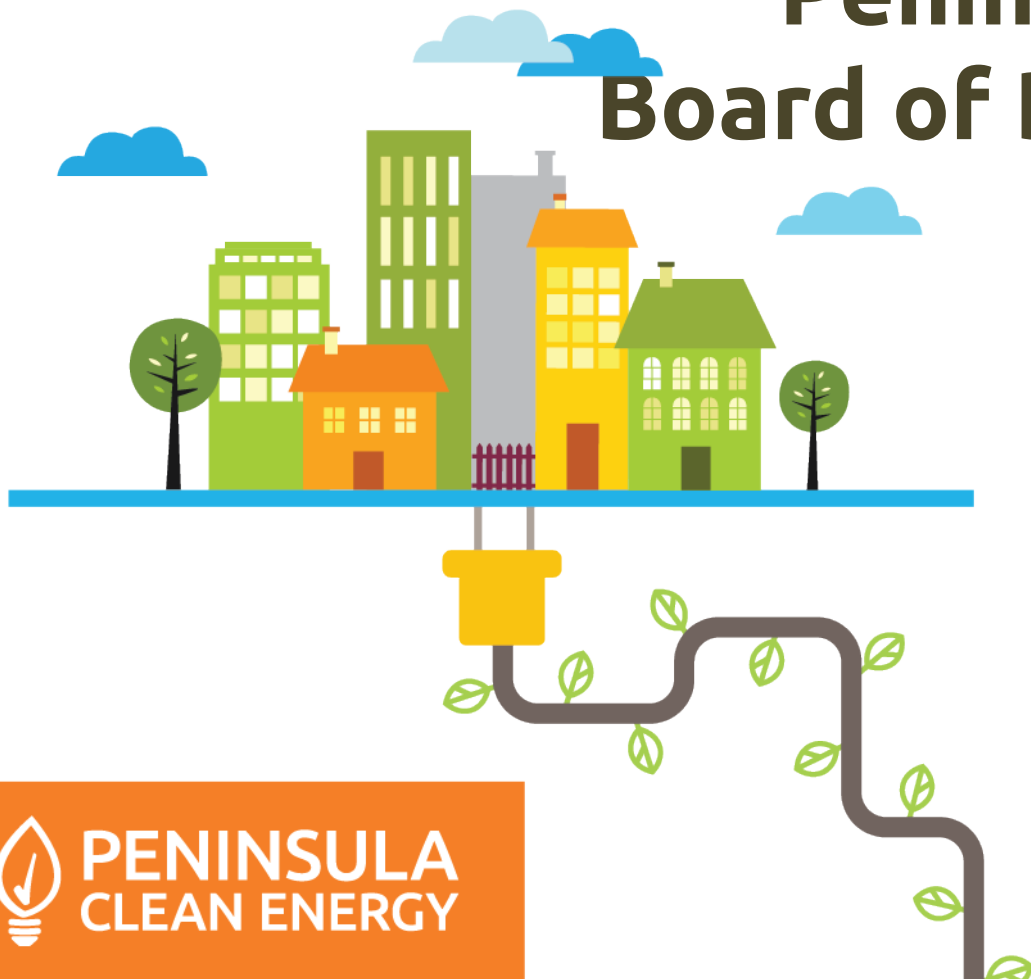


# Peninsula Clean Energy Board of Directors Meeting

November 16, 2017



**PENINSULA  
CLEAN ENERGY**

# **Agenda**

**Call to order / Roll call**

**Public Comment**

**Action to set the agenda and approve  
consent items**

# Regular Agenda

## **1. Chair Report (Discussion)**

# Regular Agenda

## **2. CEO Report (Discussion)**

# Recruiting Update

- New Job Postings – open until filled
  - Key Accounts Executive
  - Power Resources Manager
  - Creative Content Designer (part-time)
- Next Job Posting – coming soon
  - Energy Programs Manager or Director
  - Senior Regulatory Analyst (re-posting)
  - Legislative Analyst

# Other Updates

- CalCCA Board meeting and Legislative Retreat last Thursday
  - CalCCA will be proactively posting Op-Eds
- Community Choice Energy Summit this week in Santa Clara
  - Dan, Siobhan, and Jan spoke on 3 different panels
- PCE Meeting with Senator Jerry Hill on Friday
- Next “Deeper Dive” on technical issues of 100% renewable resources on the grid:
  - January 5th or 12th, 2:30 to 4:30 pm
- Creating an online application for Local Projects and Programs

# Regular Agenda

## **3. Citizens Advisory Committee Report (Discussion)**

# Regular Agenda

## **4. Marketing and Outreach Report (Discussion)**

# Regular Agenda

## **5. Regulatory and Legislative Report (Discussion)**

# Regular Agenda

## Regulatory and Legislative Report

November 16, 2017

Joseph Wiedman

Senior Regulatory/Legislative Analyst



# October/November Regulatory Activities

## – Filings

- Coalition of CCAs filed protests to PG&E Advice Letters 5151-E (October 23<sup>rd</sup>) and 5146-E (October 18<sup>th</sup>).
- On October 26<sup>th</sup>, all active parties in the PCIA docket filed a Joint Status Report on discovery matters (R.17-06-026).
- CalCCA filed an Opening Brief (November 6<sup>th</sup>) and a Reply Brief (November 11<sup>th</sup>) in the Bond Methodology docket (R.03-10-003).
- CalCCA filed Opening Comments (October 26<sup>th</sup>) and Reply Comments (November 9<sup>th</sup>) on the IRP Reference System Plan (R.16-02-007).

# October/November Regulatory Activities

## – Other Regulatory Activities

- Jan Pepper presented at the CPUC's California Customer Choice workshop in Sacramento on October 31. Joe Wiedman, Rick DeGolia and Pradeep Gupta also attended.
- Joe Wiedman facilitated a CCA-Solar "summit" on November 1.
- Joe Wiedman participated in an All-Party Meeting at the CPUC for the Integrated Resource Planning docket (R.16-02-007) on November 2.

# October/November Legislative Activities

- Jan Pepper and Joe Wiedman attended a CalCCA legislative retreat in San Francisco on November 9<sup>th</sup>.

# Regular Agenda

## **6. Approval of New Rates (Action)**

# PCE 2018 Rate Adjustment

November 16, 2017

Leslie Brown  
Manager of Customer Care



# PCE 2018 Rate Adjustment

- June 2017: PG&E files 2018 Energy Resource Recovery Account (ERRA) Application with projected revenue requirements
- August 2017: PG&E files Annual Electric True-up (AET) with projected 2018 rates based on updates to date from June data
- November 2017: PG&E files ERRA update with revenue adjustments including PCIA and FFS figures

# PCE 2018 Rate Adjustment

- PCIA and FFS are both increasing
- Overall PG&E Generation rates are projected to increase, however shifting costs between different rate schedules and TOU periods will cause variations amongst them
- PCE is committed to maintaining a 5% discount in 2018

# PCE 2018 Rate Adjustment

- How Does PCE Currently Calculate Rates?
  - PG&E Generation Rate x 95%
  - Subtract PCIA
  - Subtract FFS
  - Result = PCE Generation Rate

**PCE Generation Savings = 5%**

# PCE 2018 Rate Adjustment

- Staff consulted with PEA to project PG&E January 1, 2018 rates based on best information available
- The projected PG&E rate increase appears to offset the PCIA and FFS increase in most cases with PCE maintaining a 5%+ discount

# PCE 2018 Rate Adjustment

- A small subsection of rates are projected to have less than 5% discount on January 1 (Winter)
  - E6, EV, ETOU, and various AG rates
  - See handout for details
- Other Winter rates are projected to have at least 5% discount and can be adjusted after actual PG&E rates are known on January 1, 2018
- All other rates (including Summer rates) will be adjusted after publication of PG&E's rates on January 1, 2018

# PCE 2018 Rate Adjustment

- Action requested tonight:
  - Adjust selected rates now to maintain 5% discount on January 1, 2018
- Action to be requested in December:
  - Authorize staff to adjust all rates as needed after final PG&E rates are published on January 1, 2018 to maintain 5% discount across the board

# Regular Agenda

## **7. Approve Endorsement of Citizens Climate Lobby (Action)**

# Regular Agenda

## **8. Integrated Resource Plan (IRP) Update (Discussion)**

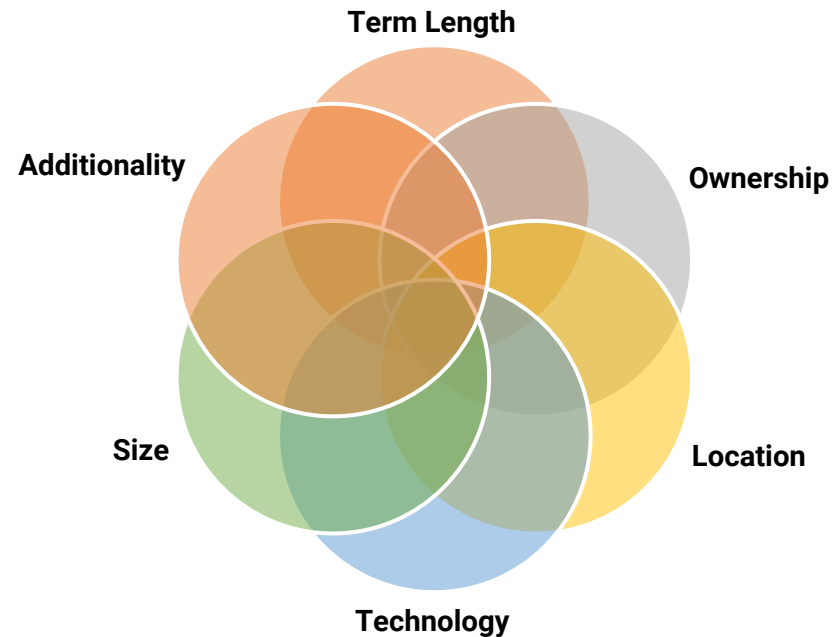
# Integrated Resources Plan Update

November 16, 2017



# Agenda

- Strategic Goals and Policies
- Regulatory Requirements
- PCE Daily Load
- Procurement Guidelines
  - Open Position
  - Additionality
  - Term Length
  - Size
  - Ownership
  - Technology
  - Location
- Next Steps



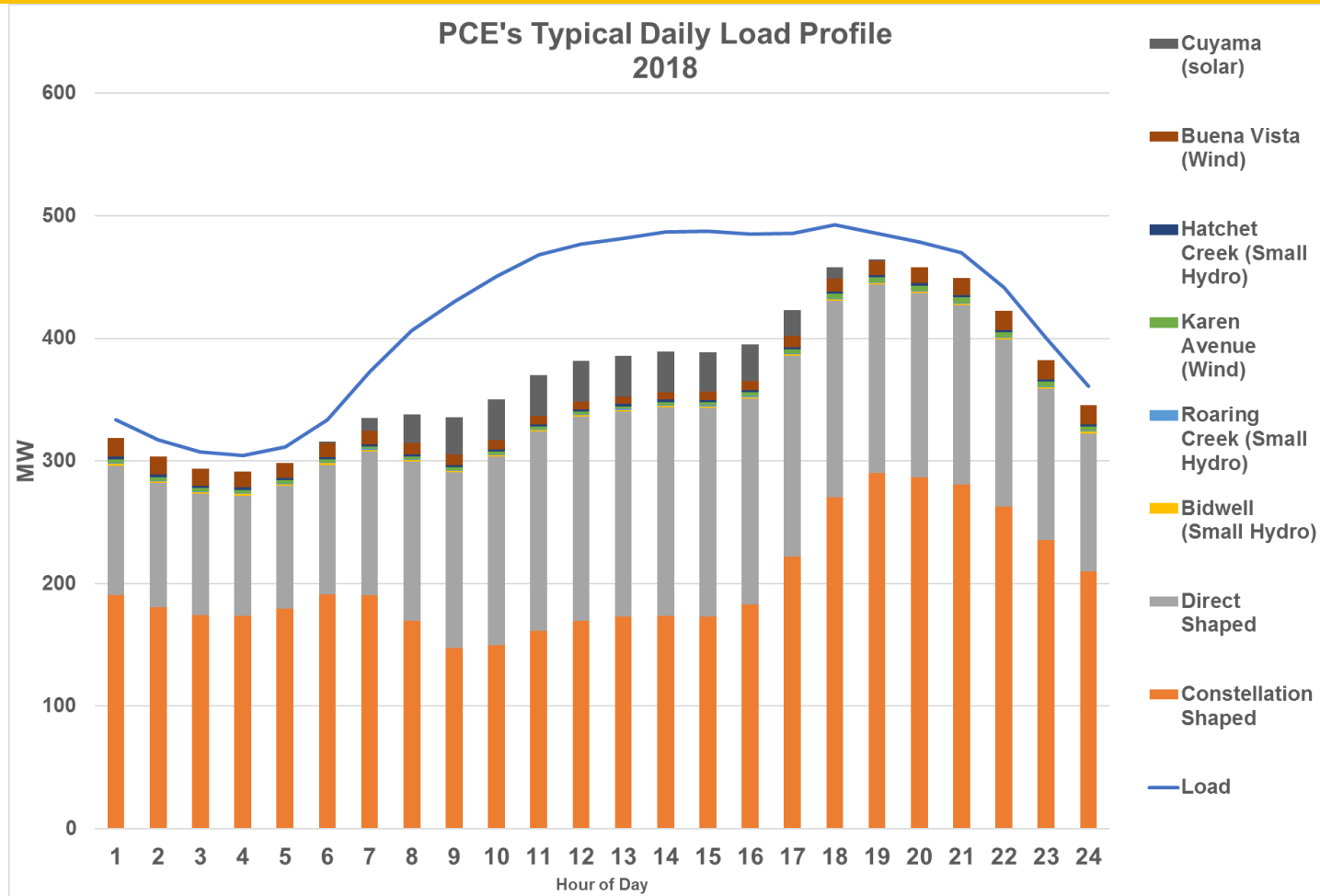
# Strategic Goals and Policies

- Strategic Goals
  - 80% GHG Free in 2017; increasing by 5% per year to 100% GHG Free in 2021
  - 100% Renewable in 2025
    - *Matching generation portfolio to load profile*
  - 20 MW of new local power by 2025
  - Maintain rates below PG&E
  - Stimulate development of RE in SMC
  - Priority on local hiring and workforce development
  - Invest in local programs
  - Maximize customer participation
  - Build a financially stable organization
- Policies
  - Sustainable Workforce Policy
  - No unbundled RECs

# Regulatory Requirements

- Regulatory Requirements
  - Renewable Portfolio Standard
  - 65% of RPS requirement from long-term contracts by 2021
  - Storage equal to 1% of peak load; contracts in place by 2020 and projects in place by 2024

# PCE's Typical Daily Load



- What is an 8760 profile?
  - A data set submitted by a project developer that shows, on an hourly basis, the energy production of their solar/wind/hydro/etc. facility for a specific year.
  - Called an 8760 profile because there are 8760 hours in a typical year.

# Additionality

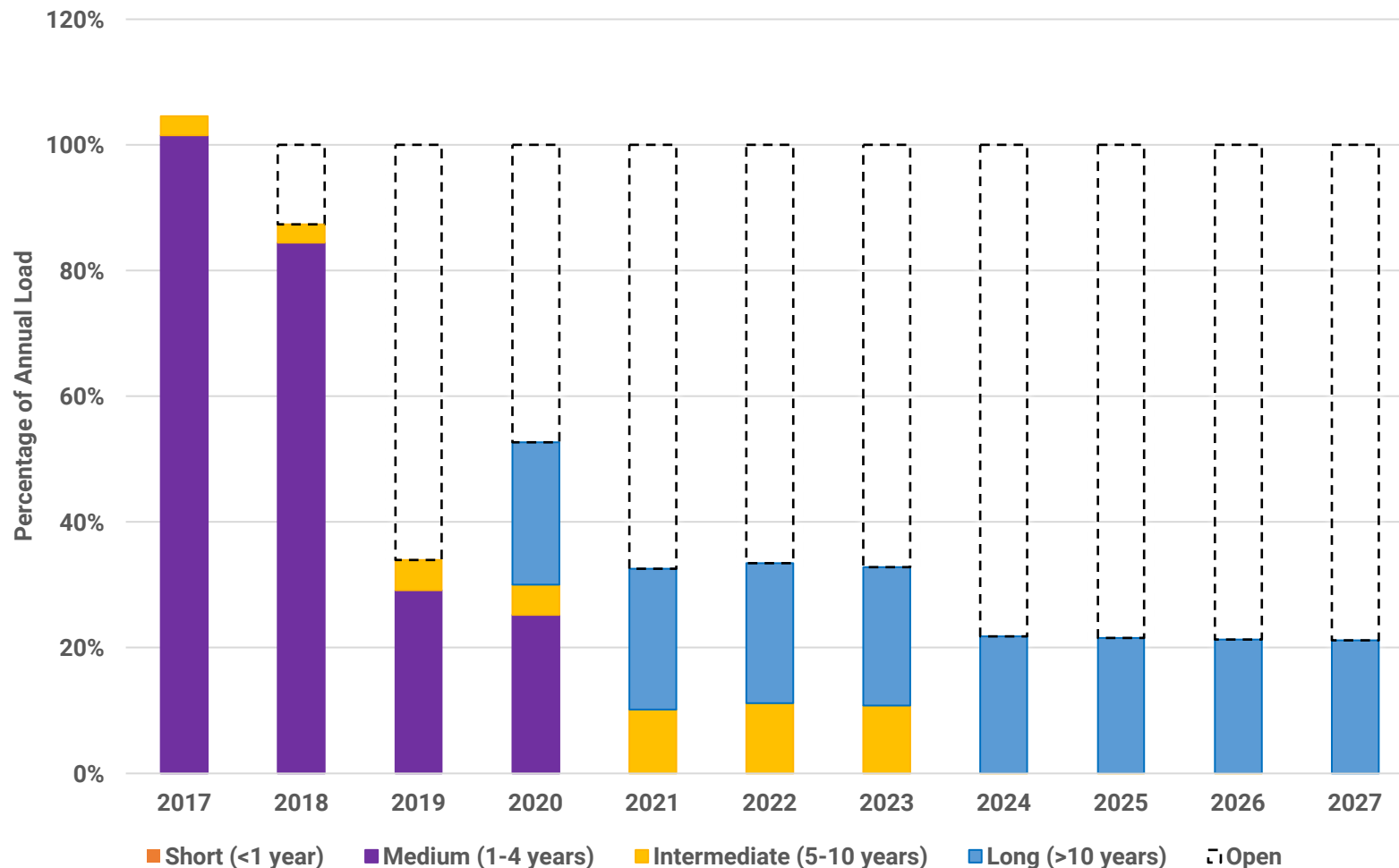
- Additionality means that a project or activity would not have happened without the buyer
- Recommendation: Minimum 50% of portfolio from “New” projects v. existing projects
- New: Means projects that PCE causes to be built or repowered
  - For example, Wright and Mustang 2 would both be considered new projects and count towards this guideline
- Repowered: For repowered facilities to count towards our new goal, would require a significant investment in the repowering



# Open Position & Term Length

- Current portfolio by term length and open position

Procured Energy by Contract Length



# Open Position

- We recommend the following contracting guidelines for fixed price contracts
  - Forward contracts increase cost certainty
  - Maintain flexibility and ensure portfolio diversification
- Annual procurements to meet 15-25% of load (550 – 950 GWh)

	% of Load Procured	
	Min	Max
Current Year	90%	100%
Year 2	75%	90%
Year 3	65%	80%
Year 4 and Beyond	55%	70%

# Term Length

- SB 350 requires that CCAs have at least 65% of their RPS procurement under contracts of 10 years or longer starting in 2021

## Long Term Contract Requirement (% of Retail Sales)

	2021	2022	2023	2024	2025
RPS Req't	35%	36%	38%	40%	42%
LT Req'd (%)	23%	24%	25%	26%	27%
Retail Sales (GWh)	3,768	3,787	3,806	3,825	3,844
LT Req'd (GWh)	850	896	942	989	1,037

# Term Length

- Recommendation:
  - Target 50% of portfolio from long term contracts
  - Fill remainder of portfolio with diversity of contract lengths

## Long Term Contract Requirement (% of Portfolio)

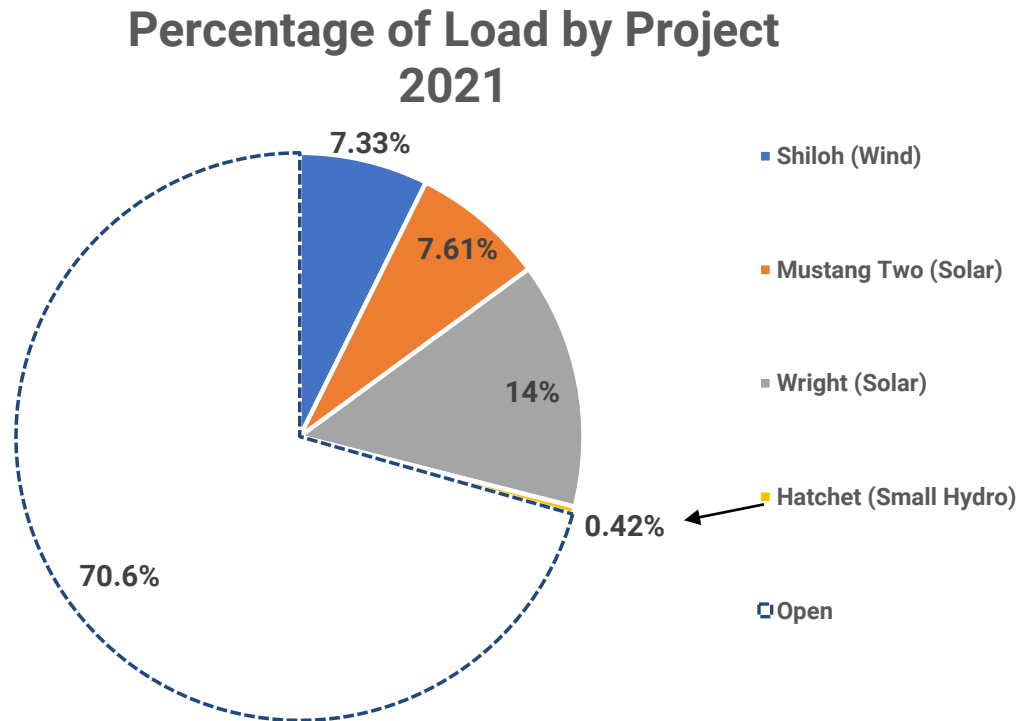
	2021	2022	2023	2024	2025
LT Required (per SB350)	23%	24%	25%	26%	27%
LT Add'l	27%	26%	25%	24%	23%
<i>Total LT (&gt;10 yrs)</i>	50%	50%	50%	50%	50%
Short (<1 yr)	15%	15%	15%	15%	15%
Medium (1-4 yrs)	17.5%	17.5%	17.5%	17.5%	17.5%
Interm. (5-10 yrs)	17.5%	17.5%	17.5%	17.5%	17.5%

# Project Size

## Guideline

Pursue diversity of project sizes

No one project output makes up more than 15% of GWh load



# Ownership

- Limit exposure to any one developer / owner
- Ensure developer / owner has experience to develop / operate project

## Guideline

No more than 15% of GWh load from any one owner

Experience developing & operating similar size projects

Financing plan and successful track record with finance organizations

Don't work with owners that oppose CCAs

Financially stable organization

RECURRENT  
ENERGY



**Mega  
Renewables**

# Resource / Technology Mix

- Limit exposure to any one technology or supplier
- Match our generation profile to our load profile

## Guideline

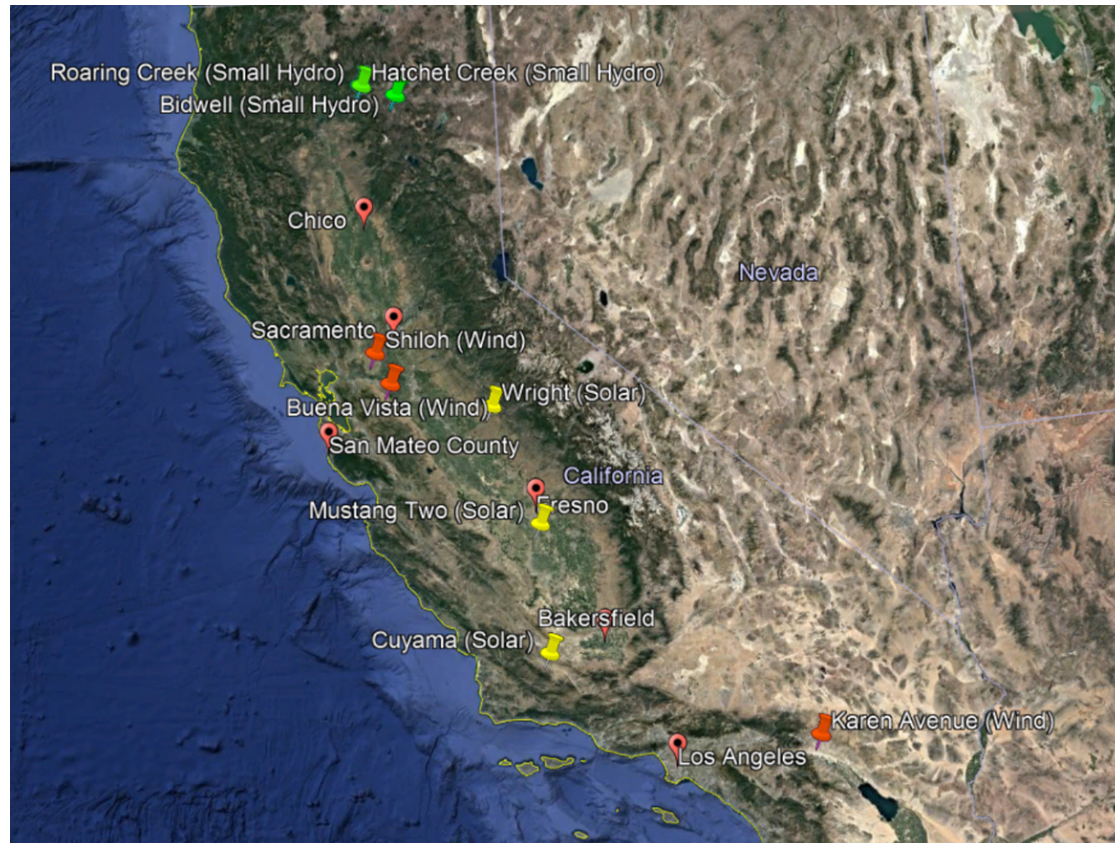
Procure from diverse set of technologies to match supply to load

No more than 15% of load from any one technology supplier



# Location

- Limit exposure to price differentials between our service territory and project locations
- Limit exposure to any one pricing node
- Diversify generation profiles to aggregate portfolio to match load



# Location

## Guideline

Prioritize projects / locations to minimize congestion pricing

No more than 15% of load from one LMP / interconnection point

Prioritize SMC, 9 Bay area counties, etc.

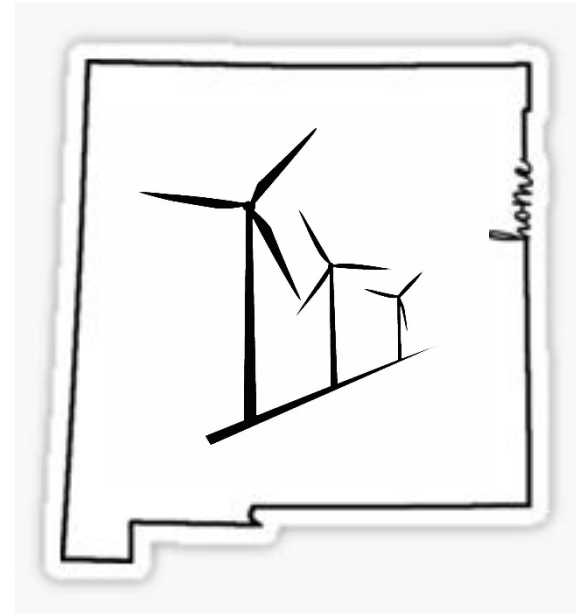
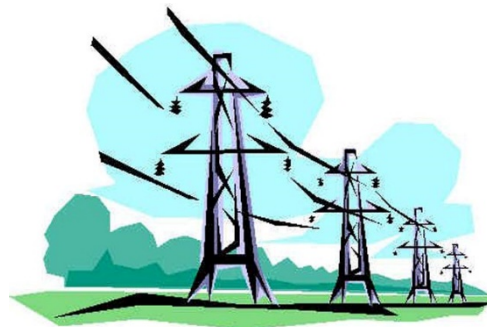
Supports PCE's Sustainable Workforce Policy

Evaluate environmental impacts

Prioritize projects that help to match supply to load

# Location – Out-of-State Wind Update

- We are continuing to research and requested additional information from developers
- We do not have substantive developments to report
- Recommend including out of state wind in RFP in January and requiring information in line with our Sustainable Workforce Policy
  - This will allow us to collect specific information on labor policy and pricing to compare to in-state projects



# Next Steps

- PCE will share a draft IRP document with the board approximately one week prior to the December 14<sup>th</sup> Board Meeting
  - This document will incorporate the guidelines discussed above
- Adopt IRP at December Board Meeting
- Publish request for proposals for renewable energy projects in early January
- Evaluate offers against these guidelines
- Negotiate and execute contracts to continue to build a diverse portfolio

# Regular Agenda

## **9. Board Members' Reports (Discussion)**

# Regular Agenda

**Adjourn**