



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, January 26, 2017
MINUTES**

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

CALL TO ORDER

Meeting was called to order at 6:36 pm.

ROLL CALL

Present: Dave Pine, County of San Mateo, *Chair*
Carole Groom, County of San Mateo
Rick DeGolia, Town of Atherton
Charles Stone, City of Belmont
Lori Liu, City of Brisbane
Donna Colson, City of Burlingame
Rae P. Gonzalez, Town of Colma
Glenn Sylvester, City of Daly City
Catherine Mahanpour, City of Foster City
Harvey Rarback, City of Half Moon Bay
Elizabeth Cullinan, Town of Hillsborough
Ray Mueller, City of Menlo Park
Wayne Lee, City of Millbrae
John Keener, City of Pacifica
Jeff Aalfs, Town of Portola Valley, *Vice Chair*
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Cameron Johnson, City of San Carlos
Pradeep Gupta, City of South San Francisco

Absent: Larry Moody, City of East Palo Alto
Joe Goethals, City of San Mateo
Daniel Yost, Town of Woodside

Staff: Jan Pepper, Chief Executive Officer
George Wiltsee, Director of Power Resources and Energy Programs
Dan Lieberman, Director of Marketing and Public Affairs
Kirsten Andrews-Schwind, Communications and Outreach Manager
Leslie Brown, Manager of Customer Care
Anne Bartoletti, Board Clerk / Executive Assistant to the CEO
David Silberman, General Counsel
Nirit Eriksson, Associate General Counsel

A quorum was established.

SWEARING IN OF NEW BOARD MEMBERS:

The following new Board members were sworn in by Nirit Eriksson, Associate General Counsel:

Rae P. Gonzalez, Town of Colma
Glenn Sylvester, City of Daly City
Harvey Rarback, City of Half Moon Bay

PUBLIC COMMENT:

Mark Roest, SeaWave Battery, Inc.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Cameron / Stone

Motion passed unanimously 18-0 (Absent: Moody, Mueller, Goethals, Yost)

PUBLIC COMMENT

No public comment.

REGULAR AGENDA

1. CHAIR REPORT

Dave Pine welcomed Board members, new Board members, and attendees.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—reported that Peninsula Clean Energy (PCE) staff moved into temporary office space at 555 Marshall St in Redwood City, and signed a lease for permanent space at 2055-2075 Woodside Rd in Redwood City. They hope to move into the permanent office space in May or June. She introduced new PCE staff member Kirsten Andrews-

Schwind, the Communications and Outreach Manager, and announced that Leslie Brown, the Customer Care Manager, will be starting January 30th. A new position for a Regulatory / Legislative Analyst will be posted soon, but a hiring decision has not been made on the open Contracts and Compliance Manager position.

Jan announced that the California Public Utilities Commission (CPUC) will be holding an En Banc hearing on Community Choice Aggregator (CCA) issues on February 1, 2017. PCE staff and several Board members are planning to attend. She also reported that she, Nirit Eriksson, Associate General Counsel, and several Board members will meet with CPUC Commissioner Carla Peterman on February 2nd, and will be scheduling 'Meet and Greet' meetings with the two newly appointed CPUC Commissioners, Martha Guzman Aceves and Clifford Rechtschaffen. Jan and several Board members met with Senator Jerry Hill on January 6th, and they'll meet with Assemblymembers Berman and Mullin tomorrow, January 27th. Jan also reported that she is working with CalCCA on the Diablo Canyon closure proceeding. PCE will be part of the joint parties filing testimony on January 27th, and Jan will be a witness sponsoring two sections.

3. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE POWER PURCHASE AGREEMENTS AND ANCILLARY DOCUMENTS FOR RENEWABLE SUPPLY WITH:

Jan Pepper introduced Joe Karp, an attorney with Winston & Strawn, who has been advising PCE on negotiations with the Power Purchase Agreement (PPA) bidders. She announced that there were four PPAs on the agenda – three existing small hydro projects in Shasta County, and one new solar project in Merced County that will be built exclusively for PCE. PCE'S load forecasts and peak capacity needs were discussed.

3.1 Mega Renewables, a California general partnership (Hatchet) – Hatchet Creek Hydroelectric Project. Contract Term: 5 years. Not to Exceed \$4,130,000. (Action)

3.2 Mega Renewables, a California general partnership (Roaring) – Roaring Creek Hydroelectric Project. Contract Term: 2 years. Not to Exceed \$562,000. (Action)

3.3 Mega Renewables, a California general partnership (Bidwell) – Bidwell Ditch Hydroelectric Project. Contract Term: 2 years. Not to Exceed \$1,150,000. (Action)

3.4 Wright Solar Park, LLC, a Delaware limited liability company – Wright Solar Park. Contract Term: 20 years. Not to Exceed \$550,000,000. (Action)

Motion Made / Seconded: Gupta / Lee

Motion passed unanimously 19-0 (Absent: Moody, Goethals, Yost)

PUBLIC COMMENT:

Bill Nack, Local IBEW 1245 and 617
Alex Cannara, Menlo Park

4. POWER SUPPLY PLAN FOR PHASE 2 ENERGY

Jan Pepper and George Wiltsee, Director of Power Resources, explained that in April, 220,000 customers will be coming online. PCE has Phase 1 Master Agreements with three Energy Service Providers (ESPs). Those same ESPs have been contacted to provide pricing for Phase 2 supply. Other firms have been contacted for supplying renewable energy and greenhouse-gas free energy.

5. AUTHORIZE PURCHASE OF RESOURCE ADEQUACY FROM NRG POWER MARKETING LLC FOR APRIL AND MAY 2017, IN AN AMOUNT NOT TO EXCEED \$275,000

Jan Pepper and George Wiltsee explained that PCE needs to purchase more Resource Adequacy (RA) for Phase 2, and NRG is ready to provide that additional RA. Jan explained that tonight they are only asking for approval for the April RA, and next month will seek approval for May and June.

Motion Made / Seconded: Bain / Groom

Motion passed unanimously 18-0 (Absent: Moody, Lee, Goethals, Yost)

6. APPROVE AN ADJUSTMENT IN PENINSULA CLEAN ENERGY'S (PCE'S) RATES, EFFECTIVE MARCH 1, 2017, TO MAINTAIN A 5% DISCOUNT IN GENERATION CHARGES COMPARED TO PG&E

Jan Pepper reported that PG&E raised their rates on January 1, 2017, and the increase ranges between 1.6% and 3% for different rate categories. PG&E also increased the Power Charge Indifference Adjustment (PCIA) charge by 26%. PCE staff recommend an adjustment to decrease PCE's rates to maintain the 5% discount in generation charges compared to PG&E.

Jan explained that the revenue impact of a decrease in PCE's rates would be minimal since PCE's revenues have been higher than what was projected in the July 2016 Pro Forma, and the Pro Forma had projected PG&E would decrease rates so we were prepared for a rate reduction. In addition, the original Pro Forma projected a 15% Opt Out rate, but with our actual Opt Out rate around 1.4%, we're changing our projected Opt Out rate to 5%.

Jan recommended making the effective date March 15th, 2017, rather than March 1st, 2017, due to a request by Calpine to provide them more time to make the changes in their programming.

Motion Made / Seconded: Stone / Bain

Motion passed unanimously 18-0 (Absent: Moody, Lee, Goethals, Yost)

7. FINANCIAL REPORT

Jan Pepper introduced Mike Maher, PCE's Accountant. Mike presented the December reports and stated that we are half way through the fiscal year, with the balance sheet showing close to

\$20,000,000 in assets, and operating revenues of almost \$17,000,000 from Phase 1 through December 31. Mike noted that PCE is “in the black”. Jan added that PCE has a \$12,000,000 line of credit from Barclay’s , of which only \$3,000,000 has been drawn, and that PCE may not need to draw on the other \$9,000,000. The Board discussed creating an Audit and Finance ad hoc committee at a subsequent meeting.

8. MARKETING AND OUTREACH REPORT

Dan Lieberman—Director of Marketing and Public Affairs—introduced Kirsten Andrews-Schwind, the Communications and Outreach Manager who presented the outreach plan for Phase 2, and handed out a survey to the Board and audience members to get feedback and outreach recommendations for their community. Dan reported on recent and upcoming marketing and outreach efforts.

9. AD HOC COMMITTEE REPORT ON FORMATION OF CITIZENS ADVISORY COMMITTEE

Dave Pine reported that the ad hoc committee needs to meet, and he committed to working out the details of the formation of a new Citizens Advisory Committee (CAC) before the next meeting.

10. BOARD MEMBERS’ REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 8:26 pm.