



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, March 23, 2017
MINUTES**

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

CALL TO ORDER

Meeting was called to order at 6:38 pm.

ROLL CALL

Present: Dave Pine, County of San Mateo, *Chair*
Carole Groom, County of San Mateo
Rick DeGolia, Town of Atherton
Greg Scoles, 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
Carlos Romero, City of East Palo Alto
Harvey Rarback, City of Half Moon Bay
Elizabeth Cullinan, Town of Hillsborough
Catherine Carlton, City of Menlo Park
Wayne Lee, City of Millbrae
John Keener, City of Pacifica
Jeff Aalfs, Town of Portola Valley, *Vice Chair*
Diane Howard, City of Redwood City
Marty Medina, City of San Bruno
Cameron Johnson, City of San Carlos
Rick Bonilla, City of San Mateo
Pradeep Gupta, City of South San Francisco
Daniel Yost, Town of Woodside

Absent: City of Foster City

Staff: Jan Pepper, Chief Executive Officer

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
Nirit Eriksson, Associate General Counsel

A quorum was established.

PUBLIC COMMENT:

No public comment.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Lee / Bonilla

Motion passed unanimously 21-0 (Absent: Foster City)

PUBLIC COMMENT

No public comment.

REGULAR AGENDA

1. CHAIR REPORT

Dave Pine—Chair—welcomed Board members and attendees. He reported on San Diego Gas and Electric (SDG&E) efforts to create a separate entity to lobby against Community Choice Aggregators (CCAs). Dave also reported that Peninsula Clean Energy's (PCE's) 200 MegaWatt solar contract received industry attention because no other CCA has contracted for this large of a project to date.

Chair Pine recognized the Board's hard work and contributions between meetings, working on ad hoc committees to interview potential power providers, and efforts to get the new Citizen's Advisory Committee (CAC) up and running. He thanked the PPA (Power Purchase Agreement) Ad Hoc Committee; the ESP (Energy Service Provider) Ad Hoc Committee; the initial CAC Ad Hoc Committee that developed the structure of the new CAC; and the new CAC Ad Hoc Committee that is creating the application process. He also thanked PCE staff for taking PCE from 20% of the county to 100% as PCE launches the largest CCA rollout.

2. CEO REPORT

Jan introduced Leslie Brown, Manager of Customer Care, who started with PCE on January 30th. She announced that two more people have been hired—Joseph Wiedman, Senior Regulatory/Legislative Analyst, and Siobhan Doherty, Manager of Contracts—and that they'll be starting on Monday, March 27, 2017.

Jan Pepper—Chief Executive Officer—reported that Peninsula Clean Energy (PCE) received refreshed pricing from three ESPs (Energy Service Providers) since the last Board meeting. She thanked the Rick Bonilla, Donna Colson, Rick DeGolia, and John Keener for assisting in the review of the refreshed pricing, stating the pricing was much better than in Phase 1. She also thanked the PPA Ad Hoc Committee for their time and effort assisting with interviews of potential Power Providers.

Jan announced that success was achieved in the Diablo Canyon proceedings, when Pacific Gas and Electric Company (PG&E) withdrew a portion of their testimony that would have created another non-bypassable charge and agreed that such issues should be considered in the Integrated Resource Planning (IRP) proceeding at the CPUC. An en banc hearing on retail choice will take place on May 19th in Sacramento.

3. MARKETING AND OUTREACH REPORT

Kirsten Andrews-Schwind—Communications and Outreach Manager—reported on recent outreach efforts.

Dan Lieberman—Director of Marketing and Public Affairs—reported on marketing efforts.

PUBLIC COMMENT

Sri Sukhi, Leaveoil.org

Mark Roest, Green Fleets Group

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

4.1 BUENA VISTA ENERGY, LLC (BUENA VISTA WIND)—POWER DELIVERY TERM: 5 YEARS. NOT TO EXCEED \$25 MILLION

4.2 ENERGY DEVELOPMENT & CONSTRUCTION CORPORATION (KAREN AVENUE WIND) — POWER DELIVERY TERM: 3 YEARS. NOT TO EXCEED \$5 MILLION

4.3 CUYAMA SOLAR, LLC (CUYAMA SOLAR)—POWER DELIVERY TERM: 1 YEAR. NOT TO EXCEED \$6 MILLION

George Wiltsee—Director of Power Resources and Energy Programs—thanked the PPA Ad Hoc Committee for their assistance reviewing the PPAs, Joe Karp and Lisa Cottle from Winston & Strawn for their assistance in negotiating the PPAs, and Nirit Erikson for her instrumental guidance finalizing the three PPAs being presented tonight. Joe Karp from Winston & Strawn was present for questions.

George presented two wind projects and one solar project, explaining that these are designed to deliver this year. George introduced Andrew Flanagan, Sr. Vice President of Development for Leeward Renewable Energy LLC, which is the parent company for Buena Vista. Mr. Flanagan answered questions from the Board regarding the Buena Vista Energy wind project and the

turbines that are used. George presented background information on Energy Development Construction Corporation (EDCC), and First Solar which is the parent company of Cuyama Solar.

There was a request from the board to review the criteria that PCE is using to evaluate the long-term PPAs and to discuss the overall supply portfolio at a future board meeting.

PUBLIC COMMENT

No public comment.

Motion Made to Authorize 4.1, 4.2, 4.3 / Seconded: Lee / Scoles

Motion passed 20-0 (Absent: Foster City. Abstained: Yost)

5. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE WSPP CONFIRMATION FOR PURCHASE OF RESOURCE ADEQUACY FROM PG&E FOR JUNE 2017, IN AN AMOUNT NOT TO EXCEED \$375,000

Jan Pepper reported that PG&E issued a solicitation for Resource Adequacy. PCE had an open position for June 2017, so PCE placed a bid on their RFP. She explained that PG&E has agreed that the RA will not be sourced from nuclear or coal resources.

Motion Made / Seconded: Bonilla / Lee

Motion passed 20-0 (Absent: Foster City. Abstained: Yost)

6. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE WSPP CONFIRMATION FOR PURCHASE OF GREENHOUSE GAS FREE ENERGY FROM MORGAN STANLEY CAPITAL GROUP, INC. FOR 2017 IN AN AMOUNT NOT TO EXCEED \$350,000

Jan Pepper explained that this purchase of greenhouse gas (GHG) free energy is designed to ensure PCE meets GHG free goals.

Motion Made / Seconded: Bonilla / May

Motion passed 20-0 (Absent: Foster City. Abstained: Yost)

7. RECEIVE UPDATE ON STATUS OF WRIGHT SOLAR PARK AND DELEGATE AUTHORITY TO CEO TO MODIFY CERTAIN DATES IN THE POWER PURCHASE AGREEMENT BETWEEN PCE AND WRIGHT SOLAR PARK

Jan Pepper explained that the Wright Solar Park project was progressing, but that some interim dates may need to be modified to provide more time to finalize their financing partner. She said Wright Solar still plans to meet its commercial operation date. Rick DeGolia described the analysis and level of detail that Wright Solar provided on their potential investor, and Joe Karp explained that PCE has the right to consent, but without undue delay.

Motion Made / Seconded: Keener / Bonilla

Motion passed 21-0 (Absent: Pollard)

8. UPDATE FROM AD HOC COMMITTEE ON FORMATION OF NEW CITIZENS ADVISORY COMMITTEE

Donna Colson reported on the Ad Hoc Committee formation and application process.

9. POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA) VINTAGING AND PCIA WORKGROUP UPDATE

John Keener presented an overview of the PCIA as it is currently mandated by the legislature, through the California Public Utilities Commission, and paid by CCA customers.

Pradeep Gupta detailed the current PCIA methodology with the key issues including 1) lack of data about PG&E's contracts, 2) a lack of transparency overall , and 3) the absence of an annual true-up of the market price benchmark. He described how Resource Adequacy requirements and CAISO overview of the grid ensures that sufficient energy and capacity is delivered through the grid. He also discussed the Cost Allocation Methodology (CAM) and the Portfolio Allocation Methodology (PAM). Pradeep offered to provide a two to three-hour workshop for Board members who are interested in a more detailed description of these issues.

PUBLIC COMMENT

Mark Roest, Green Fleets Group
Byron Pakter, Optony Inc.

10. FINANCIAL REPORTS

Jan Pepper presented PCE's most recent financial reports, showing January assets of \$23 Million. She reported that PCE is ahead of revenue forecasts.

11. BOARD MEMBERS' REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 9:16 pm.