



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

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

*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 Anne Bartoletti, Board Clerk, at least 2 working days before the meeting at [abartoletti@peninsulacleanenergy.com](mailto:abartoletti@peninsulacleanenergy.com). 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.*

**CALL TO ORDER / ROLL CALL**

**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 and/or Closed Session 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. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Authorize the Chief Executive Officer to execute Power Purchase Agreements and ancillary documents for Renewable Supply with:
  - 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)
4. Power Supply Plan for Phase 2 Energy (Discussion)
5. Authorize Purchase of Resource Adequacy from NRG Power Marketing LLC for April and May 2017, in an amount not to exceed \$275,000. (Action)
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. (Action)
7. Financial Report (Discussion)
8. Marketing and Outreach Report (Discussion)
9. Ad Hoc Committee Report on Formation of Citizens Advisory Committee (Discussion and possible Action)
10. Board Members Reports

## **CONSENT AGENDA**

11. Approve a resolution authorizing an amendment to the agreement with Circlepoint to provide marketing, communications, and public engagement services by increasing the amount by \$100,000 to an amount not to exceed \$194,359 for a term ending December 31, 2017. (Action)
12. Adopt a Resolution authorizing the General Counsel to execute with the law firm of Winston & Strawn amendment(s) to the existing retention agreements or alternatively, additional retention agreements in substantially the same form already approved by the Board as long as the total amount of all amendments or agreements do not exceed a total of \$200,000. (Action)
13. Approve a resolution authorizing the Chief Executive Officer to negotiate and execute an agreement with Pacific Printing to provide printing, mailing, and presorting services for the term of January 27, 2017 through December 31, 2017, in an amount not to exceed \$500,000. (Action)
14. Approval of the Minutes for the December 15, 2016 Meeting (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>.



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** January 23, 2017  
**BOARD MEETING DATE:** January 26, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer

**SUBJECT:** Authorize Execution of the Power Purchase Agreements for Renewable Supply with Mega Renewables (Hatchet), Mega Renewables (Bidwell), Mega Renewables (Roaring), and Wright Solar Park.

**RECOMMENDATION:**

Authorize execution of the power purchase agreements for renewable supply with Mega Renewables (Hatchet), Mega Renewables (Bidwell), Mega Renewables (Roaring), and Wright Solar Park.

**BACKGROUND:**

The Peninsula Clean Energy board adopted a strategic goal to source 100% of PCE's energy from California RPS eligible renewables by 2025. As a first step in meeting this strategic goal, PCE issued a request for proposals for renewable energy on October 17, 2016. On November 7, 2016, PCE received 242 responses from 62 projects. Over the past couple of months, PCE staff has been evaluating the proposals and started negotiations with some of the bidders. PCE staff will be presenting power purchase agreements to the PCE board for approval in January, February, and March of 2017 as we continue to evaluate and finalize negotiations with the projects that best fit PCE's needs.

**DISCUSSION:**

At the October 27, 2016 board meeting, PCE described its strategy to diversify its power supply, and consider contract length, project ownership, project location, and project technology in selecting projects. Other key issues considered in the evaluation include

the proper mix of renewables in terms of Bucket 1 and Bucket 2 sources, power price, and the use of labor agreements for new projects.

Four projects are presented to the PCE board for approval today. We are asking that the board approve Power Purchase Agreements with the terms shown, subject to the condition that the average cost of power purchased in aggregate for each agreement shall not exceed a cost threshold of \$50 per megawatt-hour (MWh) over the term of each agreement.

The first three projects are short-term agreements with Mega Renewables for existing hydroelectric projects in Shasta County, California. Each provides Bucket 1 renewables from California RPS-eligible renewable facilities. Hatchet Creek is a 7.5 MW project with a 5-year term. Both Roaring Creek and Bidwell Ditch are 2 MW projects with a 2-year term. Deliveries to PCE from all three of these projects are scheduled to begin in April 2017, coincident with our Phase 2 launch.

The fourth project is a 20-year agreement with Wright Solar Park for a new 200 MW solar photovoltaic project in Merced County, California. Deliveries from this project are scheduled to begin on November 30, 2018.

**FISCAL IMPACT:**

The fiscal impact of the three hydro projects will not exceed \$5.842 million over the two and five year terms of these agreements. The fiscal impact of the solar project will not exceed \$550,000,000 over the twenty-year term of this agreement.

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

**\* \* \* \* \***

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO (A) EXECUTE A POWER PURCHASE AGREEMENT WITH MEGA  
RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP (HATCHET), WITH  
TERMS CONSISTENT WITH THOSE PRESENTED, IN A FORM APPROVED BY THE  
GENERAL COUNSEL AND FOR A POWER DELIVERY TERM OF UP TO 5 YEARS,  
IN AN AMOUNT NOT TO EXCEED \$4,130,000;**

**(B) EXECUTE SUCH OTHER ANCILLARY DOCUMENTS, IN A FORM APPROVED  
BY GENERAL COUNSEL, AS MAY BE NECESSARY TO EFFECTUATE PURCHASE  
OF SUCH POWER FROM MEGA RENEWABLES.**

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**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” or  
“PCEA”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch  
of service for Phase II is planned for April 2017; and

**WHEREAS**, Peninsula Clean Energy is ready to purchase energy, renewable energy, carbon free energy, and related products and services (the “Products”) to supply Phase II of its launch; and

**WHEREAS**, in Fall 2016, consistent with its mission of reducing greenhouse gas emissions and offering customer choice at competitive rates, Peninsula Clean Energy administered a competitive process to select one or more power supply contractors; and

**WHEREAS**, one of the providers selected by Peninsula Clean Energy through this competitive process is Mega Renewables, a California general partnership (Hatchet) (“Contractor”), based on its desirable offering of Products, pricing, and terms; and

**WHEREAS**, staff is presenting to the Board for its review the negotiated Power Purchase Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned Power Purchase Agreement and any other ancillary documents required for said purchase of power from the Contractor.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

(A) Execute the Power Purchase Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel and for a power delivery term of up to 5 years, in an amount not to exceed \$4,130,000;

(B) Execute such other ancillary documents, in a form approved by General Counsel, as may be necessary to effectuate purchase of such power from the Contractor.

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[CCO-113499]



**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO (A) EXECUTE A POWER PURCHASE AGREEMENT WITH MEGA  
RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP (ROARING), WITH  
TERMS CONSISTENT WITH THOSE PRESENTED, IN A FORM APPROVED BY THE  
GENERAL COUNSEL AND FOR A POWER DELIVERY TERM OF UP TO 2 YEARS,  
IN AN AMOUNT NOT TO EXCEED \$562,000;**

**(B) EXECUTE SUCH OTHER ANCILLARY DOCUMENTS, IN A FORM APPROVED  
BY GENERAL COUNSEL, AS MAY BE NECESSARY TO EFFECTUATE PURCHASE  
OF SUCH POWER FROM MEGA RENEWABLES.**

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**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” or  
“PCEA”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch  
of service for Phase II is planned for April 2017; and

**WHEREAS**, Peninsula Clean Energy is ready to purchase energy, renewable energy, carbon free energy, and related products and services (the “Products”) to supply Phase II of its launch; and

**WHEREAS**, in Fall 2016, consistent with its mission of reducing greenhouse gas emissions and offering customer choice at competitive rates, Peninsula Clean Energy administered a competitive process to select one or more power supply contractors; and

**WHEREAS**, one of the providers selected by Peninsula Clean Energy through this competitive process is Mega Renewables, a California general partnership (Roaring) (“Contractor”), based on its desirable offering of Products, pricing, and terms; and

**WHEREAS**, staff is presenting to the Board for its review the negotiated Power Purchase Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned Power Purchase Agreement and any other ancillary documents required for said purchase of power from the Contractor.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

(A) Execute the Power Purchase Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel and for a power delivery term of up to 2 years, in an amount not to exceed \$562,000;

(B) Execute such other ancillary documents, in a form approved by General Counsel, as may be necessary to effectuate purchase of such power from the Contractor.

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[CCO-113499]

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO (A) EXECUTE A POWER PURCHASE AGREEMENT WITH MEGA  
RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP (BIDWELL), WITH  
TERMS CONSISTENT WITH THOSE PRESENTED, IN A FORM APPROVED BY THE  
GENERAL COUNSEL AND FOR A POWER DELIVERY TERM OF UP TO 2 YEARS,  
IN AN AMOUNT NOT TO EXCEED \$1,150,000;**

**(B) EXECUTE SUCH OTHER ANCILLARY DOCUMENTS, IN A FORM APPROVED  
BY GENERAL COUNSEL, AS MAY BE NECESSARY TO EFFECTUATE PURCHASE  
OF SUCH POWER FROM MEGA RENEWABLES.**

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**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” or  
“PCEA”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch  
of service for Phase II is planned for April 2017; and

**WHEREAS**, Peninsula Clean Energy is ready to purchase energy, renewable energy, carbon free energy, and related products and services (the “Products”) to supply Phase II of its launch; and

**WHEREAS**, in Fall 2016, consistent with its mission of reducing greenhouse gas emissions and offering customer choice at competitive rates, Peninsula Clean Energy administered a competitive process to select one or more power supply contractors; and

**WHEREAS**, one of the providers selected by Peninsula Clean Energy through this competitive process is Mega Renewables, a California general partnership (Bidwell) (“Contractor”), based on its desirable offering of Products, pricing, and terms; and

**WHEREAS**, staff is presenting to the Board for its review the negotiated Power Purchase Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned Power Purchase Agreement and any other ancillary documents required for said purchase of power from the Contractor.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

(A) Execute the Power Purchase Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel and for a power delivery term of up to 2 years, in an amount not to exceed \$1,150,000;

(B) Execute such other ancillary documents, in a form approved by General Counsel, as may be necessary to effectuate purchase of such power from the Contractor.

\* \* \* \* \*

[CCO-113499]

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO (A) EXECUTE A POWER PURCHASE AGREEMENT WITH WRIGHT SOLAR  
PARK, LLC, A DELAWARE LIMITED LIABILITY COMPANY, WITH TERMS  
CONSISTENT WITH THOSE PRESENTED, IN A FORM APPROVED BY THE  
GENERAL COUNSEL AND FOR A POWER DELIVERY TERM OF UP TO 20 YEARS,  
IN AN AMOUNT NOT TO EXCEED \$550,000,000;**

**(B) EXECUTE SUCH OTHER ANCILLARY DOCUMENTS, IN A FORM APPROVED  
BY GENERAL COUNSEL, AS MAY BE NECESSARY TO EFFECTUATE PURCHASE  
OF SUCH POWER FROM WRIGHT SOLAR PARK, LLC.**

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**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” or  
“PCEA”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch  
of service for Phase II is planned for April 2017; and

**WHEREAS**, Peninsula Clean Energy is ready to purchase energy, renewable energy, carbon free energy, and related products and services (the “Products”) to supply Phase II of its launch; and

**WHEREAS**, in Fall 2016, consistent with its mission of reducing greenhouse gas emissions and offering customer choice at competitive rates, Peninsula Clean Energy administered a competitive process to select one or more power supply contractors; and

**WHEREAS**, one of the providers selected by Peninsula Clean Energy through this competitive process is Wright Solar Park, LLC, a Delaware limited liability company, (“Contractor”), based on its desirable offering of Products, pricing, and terms; and

**WHEREAS**, staff is presenting to the Board for its review the negotiated Power Purchase Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned Power Purchase Agreement and any other ancillary documents required for said purchase of power from the Contractor.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

(A) Execute the Power Purchase Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel and for a power delivery term of up to 20 years, in an amount not to exceed \$550,000,000;

(B) Execute such other ancillary documents, in a form approved by General Counsel, as may be necessary to effectuate purchase of such power from the Contractor.



\* \* \* \* \*

[CCO-113499]



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** January 23, 2017  
**BOARD MEETING DATE:** January 26, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Power Supply Plan for Phase 2 Energy

**BACKGROUND:**

Peninsula Clean Energy (PCE) currently has a contract with Direct Energy to supply our Phase 1 customers' energy requirements, including Bucket 1 and Bucket 2 renewable energy, greenhouse gas free energy, and system energy. Additional power supplies are needed to meet the energy requirements of PCE's Phase 2 customers.

**DISCUSSION:**

PCE issued an RFP in October 2016 for renewable supply. A large number of renewable providers responded to that RFP and PCE is in the process of evaluating the responses and negotiating power purchase agreements with those projects that best meet PCE's needs. PCE is in the process of contracting for power from a small number of existing small renewable projects that can deliver power by April 2017 coinciding with our Phase 2 launch. However, a number of projects that PCE will be signing agreements with are new projects that will not achieve commercial operation until two to four years from now.

In order to meet the near-term energy requirements of PCE's Phase 2 customers, a Request for Offers (RFO) is underway to solicit proposals from the three electricity service providers (ESPs) who executed Edison Electric Institute (EEI) agreements as part of the Phase 1 procurement. The RFO requests offers to supply shaped energy, renewable energy, and carbon free energy for PCE's open positions for 2017 and 2018.

**FISCAL IMPACT:**

Using a similar approach as for Phase 1, PCE is requesting pricing from the three ESPs and expects that pricing will come in within the bounds of the pro forma budget



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** January 23, 2017  
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**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer

**SUBJECT:** Authorize Purchase of Resource Adequacy from NRG Power Marketing LLC for April and May 2017, in an amount not to exceed \$275,000.

**RECOMMENDATION:**

Adopt a Resolution delegating authority to the Chief Executive Officer to execute a Confirmation Agreement and a Master Agreement with NRG Power Marketing LLC for Resource Adequacy with terms consistent with those presented, in a form approved by the General Counsel for April 2017. (Action)

**BACKGROUND:**

PCE has purchased Resource Adequacy to meet its Phase 1 requirements. With the launch of Phase 2, PCE needs to purchase additional Resource Adequacy (RA) to meet its obligations as a Load Serving Entity to ensure the reliability of electric service.

**DISCUSSION:**

PCE, working with its consultant PEA, solicited bids to supply System RA for its second quarter 2017 needs (April, May and June). Bids were received from eight different suppliers. PCE expressed a preference that the RA supplier agree that it would exclude nuclear and coal resources from the RA they would supply. The lowest price bid, which also included an agreement to exclude these resources, was received from NRG Power Marketing, to supply RA to PCE for April and May.

This memo is seeking approval of an agreement narrower in scope than that which was agendized, but still within that scope. We are seeking approval today only of the April 2017 RA purchase from NRG. We will seek approval of the May purchase at the February board meeting.

PCEA has opted to use the Western System Power Pool (WSPP) form Master Agreement with NRG, as was used with Silicon Valley Power for an RA purchase last September. The Board is being asked to approve execution of that agreement as well as a separate Confirmation Agreement with NRG Power Marketing. The General Counsel has reviewed and approved both agreements. As the WSPP Master Agreement was presented to the board and included in the board packet of September 22, 2016, only the Confirmation Agreement with NRG Power Marketing is attached here.

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

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**A. RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE A MASTER AGREEMENT AND CONFIRMATION AGREEMENT WITH  
NRG POWER MARKETING LLC FOR RESOURCE ADEQUACY WITH TERMS  
CONSISTENT WITH THOSE PRESENTED, IN A FORM APPROVED BY THE  
GENERAL COUNSEL AND FOR THE PERIOD OF APRIL 2017**

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**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**, as was true in 2016, PCEA has ongoing regulatory requirements to purchase Resource Adequacy (“RA”); and

**WHEREAS**, in January 2017 PCEA requested prices for Resource Adequacy from multiple energy suppliers to serve Phase 2 customers in April 2017; and

**WHEREAS**, NRG Power Marketing LLC provides the most competitively priced option for April 2017 system RA volumes; and

**WHEREAS**, PCE has negotiated a Confirmation agreement with NRG Power Marketing LLC for the necessary volumes; and

**WHEREAS**, PCEA does not have a Master Agreement with NRG Power Marketing LLC and both parties are agreeable to using the Western System Power Pool (“WSPP”) model master agreement for this purchase; and

**WHEREAS**, a draft form of the Confirmation agreement negotiated has been provided to the Board for its review, reference to which should be made for further particulars; and

**WHEREAS**, a form of the WSPP Master Agreement has been provided to the Board for its review at the September 22, 2016 board meeting, reference to which should be made for further particulars.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to execute a Confirmation Agreement and a Master Agreement with NRG Power Marketing LLC for Resource Adequacy with terms consistent with those presented, in a form approved by the General Counsel and for a term covering April 2017.

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**WESTERN SYSTEM POWER POOL AGREEMENT  
CONFIRMATION LETTER - RESOURCE ADEQUACY  
BETWEEN  
NRG POWER MARKETING LLC  
AND  
PENINSULA CLEAN ENERGY**

This Confirmation Letter ("Confirmation") confirms the Transaction between NRG Power Marketing LLC ("Seller") and Peninsula Clean Energy, a California Joint Powers Authority ("Buyer") and each individually a "Party" and together the "Parties", dated as of January 17, 2017, (the "Confirmation Effective Date") in which Seller agrees to provide to Buyer the right to the Product, as such term is defined in Article 3 of this Confirmation.

This Transaction is governed by the Western System Power Pool Agreement effective October 12, 2016 (the "WSPP Agreement") between the Parties. The WSPP Agreement and this Confirmation shall be collectively referred to herein as the "Agreement". Capitalized terms used but not otherwise defined in this Confirmation have the meanings ascribed to them in the WSPP Agreement or the Tariff (defined herein below).

**ARTICLE 1. DEFINITIONS**

- 1.1 "Alternate Capacity" means any replacement Product which Seller has elected to provide to Buyer from a Replacement Unit in accordance with the terms of Section 4.5.
- 1.2 "Applicable Laws" means any law, rule, regulation, order, decision, judgment, or other legal or regulatory determination by any Governmental Body of competent jurisdiction over one or both Parties or this Transaction, including without limitation, the Tariff.
- 1.3 "Availability Incentive Payments" has the meaning set forth in the Tariff.
- 1.4 "Availability Standards" shall mean the availability standards set forth in Section 40.9 of the Tariff.
- 1.5 "Buyer" has the meaning specified in the introductory paragraph hereof.
- 1.6 "CAISO" means the California Independent System Operator Corporation or its successor.
- 1.7 "Capacity Replacement Price" means (a) the price actually paid for any Replacement Capacity purchased by Buyer pursuant to Section 4.7 hereof, plus costs reasonably incurred by Buyer in purchasing such Replacement Capacity, or (b) absent a purchase of any Replacement Capacity, the market price for such Designated RA Capacity not provided at the Delivery Point. The Buyer shall determine such market prices in a commercially reasonable manner.
- 1.8 "Confirmation" has the meaning specified in the introductory paragraph hereof.
- 1.9 "Confirmation Effective Date" has the meaning specified in the introductory paragraph hereof.
- 1.10 "Contingent Firm RA Product" has the meaning specified in Section 3.2 hereof.
- 1.11 "Contract Price" means, for any Monthly Delivery Period, the price specified for such Monthly Delivery Period in the "RA Capacity Price Table" set forth in Section 4.9.
- 1.12 "Contract Quantity" means, with respect to any particular Showing Month of the Delivery Period, the amount of Product (in MWs) set forth in table in Section 4.3 which Seller has agreed to provide to Buyer from the Unit for such Showing Month.
- 1.13 "CPUC Decisions" means, to the extent still applicable, CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050 and subsequent decisions related to resource adequacy, as may be amended from time to time by the CPUC.
- 1.14 "CPUC Filing Guide" means the annual document issued by the CPUC which sets forth the guidelines, requirements and instructions for LSE's to demonstrate compliance with the CPUC's resource adequacy program.



- 1.15 "Delivery Period" has the meaning specified in Section 4.1 hereof.
- 1.16 "Delivery Point" has the meaning specified in Section 4.2 hereof.
- 1.17 "Designated RA Capacity" shall be equal to, with respect to any particular Showing Month of the Delivery Period, the Contract Quantity of Product (including any Alternate Capacity) for such Showing Month, minus (i) any reductions to Contract Quantity made by Seller pursuant to Section 4.4 and for which Seller has not elected to provide Alternate Capacity; and (ii) any reductions resulting from an event other than a Non-Excusable Event.
- 1.18 "Flexible RA Attributes" means any and all flexible resource adequacy attributes, as may be identified at any time during the Delivery Period by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward Flexible RAR, exclusive of any RA Attributes and LAR Attributes.
- 1.19 "Flexible RAR" means the flexible resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.
- 1.20 "Flexible RAR Showing" means the Flexible RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction over the LSE.
- 1.21 "Governmental Body" means (i) any federal, state, local, municipal or other government; (ii) any governmental, regulatory or administrative agency, commission or other authority lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power; and (iii) any court or governmental tribunal.
- 1.22 "LAR" means local area reliability, which is any program of localized resource adequacy requirements established for jurisdictional LSEs by the CPUC pursuant to the CPUC Decisions, or by another LRA of competent jurisdiction over the LSE. LAR may also be known as local resource adequacy, local RAR, or local capacity requirement in other regulatory proceedings or legislative actions.
- 1.23 "LAR Attributes" means, with respect to a Unit, any and all local resource adequacy attributes (or other locational attributes related to system reliability), as they are identified as of the Confirmation Effective Date by the CPUC, CAISO, LRA, or other Governmental Body of competent jurisdiction, associated with the physical location or point of electrical interconnection of such Unit within the CAISO Control Area, that can be counted toward LAR, exclusive of any RA Attributes and Flexible RA Attributes. For clarity, it should be understood that if the CAISO, LRA, or other Governmental Body, defines new or re-defines existing local areas, then such change will not result in a change in payments made pursuant to this Transaction.
- 1.24 "LAR Showings" means the LAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and, to the extent authorized by the CPUC, to the CAISO) pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction over the LSE.
- 1.25 "Local RAR" means the local resource adequacy requirements established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction. Local RAR may also be known as local area reliability, local resource adequacy, local resource adequacy procurement requirements, or local capacity requirement in other regulatory proceedings or legislative actions.
- 1.26 "LRA" means Local Regulatory Authority as defined in the Tariff.
- 1.27 "LSE" means load-serving entity. LSEs may be an investor-owned utility, an electric service provider, a community aggregator or community choice aggregator, or a municipality serving load in the CAISO Control Area (excluding exports).
- 1.28 "Monthly Delivery Period" means each calendar month during the Delivery Period and shall correspond to each Showing Month.
- 1.29 "Monthly RA Capacity Payment" has the meaning specified in Section 4.9 hereof.
- 1.30 "Net Qualifying Capacity" has the meaning set forth in the Tariff.
- 1.31 "Non-Excusable Event" means any event, other than a Planned Outage and those events described under the definition of "Unit Firm" in the WSPF Agreement that excuse Seller's performance, that causes Seller to fail to perform its obligations under this Confirmation, including, without limitation, any such event

resulting from (a) the negligence of the owner, operator or Scheduling Coordinator of a Unit, or (b) Seller's failure to comply, or failure to cause the owner, operator or Scheduling Coordinator of the Units to comply, with the terms of the Tariff with respect to the Units providing RA Attributes, Flexible RA Attributes or LAR Attributes, as applicable.

- 1.32 "Notification Deadline" has the meaning specified in Section 4.5 hereof.
- 1.33 "Outage" means any CAISO approved disconnection, separation, or reduction in the capacity of any Unit that relieves all or part of the offer obligations of the Unit consistent with the Tariff.
- 1.34 "Planned Outage" means, subject to and as further described in the CPUC Decisions, a CAISO-approved, planned or scheduled disconnection, separation or reduction in capacity of the Unit that is conducted for the purposes of carrying out routine repair or maintenance of such Unit, or for the purposes of new construction work for such Unit.
- 1.35 "Product" has the meaning specified in Article 3 hereof.
- 1.36 "RA Attributes" means, with respect to a Unit, any and all resource adequacy attributes, as they are identified as of the Confirmation Effective Date by the CPUC, CAISO or other Governmental Body of competent jurisdiction that can be counted toward RAR, exclusive of any LAR Attributes and Flexible RA Attributes.
- 1.37 "RA Capacity" means the qualifying and deliverable capacity of the Unit for RAR and, if applicable, LAR and Flexible RAR purposes for the Delivery Period, as determined by the CAISO or other Governmental Body authorized to make such determination under Applicable Laws. RA Capacity encompasses the RA Attributes, and if applicable, LAR Attributes and Flexible RA Attributes of the capacity provided by a Unit.
- 1.38 "RAR" means the resource adequacy requirements (other than Local RAR or Flexible RAR) established for LSEs by the CPUC pursuant to the CPUC Decisions, or by any other Governmental Body of competent jurisdiction.
- 1.39 "RAR Showings" means the RAR compliance showings (or similar or successor showings) an LSE is required to make to the CPUC (and/or, to the extent authorized by the CPUC, to the CAISO), pursuant to the CPUC Decisions, or to an LRA of competent jurisdiction.
- 1.40 "Replacement Capacity" has the meaning specified in Section 4.7 hereof.
- 1.41 "Replacement Unit" has the meaning specified in Section 4.5.
- 1.42 "Resource Category" shall be as described in the CPUC Filing Guide, as such may be modified, amended, supplemented or updated from time to time.
- 1.43 "Scheduling Coordinator" has the same meaning as in the Tariff.
- 1.44 "Seller" has the meaning specified in the introductory paragraph hereof.
- 1.45 "Showing Month" shall be the calendar month during the Delivery Period that is the subject of the RAR Showing, as set forth in the CPUC Decisions. For illustrative purposes only, pursuant to the CPUC Decisions in effect as of the Confirmation Effective Date, the monthly RAR Showing made in June is for the Showing Month of August.
- 1.46 "Supply Plan" means the supply plan, or similar or successor filing, that a Scheduling Coordinator representing RA Capacity submits to the CAISO, LRA, or other applicable Governmental Body pursuant to Applicable Laws in order for the RA Attributes or LAR Attributes of such RA Capacity to count.
- 1.47 "Tariff" means the tariff and protocol provisions of the CAISO, as amended or supplemented from time to time. For purposes of Article 5, the Tariff refers to the tariff and protocol provisions of the CAISO as they exist on the Confirmation Effective Date.
- 1.48 "Transaction" for purposes of this Agreement means the Transaction that is evidenced by this Agreement.
- 1.49 "Unit" or "Units" shall mean the generation assets described in Article 2 hereof (including any Replacement Units), from which RA Capacity is provided by Seller to Buyer.
- 1.50 "Unit EFC" means the effective flexible capacity that is or will be set by the CAISO for the applicable Unit.

- 1.51 “Unit NQC” means the Net Qualifying Capacity set by the CAISO for the applicable Unit. The Parties agree that if the CAISO adjusts the Net Qualifying Capacity of a Unit after the Confirmation Effective Date, that for the period in which the adjustment is effective, the Unit NQC shall be deemed the lesser of (i) the Unit NQC as of the Confirmation Effective Date, or (ii) the CAISO-adjusted Net Qualifying Capacity.
- 1.52 “WSPP Agreement” has the meaning specified in the introductory paragraph hereof.

## ARTICLE 2. UNIT INFORMATION

For April 2017:

Name	Sunrise Power Project
Location	Fellows, CA
CAISO Resource ID	SUNRIS_2_PL1X3
Contract Identifier	
Unit SCID	NRG1
Unit NQC	
Unit EFC	
Resource Type	Gen
Resource Category (1, 2, 3 or 4)	1
Flexible RAR Category (1, 2 or 3)	
Path 26 (North or South)	North
Local Capacity Area (if any, as of Confirmation Effective Date)	
Deliverability restrictions, if any, as described in most recent CAISO deliverability assessment	
Run Hour Restrictions	

## ARTICLE 3. RESOURCE ADEQUACY CAPACITY PRODUCT

During the Delivery Period, Seller shall provide to Buyer, pursuant to the terms of this Agreement, RA Attributes and, if applicable, LAR Attributes and Flexible RA Attributes for a Contingent Firm RA Product, as specified in Sections 3.1 and 3.2 below (the “Product”). The Product does not confer to Buyer any right to the electrical output from the Units. Rather, the Product confers the right to include the Designated RA Capacity in RAR Showings, LAR Showings, Flexible RAR Showings, if applicable, and any other capacity or resource adequacy markets or proceedings as specified in this Confirmation. Specifically, no energy or ancillary services associated with any Unit is required to be made available to Buyer as part of this Transaction, and Buyer shall not be responsible for compensating Seller for Seller’s commitments to the CAISO required by this Confirmation. Seller retains the right to sell any RA Capacity from a Unit in excess of that Unit’s Contract Quantity and any RA Attributes, LAR Attributes or Flexible RA Attributes not otherwise transferred, conveyed, or sold to Buyer under this Confirmation.

### 3.1 RA Attributes, LAR Attributes and Flexible RA Attributes

Seller shall provide Buyer with the Designated RA Capacity of RA Attributes and, if applicable, LAR Attributes and Flexible RA Attributes from each Unit, as measured in MWs, in accordance with the terms and conditions of this Agreement.

### **3.2 Contingent Firm RA Product**

Seller shall provide Buyer with Designated RA Capacity from the Units. If those Units are not available to provide the full amount of the Contract Quantity as a result of a Non-Excusable Event, then, subject to Section 4.4, Seller shall have the option to notify Buyer in writing by the Notification Deadline that either (a) Seller will not provide the full Contract Quantity during the period of such non-availability; or (b) Seller will supply Alternate Capacity to fulfill the remainder of the Contract Quantity during such period. If Seller fails to provide Buyer with the Contract Quantity as a result of a Non-Excusable Event and has failed to notify Buyer in writing by the Notification Deadline that it will not provide the full Contract Quantity during the period of such non availability as provided in Section 4.4, then Seller shall be liable for damages and/or required to indemnify Buyer for any resulting penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof. Notwithstanding anything herein to the contrary, if Seller provides less than the full amount of the Contract Quantity for any reason other than a Non-Excusable Event or in accordance with Section 4.4, Seller is not obligated to provide Buyer with Alternate Capacity or to indemnify Buyer for any resulting penalties or fines.

## **ARTICLE 4. DELIVERY AND PAYMENT**

### **4.1 Delivery Period**

The Delivery Period shall be: April 1, 2017, through April 30, 2017, inclusive.

### **4.2 Delivery Point**

The Delivery Point for each Unit shall be the CAISO Control Area, and if applicable, the LAR region in which the Unit is electrically interconnected.

**4.3 Contract Quantity.** The Contract Quantity for each Monthly Delivery Period shall be:

#### **Contract Quantity (MWs)**

<b>Month/Year</b>	<b>RAR Contract Quantity (MWs)</b>	<b>Flexible RAR Contract Quantity (MWs)</b>	<b>Total RAR Contract Quantity (MWs)</b>
January 2017	0	0	0
February 2017	0	0	0
March 2017	0	0	0
April 2017	■	■	■
May 2017	0	0	0
June 2017	0	0	0
July 2017	0	0	0
August 2017	0	0	0
September 2017	0	0	0
October 2017	0	0	0
November 2017	0	0	0
December 2017	0	0	0

### **4.4 Adjustments to Contract Quantity**

- (a) **Planned Outages:** If Seller is unable to provide the applicable Contract Quantity for all or a portion of a Showing Month due to a Planned Outage of a Unit, then Seller shall have the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to either (a) reduce the

Contract Quantity in accordance with the Planned Outage for such portion of the Showing Month; or (b) provide Alternate Capacity up to the Contract Quantity for the applicable portion of such Showing Month.

- (b) Invoice Adjustment: In the event that the Contract Quantity is reduced due to a Planned Outage as set forth in Section 4.4(a) above, then the invoice for such month(s) shall be adjusted to reflect a daily pro rata amount for the duration of such reduction.
- (c) Reductions in Unit NQC and/or Unit EFC: Seller's obligation to deliver the applicable Contract Quantity for any Showing Month may also be reduced by Seller if the Unit experiences a reduction in Unit NQC and/or Unit EFC as determined by the CAISO. If the Unit experiences such a reduction in Unit NQC and/or Unit EFC, then Seller has the option, but not the obligation, upon written notice to Buyer by the Notification Deadline, to provide the applicable Contract Quantity for such Showing Month from (i) the same Unit, provided the Unit has sufficient remaining and available Product, and/or (ii) Alternate Capacity up to the Contract Quantity.

#### **4.5 Notification Deadline and Replacement Units**

- (a) The "Notification Deadline" in respect of a Showing Month shall be ten (10) Business Days before the earlier of the relevant deadlines for (a) the corresponding RAR Showings, Flexible RAR Showings and/or LAR Showings for such Showing Month, and (b) the CAISO Supply Plan filings applicable to that Showing Month.
- (b) If Seller desires to provide the Contract Quantity of Product for any Showing Month from a generating unit other than the Unit (a "Replacement Unit"), then Seller may, at no cost to Buyer, provide Buyer with Product from one or more Replacement Units, up to the Contract Quantity, for the applicable Showing Month; provided that in no event may such generating unit be a nuclear facility or coal facility and provided further that in each case, Seller shall notify Buyer in writing of such Replacement Units no later than the Notification Deadline. If Seller notifies Buyer in writing as to the particular Replacement Units and such Units meet the requirements of this Section 4.5, then such Replacement Units shall be automatically deemed a Unit for purposes of this Confirmation for the remaining portion of that Showing Month.
- (c) If Seller fails to provide Buyer the Contract Quantity of Product or Alternate Capacity for a given Showing Month during the Delivery Period, then (i) Buyer may, but shall not be required to, purchase Product from a third party; and (ii) Seller shall not be liable for damages and/or required to indemnify Buyer for penalties or fines pursuant to the terms of Sections 4.7 and 4.8 hereof if such failure is the result of (A) a reduction in the Contract Quantity for such Showing Month in accordance with Section 4.4, or (B) an event other than a Non-Excusable Event.

#### **4.6 Delivery of Product**

- (a) Seller shall provide Buyer with the Designated RA Capacity of Product for each Showing Month.
- (b) Seller shall submit, or cause the Unit's Scheduling Coordinator to submit, by the Notification Deadline (i) Supply Plans to the CAISO, LRA, or other applicable Governmental Body identifying and confirming the Designated RA Capacity to be provided to Buyer for the applicable Showing Month, unless Buyer specifically requests in writing that Seller not do so; and (ii) written confirmation to Buyer that Buyer will be credited with the Designated RA Capacity for such Showing Month per the Unit's Scheduling Coordinator Supply Plan.

#### **4.7 Damages for Failure to Provide Designated RA Capacity**

If Seller fails to provide Buyer with the Designated RA Capacity of Product for any Showing Month, and such failure is not excused under the terms of the Agreement, then the following shall apply:

- (a) Buyer may, but shall not be required to, replace any portion of the Designated RA Capacity not provided by Seller with capacity having equivalent RA Attributes, and, if applicable, LAR Attributes and Flexible RA Attributes as the Designated RA Capacity not provided by Seller; provided, however, that if any portion of the Designated RA Capacity that Buyer is seeking to replace is Designated RA Capacity having solely RA Attributes and no LAR Attributes or Flexible RA

Attributes, and no such RA Capacity is available, then Buyer may replace such portion of the Designated RA Capacity with capacity having any applicable Flexible RA Attributes and/or LAR Attributes ("Replacement Capacity") by entering into purchase transactions with one or more third parties, including, without limitation, third parties who have purchased capacity from Buyer so long as such transactions are done at prevailing market prices. Buyer shall use commercially reasonable efforts to minimize damages when procuring any Replacement Capacity.

- (b) Seller shall pay to Buyer an amount equal to the positive difference, if any, between (i) the sum of (A) the actual cost paid by Buyer for any Replacement Capacity, and (B) each Capacity Replacement Price times the amount of the Designated RA Capacity neither provided by Seller nor purchased by Buyer pursuant to Section 4.7(a); and (ii) the Designated RA Capacity not provided for the applicable Showing Month times the Contract Price for that month. If Seller fails to pay these damages, then Buyer may offset those damages owed it against any future amounts it may owe to Seller under this Confirmation pursuant to the WSPP Agreement.

#### **4.8 Indemnities for Failure to Deliver Contract Quantity**

Subject to any adjustments made pursuant to Section 4.4, Seller agrees to indemnify, defend and hold harmless Buyer from any penalties, fines or costs assessed against Buyer by the CPUC or the CAISO, resulting from any of the following:

- (a) Seller's failure to provide any portion of the Designated RA Capacity due to a Non-Excusable Event;
- (b) Seller's failure to provide notice of the non-availability of any portion of Designated RA Capacity as required under Sections 3.2, 4.4 and 4.5; or
- (c) A Unit Scheduling Coordinator's failure to timely submit accurate Supply Plans that identify Buyer's right to the Designated RA Capacity purchased hereunder.

With respect to the foregoing, the Parties shall use commercially reasonable efforts to minimize such penalties, fines and costs; provided, that in no event shall Buyer be required to use or change its utilization of its owned or controlled assets or market positions to minimize these penalties and fines. If Seller fails to pay the foregoing penalties, fines or costs, or fails to reimburse Buyer for those penalties, fines or costs, then Buyer may offset those penalties, fines or costs against any future amounts it may owe to Seller under this Confirmation.

#### **4.9 Monthly RA Capacity Payment**

In accordance with the terms of this Confirmation, Buyer shall make a Monthly RA Capacity Payment to Seller for each Unit, in arrears, after the applicable Showing Month. Each Unit's Monthly RA Capacity Payment shall be equal to the product of (a) the applicable Contract Price for that Monthly Delivery Period, (b) the Designated RA Capacity for the Monthly Delivery Period, and (c) 1,000, rounded to the nearest penny (i.e., two decimal places); provided, however, that the Monthly RA Capacity Payment shall be prorated to reflect any portion of Designated RA Capacity that was not delivered pursuant to Section 4.4 at the time of the CAISO filing for the respective Showing Month.

**RA CAPACITY PRICE TABLE**

<b>Contract Month/Year</b>	<b>RAR Capacity Price (\$/kW-month)</b>
January 2017	
February 2017	
March 2017	
April 2017	
May 2017	
June 2017	

<b>Contract Month/Year</b>	<b>RAR Capacity Price (\$/kW-month)</b>
July 2017	
August 2017	
September 2017	
October 2017	
November 2017	
December 2017	

#### **4.10 Allocation of Other Payments and Costs**

Seller shall be entitled to receive and retain all revenues that Buyer is not expressly entitled to receive pursuant to this Agreement, including all revenues that Seller may receive from the CAISO or any other third party with respect to any Unit for (a) start-up, shut-down, and minimum load costs, (b) revenue for ancillary services, (c) energy sales, (d) revenues for black start or reactive power services, or (e) the sale of the unit-contingent call rights on the generation capacity of the Unit to provide energy to a third party, so long as such rights do not confer on such third party the right to claim any portion of the RA Capacity sold hereunder in order to make an RAR Showing, LAR Showing, Flexible RAR Showing, as may be applicable, or any similar capacity or resource adequacy showing with the CAISO or CPUC. Buyer acknowledges and agrees that all Availability Incentive Payments are for the benefit of Seller and for Seller's account, and that Seller shall receive, retain, or be entitled to receive all credits, payments, and revenues, if any, resulting from Seller achieving or exceeding Availability Standards. Any Non-Availability Charges are the responsibility of Seller, and for Seller's account and Seller shall be responsible for all fees, charges, or penalties, if any, resulting from Seller failing to achieve Availability Standards. However, Buyer shall be entitled to receive and retain all revenues associated with the Designated RA Capacity of any Unit during the Delivery Period (including any capacity or availability revenues from RMR Agreements for any Unit, Reliability Compensation Services Tariff, and Residual Unit Commitment capacity payments, but excluding payments described in clauses (a) through (e) above). In accordance with Section 4.9 of this Confirmation, all such Buyer revenues received by Seller, or a Unit's Scheduling Coordinator, owner, or operator shall be remitted to Buyer, and Seller shall indemnify Buyer for any such revenues that Seller does not remit to Buyer, and Seller shall pay such revenues received by it to Buyer if the Unit's Scheduling Coordinator, owner, or operator fails to remit those revenues to Buyer. If Seller or the Unit's Scheduling Coordinator, owner, or operator (as applicable) fails to pay such revenues to Buyer, Buyer may offset any amounts owing to it for such revenues against any future amounts it may owe to Seller under this Confirmation. If a centralized capacity market develops within the CAISO region, Buyer will have exclusive rights to offer, bid, or otherwise submit Designated RA Capacity provided to Buyer pursuant to this Confirmation for re-sale in such market, and retain and receive any and all related revenues.

#### **ARTICLE 5. CAISO OFFER REQUIREMENTS**

During the Delivery Period, except to the extent any Unit is in an Outage, or is affected by an event other than a Non-Excusable Event, that results in a partial or full outage of that Unit, Seller shall either schedule or cause the Unit's Scheduling Coordinator to schedule with, or make available to, the CAISO each Unit's Designated RA Capacity in compliance with the Tariff, and shall perform all, or cause the Unit's Scheduling Coordinator, owner, or operator, as applicable, to perform all obligations under the Tariff that are associated with the sale of Designated RA Capacity hereunder. Buyer shall have no liability for the failure of Seller or the failure of any Unit's Scheduling Coordinator, owner, or operator to comply with such Tariff provisions, including any penalties or fines imposed on Seller or the Unit's Scheduling Coordinator, owner, or operator for such noncompliance.

## ARTICLE 6. COLLATERAL REQUIREMENTS

N/A

## ARTICLE 7. OTHER BUYER AND SELLER COVENANTS

### **7.1 Further Assurances**

Buyer and Seller shall, throughout the Delivery Period, take all commercially reasonable actions and execute any and all documents or instruments reasonably necessary to ensure Buyer's right to the use of the Contract Quantity for the sole benefit of Buyer's applicable RAR, LAR and Flexible RAR. Such commercially reasonable actions shall include, without limitation:

- (a) Cooperating with and providing, and in the case of Seller causing each Unit's Scheduling Coordinator, owner, or operator to cooperate with and provide requested supporting documentation to the CAISO, the CPUC, or any other Governmental Body responsible for administering the applicable RAR, LAR, and Flexible RAR under Applicable Laws, to certify or qualify the Contract Quantity as RA Capacity and Designated RA Capacity. Such actions shall include, without limitation, providing information requested by the CPUC, the CAISO, a LRA of competent jurisdiction, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, to demonstrate that the Contract Quantity can be delivered to the CAISO Controlled Grid for the minimum hours required to qualify as RA Capacity, pursuant to the "deliverability" standards established by the CAISO or other Governmental Body of competent jurisdiction.
- (b) Negotiating in good faith to make necessary amendments, if any, to this Confirmation, which are subject to agreement of such Parties, in each Party's sole discretion, to conform this Transaction to subsequent clarifications, revisions, or decisions rendered by the CPUC, FERC, or other Governmental Body of competent jurisdiction to administer the applicable RAR, LAR and Flexible RAR, so as to maintain the purpose and intent of the Transaction agreed to by the Parties on the Confirmation Effective Date. The above notwithstanding, the Parties are aware that the CPUC and CAISO are considering changes to RAR and/or LAR in CPUC Rulemaking 11-10-023 and potentially other proceedings.

### **7.2 Seller Representations and Warranties**

Seller represents, warrants and covenants to Buyer that, throughout the Delivery Period:

- (a) Seller owns or has the exclusive right to the RA Capacity sold under this Confirmation from each Unit, and shall furnish Buyer, the CAISO, the CPUC, a LRA of competent jurisdiction, or other Governmental Body with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right;
- (b) No portion of the Contract Quantity has been committed by Seller to any third party in order to satisfy such third party's applicable RAR, LAR or Flexible RAR or analogous obligations in CAISO markets, other than pursuant to an RMR Agreement between the CAISO and either Seller or the Unit's owner or operator;
- (c) No portion of the Contract Quantity has been committed by Seller in order to satisfy RAR, LAR or Flexible RAR, or analogous obligations in any non-CAISO market;
- (d) Each Unit is connected to the CAISO Controlled Grid, is within the CAISO Control Area, or is under the control of CAISO;
- (e) The owner or operator of each Unit is obligated to maintain and operate each Unit using Good Utility Practice and, if applicable, in accordance with General Order 167 as outlined by the CPUC in the Enforcement of Maintenance and Operation Standards for Electric Generating Facilities Adopted May 6, 2004, and is obligated to abide by all Applicable Laws in operating such Unit;



provided, that the owner or operator of any Unit is not required to undertake capital improvements, facility enhancements, or the construction of new facilities;

- (f) The owner or operator of each Unit is obligated to comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;
- (g) If Seller is the owner of any Unit, the aggregation of all amounts of applicable LAR Attributes, RA Attributes and Flexible RA Attributes that Seller has sold, assigned or transferred for any Unit does not exceed that Unit's RA Capacity;
- (h) With respect to the RA Capacity provided under this Confirmation, Seller shall, and each Unit's Scheduling Coordinator is obligated to, comply with Applicable Laws, including the Tariff, relating to RA Capacity, RAR, LAR and Flexible RAR;
- (i) Seller has notified the Scheduling Coordinator of each Unit that Seller has transferred the Designated RA Capacity to Buyer, and the Scheduling Coordinator is obligated to deliver the Supply Plans in accordance with the Tariff;
- (j) Seller has notified the Scheduling Coordinator of each Unit that Seller is obligated to cause each Unit's Scheduling Coordinator to provide to the Buyer, by the Notification Deadline, the Designated RA Capacity of each Unit that is to be submitted in the Supply Plan associated with this Agreement for the applicable period; and
- (k) Seller has notified each Unit's Scheduling Coordinator that Buyer is entitled to the revenues set forth in Section 4.10 of this Confirmation, and such Scheduling Coordinator is obligated to promptly deliver those revenues to Buyer, along with appropriate documentation supporting the amount of those revenues.

### **7.3 No Recourse Against Buyer's Member Agencies**

The Parties acknowledge and agree that Buyer is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by Buyer in connection with the Agreement are undertaken solely by Buyer and are not debts, liabilities, or obligations of its member agencies. Seller waives any recourse against Buyer's member agencies.

## **ARTICLE 8. CONFIDENTIALITY**

In addition to the rights and obligations in the WSPP Agreement, the Parties agree that Buyer may disclose the Designated RA Capacity under this Transaction to any Governmental Body, the CPUC, the CAISO or any LRA of competent jurisdiction in order to support its applicable LAR, RAR or Flexible RAR Showings, if applicable, and Seller may disclose the transfer of the Designated RA Capacity under this Transaction to the Scheduling Coordinator of each Unit in order for such Scheduling Coordinator to timely submit accurate Supply Plans.

The Parties acknowledges that Peninsula Clean Energy is a public agency subject to the requirements of the California Public Records Act Cal. Gov. Code section 6250 et seq. Peninsula Clean Energy acknowledges that the other party may submit information to Peninsula Clean Energy that the other party considers confidential, proprietary, or trade secret information pursuant the Uniform Trade Secrets Act (Cal. Civ. Code section 3426 et seq.), or otherwise protected from disclosure pursuant to an exemption to the California Public Records Act (Government Code sections 6254 and 6255). The other party acknowledges that Peninsula Clean Energy may submit to the other party information that Peninsula Clean Energy considers confidential or proprietary or protected from disclosure pursuant to exemptions to the California Public Records Act (Government Code sections 6254 and 6255). Upon request or demand of any third person or entity not a party to this Contract ("Requestor") for production, inspection and/or copying of information designated by a Disclosing Party as Confidential Information, the Receiving Party as soon practical but within three (3) business days of receipt of the request, shall notify the Disclosing Party that such request has been made, by telephone call, letter sent via facsimile and/or by US Mail to the address and facsimile number listed on the cover page of the Contract. The Disclosing Party shall be solely responsible for taking whatever legal steps are necessary to protect information deemed by it to be Confidential Information and to prevent release of information to the Requestor by the Receiving Party. If the Disclosing Party takes no such action, after

receiving the foregoing notice from the Receiving Party, the Receiving Party shall be permitted to comply with the Requestor's demand and is not required to defend against it.

#### **ARTICLE 9. BUYER'S RE-SALE OF PRODUCT**

Buyer may re-sell all or a portion of the Product hereunder.

#### **ARTICLE 10. MARKET BASED RATE AUTHORITY**

Upon Buyer's written request, Seller shall, in accordance with Federal Energy Regulatory Commission (FERC) Order No. 697, submit a letter of concurrence in support of any affirmative statement by Buyer that this contractual arrangement does not transfer "ownership or control of generation capacity" from Seller to Buyer as the term "ownership or control of generation capacity" is used in 18 CFR Section 35.42. Seller shall not, in filings, if any, made subject to Order Nos. 652 and 697, claim that this contractual arrangement conveys ownership or control of generation capacity from Seller to Buyer.

**This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument; and, the Parties agree that signatures on this Agreement, including those transmitted by facsimile, shall be sufficient to bind the Parties.**

**The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives. The Effective Date is the date that the final signatory executes the Agreement. It is the intent of the Parties that this Agreement shall become operative on the Effective Date.**

#### **NRG Power Marketing LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

#### **Peninsula Clean Energy**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

804 Carnegie Center  
Princeton, NJ 08540  
[ContractAdmin@nrg.com](mailto:ContractAdmin@nrg.com)



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** January 23, 2017  
**BOARD MEETING DATE:** January 26, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer

**SUBJECT:** 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.

**RECOMMENDATION:**

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.

**BACKGROUND:**

Effective January 1, 2017, PG&E increased their generation rates and increased the Power Charge Indifference Adjustment (PCIA) by 25%. Due to the PCIA increase, PCE will need to reduce rates slightly to maintain a 5% reduction in generation charges compared to PG&E.

**DISCUSSION:**

On January 1, 2017, PG&E published their new generation rates, which increased rates for all customer categories, with a range of between 1.6% and 3.0% depending on the customer category. The PCIA was also increased by 26%. For example, for residential customers the PCIA increased from 2.3 cents/kWh to 2.9 cents/kWh.

It is recommended that PCE continue to maintain a 5% discount to PG&E in the generation rate for the Phase 2 customer enrollment in April 2017. Even though PG&E increased their generation rates, the large increase in the PCIA requires that PCE reduce our rates in order to maintain the 5% discount.

Attachment A shows the following:

- The proposed PCE rate, effective March 1, 2017

- The current PCE rate
- The proposed PCE rate with the PG&E surcharges (PCIA and FFS)
- The current PCE rate with the PG&E surcharges (PCIA and FFS)
- The 2017 PG&E generation rate
- The 2017 PG&E surcharges (PCIA and FFS)

A resolution is included with this board memo.

### **FISCAL IMPACT:**

In July 2016, the board was presented with a pro forma budget showing the monthly projections for the 2017 fiscal year and a five year projection.

The pro forma budget presented to the board in July 2016 assumed that the PCIA would increase 22% rather than 26%. For example, for residential customers on an E-1 rate schedule, the PCIA in 2016 was 2.323 cents/kWh and was projected to increase to 2.868 cents/kWh. In actuality, the PCIA for residential customers on the E-1 rate schedule increased to 2.919 cents/kWh.

On the plus side however, in the pro forma budget presented to the board in July 2016, PCE projected that PG&E rates would decrease by 10% rather than increase by approximately 2%, which would require PCE to lower rates more than what is proposed today. Therefore, the revenue impact of this rate decrease is less than what was originally projected.

In the pro forma budget presented to the board in July 2016, PCE projected that opt-out rates would be 15%, based on the experience of other CCAs. To date, PCE's opt-out rate is about 1.4%, significantly lower than projected. This lower opt-out rate results in higher revenues than originally projected as well.

Attachment B includes a spreadsheet that compares the monthly revenues for FY2017 based on:

- The pro forma projections presented and adopted by the board in July 2016
- The pro forma based on the proposed PCE rates and the actual PCIA for 2017
- The pro forma based on the proposed PCE rates, the actual PCIA for 2017, and modifying the opt-out rate from 15% to 5%.

### **ATTACHMENTS:**

- A. PCE Rates Effective March 1, 2017
- B. Comparison of Pro Forma Revenue Projections for FY 2017

PENINSULA CLEAN ENERGY  
PROPOSED RATES EFFECTIVE MARCH 1, 2017

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	PCE PROPOSED WITH PG&E SURCHARGES	2016 PCE WITH PG&E SURCHARGES	PG&E CURRENT GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
<u>RESIDENTIAL CUSTOMERS</u>										
E-1, EL-1, EM, EML, ES, ESL, ESR, ESRL, ET, ETL	<b>E-1</b>									
	ENERGY CHARGE (\$/KWH)	All Energy	0.06369	0.06815	0.09346	0.09792	0.09838	0.02977	0.02919	0.00058
E-6, EL-6	<b>E-6</b>									
	ENERGY CHARGE (\$/KWH)									
		SUMMER PEAK	0.17610	0.17886	0.20587	0.20863	0.21671	0.02977	0.02919	0.00058
		SUMMER PART-PEAK	0.07838	0.08264	0.10815	0.11241	0.11384	0.02977	0.02919	0.00058
		SUMMER OFF-PEAK	0.03849	0.04336	0.06826	0.07313	0.07185	0.02977	0.02919	0.00058
		WINTER PART-PEAK	0.06063	0.06517	0.09040	0.09494	0.09516	0.02977	0.02919	0.00058
		WINTER OFF-PEAK	0.04967	0.05436	0.07944	0.08413	0.08362	0.02977	0.02919	0.00058
EV-A, EV-B	<b>EV (EV-A and EV-B)</b>									
	ENERGY CHARGE (\$/KWH)									
		SUMMER PEAK	0.18960	0.19254	0.21937	0.22231	0.23092	0.02977	0.02919	0.00058
		SUMMER PART-PEAK	0.07595	0.08043	0.10572	0.11020	0.11128	0.02977	0.02919	0.00058
		SUMMER OFF-PEAK	0.02336	0.02855	0.05313	0.05832	0.05593	0.02977	0.02919	0.00058
		WINTER PEAK	0.05221	0.05701	0.08198	0.08678	0.08629	0.02977	0.02919	0.00058
		WINTER PART-PEAK	0.02144	0.02667	0.05121	0.05644	0.05391	0.02977	0.02919	0.00058
		WINTER OFF-PEAK	0.02525	0.03042	0.05502	0.06019	0.05792	0.02977	0.02919	0.00058
E-TOU-A, EL-TOU-A	<b>E-TOU-A</b>									
	ENERGY CHARGE (\$/KWH)									
		SUMMER PEAK	0.14438	0.14884	0.17415	0.17861	0.18332	0.02977	0.02919	0.00058
		SUMMER OFF-PEAK	0.07258	0.07704	0.10235	0.10681	0.10774	0.02977	0.02919	0.00058
		WINTER PEAK	0.06141	0.06587	0.09118	0.09564	0.09598	0.02977	0.02919	0.00058
		WINTER OFF-PEAK	0.04783	0.05228	0.07760	0.08205	0.08168	0.02977	0.02919	0.00058
E-TOU-B, EL-TOU-B	<b>E-TOU-B</b>									
	ENERGY CHARGE (\$/KWH)									
		SUMMER PEAK	0.16552	0.16998	0.19529	0.19975	0.20557	0.02977	0.02919	0.00058
		SUMMER OFF-PEAK	0.06761	0.07207	0.09738	0.10184	0.10251	0.02977	0.02919	0.00058
		WINTER PEAK	0.06403	0.06849	0.09380	0.09826	0.09874	0.02977	0.02919	0.00058
		WINTER OFF-PEAK	0.04617	0.05063	0.07594	0.08040	0.07994	0.02977	0.02919	0.00058

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
<u>COMMERCIAL, INDUSTRIAL AND GENERAL SERVICE CUSTOMERS</u>										
A-1-A	<b>A-1-A</b>									
	ENERGY CHARGE (\$/KWH)									
		SUMMER	0.08678	0.08976	0.10942	0.11240	0.11518	0.02264	0.02199	0.00065
		WINTER	0.05264	0.05597	0.07528	0.07861	0.07924	0.02264	0.02199	0.00065
A-1-B	<b>A-1-B</b>									
	ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>								
		PEAK	0.10168	0.10431	0.12432	0.12695	0.13086	0.02264	0.02199	0.00065
		PART-PEAK	0.07921	0.08184	0.10185	0.10448	0.10721	0.02264	0.02199	0.00065
		OFF-PEAK	0.05322	0.05585	0.07586	0.07849	0.07985	0.02264	0.02199	0.00065
		<u>WINTER</u>								
		PART-PEAK	0.07902	0.08166	0.10166	0.10430	0.10701	0.02264	0.02199	0.00065
		OFF-PEAK	0.05916	0.06179	0.08180	0.08443	0.08610	0.02264	0.02199	0.00065
A-6	<b>A-6</b>									
	ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>								
		PEAK	0.32398	0.32612	0.34662	0.34876	0.36486	0.02264	0.02199	0.00065
		PART-PEAK	0.09638	0.09851	0.11902	0.12115	0.12528	0.02264	0.02199	0.00065
		OFF-PEAK	0.04100	0.04313	0.06364	0.06577	0.06699	0.02264	0.02199	0.00065
		<u>WINTER</u>								
		PART-PEAK	0.06519	0.06732	0.08783	0.08996	0.09245	0.02264	0.02199	0.00065
		OFF-PEAK	0.04857	0.05071	0.07121	0.07335	0.07496	0.02264	0.02199	0.00065
A-10-A	<b>A-10-A</b>									
	ENERGY CHARGE (\$/KWH)									
		SUMMER	0.07646	0.07908	0.09967	0.10229	0.10492	0.02321	0.02253	0.00068
		WINTER	0.05331	0.05619	0.07652	0.07940	0.08055	0.02321	0.02253	0.00068
	DEMAND CHARGE (\$/KW)									
		SUMMER MAX	4.65	4.59	4.65	4.59	4.89			

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
A-10-B	A-10-B	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.12852	0.13119	0.15173	0.15440	0.15972	0.02321	0.02253	0.00068
		PART-PEAK	0.07615	0.07882	0.09936	0.10203	0.10459	0.02321	0.02253	0.00068
		OFF-PEAK	0.04948	0.05215	0.07269	0.07536	0.07652	0.02321	0.02253	0.00068
		WINTER								
		PART-PEAK	0.06100	0.06367	0.08421	0.08688	0.08864	0.02321	0.02253	0.00068
		OFF-PEAK	0.04479	0.04747	0.06800	0.07068	0.07158	0.02321	0.02253	0.00068
		DEMAND CHARGE (\$/KW)								
		SUMMER MAX	4.65	4.59	4.65	4.59	4.89			
E-19-S, V	E-19-S	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.09971	0.10157	0.11924	0.12110	0.12552	0.01953	0.01889	0.00064
		PART-PEAK	0.06123	0.06346	0.08076	0.08299	0.08501	0.01953	0.01889	0.00064
		OFF-PEAK	0.03575	0.03822	0.05528	0.05775	0.05819	0.01953	0.01889	0.00064
		WINTER								
		PART-PEAK	0.05597	0.05824	0.07550	0.07777	0.07947	0.01953	0.01889	0.00064
		OFF-PEAK	0.04208	0.04449	0.06161	0.06402	0.06485	0.01953	0.01889	0.00064
		DEMAND CHARGE (\$/KW)								
		SUMMER								
		PEAK	12.00	11.88	12.00	11.88	12.63			
		PART-PEAK	2.96	2.94	2.96	2.94	3.12			
E-19-P, V	E-19-P	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.09103	0.09284	0.11056	0.11237	0.11638	0.01953	0.01889	0.00064
		PART-PEAK	0.05457	0.05678	0.07410	0.07631	0.07800	0.01953	0.01889	0.00064
		OFF-PEAK	0.03113	0.03359	0.05066	0.05312	0.05333	0.01953	0.01889	0.00064
		WINTER								
		PART-PEAK	0.04965	0.05191	0.06918	0.07144	0.07282	0.01953	0.01889	0.00064
		OFF-PEAK	0.03692	0.03932	0.05645	0.05885	0.05942	0.01953	0.01889	0.00064
		DEMAND CHARGE (\$/KW)								
		SUMMER								
		PEAK	10.73	10.61	10.73	10.61	11.29			
		PART-PEAK	2.61	2.58	2.61	2.58	2.75			

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)	
E-19-T, V	E-19-T										
	ENERGY CHARGE (\$/KWH)										
		SUMMER									
		PEAK	0.05677	0.05884	0.07630	0.07837	0.08032	0.01953	0.01889	0.00064	
		PART-PEAK	0.04479	0.04703	0.06432	0.06656	0.06771	0.01953	0.01889	0.00064	
		OFF-PEAK	0.02896	0.03137	0.04849	0.05090	0.05104	0.01953	0.01889	0.00064	
		WINTER									
		PART-PEAK	0.04669	0.04888	0.06622	0.06841	0.06970	0.01953	0.01889	0.00064	
		OFF-PEAK	0.03452	0.03686	0.05405	0.05639	0.05689	0.01953	0.01889	0.00064	
		DEMAND CHARGE (\$/KW)									
		SUMMER									
		PEAK	11.80	11.66	11.80	11.66	12.42				
		PART-PEAK	2.95	2.93	2.95	2.93	3.11				
	E-19-R-S, V-R-S	E-19-R-S									
		ENERGY CHARGE (\$/KWH)									
		SUMMER									
		PEAK	0.23197	0.22808	0.25150	0.24761	0.26474	0.01953	0.01889	0.00064	
		PART-PEAK	0.09039	0.09254	0.10992	0.11207	0.11570	0.01953	0.01889	0.00064	
		OFF-PEAK	0.03575	0.03822	0.05528	0.05775	0.05819	0.01953	0.01889	0.00064	
		WINTER									
		PART-PEAK	0.05597	0.05824	0.07550	0.07777	0.07947	0.01953	0.01889	0.00064	
		OFF-PEAK	0.04208	0.04449	0.06161	0.06402	0.06485	0.01953	0.01889	0.00064	
E-19-R-P, V-R-P		E-19-R-P									
		ENERGY CHARGE (\$/KWH)									
			SUMMER								
			PEAK	0.21788	0.21634	0.23741	0.23587	0.24990	0.01953	0.01889	0.00064
			PART-PEAK	0.08341	0.08467	0.10294	0.10420	0.10836	0.01953	0.01889	0.00064
			OFF-PEAK	0.03113	0.03359	0.05066	0.05312	0.05333	0.01953	0.01889	0.00064
		WINTER									
		PART-PEAK	0.04965	0.05191	0.06918	0.07144	0.07282	0.01953	0.01889	0.00064	
		OFF-PEAK	0.03692	0.03932	0.05645	0.05885	0.05942	0.01953	0.01889	0.00064	
	E-19-R-T, V-R-T	E-19-R-T									
		ENERGY CHARGE (\$/KWH)									
			SUMMER								
			PEAK	0.21704	0.20365	0.23657	0.22318	0.24902	0.01953	0.01889	0.00064
			PART-PEAK	0.08016	0.08066	0.09969	0.10019	0.10494	0.01953	0.01889	0.00064
			OFF-PEAK	0.02896	0.03137	0.04849	0.05090	0.05104	0.01953	0.01889	0.00064
		WINTER									
		PART-PEAK	0.04669	0.04888	0.06622	0.06841	0.06970	0.01953	0.01889	0.00064	
		OFF-PEAK	0.03452	0.03686	0.05405	0.05639	0.05689	0.01953	0.01889	0.00064	



PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
E-20-S	<b>E-20-S</b>									
	ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>								
		PEAK	0.09214	0.09437	0.11087	0.11310	0.11670	0.01873	0.01813	0.00060
		PART-PEAK	0.05713	0.05967	0.07586	0.07840	0.07985	0.01873	0.01813	0.00060
		OFF-PEAK	0.03309	0.03586	0.05182	0.05459	0.05455	0.01873	0.01813	0.00060
		<u>WINTER</u>								
		PART-PEAK	0.05205	0.05463	0.07078	0.07336	0.07450	0.01873	0.01813	0.00060
		OFF-PEAK	0.03902	0.04173	0.05775	0.06046	0.06079	0.01873	0.01813	0.00060
	DEMAND CHARGE (\$/KW)									
		<u>SUMMER</u>								
		PEAK	11.63	11.52	11.63	11.52	12.24			
		PART-PEAK	2.87	2.84	2.87	2.84	3.02			
E-20-P	<b>E-20-P</b>									
	ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>								
		PEAK	0.09596	0.09749	0.11335	0.11488	0.11932	0.01739	0.01680	0.00059
		PART-PEAK	0.05738	0.05925	0.07477	0.07664	0.07870	0.01739	0.01680	0.00059
		OFF-PEAK	0.03364	0.03574	0.05103	0.05313	0.05372	0.01739	0.01680	0.00059
		<u>WINTER</u>								
		PART-PEAK	0.05229	0.05422	0.06968	0.07161	0.07335	0.01739	0.01680	0.00059
		OFF-PEAK	0.03948	0.04151	0.05687	0.05890	0.05986	0.01739	0.01680	0.00059
	DEMAND CHARGE (\$/KW)									
		<u>SUMMER</u>								
		PEAK	12.77	12.65	12.77	12.65	13.44			
		PART-PEAK	3.02	2.99	3.02	2.99	3.18			
E-20-T	<b>E-20-T</b>									
	ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>								
		PEAK	0.05822	0.06005	0.07408	0.07591	0.07798	0.01586	0.01532	0.00054
		PART-PEAK	0.04660	0.04852	0.06246	0.06438	0.06575	0.01586	0.01532	0.00054
		OFF-PEAK	0.03122	0.03327	0.04708	0.04913	0.04956	0.01586	0.01532	0.00054
		<u>WINTER</u>								
		PART-PEAK	0.04843	0.05034	0.06429	0.06620	0.06767	0.01586	0.01532	0.00054
		OFF-PEAK	0.03662	0.03862	0.05248	0.05448	0.05524	0.01586	0.01532	0.00054
	DEMAND CHARGE (\$/KW)									
		<u>SUMMER</u>								
		PEAK	15.10	14.96	15.10	14.96	15.89			
		PART-PEAK	3.60	3.56	3.60	3.56	3.79			

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
E-20-R-S	E-20-R-S	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.20998	0.20919	0.22871	0.22792	0.24075	0.01873	0.01813	0.00060
		PART-PEAK	0.08605	0.08751	0.10478	0.10624	0.11029	0.01873	0.01813	0.00060
		OFF-PEAK	0.03309	0.03586	0.05182	0.05459	0.05455	0.01873	0.01813	0.00060
		WINTER								
		PART-PEAK	0.05205	0.05463	0.07078	0.07336	0.07450	0.01873	0.01813	0.00060
		OFF-PEAK	0.03902	0.04173	0.05775	0.06046	0.06079	0.01873	0.01813	0.00060
E-20-R-P	E-20-R-P	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.22732	0.22647	0.24471	0.24386	0.25759	0.01739	0.01680	0.00059
		PART-PEAK	0.08574	0.08691	0.10313	0.10430	0.10856	0.01739	0.01680	0.00059
		OFF-PEAK	0.03364	0.03574	0.05103	0.05313	0.05372	0.01739	0.01680	0.00059
		WINTER								
		PART-PEAK	0.05229	0.05422	0.06968	0.07161	0.07335	0.01739	0.01680	0.00059
		OFF-PEAK	0.03948	0.04151	0.05687	0.05890	0.05986	0.01739	0.01680	0.00059
E-20-R-T	E-20-R-T	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.22026	0.21585	0.23612	0.23171	0.24855	0.01586	0.01532	0.00054
		PART-PEAK	0.08079	0.08213	0.09665	0.09799	0.10174	0.01586	0.01532	0.00054
		OFF-PEAK	0.03122	0.03327	0.04708	0.04913	0.04956	0.01586	0.01532	0.00054
		WINTER								
		PART-PEAK	0.04843	0.05034	0.06429	0.06620	0.06767	0.01586	0.01532	0.00054
		OFF-PEAK	0.03662	0.03862	0.05248	0.05448	0.05524	0.01586	0.01532	0.00054
AGRICULTURAL CUSTOMERS										
AG-1-A	AG-1-A	ENERGY CHARGE (\$/KWH)								
		SUMMER	0.07249	0.07377	0.09435	0.09563	0.09932	0.02186	0.02134	0.00052
		WINTER	0.05382	0.05531	0.07568	0.07717	0.07966	0.02186	0.02134	0.00052
		CONNECTED LOAD (\$/HP)								
		SUMMER MAX	1.29	1.28	1.29	1.28	1.36			

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
AG-1-B	AG-1-B									
		ENERGY CHARGE (\$/KWH)								
		SUMMER	0.07531	0.07659	0.09717	0.09845	0.10228	0.02186	0.02134	0.00052
		WINTER	0.05388	0.05541	0.07574	0.07727	0.07973	0.02186	0.02134	0.00052
		DEMAND CHARGE (\$/KW)								
		SUMMER MAX	1.94	1.92	1.94	1.92	2.04			
AG-RA	AG-RA									
		ENERGY CHARGE (\$/KWH)								
		<u>SUMMER</u>								
		PEAK	0.23212	0.23068	0.25398	0.25254	0.26735	0.02186	0.02134	0.00052
		OFF-PEAK	0.04210	0.04354	0.06396	0.06540	0.06733	0.02186	0.02134	0.00052
		<u>WINTER</u>								
		PART-PEAK	0.04888	0.05020	0.07074	0.07206	0.07446	0.02186	0.02134	0.00052
		OFF-PEAK	0.03835	0.03984	0.06021	0.06170	0.06338	0.02186	0.02134	0.00052
		CONNECTED LOAD (\$/HP)								
		SUMMER	1.24	1.23	1.24	1.23	1.31			
AG-RB	AG-RB									
		ENERGY CHARGE (\$/KWH)								
		<u>SUMMER</u>								
		PEAK	0.20750	0.20647	0.22936	0.22833	0.24143	0.02186	0.02134	0.00052
		OFF-PEAK	0.04164	0.04308	0.06350	0.06494	0.06684	0.02186	0.02134	0.00052
		<u>WINTER</u>								
		PART-PEAK	0.03638	0.03791	0.05824	0.05977	0.06131	0.02186	0.02134	0.00052
		OFF-PEAK	0.02775	0.02941	0.04961	0.05127	0.05222	0.02186	0.02134	0.00052
		DEMAND CHARGE (\$/KW)								
		<u>SUMMER</u>								
		MAX	1.84	2.04	1.84	2.04	1.94			
		PEAK	2.07	1.81	2.07	1.81	2.18			
AG-VA	AG-VA									
		ENERGY CHARGE (\$/KWH)								
		<u>SUMMER</u>								
		PEAK	0.20036	0.19933	0.22222	0.22119	0.23392	0.02186	0.02134	0.00052
		OFF-PEAK	0.03953	0.04098	0.06139	0.06284	0.06462	0.02186	0.02134	0.00052
		<u>WINTER</u>								
		PART-PEAK	0.04743	0.04876	0.06929	0.07062	0.07294	0.02186	0.02134	0.00052
		OFF-PEAK	0.03713	0.03861	0.05899	0.06047	0.06209	0.02186	0.02134	0.00052
		CONNECTED LOAD (\$/HP)								

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
		SUMMER	1.30	1.28	1.30	1.28	1.37			
AG-VB	<b>AG-VB</b>									
	ENERGY CHARGE (\$/KWH)									
	<u>SUMMER</u>									
	PEAK		0.18335	0.18227	0.20521	0.20413	0.21601	0.02186	0.02134	0.00052
	OFF-PEAK		0.03991	0.04125	0.06177	0.06311	0.06502	0.02186	0.02134	0.00052
	<u>WINTER</u>									
	PART-PEAK		0.03660	0.03802	0.05846	0.05988	0.06154	0.02186	0.02134	0.00052
	OFF-PEAK		0.02792	0.02947	0.04978	0.05133	0.05240	0.02186	0.02134	0.00052
	DEMAND CHARGE (\$/KW)									
	<u>SUMMER</u>									
	MAX		1.69	2.14	1.69	2.14	1.78			
	PEAK		2.18	1.66	2.18	1.66	2.29			
AG-4-A, AG-4-D	<b>AG-4-A</b>									
	ENERGY CHARGE (\$/KWH)									
	<u>SUMMER</u>									
	PEAK		0.12911	0.12929	0.15097	0.15115	0.15892	0.02186	0.02134	0.00052
	OFF-PEAK		0.04332	0.04476	0.06518	0.06662	0.06861	0.02186	0.02134	0.00052
	<u>WINTER</u>									
	PART-PEAK		0.04721	0.04860	0.06907	0.07046	0.07271	0.02186	0.02134	0.00052
	OFF-PEAK		0.03699	0.03852	0.05885	0.06038	0.06195	0.02186	0.02134	0.00052
	CONNECTED LOAD (\$/HP)									
	SUMMER		1.28	1.26	1.28	1.26	1.35			
AG-4-B, AG-4-E	<b>AG-4-B</b>									
	ENERGY CHARGE (\$/KWH)									
	<u>SUMMER</u>									
	PEAK		0.09376	0.09467	0.11562	0.11653	0.12171	0.02186	0.02134	0.00052
	OFF-PEAK		0.04525	0.04678	0.06711	0.06864	0.07064	0.02186	0.02134	0.00052
	<u>WINTER</u>									
	PART-PEAK		0.04358	0.04513	0.06544	0.06699	0.06888	0.02186	0.02134	0.00052
	OFF-PEAK		0.03382	0.03551	0.05568	0.05737	0.05861	0.02186	0.02134	0.00052
	DEMAND CHARGE (\$/KW)									
	<u>SUMMER</u>									
	MAX		2.27	2.24	2.27	2.24	2.39			
	PEAK		2.41	2.38	2.41	2.38	2.54			

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
AG-4-C, AG-4-F	AG-4-C	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.11050	0.11060	0.13236	0.13246	0.13933	0.02186	0.02134	0.00052
		PART-PEAK	0.05308	0.05417	0.07494	0.07603	0.07888	0.02186	0.02134	0.00052
		OFF-PEAK	0.03220	0.03365	0.05406	0.05551	0.05691	0.02186	0.02134	0.00052
		WINTER								
		PART-PEAK	0.03813	0.03948	0.05999	0.06134	0.06315	0.02186	0.02134	0.00052
		OFF-PEAK	0.02916	0.03067	0.05102	0.05253	0.05371	0.02186	0.02134	0.00052
		DEMAND CHARGE (\$/KW)								
		SUMMER								
		PEAK	5.56	5.45	5.56	5.45	5.85			
PART-PEAK	0.95	0.93	0.95	0.93	1.00					
AG-5-A, AG-5-D	AG-5-A	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.11943	0.12000	0.14129	0.14186	0.14873	0.02186	0.02134	0.00052
		OFF-PEAK	0.04799	0.04949	0.06985	0.07135	0.07353	0.02186	0.02134	0.00052
		WINTER								
		PART-PEAK	0.05130	0.05275	0.07316	0.07461	0.07701	0.02186	0.02134	0.00052
		OFF-PEAK	0.04054	0.04213	0.06240	0.06399	0.06568	0.02186	0.02134	0.00052
		CONNECTED LOAD (\$/HP)								
SUMMER	3.52	3.47	3.52	3.47	3.70					
AG-5-B, AG-5-E	AG-5-B	ENERGY CHARGE (\$/KWH)								
		SUMMER								
		PEAK	0.11615	0.11630	0.13801	0.13816	0.14527	0.02186	0.02134	0.00052
		OFF-PEAK	0.02454	0.02618	0.04640	0.04804	0.04884	0.02186	0.02134	0.00052
		WINTER								
		PART-PEAK	0.04363	0.04497	0.06549	0.06683	0.06894	0.02186	0.02134	0.00052
		OFF-PEAK	0.01664	0.01842	0.03850	0.04028	0.04053	0.02186	0.02134	0.00052
		DEMAND CHARGE (\$/KW)								
		SUMMER								
MAX	4.23	4.16	4.23	4.16	4.45					
PEAK	5.29	5.21	5.29	5.21	5.57					

PG&E EQUIVALENT SCHEDULE	PCE RATE SCHEDULE	UNIT/PERIOD	PCE PROPOSED RATE	PCE CURRENT RATE	WITH PG&E SURCHARGES	WITH PG&E SURCHARGES	GENERATION RATE	PG&E SURCHARGES	PCIA (2017 Vn.)	FFS (2017 Vn.)
AG-5-C, AG-5-F	<b>AG-5-C</b>									
	ENERGY CHARGE (\$/KWH)									
		<u>SUMMER</u>								
		PEAK	0.09191	0.09233	0.11377	0.11419	0.11976	0.02186	0.02134	0.00052
		PART-PEAK	0.04383	0.04508	0.06569	0.06694	0.06915	0.02186	0.02134	0.00052
		OFF-PEAK	0.02593	0.02750	0.04779	0.04936	0.05031	0.02186	0.02134	0.00052
		<u>WINTER</u>								
		PART-PEAK	0.03130	0.03277	0.05316	0.05463	0.05596	0.02186	0.02134	0.00052
		OFF-PEAK	0.02316	0.02478	0.04502	0.04664	0.04739	0.02186	0.02134	0.00052
	DEMAND CHARGE (\$/KW)									
		<u>SUMMER</u>								
		PEAK	9.77	9.60	9.77	9.60	10.28			
		PART-PEAK	1.83	1.81	1.83	1.81	1.93			

#### STREET AND OUTDOOR LIGHTING

LS-1, LS-2, LS-3, OL-1	<b>STREET LIGHTING (LS-1, LS-2, LS-3 and OL-1)</b>									
	ENERGY CHARGE (\$/KWH)		0.07109	0.07283	0.07597	0.07771	0.07997	0.00488	0.00424	0.00064

TC-1	<b>TC-1</b>									
	ENERGY CHARGE (\$/KWH)		0.05980	0.06288	0.08244	0.08552	0.08678	0.02264	0.02199	0.00065

#### 100% RENEWABLE ENERGY OPTION

Customers electing the 100% renewable energy service option will pay the applicable rate for the default service option plus the 100% Renewable Energy Charge.

ENERGY CHARGE (\$/KWH)	0.01000	0.01000
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#### Voltage Discount

For rate schedules not segregated by service voltage, each component of the standard rate shall be discounted for primary or higher service voltage.

**Attachment B**  
**Peninsula Clean Energy - Monthly Budget Projection**  
**Monthly for FY 2017**

	7/31/16	8/31/16	9/30/16	10/31/16	11/30/16	12/31/16	1/31/17	2/28/17	3/31/17	4/30/17	5/31/17	6/30/17
<b>Monthly PCE Budget Approved by PCE Board in July 2016</b>												
Revenue - Electricity	-	-	-	5,458,233	6,100,995	6,090,250	5,741,829	5,612,015	5,288,278	10,769,271	20,566,913	20,254,978
Revenue - Electricity, Vol. Green Premium	-	-	-	12,520	20,985	20,849	21,823	21,379	20,224	41,186	54,827	54,050
Total Revenues from Sale of Electricity	-	-	-	5,470,753	6,121,979	6,111,099	5,763,651	5,633,393	5,308,502	10,810,457	20,621,740	20,309,028
<b>Monthly PCE Budget with January 2017 Rates and PCIA (with 15% opt-out rate)</b>												
Revenue - Electricity	-	-	-	5,458,233	6,100,995	6,090,250	6,178,705	6,042,477	5,695,810	11,417,594	21,809,363	21,476,527
Revenue - Electricity, Vol. Green Premium	-	-	-	12,520	20,985	20,849	21,823	21,379	20,224	41,186	54,827	54,050
Total Revenues from Sale of Electricity	-	-	-	5,470,753	6,121,979	6,111,099	6,200,528	6,063,856	5,716,035	11,458,780	21,864,189	21,530,577
<b>Monthly PCE Budget with January 2017 Rates and PCIA (with 5% opt-out rate)</b>												
Revenue - Electricity	-	-	-	6,100,378	6,818,759	6,806,749	6,905,612	6,753,357	6,365,906	12,760,840	24,375,170	24,003,178
Revenue - Electricity, Vol. Green Premium	-	-	-	13,993	23,454	23,302	24,390	23,894	22,603	46,032	61,277	60,409
Total Revenues from Sale of Electricity	-	-	-	6,114,371	6,842,212	6,830,051	6,930,002	6,777,251	6,388,509	12,806,872	24,436,447	24,063,586

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION APPROVING AN ADJUSTMENT IN PENINSULA CLEAN ENERGY'S  
RATES, EFFECTIVE MARCH 1, 2017, TO MAINTAIN A 5% DISCOUNT IN  
GENERATION CHARGES COMPARED TO PG&E**

---

**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" or "PCEA") was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch of service for Phase II is planned for April 2017; and

**WHEREAS**, Peninsula Clean Energy launched Phase I with rates that reflected a 5% discount to PG&E in the generation rate, and seeks to likewise launch Phase II with rates that reflect a 5% discount to PG&E in the generation rate; and

**WHEREAS**, effective January 1, 2017, PG&E increased its generation rates but also increased the Power Charge Indifference Adjustment (PCIA) by 26%, resulting in a need for PCE to reduce rates slightly to maintain a 5% reduction in generation charges compared to PG&E; and

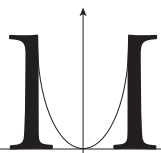


**WHEREAS**, PCE's pro forma budget indicates that PCE can accommodate the rate adjustment proposed herein.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves an adjustment in Peninsula Clean Energy's rates, effective March 1, 2017, to maintain a 5% discount in generation charges compared to PG&E, and therefore adopts the proposed PCE rates set forth in Attachment A, effective March 1, 2017.

\* \* \* \* \*

[CCO-113499]



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (a California Joint Powers Authority) which comprise the statement of net position as of December 31, 2016, and the related statement of revenues, expenses, and changes in net position, and the statement cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
January 23, 2017



**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF NET POSITION**

**As of December 31, 2016**

**ASSETS**

Current assets

Cash and cash equivalents	\$ 9,195,582
Accounts receivable, net of allowance	6,255,646
Miscellaneous receivable	53,146
Accrued revenue	4,226,772
Prepaid expenses	193,200
Total current assets	<u>19,924,346</u>

Noncurrent assets

Capital assets, net of depreciation	7,751
Deposits	100,000
Total noncurrent assets	<u>107,751</u>
Total assets	<u>20,032,097</u>

**LIABILITIES**

Current liabilities

Accounts payable	128,069
Accrued cost of electricity	10,142,266
Accrued interest payable	14,269
Accrued payroll and compensated absences	29,967
Other accrued liabilities	281,829
User taxes and energy surcharges due to other governments	210,319
Total current liabilities	<u>10,806,719</u>

Noncurrent liabilities

Loan payable to bank	3,000,000
Loans payable to County of San Mateo	4,480,800
Total noncurrent liabilities	<u>7,480,800</u>

Total liabilities	<u>18,287,519</u>
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**NET POSITION**

Net investment in capital assets	7,751
Unrestricted	<u>1,736,827</u>
Total net position	<u>\$ 1,744,578</u>

**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES**

**AND CHANGES IN NET POSITION**

**July 1, 2016 through December 31, 2016**

**OPERATING REVENUES**

Electricity sales, net	\$ 16,960,535
Green electricity premium	20,757
Total operating revenues	<u>16,981,292</u>

**OPERATING EXPENSES**

Cost of electricity	12,536,760
Staff compensation and benefits	336,177
Data manager	271,370
Service fees - PG&E	69,243
Consultants and other professional fees	139,754
Legal	158,076
Communications and noticing	520,273
General and administration	52,934
Depreciation	554
Total operating expenses	<u>14,085,141</u>
Operating income (loss)	<u>2,896,151</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	5,259
Interest and related expense	(70,031)
Financing costs	(44,477)
Total nonoperating revenues (expenses)	<u>(109,249)</u>

**CHANGE IN NET POSITION**

	2,786,902
Net position at beginning of period	<u>(1,042,324)</u>
Net position at end of period	<u>\$ 1,744,578</u>

# **PENINSULA CLEAN ENERGY AUTHORITY**

## **STATEMENT OF CASH FLOWS**

**July 1, 2016 through December 31, 2016**

### **CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from electricity sales	\$ 6,584,150
Tax and surcharge receipts from customers	129,347
Payments to purchase electricity	(2,587,694)
Payments for staff compensation and benefits	(374,727)
Payments for consultants and other professional fees	(299,331)
Payments for legal fees	(265,144)
Payments for communications and noticing	(483,711)
Payments for general and administration	(52,464)
Tax and surcharge payments to other governments	(4,303)
Net cash provided (used) by operating activities	<u>2,646,123</u>

### **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Loan proceeds from bank notes and loans	1,421,333
Deposits and collateral paid	(100,000)
Interest and related expense payments	(57,119)
Finance costs	(44,477)
Net cash provided (used) by non-capital financing activities	<u>1,219,737</u>

### **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of capital assets	<u>(8,305)</u>
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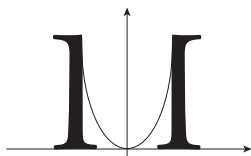
### **CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income received	<u>5,259</u>
Net change in cash and cash equivalents	3,862,814
Cash and cash equivalents at beginning of year	5,332,768
Cash and cash equivalents at end of period	<u><u>\$ 9,195,582</u></u>

**PENINSULA CLEAN ENERGY AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2016 through December 31, 2016**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 2,896,151
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	554
(Increase) decrease in net accounts receivable	(6,255,646)
(Increase) decrease in other receivables	(53,146)
(Increase) decrease in accrued revenue	(4,226,772)
(Increase) decrease in prepaid expenses	(193,200)
Increase (decrease) in accounts payable	128,069
Increase (decrease) in accrued payroll and related	4,321
Increase (decrease) in accrued cost of electricity	10,142,266
Increase (decrease) in accrued liabilities	(6,793)
Increase (decrease) in user taxes and energy surcharges due to other governments	210,319
Net cash provided (used) by operating activities	<u>\$ 2,646,123</u>



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Peninsula Clean Energy Authority

Management is responsible for the accompanying special purpose statement of Peninsula Clean Energy Authority (a California Joint Powers Authority) which comprise the budgetary comparison schedule for the period ended December 31, 2016, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of PCE.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the special purpose budgetary comparison statement, they might influence the user's conclusions about the Authority's results of operations. Accordingly, this special purpose budgetary comparison statement is not designed for those who are not informed about such matters.

We are not independent with respect to the Authority because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
January 23, 2017



**PENINSULA CLEAN ENERGY AUTHORITY  
OPERATING FUND  
BUDGETARY COMPARISON SCHEDULE  
July 1, 2016 through December 31, 2016**

	<b>2016/17 YTD Budget</b>	<b>2016/17 YTD Actual</b>	<b>2016/17 YTD Budget Variance (Under) Over</b>	<b>2016/17 YTD Actual/Budget %</b>	<b>2016/17 Annual Budget</b>	<b>2016/17 Budget Remaining</b>
<b>REVENUE AND OTHER SOURCES</b>						
Revenue - Electricity	\$ 17,649,478	17,020,178	\$ (629,300)	96%	\$ 85,882,760	\$ 68,862,582
Revenue - Green Premium	54,354	20,757	(33,597)	38%	267,843	247,086
Other Source - bank loan proceeds *	12,000,000	-	(12,000,000)	0%	12,000,000	12,000,000
Interest income	-	5,259	5,259	na	-	(5,259)
Total revenue and other sources	<u>29,703,832</u>	<u>17,046,194</u>	<u>(12,657,638)</u>	<u>57%</u>	<u>98,150,603</u>	<u>81,104,409</u>
<b>EXPENDITURES AND OTHER USES</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy	15,859,774	12,536,760	(3,323,014)	79%	73,298,147	60,761,387
Internal staffing	654,583	302,528	(352,055)	46%	1,711,250	1,408,722
Benefits	231,833	33,649	(198,184)	15%	673,000	639,351
Outreach and communications	220,000	260,312	40,312	118%	440,000	179,688
Technical consultants	145,000	92,839	(52,161)	64%	255,000	162,161
Legal and regulatory	180,000	158,076	(21,924)	88%	450,000	291,924
Data manager	237,978	271,370	33,392	114%	1,363,853	1,092,483
Customer noticing	275,000	259,961	(15,039)	95%	755,000	495,039
Energy Programs (including NEM)	249,999	-	(249,999)	0%	1,022,500	1,022,500
PG&E service fees	98,395	69,243	(29,152)	70%	564,892	495,649
General and administration	350,001	108,154	(241,847)	31%	800,625	692,471
Other consultants (grouped with G&A)						
Total current expenditures	<u>18,502,563</u>	<u>14,092,892</u>	<u>(4,409,671)</u>	<u>76%</u>	<u>81,334,267</u>	<u>67,241,375</u>
<b>OTHER USES</b>						
Rate stabilization reserve	1,335,192	-	(1,335,192)	0%	4,757,530	4,757,530
Bad debt reserve	61,773	59,643	(2,130)	97%	300,590	240,947
CCA Bond, CAISO and PG&E deposits	635,000	100,000	(535,000)	16%	635,000	535,000
Capital outlay (grouped with G&A)						
Total other uses	<u>2,031,965</u>	<u>159,643</u>	<u>(1,872,322)</u>	<u>8%</u>	<u>5,693,120</u>	<u>5,533,477</u>
<b>DEBT SERVICE</b>						
	<u>117,576</u>	<u>114,508</u>	<u>(3,068)</u>	<u>97%</u>	<u>376,675</u>	<u>262,167</u>
Total expenditures, Other Uses and Debt Service	<u>20,652,104</u>	<u>14,367,043</u>	<u>(6,285,061)</u>	<u>70%</u>	<u>87,404,062</u>	<u>73,037,019</u>
Net increase (decrease) in available fund balance	<u>\$ 9,051,728</u>	<u>\$ 2,679,151</u>	<u>\$ (6,372,577)</u>	<u>30%</u>	<u>\$ 10,746,541</u>	<u>\$ 8,067,390</u>

\* \$3,000,000 proceeds from Barclays loan occurred prior to this fiscal year



**PENINSULA CLEAN ENERGY AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2016 through December 31, 2016**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 2,679,151
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(554)
Add back capital asset acquisitions	8,305
Add back collateral deposits	<u>100,000</u>
Change in net position	<u><u>\$ 2,786,902</u></u>



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** January 23, 2017  
**BOARD MEETING DATE:** January 26, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy  
**SUBJECT:** Marketing and Outreach Report

**RECOMMENDATION:** Provide feedback on PCE's spring outreach campaign.

**BACKGROUND:**

Peninsula Clean Energy is launching a robust county-wide marketing and outreach campaign to inform residents and businesses about the Spring 2017 rollout of 80% of our residential customers, all large business customers, and all agricultural customers in the County.

**Spring 2017 Marketing and Communications Campaign Goals**

1. Maintain low opt-out rates
2. Raise rate of ECO100 opt-ups
3. Establish high level of understanding of PCE for key local communicators including City Councils, key City and County staff, PCE volunteers/champions, Citizens Advisory Committee, and local press who may receive questions about PCE from the public

**Residential Outreach Plan**

*Implement Specific Outreach Plans for Each City and Major Unincorporated Areas*

PCE staff is working with city staff through the RICAPs regional climate action program network to schedule community meetings in each city and in major unincorporated areas to inform the public about PCE.

These events will be integrated with local traditional and social media outreach to increase reach, in collaboration with City and County communications staff.

#### *Local Media, Newsletters, and April Press Event*

PCE staff is organizing strategic ad buys in local media (for example, in the San Mateo Daily Journal, Half Moon Bay Review, Pacifica Tribune, and Chinese and Spanish-language radio) to run from mid-February through May.

Staff will send a press advisory and press kit to local press in February to correspond with enrollment notices, and conduct active follow up with key reporters to ensure they have the facts about our April roll out.

Staff will also conduct outreach through short written pieces in community newsletters, such as through schools and other community organizations.

For our April rollout, staff will organize a media launch event at a prominent location in the County.

#### *Community Events*

PCE is regularly invited to speak at community events. For example, on January 20<sup>th</sup> PCE staff presented at a Solar Showcase at Skyline Community College, and on January 25<sup>th</sup> at an event sponsored by the League of Women Voters of South San Mateo County held at the Redwood City Library. Upcoming community-sponsored events will be posted on the PCE website and promoted on PCE social media (Facebook and Twitter).

In addition, PCE will organize our already active and trained outreach volunteers to table at larger Earth Day events around the County:

- Marine Science Institute Earth Day, Redwood City
- Belmont Earth Day
- Pacifica Earth Day
- San Carlos Earth Day
- Portola Valley/Woodside Earth Day
- Daly City Earth Day
- Oyster Point Earth Day, South San Francisco

#### *ECO100 Visibility*

PCE staff is preparing window clings, a dedicated webpage, and other promotional materials to help ECO100 businesses communicate and celebrate opting up to their customers and the public.

PCE staff is also printing residential yard signs for ECO100 residential champions to post in their neighborhoods.

### *Social media*

PCE staff is planning a “PCE Powers Me” interactive social media campaign to put a human face on our product by highlighting our existing happy customers. We will post pictures of PCE community champions using PCE energy in family or small-business oriented, multicultural, non-wasteful, and positive ways, for example cooking family meals, reading bedtime stories, or running local businesses.

PCE staff will also coordinate with County social media to provide content for their regular Sustainability Sundays posts, and to announce major milestones on the County’s Next Door account.

### *Outreach to Low-Income Residents, Seniors, and Non-English Speakers*

PCE staff will reach out to low-income residents, seniors, and non-English speakers in the following ways:

- Maintain Spanish and Chinese language translation on PCE website
- Print current PCE residential brochure in Spanish and Chinese
- Purchase advertising on Spanish and Chinese language media
- Collaborate with County social services on getting word out to low-income, seniors, and medical baseline customers that they continue in these programs
- Consider purchasing SamTrans bus ads with message that CARE and Medical baseline customers remain automatically enrolled in these programs, to be run in English, Spanish, and Chinese
- Reach out to following groups to collaborate on communications:
  1. North Fair Oaks Council (community presentation scheduled for March 23<sup>rd</sup>).
  2. El Concilio of San Mateo County
  3. Enlace de la Costa Sur (Pescadero, serves coastal farm workers)
  4. City of East Palo Alto

Board recommendations on outreach to these populations are welcome.

### **FISCAL IMPACT:**

Staff will endeavor to keep outreach costs within the allocated budget.





**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** January 23, 2017  
**BOARD MEETING DATE:** January 26, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy

**SUBJECT:** Approve a resolution authorizing an amendment to the agreement with Circlepoint to provide marketing, communications, and public engagement services by increasing the amount by \$100,000 to an amount not to exceed \$194,359 for a term ending December 31, 2017.

**RECOMMENDATION:** Approve a resolution authorizing an amendment to the agreement with Circlepoint to provide marketing, communications, and public engagement services by increasing the amount by \$100,000 to an amount not to exceed \$194,359 for a term ending December 31, 2017.

**BACKGROUND:**

In February 2016 Peninsula Clean Energy (PCE) selected Circlepoint to provide outreach and communications services to PCE based on their experience with other CCA programs, expertise in conducting multilingual communications, and the cost-effectiveness of their proposal. At that time, the County of San Mateo entered into a contract with Circlepoint in an amount not to exceed \$325,000. This contract was succeeded by a contract between PCE and Circlepoint in an amount not to exceed \$94,349 with a term ending December 31, 2016.

PCE has ongoing outreach and communications needs that exceed the capabilities of current PCE staff. These services include (but are not necessarily limited to) graphic design, layout, language translation services, social media, public relations, and web design. PCE is moving toward taking many of these functions in-house over the course of 2017. However, there is immediate need for outreach and communications services during our Phase 2 enrollments, and our current contract with Circlepoint is insufficient.

**DISCUSSION:**

We are requesting the Board to approve the attached amendment to the agreement with Circlepoint to increase the dollar limit and extend the term. We also request that the Board give authority to the Chief Executive Officer or his/her designee to execute subsequent amendments to the Agreement which in aggregate do not exceed \$25,000.

General Counsel has reviewed and approved the resolution and the amendment as to form.

**FISCAL IMPACT:**

The term of this amended agreement is July 28, 2016 through December 31, 2017 in an amount not to exceed \$194,359.

**ATTACHMENTS**

- A. Amendment to Circlepoint Agreement
- B. Circlepoint Agreement

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION AUTHORIZING AN AMENDMENT TO THE AGREEMENT WITH  
CIRCLEPOINT TO PROVIDE MARKETING, COMMUNICATIONS, AND PUBLIC  
ENGAGEMENT SERVICES, INCREASING THE AMOUNT BY \$100,000 TO AN  
AMOUNT NOT TO EXCEED \$194,359 FOR A TERM ENDING DECEMBER 31, 2017**

---

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

**WHEREAS**, the Peninsula Clean Energy Authority ("PCEA") was formed on February 29, 2016 as a Community Choice Aggregation program ("CCA"); and

**WHEREAS**, Circlepoint was selected to provide outreach and communications services to PCEA based on their experience with other CCA programs, expertise in conducting multilingual communications, and the cost-effectiveness of their proposal; and

**WHEREAS**, PCEA has signed an agreement ("Agreement") with Circlepoint on October 13, 2016 to provide these services for the term of August 24, 2016 through December 31, 2016 for an amount not to exceed \$94,359; and



**WHEREAS**, Circlepoint has provided these services in a satisfactory manner;  
and

**WHEREAS**, PCEA has ongoing outreach and communications needs as its  
marketing team is developed; and

**WHEREAS**, PCEA's 2017 pro forma budget includes \$250,000 for outreach and  
communications services; and

**WHEREAS**, an amendment ("Amendment") to this agreement has been provided  
to the Board for its review and approval, reference to which should be made for further  
particulars.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the Chair of the Board of  
Directors is hereby authorized and directed to execute said Amendment for and on  
behalf of the Peninsula Clean Energy Authority, and the Clerk of this Board shall attest  
the Chair's signature thereto.

**BE IT FURTHER RESOLVED** that the Chief Executive Officer of the Peninsula  
Clean Energy Authority, or the Chief Executive Officer's designee, is authorized to  
execute contract amendments which modify the Peninsula Clean Energy Authority's  
maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the  
contract terms and/or services so long as the modified terms or services are within the  
current or revised fiscal provisions.

\* \* \* \* \*

[CCO-113499]

**AMENDMENT TO AGREEMENT  
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND  
CIRCLEPOINT**

THIS AMENDMENT TO THE AGREEMENT, entered into this 26<sup>th</sup> day of January, 2017, by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and Circlepoint, hereinafter called "Contractor";

**W I T N E S S E T H:**

WHEREAS, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA;

WHEREAS, the parties entered into an Agreement for marketing, communications and public engagement services on October 13, 2016; and

WHEREAS, the parties wish to amend the Agreement to extend the term and increase the total amount of the Agreement.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. Section 2 of the agreement is amended to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed is unacceptable. In no event shall PCEA's total fiscal obligation under this Agreement exceed ONE HUNDRED NINETY-FOUR THOUSAND THREE HUNDRED FIFTY NINE DOLLARS (\$194,359). In the event that the PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

2. Section 3 of the agreement is amended to read as follows:

Subject to compliance with all terms and conditions, the term of this Agreement shall be from August 24, 2016, through December 31, 2017.

3. Original Exhibits A and B are replaced with Revised Exhibits A and B, (rev. January 26, 2017).

- 4. All other terms and conditions of the agreement dated October 13, 2016, between PCEA and Contractor shall remain in full force and effect.**

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: Circlepoint

\_\_\_\_\_  
Contractor Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Contractor Name (please print)

\_\_\_\_\_

PENINSULA CLEAN ENERGY AUTHORITY

By:  
[Chair, Board of Directors, Peninsula Clean Energy Authority]

Date:

ATTEST:

By:  
Clerk of Said Board

### **Exhibit A**

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

Contractor shall provide PCEA with marketing, communications and public engagement services. PCEA shall work with Circlepoint in the weekly calls and in the strategic planning session to set priorities, craft a work plan, and ensure that both parties are clear on expectations including on timelines for reviewing drafts in order to limit the number of revision rounds.

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

#### **Advertising**

- Contractor will provide advertising services which will include the design, placement, and reporting of print ads with the San Mateo Daily Journal (color ad), the Almanac (color ad), and the Asian Journal. The ads will run until mid-October and will result in an estimated 2.3 million impressions from mid-August until mid-October.
- PCEA may request additional services as needed, budget permitting.

#### **Website Support**

- Contractor shall work with PCEA staff to maintain PCEA website. Contractor shall add or edit content and design of PCEA website, as directed by PCEA staff, including language translation as needed.
- Contractor shall create additional pages on PCEA website as needed.
- PCEA may request additional services as needed, budget permitting.

#### **Content and Design**

- Contractor shall develop content and design for one version of a customer enrollment notice targeted at Net Energy Metering (NEM) customers.
  - Contractor shall refine content for notice, according to comments from PCEA staff.
- Contractor shall translate NEM customer enrollment notice into Spanish and Chinese. Contractor shall conduct a quality assurance check on notices to ensure that content was translated correctly.
- Contractor shall develop content and design for one unique version of a customer enrollment notice (letter) for customers in the Town of Portola Valley.
- Contractor shall work with PCEA to edit the Phase 1 customer notices for use in Phase 2 enrollments.
- Contractor shall develop unique print and digital collateral for PCEA as needed and as budget estimate allows. Content shall be used on marketing/advertising materials, print collateral, website updates, social media posts, press releases, monthly e-newsletter, and enrollment noticing.
  - Contractor shall provide a detailed production schedule for development of collateral, when needed.
- Contractor shall design marketing/advertising materials as budget estimate allows, which may include, but is not limited to: posters, banners, flyers, print advertising, digital advertising and promotional materials as needed. Contractor shall translate collateral and marketing materials into multiple languages.
- PCEA may request additional services as needed, budget permitting.

#### **Social Media**

- Contractor shall create social media graphics to increase the PCEA social media presence on platforms, such as Facebook, Twitter, and LinkedIn
- Contractor shall develop a contest and/or campaign on the PCEA Facebook and Twitter accounts (budget and time permitting).
- PCEA may request additional services as needed, budget permitting.

### **Strategic Planning**

- Contractor shall meet with PCEA staff for a 2-hour strategic planning workshop.
- Contractor shall assist PCEA staff with strategic planning for Phase 2 of customer enrollment.
- PCEA may request additional services as needed, budget permitting.

### **Media Relations**

- Contractor shall prepare for October 6 launch press conference and provide ongoing support as budget estimate allows.
- Contractor shall prepare for April 2017 Phase 2 press conference and provide ongoing support as budget estimate allows
- Contractor shall prepare for October 2017 anniversary press conference and provide ongoing support as budget estimate allows
- PCEA may request additional services as needed, budget permitting.

		Project Director	Sr. Art Director	Sr. Associate	Sr. Web	Sr. Graphics	Web	Total Hours	Total Dollars
	Rates	\$195	\$165	\$120	\$120	\$110	\$95		
Task 1: Advertising (see additional budget below)									
Ad development, management, placement, reporting		20	20	30		70		140	\$18,500.00
Subtotal Task 1		20	20	30		70	-	140	\$18,500.00
Task 2: Website Support									
Design modifications, new content, new sections		20	10	35	40		60	165	\$20,250.00
Subtotal Task 2		20	10	35	40		60	165	\$20,250.00
Task 3: Content and Design									
Brochure or notice for customers not automatically enrolled		4		10		12		26	\$3,300.00
Collateral Updates		20	20	30		50		120	\$16,300.00
New Collateral		20	20	60		80		180	\$23,200.00
Subtotal Task 3		44	40	100		142		326	\$42,800.00
Task 4: Social Media									
Graphics for posts		20	20	40		50		130	\$17,500.00
Contest/campaign to attract more likes/followers		16	16	50	16	16		114	\$15,440.00
Subtotal Task 4		36	36	90	16	66		244	\$32,940.00
Task 5: Strategic Planning									
Two hour in-person planning workshop		15						15	\$2,925.00
Strategic planning		10	10					20	\$3,600.00
Subtotal Task 5		25	10					35	\$6,525.00
Task 6: Media Relations									
Prepare for October 6 launch, Phase 2 event, and provide ongoing support		20	10	10	10	10	10	70	\$10,000.00
Anniversary event in October 2017		20	10	10	10	10	10	70	\$10,000.00
Subtotal Task 6		20	10	10	10	10	10	70	\$20,000.00
Labor Total								980	\$141,015.00
Additional Media Buy									
San Mateo Daily Journal									\$5,976.00
The Almanac									\$7,548.00
Asian Journal (Filipino publication)									\$2,590.00
TBD media buys as needed									\$5,000.00
Digital media buys									\$5,000.00
Total Additional Media Buy									\$26,114.00
Notices (GreenIdeals)									
NEM (Option 2)									\$4,500.00
Portola Valley Customer Letter									\$2,500.00
Phase 2 letters									\$5,000.00
Additional services for web and notices									\$5,000.00
Total Notices									\$17,000.00
Translation (InterEthnica)									\$10,000.00
TOTAL									\$194,129.00



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**  
**General Counsel**

**DATE:** January 23, 2017  
**BOARD MEETING DATE:** January 26, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable PCE Joint Powers Board

**FROM:** David A. Silberman, Chief Deputy County Counsel/General Counsel  
Nirit S. Eriksson, Deputy County Counsel/Associate General Counsel

**SUBJECT:** Authorize Agreements Between the Peninsula Clean Energy Authority and Winston & Strawn for Provision of Legal Services to Increase the Amount by \$100,000 to a total of \$200,000.

**RECOMMENDATION:**

Adopt a Resolution authorizing the General Counsel to execute with the law firm of Winston & Strawn amendment(s) to the existing retention agreements or alternatively, additional retention agreements in substantially the same form already approved by the Board as long as the total amount of all amendments or agreements do not exceed a total of \$200,000

**BACKGROUND:**

The County Counsel's Office provides legal services to the Peninsula Clean Energy (PCE) Authority pursuant to a contract approved by the Board March 24, 2016.

Pursuant to that agreement, the County Counsel serves as General Counsel to the Board and has authority to retain services of outside counsel in an amount not to exceed \$25,000.

Certain projects important to PCE can benefit from time-to-time by the assistance of lawyers who focus primarily on those areas of law, including the litigation of complicated regulatory proceedings before the California Public Utilities Commission ("CPUC") and negotiation of complex power purchase agreements.

The PCE Board in August approved the retention of Troutman Sanders to provide assistance in negotiating PCE's first power purchase agreements and creating PCE's "multi-party lockbox". On October 27, 2017 the PCE Board approved retention agreements with Davis, Wright & Tremaine, Keyes & Fox and Winston & Strawn, each at amounts not to exceed \$100,000.



**DISCUSSION:**

As the Board knows, PCE is in the midst of a competitive process to procure renewable energy directly from producers.

Winston & Strawn has been providing PCE with significant assistance in negotiation of renewable energy power purchase agreements with the selected projects, including those being presented to the Board at this meeting. We have been very satisfied with that assistance to date. While, its billings do not yet reach the \$100,000 already authorized by the Board, we expect that they will significantly exceed \$100,000 prior to completing the current set of negotiations. Accordingly, we are asking the Board to authorize the General Counsel to execute amendment(s) to the existing retention agreement approved by the Board on October 27, 2016 or alternatively, additional retention agreements in substantially the same form already approved by the Board as long as the total amount of all amendments or agreements do not exceed a total of \$200,000.

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION AUTHORIZING GENERAL COUNSEL TO EXECUTE WITH THE LAW  
FRIM OF WINSTON & STRAWN AMENDMENT(S) TO THE EXISTING RETENTION  
AGREEMENTS OR ALTERNATIVELY, ADDITIONAL RETENTION AGREEMENTS IN  
SUBSTANTIALLY SAME FORM ALREADY APPROVED BY THE BOARD AS LONG  
AS THE TOTAL AMOUNT OF ALL AMENDMENTS OR AGREEMENTS DO NOT  
EXCEED A TOTAL OF \$200,000**

---

**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 delegates to the Board the  
power to hire a General Counsel pursuant to Paragraph 3.3.2; and

**WHEREAS**, the San Mateo County Counsel's Office has been appointed  
General Counsel and has been delegated authority to retain outside legal services in  
amounts not to exceed \$25,000; and

**WHEREAS**, the General Counsel has determined it was necessary to seek outside legal services related to negotiation of power purchase agreements and on October 27, 2016 this Board authorized the General Counsel to retain Winston & Strawn on behalf of Peninsula Clean Energy for that purpose in an amount not to exceed \$100,000 and to execute the retention agreement then presented to the Board; and

**WHEREAS**, Winston & Strawn has been providing assistance to PCE in negotiating power purchase agreements with renewable energy suppliers and the cost of its legal services will soon exceed the \$100,000 already authorized.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the General Counsel is authorized to execute with the law firm of Winston & Strawn amendment(s) to the existing retention agreements or alternatively, additional retention agreements in substantially the same form already approved by the Board as long as the total amount of all amendments or agreements do not exceed a total of \$200,000.

\* \* \* \* \*

[CCO-113499]



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** January 23, 2017  
**BOARD MEETING DATE:** January 26, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy  
**SUBJECT:** Agreement with Pacific Printing

**RECOMMENDATION:** Approve a resolution authorizing the Chief Executive Officer to negotiate and execute an agreement with Pacific Printing to provide printing, mailing, and presorting services for the term of January 27, 2017 through December 31, 2017 in an amount not to exceed \$500,000.

**BACKGROUND:**

Peninsula Clean Energy (PCE) is required by state law to send customers a minimum of two notices in the 60 days before automatic enrollment and two notices in the 60 days after enrollment informing them about the program. PCE will enroll approximately 225,000 customers during its Phase 2 enrollments in April 2017, and will have additional ongoing customer notification activities for customers who establish service throughout the year, and for Net Energy Metered customers. PCE may conduct additional targeted mailings, and possibly send a bucksip insert in PG&E bills. That means PCE will likely send over 1 million notices in 2017.

In order to mail these notices to PCE ratepayers, an external vendor was selected to print the notices, process the address lists, insert letters into the envelopes, address the envelopes, and mail them in a timely fashion. PCE selected Pacific Printing through a competitive bidding process. Of the three bids received, Pacific Printing's was the lowest cost. Pacific Printing is a union shop, located in San Jose, and had strong professional references.

Note that PCEA's 2017 pro forma budget included \$610,000 for printing and mailing, so this contract anticipates staying under the expected budget.

**DISCUSSION:**

We also request that the Board give authority to the Chief Executive Officer or his/her designee to execute subsequent amendments to the Agreement which in aggregate do not exceed \$25,000.

General Counsel has reviewed and approved the resolution as to form and will review the final negotiated contract as to form prior to execution.

**FISCAL IMPACT:**

The term of the agreement would be January 27, 2017 through December 31, 2017 in an amount not to exceed \$500,000.

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE  
AND EXECUTE AN AGREEMENT WITH PACIFIC PRINTING TO PROVIDE  
PRINTING, MAILING, AND PRESORTING SERVICES FOR THE TERM OF  
JANUARY 27, 2017 THROUGH DECEMBER 31, 2017, IN AN AMOUNT NOT TO  
EXCEED \$500,000**

---

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

**WHEREAS**, the Peninsula Clean Energy Authority ("PCEA") was formed on February 29, 2016 as a Community Choice Aggregation program ("CCA"); and

**WHEREAS**, AB 117 requires that all CCAs provide certain customer notifications in the 60 days before and 60 days after enrollment about the program and its terms and conditions; and

**WHEREAS**, PCEA anticipates printing and mailing over 1 million customer notices in 2017; and

**WHEREAS**, Pacific Printing was selected through a competitive process to provide printing, mailing and presorting services to PCEA based on their low bid, eco-

friendly paper, status as a union shop, proximity to San Mateo County, and strong professional references; and

**WHEREAS**, PCEA has drafted an agreement with Pacific Printing to provide these services for the term of January 27, 2017 through December 31, 2017 for an amount not to exceed \$500,000; and

**WHEREAS**, PCEA's 2017 pro forma budget anticipated \$610,000 for printing.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the Chief Executive Officer is hereby authorized to negotiate and execute an agreement, in a form approved by General Counsel, for Pacific Printing to provide these services for the term of January 27, 2017 through December 31, 2017 in an amount not to exceed \$500,000.

**BE IT FURTHER RESOLVED** that the Chief Executive Officer of the Peninsula Clean Energy Authority, or the Chief Executive Officer's designee, is authorized to execute contract amendments which modify the Peninsula Clean Energy Authority's maximum fiscal obligation by no more than \$25,000 (in aggregate) and/or modify the contract terms and/or services so long as the modified terms or services are within the current or revised fiscal provisions.

\* \* \* \* \*

[CCO-113499]



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, December 15, 2016  
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  
Donna Colson, City of Burlingame  
Larry Moody, City of East Palo Alto  
Gary Pollard, City of Foster City  
Elizabeth Cullinan, Town of Hillsborough  
Ann Schneider, City of Millbrae  
John Keener, City of Pacifica  
Jeff Aalfs, Town of Portola Valley, *Vice Chair*  
Marty Medina, City of San Bruno  
Cameron Johnson, City of San Carlos  
Rick Bonilla, City of San Mateo  
Mike Futrell, City of South San Francisco

**Absent:** Charles Stone, City of Belmont  
Lori Liu, City of Brisbane  
Joseph Silva, Town of Colma  
Michael Guingona, City of Daly City  
Deborah Penrose, City of Half Moon Bay  
Catherine Carlton, City of Menlo Park  
Ian Bain, City of Redwood City  
Daniel Yost, Town of Woodside

**Staff:** Jan Pepper, Chief Executive Officer  
David Silberman, 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

**A quorum was established.**

**ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS**

Removed item 12 for amendment.

Motion Made / Seconded: Bonilla / Futrell

**Motion passed unanimously 12-0 (Absent: Pine, Stone, Liu, Silva, Guingona, Moody, Penrose, Carlton, Bain, Yost)**

**PUBLIC COMMENT**

No public comment.

**REGULAR AGENDA**

**1. CHAIR REPORT**

Jeff Aalfs—Vice Chair—chaired the meeting. He welcomed Board members and attendees.

**2. CEO REPORT**

Jan Pepper—Chief Executive Officer—reported that she and Peninsula Clean Energy (PCE) staff members have been busy interviewing candidates, negotiating for office space, and interviewing proposers for energy supply. She thanked the Board members who served on an ad hoc committee that assisted PCE staff in interviewing and evaluating proposals and projects for renewable energy. The ad hoc committee members were Dave Pine, Carole Groom, Jeff Aalfs, Rick DeGolia, Pradeep Gupta, John Keener, and Charles Stone.

Jan also reported that she, Nirit Eriksson—Associate General Counsel, and a few board members met with California Public Utility Commission (CPUC) Commissioners Randolph and Sandoval, and their energy advisors. She thanked the board members, [name], name, name, who attended. CalCCA is arranging meetings with legislators in their district offices. She is working with CalCCA on the Diablo Canyon closure and PCIA (Power Charge Indifference Adjustment) issues.

**PUBLIC COMMENT:**

Ted Howard

### 3. CITIZENS ADVISORY COMMITTEE REPORT

Michael Closson of Menlo Spark reported that at the last Citizens Advisory Committee (CAC) meeting, PCE staff provided updates on various initiatives. The CAC reviewed the draft agenda for the Board of Directors meeting. Michael reported that the CAC supports the strategic goals, the workforce policy, the stated policy not to include unbundled RECs, and recommendations on the formation of a new CAC. He stressed the importance of having people who are qualified and committed, and expressed the hope that the new CAC would begin to meet again in February 2017.

### 4. MARKETING AND OUTREACH REPORT

Dan Lieberman—Director of Marketing and Public Affairs—reported on recent marketing and outreach efforts as well as NEM rates, and a PG&E error and its proposed resolution.

### 5. POWER PURCHASE AGREEMENTS FRO RENEWABLE SUPPLY UPDATE

George Wiltsee—Director of Power Resources and Energy Programs—explained that an ad hoc committee of Board members met to vet each potential project. George presented information on load forecasts and PCE's projected need for power.

#### PUBLIC COMMENT:

Eric Weiner  
Michael Closson

### CONSENT AGENDA ITEM - VOTE

A motion was made to approve the minutes of the November 12, 2016 Special Meeting with a modification: that the minutes reflect that Ann Schneider represented the City of Millbrae during a portion of the Board Retreat that took place on November 12<sup>th</sup>, including the vote that took place that morning.

Motion Made / Seconded: Schneider / Moody

**Motion passed unanimously 14-0 (Absent: Stone, Liu, Gonzalez, Guingona, Penrose, Carlton, Bain, Yost)**

### 6. REVISE PCE STRATEGIC GOAL: 100% CA RPS ELIGIBLE RENEWABLE ENERGY BY 2025

Jan Pepper explained that when this goal was discussed at the Board Retreat on November 12th, several target years were discussed, but the year 2022 was presented as the target at the November 15<sup>th</sup> Board meetings. Upon additional review by PCE staff, it is recommended that the

year 2025 be adopted as the target year to reach 100% renewables, as this will still be a challenge but will be more realistic. She requests the Board make this change.

Motion Made / Seconded: Schneider / Futrell

**Motion passed unanimously 14-0 (Absent: Stone, Liu, Gonzalez, Guingona, Penrose, Carlton, Bain, Yost)**

## **7. ADOPT PCEA SUSTAINABLE WORKFORCE POLICY**

Jan Pepper presented the policy.

Donna Colson initiated a discussion on the section of the policy that states, “PCE shall recruit local employees and graduates of local programs, schools, colleges and universities.” Board members agreed that PCE should focus on recruiting and hiring top people regardless of where they went to school. A consensus was reached to strike the first sentence of the “PCE Direct Hiring” section, and pass the policy as amended.

### **PUBLIC COMMENT:**

Bill Nack, Local IBEW 1245 and 617

Motion Made / Seconded: Bonilla / Schneider

**Motion passed unanimously 14-0 (Absent: Stone, Liu, Gonzalez, Guingona, Penrose, Carlton, Bain, Yost)**

## **8. ADOPT PCEA POLICY TO NOT USE ANY UNBUNDLED RECS**

Jan Pepper presented the policy.

Motion Made / Seconded: Groom / Pollard

**Motion passed unanimously 14-0 (Absent: Stone, Liu, Gonzalez, Guingona, Penrose, Carlton, Bain, Yost)**

## **9. UPDATE ON FORMATION OF NEW CITIZENS ADVISORY COMMITTEE**

There was a brief discussion regarding next steps in forming a new Citizens Advisory Committee. A recommendation will be brought back to the Board for its approval.

### **PUBLIC COMMENT:**

Michael Closson

## **10. FINANCIAL REPORT**

Jan Pepper explained PCE's financial reports through October 2016. She said PCE's Accountant will come to the Board meeting in January to present the financial reports through December, which will include a full month of revenue from the receipt of customer payments.

## **11. BOARD MEMBERS REPORTS**

John Keener reported that he and Pradeep Gupta attended a workshop on December 14 on the Power Charge Indifference Adjustment (PCIA) to provide advice to the California Public Utilities Commission (CPUC).

Dave Pine thanked the board for all their tremendous work this year. He said they met twice per month for 5 months, worked between meetings, and served on ad hoc committees. He said he recognizes that reorganizations are taking place within the cities of San Mateo County, and he hopes the Board members will continue to serve.

Jeff Aalfs thanked Chair Pine for his leadership.

### **PUBLIC COMMENT:**

Ted Howard

## **ADJOURNMENT**

Meeting was adjourned at 8:38 pm.