



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, September 22nd, 2016
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
Lori Liu, City of Brisbane
Donna Colson, City of Burlingame
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
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
Joe Goethals, City of San Mateo
Pradeep Gupta, City of South San Francisco
Daniel Yost, Town of Woodside

Absent: Charles Stone, City of Belmont
Joseph Silva, Town of Colma
Michael Guingona, City of Daly City

Staff: Jan Pepper, Chief Executive Officer
David Silberman, General Counsel

Nirit Eriksson, Associate General Counsel
George Wiltsee, Director of Power Resources and Energy Programs
Dan Lieberman, Director of Marketing and Public Affairs
Anne Bartoletti, Board Clerk / Executive Assistant to the CEO
Carolyn Raider, Office of Sustainability

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Lee/ Bain

Motion passed unanimously 17-0 (Absent: Groom, Stone, Silva, Guingona, Carlton)

REGULAR AGENDA

1. CHAIR REPORT

Chair Pine announced that Atherton and Foster City voted to Opt Up. Now that Peninsula Clean Energy Authority (PCEA) is about to launch, the Board will meet once a month on the 4th Thursday. He announced that the Board will have a Retreat on November 12th or 19th to develop PCEA's mission statement and strategic goals

2. CEO REPORT

Jan Pepper—Chief Executive Officer— introduced PCEA's new hires: Anne Bartoletti, Board Clerk / Executive Assistant to CEO; Dan Lieberman, Director of Marketing and Public Affairs; George Wiltsee, Director of Power Resources and Energy Programs. Jan also introduced Nirit Eriksson, Deputy County Counsel with San Mateo County, who is serving as Associate General Counsel for PCEA.

Public Comment

Jim Eggemeyer, Director of San Mateo County's Office of Sustainability (OOS), thanked his staff for supporting PCEA in the lead-up to the launch, and as they transition duties to the PCEA staff. Board members, Chair Pine, and PCEA's CEO Jan Pepper, also extended thanks to the entire OOS team for their support.

Jan reported upcoming events including the first PCEA customers coming online on October 3rd, and PCEA's official Launch and press conference on October 6th at 10:30 a.m. in the San Mateo County Center courtyard.

San Mateo County staff have been providing Finance and Banking assistance, but PCEA should have their own bank account soon. Revenues will begin flowing in November, and PCEA will be contracting with Maher Accountancy for finance support and treasury functions. Jan announced upcoming expenditures for computers, a secure Box account to store PCE files in the “cloud”, an IT consultant, interest payments to Barclay’s, printing and postage.

Jan reported that PCEA has joined the California Community Choice Association (CalCCA), which is a 501(c)6 that was created to advocate for and represent the CCAs at the legislative and regulatory levels. Their website is cal-cca.org. PCE is on the board, along with other CCAs. The cost is \$15,000, but that will increase as revenues increase. CalCCA will be hosting a Policy Summit on October 20th in San Francisco.

Chair Pine requested that information on The Clean Power Exchange be shared with the Board. The following information was provided to the Board via email the following week: The Clean Power Exchange is hosted by the Center for Climate Protection. They track CCA growth across the state. They have also recently released a new report called “*Community Choice Energy: What is the Local Economic Impact?*”, which can be downloaded from their website: <http://cleanpowerexchange.org/>. It is an interesting read, with the key finding that local economic benefits and jobs accrue from local renewable energy investment.

3. RESOURCE ADEQUACY

Jan Pepper—Chief Executive Officer— introduced Jay Robertson and Scott Adair from Direct Energy, who provided an overview of Resource Adequacy (RA). They explained that RA is extra capacity that ensures there are generation reserves available in times of extreme demand. There are three types of resource adequacy: System, Local, and Flexible. PCEA’s obligation is 115% of peak monthly demand. It’s a compliance issue, with year-ahead and month-ahead requirements. The year-ahead filing deadline is the last business day of October 2016, and again in October 2017.

Public Comment:

Landis Marttila, IBEW Local 1245
Michael Closson, MenloSpark

- a. Adopt a Resolution delegating authority to the Chief Executive Officer to execute a Confirmation Agreement with Shell Energy North America for Resource Adequacy with terms consistent with those presented, in a form approved by the General Counsel and for a term ending December 31, 2017**

The Board members discussed RA regulatory requirements, that there will be multiple purchases during the year, and that Shell offered the best price for this latest need. EEI vs WSPP contracts were discussed, as well as the possibility of the CCAs buying in bulk in the future.

Public Comment:

Michael Closson, MenloSpark
Anne Schneider, City of Millbrae

Jan Pepper explained that PCEA purchased renewable and green-house gas free energy from Direct Energy to meet the energy requirements, and RA provides capacity, which are power plants that are on stand-by in case of greater demand or outage, as a back-up for the grid. Board members discussed that solar output is intermittent, so PCEA needs to provide backup resources to help keep the power constant. Shell Energy North America (SENA) is providing RA with a hydro plant, and Silicon Valley Power (SVP) is providing RA with two natural gas-fired combustion turbines.

The Board discussed the implications of doing business with SENA considering their business practices in 2001, and their conduct in other countries. It was also discussed that if PCEA is going to set a policy, it should be applied consistently. The timeframe for making a decision is October 31st, 2016, for the 2017 filing. The Board discussed taking action on RA now, and handling the issue of adopting consistent criteria and policies separately. It was reiterated that SENA would be providing hydro-powered RA.

The Board discussed voting on the Resolution for SVP first. (Agenda item 3. b.)

b. Adopt a Resolution delegating authority to the Chief Executive Officer to execute a Confirmation Agreement and a Master Agreement with Silicon Valley Power for Resource Adequacy with terms consistent with those presented, in a form approved by the General Counsel and for a term ending December 31, 2017

Motion on 3.b. Made / Seconded: Lee / Pine

Motion passed 18-1 (Opposed: Bonilla. Absent: Stone, Silva, and Guingona)

The Board discussed SENA, the scandals various companies have had, and what criteria we should use to decide whether or not to do business with a company.

Motion on 3.a. Made / Seconded: Lee / Moody

Motion passed 14-4 (Opposed: Carlton, Penrose, Gupta, and Bonilla. Abstain: Yost. Absent: Stone, Silva, and Guingona)

The Board discussed requesting the Executive Committee establish an ad hoc committee to consider creating of a Code of Conduct by which to measure any company that PCEA is considering doing business with.

Public comment:

Mark Roest, SeaWave Battery, Inc.
Landis Martilla, IBEW Local 1245

4. MARKETING AND OUTREACH

Dan Lieberman presented information on community workshops, ad campaigns, and volunteers doing business outreach. The information is included in the Presentation Slides that will be posted on the PCEA website.

5. CITIZEN'S ADVISORY COMMITTEE UPDATE

- a. Request approval of Citizens Advisory Committee (CAC) Extension and Meeting Schedule for 2016.

The Board discussed extending the CAC meetings through calendar year 2016, changing the meeting date to the Thursday before the Board meeting starting October 2016 so the CAC can provide input on the Board agenda, and adding the CAC as a standing item on the Board agenda so a CAC member can make a report to the Board.

Motion Made / Seconded: Yost / Bain

Motion passed unanimously 19-0 (Absent: Stone, Silva, and Guingona)

Public comment:

Diane Bailey, MenloSpark

- b. Provide Direction on Future Role and Membership of CAC

The Board discussed the current composition of the CAC, the definition of "Citizens Advisory", and whether or not stakeholders or representatives from the energy industry should be included. The Board discussed doing outreach to citizens, setting up an interview process, and establishing guidelines for selection criteria for CAC membership. Chair Pine suggested having the Executive Committee report back to the Board on the role of the CAC.

6. REGULATORY UPDATE

Steve McCarty from Lean Energy discussed PG&E's Diablo Canyon Power Plant closure application. Forty parties filed comments or protests. He also discussed PG&E's 2015 ERRRA Forecast Application, Integrated Resource Planning (IRP), and SDG&E's request to establish a Marketing Affiliate.

7. CORRECTED RATES

Jan Pepper—Chief Executive Officer— explained that she was notified of a minor error in the calculation of two rates. She requested approval of two corrected rate calculations and the rate schedule that was updated to reflect those corrections.

Motion Made / Seconded: Yost / Penrose

Motion passed unanimously 19-0 (Absent: Stone, Silva, and Guingona)

8. BOARD MEMBERS' REPORTS

None

CLOSED SESSION

9. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: 800 El Camino Real, Menlo Park

Agency Negotiators: Jan Pepper, David Silverman, and Nirit Eriksson

Negotiating Party: Longitude Capital Management Co.

Under Negotiation: price and terms of usage

CLOSED SESSION REPORT

No reportable actions were taken.

ADJOURNMENT

Meeting was adjourned.

Chair

Attest:

Secretary