withhold any information submitted in response to this RFP.

Submission of a proposal constitutes a complete waiver of any claims whatsoever against the County and/or its officers, agents, or employees that the County has violated a proposer's right to privacy, disclosed trade secrets, or caused any damage by allowing the proposal to be inspected.

D. PROPOSAL EVALUATION

All proposals received will be evaluated by an RFP Evaluation Committee. During the evaluation process, the County may require a proposer's representative to answer specific questions orally and/or in writing. The County may also require a visit to the proposer's offices, other field visits or observations by County representatives, or demonstrations as part of the overall RFP evaluation. Once a finalist or group of finalists is selected, additional interactions or information may be required. The most qualified individual or firm will be recommended by the RFP Evaluation Committee based on the overall strength of each proposal, and the evaluation is not restricted to considerations of any single factor such as cost.

Responses to this RFP must adhere to the format for proposals detailed in Section V - PROPOSAL SUBMISSION REQUIREMENTS. The criteria used as a guideline in the evaluation will include, but not be limited to, the following:

- Qualifications and experience of the entity, including capability and experience of key personnel and experience with other public and/or private agencies to provide these services
- History of successfully performing services for public and/or private agencies and other CCA's
- Financial viability of proposer
- Reliability and environmental attributes of proposed power supply, including the anticipated fuel source(s) associated therewith (for all categories, including renewable, carbon-free and conventional power)
- Use of local renewable energy resources
- Ability to support achievement of quantifiable demand reductions (e.g. energy efficiency savings, conservation, load interruption, demand response, etc.), as demonstrated by the proposer

- Proposed approach, including clarity of understanding of the scope of services to be provided and appropriateness of the proposed solution/services
- Ability to meet any required timelines or other requirements
- Existence of and circumstances surrounding any claims and violations against you or your organization
- Cost to the County for the primary services described by this RFP
- References
- Compliance with County RFP and contractual requirements

The County may consider any other criteria it deems relevant, and the Evaluation Committee is free to make any recommendations it deems to be in the best interest of the County. Inaccuracy of any information supplied within a proposal or other errors constitute grounds for rejection of the proposal. However, the County may, in its sole discretion, correct errors or contact a proposer for clarification.

Note that the County reserves the right to evaluate proposals solely based on each provider's written submission. In relation to written materials, evaluation will be performed only on the material included directly in the proposal itself unless otherwise indicated or requested by the County. Your proposal must be complete without relying on external websites, sales brochures, marketing materials or white papers.

The County reserves the right to accept proposals other than those with lowest costs.

E. PROPOSAL RECOMMENDATION

The Evaluation Committee will recommend a provider or providers or may recommend that the proposals be rejected. The County will then make its own decision as to whether to accept or reject the recommendations from the Evaluation Committee. Ultimate acceptance or rejection of the recommended proposal and execution of a contractual agreement is the independent prerogative of the County, notwithstanding any recommendations made by the Evaluation Committee. The County reserves the right to negotiate with any provider to finalize an agreement in relation to the proposer's response.

F. NOTICE TO PROPOSERS

The County is not required to give notice to proposers in any specific format or on any particular timeline. At some point prior to execution of a final agreement for the requested services, the County will notify those who submitted proposals of their non-selection. Proposers may be notified at different times depending on the needs of the County.

G. PROTEST PROCESS

If a proposer desires to protest the selection decision, the proposer must submit by facsimile or email a written protest within five (5) business days after the delivery of the notice about the decision. The written protest should be submitted to the Director of Sustainability as outlined below. Protests received after the deadline will not be accepted. Protests must be in writing, must include the name and address of the proposer and the

RFP number, and must state all the specific grounds for the protest. A protest that merely addresses a single aspect of the selected proposal (for example, comparing the cost of the selected proposal in relation to the non-selected proposal) is not sufficient to support a protest. A successful protest will include sufficient evidence and analysis to support a conclusion that the selected proposal, taken as a whole, is an inferior proposal.

The County will respond to a protest within five (5) business days of receiving it, and the County may, at its election, set up a meeting with the proposer to discuss the concerns raised by the protest. The decision of the County will be final. The protest letter must be sent as follows:

Jim Eggemeyer
Director, Office of Sustainability
jeggemeyer@smcgov.org

SECTION V – PROPOSAL SUBMISSION REQUIREMENTS

The proposal should be submitted in the following format:

A. GENERAL INSTRUCTIONS

All proposals should be typewritten or prepared on a computer and have consecutively numbered pages, including any exhibits, charts, and/or other attachments.

All proposals should adhere to the specified content and sequence of information described by this RFP.

Submit one (1) complete electronic (PDF, Microsoft Word document, etc.) version of your proposal and any required attachments to the County via www.publicpurchase.com per the instructions found on the publicpurchase.com website.

B. COVER LETTER

Provide a one page cover letter on your letterhead that includes the address, voice and facsimile numbers, and e-mail address of the contact person or persons. List the name and title of each person authorized to represent the proposer in negotiations.

Unless the proposer is an individual, all proposals must be signed with a firm/company/partnership/entity name and by a responsible officer or employee indicating that officer or employee's authorization to commit the proposer to the terms of the proposal. Obligations assumed by such signature must be fulfilled.

C. SPECIFIED CONTENT AND DETAILED SEQUENCE OF INFORMATION IN THE RFP

Proposers are required to provide indicative bids for each of the energy products and services by populating the Bid Workbook, which is included as an attachment to the RFP. The exhibits included in the Bid Workbook are as follows:

- Exhibit A – Shaped Energy
- Exhibit B – Renewable Energy
- Exhibit C – Carbon Free Energy
- Exhibit D – Resource Adequacy
- Exhibit E – Planned Resources

By completing the Bid Workbook, PCEA can most effectively and efficiently evaluate all of the proposals.

Each proposal should include sections addressing the following information in the order shown in the following section. The proposer should be sure to include all information that it feels will enable the Evaluation Committee and, ultimately, the County to make a decision. Failure of the proposer to provide specific, detailed information may result in its proposal being rejected in favor of a sufficiently-detailed proposal. Any necessary exhibits or other information, including information not specifically requested by this RFP but that you feel would be helpful, should be attached to the end of the proposal. The party submitting the materials should keep in mind the limitations on confidential information described in Section IV.

D. TABBING OF SECTIONS

TAB 1 Qualifications and Experience:

- 1) Provide a statement of qualifications for your organization, including an organization chart, a statement of the size of firm, a description of services provided by your organization, and a statement of the extent of experience/history providing the services requested by this RFP.
- 2) How many full time employees (FTEs) do you plan to assign to this project if you are selected?
- 3) How many people in total are employed by your company? Delineate between employees and consultants.
- 4) If applicable, list the professional qualifications for each individual that would be assigned to provide services requested by this RFP, including date and educational institutions of any applicable degrees, additional applicable training, and any professional certifications and/or licensing. In lieu of listing this information, you may submit a resume or curriculum vitae for each such individual if the resume/CV includes all the requested information.

TAB 2 Philosophy and Service Model:

This section describes your philosophy and service model for meeting the services required by this RFP. Relevant considerations include the quality and feasibility of your approach to meeting these needs, the manner in which you plan to provide adequate staffing (including planning for absences and back-up coverage, training, background

checks, and staff monitoring, etc.), and equipment or other resources provided by you (if applicable). Keep these considerations in mind as you respond to the following:

- 1) Describe how you will fulfill the needs of the County described in this RFP. Attach a project plan, if appropriate.
- 2) List your needs for physical space and/or equipment at the County during this engagement, if any, aside from space or equipment that would be provided by the County as an obvious aspect of the requested services (for example, space to treat patients, computers to document services, etc.).
- 3) Identify how you will meet all other aspects of the scope of work and related requirements stated above. List any items that you cannot provide.
- 4) Describe the measurements/metrics/deliverables/assessments that you will provide on at least an annual basis to allow the County to assess the services you will provide.
- 5) Provide information on any other pertinent services, if any, that you will offer that will reduce costs or enhance revenue for the County.

TAB 3 Customer Service:

- 1) How will your services meet the needs of County customers and/or the public?
- 2) In the event of a routine problem, who is to be contacted within your organization?
- 3) In the event of the identification of a problem by the County, its clients/patients, and/or other applicable constituents, describe how you will address such problems and the timeframe for addressing them.

TAB 4 Claims, Licensure, Non-Discrimination, and Health Insurance Portability and Accountability Act (HIPAA) Violations Against Your Organization:

List any current licensure, HIPAA, non-discrimination claims against you/your organization and those having occurred in the past five years, especially any resulting in claims or legal judgments against you.

TAB 5 Cost Analysis and Budget for Primary Services:

- 1) Provide a detailed explanation for all costs associated with your providing the requested services if you are selected.
- 2) Is travel time to the County expected to be billable? If so, how will travel time invoices be calculated? Generally, proposals that do not include travel time or expenses are preferred unless the services requested require travel as part of the service.
- 3) Include start-up costs if any.

TAB 6 Cooperative Purchasing:

- 1) State whether the resultant contract can be extended to other San Mateo County departments and/or public agencies in the San Francisco Bay area upon their request. Your response to this inquiry will not affect the selection decision unless other factors are deemed to be equal by the County.
- 2) List any additional services that you foresee may be necessary, if any, and list the proposed costs for such services.

TAB 7 Quality/Program Evaluation:

Each program may have specific quality/evaluation issues, below are some examples:

- 1) Describe the Quality Improvement plan. The plan should include a description of utilization review, co-occurring capability development, medication monitoring, case documentation, peer review, and other issues pertaining to quality improvement mandates and policies.
- 2) Describe a contingency emergency plan.
- 3) Describe credentialing/licensing.

TAB 8 References:

- 1) List at least three business references for which you have recently provided similar services. Include contact names, titles, phone numbers and e-mail addresses for all references provided.
- 2) Provide at least three client/patient references, if applicable and appropriate, for whom you have provided more than occasional services. Include names, titles, e-mail addresses and phone numbers for these individuals.

TAB 9 Statement of Compliance with County Contractual Requirements:

A sample of the County's standard contract (including Exhibits A and B) is attached to this RFP. Each proposal must include a statement of the proposer's commitment and ability to comply with each of the terms of the County's standard contract, including but not limited to the following:

- 1) The County non-discrimination policy
- 2) The County equal employment opportunity requirements
- 3) County requirements regarding employee benefits
- 4) The County jury service pay ordinance
- 5) The hold harmless provision
- 6) County insurance requirements
- 7) All other provisions of the standard contract

In addition, the proposer should include a statement that it will agree to have any disputes regarding the contract venued in San Mateo County or Northern District of California.

The proposal must state any objections to any terms in the County's contract template and provide an explanation for the inability to comply with the required term(s). If no objections are stated, the County will assume the proposer is prepared to sign the County standard contract template as-is.

NOTE: The sample standard contract enclosed with this RFP is a template and does not constitute the final agreement to be prepared for the selected service provider. Do not insert any information or attempt to complete the enclosed sample contract template. Once a provider is selected, the County will work with the selected provider to draft a provider-specific contract using the template. However, each proposal should address the general terms of the standard contract as requested within this RFP.

SECTION VI – ENCLOSURES

Enclosure 1 Standard County Agreement template with Contractor

Enclosure 2 Equal Benefits Program – Frequently Asked Questions

Enclosure 3 Equal Benefits Requirements Chapter 2.84 of the Ordinance Code of San Mateo County

Enclosure 4 Jury Service Requirements Chapter 2.85 of the Ordinance Code of San Mateo County

Enclosure 5 Fingerprinting Requirement Form

Enclosure 6 Attachment I: Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, March 24, 2016
MINUTES**

San Mateo County Office of Education, Corte Madera Room
101 Twin Dolphin Drive, Redwood City, CA 94065
7:00pm

CALL TO ORDER

Meeting was called to order at 7:15pm.

WELCOME AND ADMINISTERING THE OATH OF OFFICE

David Silberman, Chief Deputy County Counsel, administered the Oath of Office to the Board of Directors.

ROLL CALL

Present: Dave Pine, County of San Mateo
Carole Groom, County of San Mateo
Rick DeGolia, Town of Atherton
Greg Scoles (alternate), City of Belmont
Donna Colson, City of Burlingame
Joseph Silva, Town of Colma
Mike Guingona, City of Daly City
Larry Moody, City of East Palo Alto
Gary Pollard, City of Foster City
Deborah Penrose, City of Half Moon Bay
Laurence May, Town of Hillsborough
Catherine Carlton, City of Menlo Park
Ann Schneider (alternate), City of Millbrae
John Keener, City of Pacifica
Jeff Aalfs, Town of Portola Valley
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Cameron Johnson, City of San Carlos
Joe Goethals, City of San Mateo
Mike Futrell (alternate), City of South San Francisco
Daniel Yost, Town of Woodside

Absent: Lori Liu, City of Brisbane

Staff: Jim Eggemeyer, Director, Office of Sustainability
David Silberman, General Counsel
Kirsten Pringle, Sustainability Fellow, Office of Sustainability
Gordon Tong, Sustainability Coordinator, Office of Sustainability

A quorum was established.

Director Pine volunteered to chair the meeting in absence of an official chair. There were no objections from the Board. Director Pine suggested those interested in serving as the chair submit statements of interest to Mr. Eggemeyer to be voted on at the next Board meeting.

PUBLIC COMMENT

No public comment.

INTRODUCTIONS OF THE PCEA TEAM

Director Groom introduced Jim Eggemeyer, Gordon Tong, Kirsten Pringle, David Silberman, Richard Bac, David Burruto from the County. She also introduced consultants Shawn Marshall (LEAN Energy US), Kirby Dusel (Pacific Energy Advisors), and Brian Goldstein (Pacific Energy Advisors).

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Director Pine requested a motion to set the agenda and approve consent agenda items.

Motion Made / Seconded: Futrell / Guingona

Motion passed 21-0 (absent: Liu).

REGULAR AGENDA

1. ADOPTION OF REGULAR MEETING SCHEDULE

Director Pine said that the meeting schedule is set for two meetings a month on the 2nd and 4th Thursday until launch, when it will be down to one meeting a month on the 4th Thursday. He suggested the meetings start earlier as there is a time limitation on the current facility.

Public Comment

None

Motion Made / Seconded: Pollard / Aalfs

Motion passed 20-1 (oppose: Schneider; absent: Liu)

2. ESTABLISHMENT OF AN AD-HOC CITIZEN ADVISORY COMMITTEE

Mr. Tong recommended the Board establish an Ad-Hoc Citizen Advisory Committee until a more permanent committee can be formed after program launch with membership as provided in the memorandum submitted to the Board.

Public Comment

None

Motion Made / Seconded: Futrell / Guingona

Motion passed 21-0 (absent: Liu)

3. PRESENTATION AND DISCUSSION: PCE PROGRAM DEBRIEF

Mr. Eggemeyer and Ms. Marshall presented on the history of PCE as well as next steps for the program.

4. PRESENTATION AND DISCUSSION: DRAFT IMPLEMENTATION PLAN

Mr. Dusel and Mr. Goldstein presented on the draft implementation plan for Peninsula Clean Energy.

Public Comment

Sue Chow, Sierra Club

Michael Closson, MenloSpark

Jan Butts, Sierra Club / San Mateo Community Choice

Lisa Altieri, 350.org Bay Area

Mark Roest, 350.org 100% Renewable / Seawave Battery Inc.

Diane Bailey, MenloSpark

Kirsten Andrews-Schwind, Pacifica Climate Committee

Scott Marshall, Menlo Park

Aaron Hoag, Redwood City

Alexander Cannara, Menlo Park

Michelle Daher, Menlo Park

5. PRESENTATION AND DISCUSSION: ENERGY SERVICES REQUEST FOR PROPOSALS

Mr. Dusel and Mr. Goldstein presented an overview of the energy services request for proposals.

BOARD MEMBER REPORTS

No reports from the Board.

STAFF REPORT

Mr. Silberman requested all Directors turn in their Form 700s and signed Oaths of Office to him.

ADJOURNMENT

Meeting was adjourned at 9:37pm.

Chair

Attest:

Secretary



PENINSULA CLEAN ENERGY
JPA Board Correspondence
General Counsel

DATE: March 25, 2016
BOARD MEETING DATE: March 31, 2016
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable PCE Joint Powers Board

FROM: John C. Beiers, County Counsel/General Counsel
David A. Silberman, Chief Deputy County Counsel/General Counsel

SUBJECT: Appoint the County Counsel as Secretary of Peninsula Clean Energy

RECOMMENDATION:

Appoint the County Counsel as Secretary of Peninsula Clean Energy and authorize the County Counsel to delegate the drafting of minutes.

BACKGROUND:

Paragraph 3.9.2 of the JPA Agreement forming Peninsula Clean Energy requires the Board to appoint a Secretary (who need not be a member of the Board and) who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority pursuant to Paragraph 3.9.2.

DISCUSSION:

On March 24, 2016 the Board hired the County Counsel's Office to serve as General Counsel to Peninsula Clean Energy and it is anticipated that the County Counsel's Office will be attending the Board meetings and is willing to serve in the role of Secretary at the Board's pleasure.

The County Counsel would like the discretion to delegate the taking of minutes to employees of Peninsula Clean Energy (when hired) or employees of the County's Office of Sustainability when deemed necessary or appropriate.

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,

STATE OF CALIFORNIA

* * * * *

**RESOLUTION APPOINTING THE COUNTY COUNSEL SECRETARY AND
AUTHORIZING THE COUNTY COUNSEL TO DELEGATE THE
DRAFTING OF MINUTES**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, the Peninsula Clean Energy Authority (“Peninsula Clean Energy”) was formed on February 29, 2016; and

WHEREAS, the JPA Agreement forming the Authority requires the Board to appoint a Secretary who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority pursuant to Paragraph 3.9.2; and

WHEREAS, the San Mateo County Counsel’s Office has been appointed General Counsel by the Board and is willing to serve in the role at the Board’s pleasure; and

WHEREAS, the County Counsel’s Office would like the discretion to delegate the taking of minutes to employees of Peninsula Clean Energy (when hired) or employees of the County’s Office of Sustainability when deemed necessary or appropriate; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the County Counsel's Office is appointed Secretary of Peninsula Clean Energy and is further authorized to delegate the drafting of minutes when it deems it necessary or appropriate.

* * * * *