



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, November 16, 2017**

Peninsula Clean Energy, 2075 Woodside Road,  
Redwood City, CA 94061  
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. Citizens Advisory Committee Report (Discussion)
4. Marketing and Outreach Report (Discussion)
5. Regulatory and Legislative Report (Discussion)
6. Approval of New Rates (Action)
7. Approve Endorsement of Citizens Climate Lobby (Action)
8. Integrated Resource Plan (IRP) Update (Discussion)
9. Board Members' Reports (Discussion)

## **CONSENT AGENDA**

10. Approval of the Minutes for the October 26, 2017 Meeting (Action)
11. Approval of Recommendation of 2018 Board Meeting dates (Action)
12. Approval of Delegation of Authority Policy (Action)
13. Repay Loans to 1) the County of San Mateo and 2) Barclays Bank (Action)
  - a) Approve Resolution Authorizing Chief Executive Officer to Repay the County of San Mateo for all of its Loans to PCE (Action)
  - b) Approve Resolution Authorizing Chief Executive Officer to Repay Barclay's Loan (Action)
14. Approve Resolution Authorizing Chief Executive Officer to enter into Contracts with First Republic Bank (Action)
15. Quarterly Financial Statements (Information Only)

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 Peninsula Clean Energy office, located at 2075 Woodside Road, Redwood City, CA 94061, 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 AUTHORITY  
Board Correspondence**

**DATE:** November 8, 2017

**BOARD MEETING DATE:** November 16, 2017

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

**FROM:** Dan Lieberman, Director of Marketing and Public Affairs

**SUBJECT:** Update on PCE's November Marketing and Outreach Activities

**BACKGROUND:**

The marketing team has been busy doing outreach, meeting with key account customers, and preparing for future campaigns.

## **DISCUSSION:**

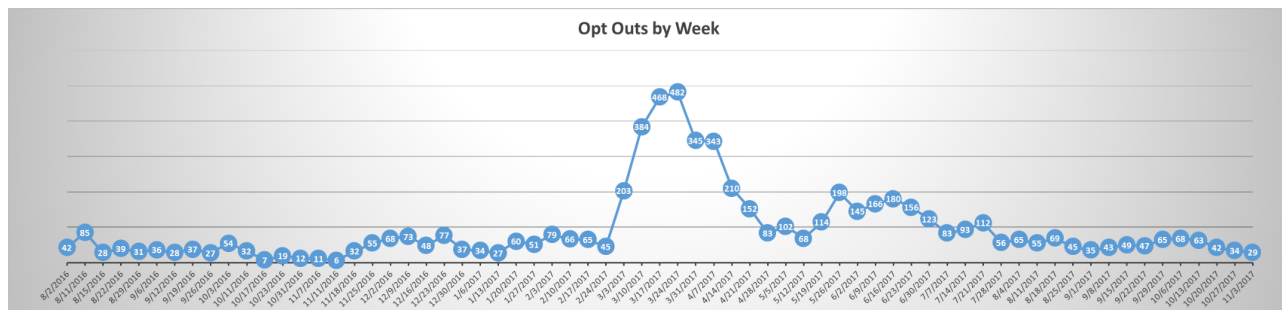
### **Outreach Events**

PCE's outreach team continues to expand its activities. If you are aware of an event that would benefit from a PCE presence, please let us know.

2-Nov	Rotary Club Meeting in East Palo Alto
5-Nov	Table at Dia De Los Muertos in Downtown Redwood City
8-Nov	Chinese News Radio Interview
10-Nov	Table at San Mateo Harvest Festival
11-Nov	Table at San Mateo Harvest Festival
12-Nov	Table at San Mateo Harvest Festival
14-Nov	Presentation in Spanish in North Fair Oaks
16-Nov	Presentation in Spanish in Half Moon Bay
18-Nov	Table at Pacifica City Open House
30-Nov	Table at Acterra EV event in South San Francisco
1-Dec	Night of Lights Tabling in Half Moon Bay
2-Dec	Presentation in Spanish at South San Francisco Library
10-Dec	Presentation in English and Chinese in South San Francisco Library

### **Enrollment Statistics**

Weekly opt-outs have dropped slightly over recent weeks. The most recent week had the lowest weekly opt-out rate (29 per week) since the week of January 13, 2017 and hits our "steady state" goal of <35 opt outs per week. Our overall opt-out rate is 2.14%.



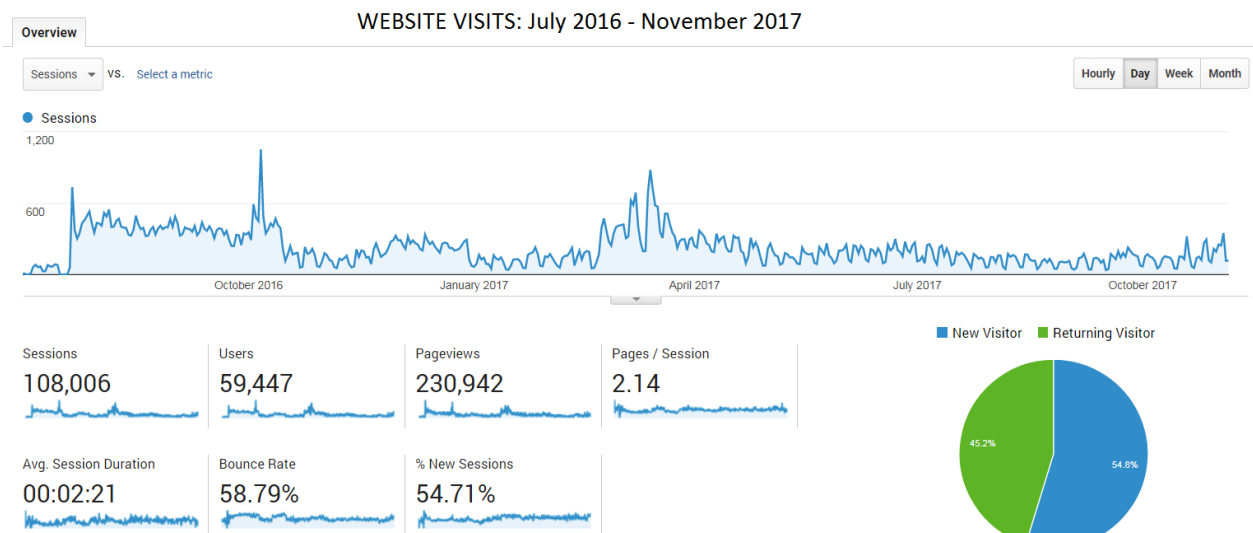
CITY	Eligible Accts	Total	TOTAL OPT OUT %
PORTOLA VALLEY INC	1,674	90	5.38%
SAN BRUNO INC	16,333	511	3.13%
SO SAN FRANCISCO INC	24,693	695	2.81%
PACIFICA INC	15,410	425	2.76%
DALY CITY INC	33,826	815	2.41%
HALF MOON BAY INC	4,934	117	2.37%
MILLBRAE INC	9,324	219	2.35%
UNINC SAN MATEO CO	24,332	557	2.29%
SAN CARLOS INC	14,337	298	2.08%
BELMONT INC	11,822	241	2.04%
SAN MATEO INC	43,640	863	1.98%
BRISBANE INC	2,466	46	1.87%
HILLSBOROUGH INC	4,032	72	1.79%
EAST PALO ALTO INC	7,750	130	1.68%
BURLINGAME INC	15,386	258	1.68%
REDWOOD CITY INC	34,415	571	1.66%
FOSTER CITY INC	14,608	227	1.55%
WOODSIDE INC	2,285	34	1.49%
ATHERTON INC	2,690	40	1.49%
COLMA INC	791		1.39%
MENLO PARK INC	15,420	196	1.27%
Grand Total	300,168	6,416	2.14%

There are now over 4,800 accounts in ECO100. We have seen a recent uptick in residential enrollments in ECO100, likely the result of our greater outreach presence.

ACTIVE ACCTS BY CITY	Eligible Accts	November			
CITY	Full Territory	RES ACT	COM ACT	ACTIVE	ECO100
ATHERTON INC	2,690	2,351	196	2,547	56
BELMONT INC	11,822	10,387	930	11,317	138
BRISBANE INC	2,466	1,875	507	2,382	72
BURLINGAME INC	15,386	12,820	1,979	14,799	274
COLMA INC	791	510	281	791	
DALY CITY INC	33,826	30,581	1,981	32,562	53
EAST PALO ALTO INC	7,750	7,025	440	7,465	16
FOSTER CITY INC	14,608	12,860	850	13,710	109
HALF MOON BAY INC	4,934	4,108	584	4,692	38
HILLSBOROUGH INC	4,032	3,740	137	3,877	
MENLO PARK INC	15,420	13,109	1,748	14,857	409
MILLBRAE INC	9,324	8,288	681	8,969	90
PACIFICA INC	15,410	13,865	862	14,727	112
PORTOLA VALLEY INC	1,674	1,398	138	1,536	1,430
REDWOOD CITY INC	34,415	29,694	3,425	33,119	609
SAN BRUNO INC	16,333	14,486	1,119	15,605	75
SAN CARLOS INC	14,337	11,633	2,201	13,834	221
SAN MATEO INC	43,640	37,926	3,968	41,894	559
SO SAN FRANCISCO INC	24,693	20,482	3,287	23,769	64
UNINC SAN MATEO CO	24,332	20,375	2,905	23,280	426
WOODSIDE INC	2,285	1,989	215	2,204	46
Unallocated		38	4	42	
Unallocated (cust type)		253		253	
<b>Grand Total</b>	<b>300,168</b>	<b>259,793</b>	<b>28,438</b>	<b>288,231</b>	<b>4,815</b>

## Web and Social Media

Web stats and sample social media are presented below.



## SOCIAL MEDIA: Top Posts from Oct/Nov 2017



## Press Releases

The marketing team issued two press releases since the last Board meeting:

- [Jan Pepper honored as Green Power Leader of the Year](#)
- [PCE Customers Reduce Carbon Emissions While Saving Millions Annually](#)

The press releases have had some traction in local and industry news outlets, including San Mateo Daily Journal and Utility Dive.

## Video FAQs

A couple of months ago, PCE staff were filmed discussing key issues they work on, in a series of video FAQs. The videos will serve as a means of disseminating information about PCE, as well as put a personal face on PCE staff. The short videos are being released piecemeal on social media, and posted to the FAQs web page. The first few have been posted on PCE's [YouTube channel](#).

## Website Upgrades

PCE recently implemented some content and style improvements to PCE's website. We added "Power Resources" and "Financial Documents" pages, updated our Staff page, and added performance metrics to our home page, among other things.



## **Advertising**

PCE's "You have great energy" theme ad campaign is in full swing, with ads in newspapers, bus shelters, online, on radio, and in an ice rink. We are preparing a new video ad to release in late January.

## **Staffing**

The marketing team has two job postings:

- [Creative Content Designer](#)
- [Key Accounts Executive](#)

Please help spread the word!

## **Certifications**

PCE staff recently applied for [Green-e](#) certification of ECO100, to start on January 1, 2018. PCE staff have prepared an application to The Climate Registry, and is doing additional diligence to ensure that our supply strategy will not be negatively impacted by their banking rules.



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** November 9, 2017

**BOARD MEETING DATE:** November 16, 2017

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

**FROM:** Joseph Wiedman, Director of Regulatory and Legislative Affairs

**SUBJECT:** Update on PCE's October and November Regulatory and Legislative Activities

**BACKGROUND:**

The end of October and early November were busy on the regulatory front. As discussed in more detail below, PCE, as part of various coalitions, submitted seven pleadings at the California Public Utilities Commission (CPUC). PCE staff attended five workshops or stakeholder meetings during this period also.

## **DISCUSSION:**

### CalCCA Activities

On October 31<sup>st</sup>, Jan Pepper, Joe Wiedman, Rick DeGolia and Pradeep Gupta participated in an informal public workshop on the California Customer Choice Project (CCCP) in Sacramento, CA. CCCP is an ongoing project at the Commission to assess the current state of California's energy markets. In February, an En Banc meeting was held that focused on the growth of CCAs as service providers. In May, an En Banc was held which focused on California's evolving energy markets. This workshop marks the third workshop in the series. It is anticipated that the PUC will release a whitepaper containing options for California's energy markets. Jan Pepper presented as part of a "shark tank" on how CCAs view the future of CA energy markets with a particular focus on ways in which CCAs are key partners in advancing the state goals of affordability, decarbonization, and reliability. PCE is leading the development of post-workshop comments that reinforce points raised by Jan at the workshop.

On November 1<sup>st</sup>, Representatives from various CCAs and the solar industry held a CCA-Solar Summit in San Francisco, CA. The summit was an opportunity for CCAs and the solar industry to "level up" on issues of mutual concern. PCE led the development of the summit with the Solar Energy Industries Association by providing conceptual guidance on items to be discussed and development of materials for the workshop on CCA statistics, current and future programs, and priorities for each CCA. The meeting focused generally on two broad categories of issues – understanding CCAs' priorities concerning rates, rate design, and distributed energy programs; and discussing how to address CCAs' concerns with advance procurement as part of the Integrated Resource Planning (IRP) process.

### Regulatory Advocacy

On October 18<sup>th</sup>, a coalition of CCAs filed a protest to PG&E's Advice Letter 5146-E. In the Advice Letter, PG&E requested approval of three 20 MW solar energy projects being developed by Recurrent Energy. While PG&E noted an utter lack of any need for the projects, it requested approval of the contracts while the Commission continues to deliberate whether PG&E should continue to procure unnecessary resources. CCAs protested the Advice Letter noting PG&E's lack of need for the resources while also raising legal arguments against the authorization sought in the advice letter. Energy Division staff suspended the Advice Letter and it remains under review. CCAs are considering next steps in the process.

On October 23<sup>rd</sup>, a coalition of CCAs filed a protest to Advice Letter 5151-E, which was jointly filed by the three large investor-owned utilities (IOUs) and sought permission to utilize certain DOE data relating to the cost of renewable energy as part of the process of setting the market price benchmark for the PCIA calculation. CCAs protested the advice letter because the propriety of utilizing DOE data is under active litigation in two ERRA dockets at the PUC. CCAs have generally argued that the data the IOUs have gathered from the DOE is stale data that is no longer accurate and does not conform to the

requirements in the decision originally authorizing use of the DOE data. PCE led the development of the advice letter. Unfortunately, the Energy Division approved the advice letter despite our protest. CCAs are considering next steps.

*R.17-06-026 – PCIA Order Instituting Rulemaking (OIR)* – On October 26<sup>th</sup>, the IOUs and all active parties to the PCIA docket filed a Joint Status Report laying out areas of agreement and disagreement on discovery issues. CalCCA has propounded detailed discovery on the utilities to obtain data we believe is necessary to prepare our testimony on alternatives to the PCIA. The IOUs have balked at providing large segments of the data we feel we need. The matter is now before the ALJ for resolution. On November 2<sup>nd</sup>, the CPUC held an informational workshop on the structure of the PCIA and how it is developed. Joe Wiedman attended the workshop on behalf of PCE. The CalCCA PCIA team continues to engage in weekly discussions regarding strategy in the docket, identification of expert witnesses, and development of core issues/concepts within the docket.

*R.03-10-003 – CCA Bond Methodology* – On November 6<sup>th</sup>, CalCCA filed an opening brief in the docket which put forward CalCCA's proposal for the financial security requirement (FSR) required pursuant to state law. CalCCA's main argument was that CCAs are highly unlikely to fail without notice so setting the required bond amount at the administrative cost of a mass return of CCA customers plus six months of IOU procurement costs is reasonable. CalCCA also argued that CCAs with an investment grade credit rating should not be required to post an FSR. On November 11<sup>th</sup>, CalCCA filed a reply brief that addressed the proposal by the IOUs which would result in a bond requirement that includes administrative costs and twelve months of potential costs of procurement for returning customers.

*R.16-02-007 – IRP Proceeding* – On October 26<sup>th</sup>, CalCCA filed comments on the Preliminary Reference System Plan (RSP). CalCCA's comments primarily focused on procedural concerns with the IRP process and its adherence to SB 350 process for review and certification of CCA IRPs. The comments also focused on concerns related to use of the GHG Planning Price, use of the RSP and GHG Emissions Benchmark. Reply comments responding to party comments were filed on November 9<sup>th</sup>. On September 19<sup>th</sup>, the CPUC released the RSP which lays out the results of preliminary updated modeling coming out of the RESOLVE model after it was updated based on a prior round of parties' comments. The Preliminary RSP provides details on the timing and quantity of resources the RESOLVE model believes will lead to the lowest possible costs to reach various scenarios being modeled in the docket. For example, to reach a 42 MMT GHG target, the RESOLVE model shows the need to procure approximately ~1 gigawatts (GW) of in-state wind resources, ~9 GW of solar resources, a small amount of geothermal and approximately ~3500 MW of storage above what is already required for each of these resources. An All-Party Meeting to discuss the RSP was held November 2<sup>nd</sup> in San Francisco. Joe Wiedman attended the All-Party meeting and advocated for the Commission to provide guidance to CCAs on their participation in the IRP process that is consistent with the requirements of SB 350.

### Legislative Advocacy

On November 9<sup>th</sup>, CalCCA Legislative Committee held an all-day retreat to discuss legislative strategy and issues as part of CalCCA's planning for the upcoming legislative session. The Legislature reconvenes on January 3, 2018 and the last day for bills to be introduced is February 16, 2018.

### **FISCAL IMPACT:**

Not applicable.



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** November 7, 2017  
**BOARD MEETING DATE:** November 16, 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:** PCE 2018 Electric Rates

**RECOMMENDATION:**

Staff recommends that the Board adopt the rate adjustment presented to the Board for PCE's 2018 Electric Rates

**BACKGROUND:**

As discussed in a previous Board meeting, PG&E's actual rate adjustments will not be publicly known until they are in effect on January 1, 2018. However the November update of the 2018 ERRA proceeding does indicate an across the board increase in the PCIA (14-17% for most rate classes). Preliminary review of the update also indicates a small increase in PG&E's generation rate. The increase in PG&E's generation rate may create enough headroom in the bundled costs to allow PCE to maintain rates across the board, or only need to adjust slightly in order to preserve the 5% value proposition of the ECOplus rate, which is to provide a 5% discount compared to PG&E's generation rates.

**DISCUSSION:**

Staff will present a more thorough proposal and analysis for discuss at the Board meeting. At the time of drafting this memo staff is still analyzing the updated documents released on November 2<sup>nd</sup> along with the August AET (Annual Electric True-up) Filing by PG&E

**FISCAL IMPACT:**

The proposed PCE 2018 Electric Rates will facilitate PCE's maintenance of the 5% value proposition of ECOplus to our customer base while also maintaining appropriate revenue requirements for operations.



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

**DATE:** November 7, 2017  
**BOARD MEETING DATE:** November 16, 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 Endorsement of Citizens' Climate Lobby Carbon Fee and Dividend Proposal

**BACKGROUND:**

The Citizens' Climate Lobby (CCL) approached Peninsula Clean Energy to ask that we endorse this organization's Carbon Fee and Dividend Proposal. A description of their proposal, provided by the CCL, follows:

*Citizens' Climate Lobby Proposal:*

*We propose Congress place a steadily rising cost on carbon to drive down the use of carbon-based fossil fuels. To account for the cost of burning fossil fuels, an initial fee of \$15/ton is to be placed on the CO2 equivalent emissions of fossil fuels, escalating \$10/ton/year, imposed upstream at the mine, well or port of entry. Accounting for the true cost of fossil fuel emissions not only creates a level-playing field for all sources of energy, but also informs consumers of the true cost comparison of various fuels when making purchase decisions.*

*We advocate giving 100% of the fees collected (minus a small administrative cost) back to American households on a monthly basis. Research indicates that about two-thirds of all households will break even or receive more money than what they would pay in higher oil and gas prices. This feature will inject billions of dollars into the economy, protect family budgets, free households to make independent choices about their energy use, spur innovation and build aggregate demand for no and low-carbon producers at the consumer level.*

*We recommend implementing a border adjustment to stop business relocation. Import fees on products imported from countries without a carbon fee, along with*



*rebates to US industries exporting to those countries, will discourage businesses from relocating where they can emit more CO2 and will motivate other countries to adopt similar carbon pricing policies. Building upon existing tax and trade systems will avoid complex new institutional arrangements. Firms seeking to escape higher energy costs will be discouraged from relocating to non-compliant nations, as their products will be subject to import fees.*

*A study from Regional Economic Models Inc. (REMI) shows that a carbon fee and dividend system will reduce U.S. CO2 emissions by 52% below 1990 levels within 20 years and that recycling the revenue creates an economic stimulus that adds 2.8 million jobs to the U.S. economy. A structured rising price on greenhouse gas emissions will focus businesses to plan on optimizing investment priorities in order to thrive in a carbon-constrained world. Additionally, carbon fee and dividend is projected to prevent over 230,000 premature deaths over 20 years from improved air quality.*

*Carbon fee and dividend does not increase the size of government, require new bureaucracies or directly increase government revenues. The dividend increases real disposable income, protects personal spending decisions and will recruit widespread, sustained engagement. Finally, carbon fee and dividend is elegant in its simplicity, transparent in its accessibility to public scrutiny and clear in its signals and benefits.*



Item No. 8

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

**DATE:** November 7, 2017

**BOARD MEETING DATE:** November 16, 2017

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** None

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

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

**SUBJECT:** Integrated Resource Plan (IRP) Update

**BACKGROUND:**

The Power Resources team will present on the progress of PCE's Integrated Resources Plan, and next steps of same.



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

Peninsula Clean Energy  
2075 Woodside Road, Redwood City, CA 94061  
6:30 p.m.

**CALL TO ORDER**

Meeting was called to order at 6:35 p.m.

**ROLL CALL**

**Present:** Dave Pine, County of San Mateo, *Chair*  
Jeff Aalfs, Town of Portola Valley, *Vice Chair*  
Rick DeGolia, Town of Atherton  
Charles Stone, City of Belmont  
Donna Colson, City of Burlingame  
Rae P. Gonzalez, Town of Colma  
Glenn Sylvester, City of Daly City  
Carlos Romero, City of East Palo Alto  
Catherine Mahanpour, City of Foster City  
Harvey Rarback, City of Half Moon Bay  
Elizabeth Cullinan, Town of Hillsborough  
John Keener, City of Pacifica  
Marty Medina, City of San Bruno  
Cameron Johnson, City of San Carlos  
Rick Bonilla, City of San Mateo  
Pradeep Gupta, City of South San Francisco  
Daniel Yost, Town of Woodside

**Absent:** County of San Mateo-Groom  
City of Brisbane  
City of Menlo Park  
City of Millbrae  
City of Redwood City

**Staff:** Jan Pepper, Chief Executive Officer  
Jay Modi, Director of Finance and Administration  
Siobhan Doherty, Director of Power Resources  
Joseph Wiedman, Director of Regulatory and Legislative Affairs

Dan Lieberman, Director of Marketing and Public Affairs  
Leslie Brown, Manager of Customer Care  
Kirsten Andrews-Schwind, Communications and Outreach Manager  
Eric Wiener, Renewable Energy Analyst  
Alejandra Posada, Outreach Fellow  
Charlsie Chang, Outreach Fellow  
Nirit Eriksson, Associate General Counsel  
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

**A quorum was established.**

**PUBLIC COMMENT:**

No public comment

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

Motion Made / Seconded: Bonilla / DeGolia

**Motion passed 15-0 (Absent: County of San Mateo-Groom, Belmont, Brisbane, Menlo Park, Millbrae, Redwood City, San Carlos.)**

**REGULAR AGENDA**

**1. CHAIR REPORT**

Dave Pine—Chair—reported that he and several PCE staff and Board members attended a very informative annual meeting of CalCCA (California Community Choice Association) in Riverside on October 3, 2017. Dave provided a summary of comments he made at PCE's 1-year anniversary celebration and open house on October 18, 2017, outlining several milestones and praising how far PCE has come in one year. Dave announced that Jan Pepper—Chief Executive Officer—was awarded "Green Power Leader of the Year" by the Center for Resource Solutions. Several Board members recognized Jan and Dave for their leadership.

**2. CEO REPORT**

Jan Pepper—Chief Executive Officer—thanked the Board for their continued support of PCE. She introduced two new employees, Charlsie Chang and Alejandra Posada, who started with PCE on September 20 as Outreach Fellows. Jan announced that PCE plans to post several new positions, including a Key Accounts Executive, Power Resources Manager, Energy Programs Director, and Creative Content Designer, with the hope that these positions and the Regulatory Analyst will be on board by the beginning of the new year. Jan announced that PCE will be conducting some market research on brand awareness, and that on October 31, 2017, she will be representing CCAs (Community Choice Aggregation) on a panel for the CPUC's (California Public Utility Commission) Customer Choice Project workshop.

### **3. CITIZENS ADVISORY COMMITTEE REPORT**

Michael Closson—Chair—reported that at the Citizens Advisory Committee (CAC) meeting held the previous week, Leslie Brown presented information on PCE’s rates and understanding net metering (NEM) invoices. The need for continued focus, education, and resources to understand NEM invoices was discussed, as was the impact of NEM 2.0 vs 1.0.

### **4. AUDIT AND FINANCE COMMITTEE REPORT**

Jan Pepper introduced Jay Modi, PCE’s new Director of Finance and Administration, who started on October 2. Donna Colson—Chair—reported that the auditor’s office in North Bay was impacted by the fires, but that they hope to have a draft audit by the middle of December. She reported that the committee discussed creating a rate stabilization policy and an operating budget reserve policy, a capital reserve account for local projects and capital projects, and an investment policy. She reported the committee also discussed PCE’s banking relationships, and the possibility of getting a private credit rating to prepare PCE for a public credit rating.

#### **PUBLIC COMMENT:**

Janet Creech, PCE Citizens Advisory Committee

### **5. MARKETING AND OUTREACH REPORT**

Dan Lieberman—Director of Marketing and Public Affairs—announced that PCE’s fall advertising campaign will focus on “You have great energy”. He is also preparing applications to Green-e and the Climate Registry, and he and his team are working on conducting market research. He also reported that PCE’s customer service center in Santa Rosa was impacted by the fires, and one representative’s house burned down. The call center and staff weren’t physically harmed and although calls temporarily had to be re-routed, the call center is back up and running. Community awareness of PCE, customer confusion about charges on their bills, and PCE’s Opt Out rate and Opt Up rate were discussed.

### **6. REGULATORY AND LEGISLATIVE REPORT**

Joe Wiedman— Director of Legislative and Regulatory Affairs—reported that Sonoma Clean Power, MCE Clean Energy and PCE filed Opening and Reply Briefs on October 2nd and 16th, respectively in PG&E’s 2018 Energy Resource Recovery Account (ERRA) docket, and that PCE as part of the Smart Charging Coalition filed comments on October 6th at the Air Resources Board concerning reforming the allocation of low carbon fuel credits. Joe also reported that AB 726/813 and SB 100 did not pass.

### **7. PROPOSED 2018 RATE ADJUSTMENT PROCESS**

Leslie Brown—Manager of Customer Care—presented information on PG&E’s rate adjustment process, including how PG&E requests a rate increase, and that the actual rates by rate class are not available to the public until January 1. She reported that PCE is trying to anticipate PG&E’s

rate increase and provide our new proposed rates to the Board in November in order to maintain PCE's 5% savings, with the hope that PCE will not have to adjust rates after January 1, 2018, or that any necessary adjustment will be minor.

#### **8. ROLE OF OUT OF STATE WIND IN PCE PORTFOLIO**

Siobhan Doherty—Director of Power Resources—presented information on California's wind potential, national wind resources, out of state wind resources, interconnection and congestion factors, and the role wind can play in PCE's overall portfolio.

#### **9. INTEGRATED RESOURCE PLAN (IRP) UPDATE**

Siobhan Doherty reported that PCE's IRP vision is to develop guiding procurement principles to create a diverse portfolio composition balancing contract term length, project ownership, project location, resource and technology mix, and project size. She presented scenarios with various resource combinations to meet PCE's goal of 100% renewable in 2025. The Board and staff discussed the pros and cons of solar, storage, California wind versus out of state wind, and short term versus long term contracts, while balancing cost, load, energy profiles, GHG free, and local investment.

#### **PUBLIC COMMENT:**

Mark Roest, SeaWave Battery, Inc.

#### **ADJOURNMENT**

Meeting was adjourned at 9:17 p.m.



## Board of Directors Meeting Schedule 2018

**Location:** Peninsula Clean Energy, 2075 Woodside Road, Redwood City, CA 94061

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<b>Meeting Date:</b>	<b>Time:</b>	<b>Location:</b>
January 25, 2018	6:30 pm	Lobby
February 22, 2018	6:30 pm	Lobby
March 22, 2018	6:30 pm	Lobby
April 26, 2018	6:30 pm	Lobby
May 24, 2018	6:30 pm	Lobby
June 28, 2018	6:30 pm	Lobby
July 26, 2018	6:30 pm	Lobby
August 23, 2018	6:30 pm	Lobby
September 27, 2018	6:30 pm	Lobby
October 25, 2018	6:30 pm	Lobby
November 15, 2018	6:30 pm	Lobby
December 20, 2018	6:30 pm	Lobby



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** November 16, 2017

**BOARD MEETING DATE:** November 16, 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:** Delegation of Authority Policy

**RECOMMENDATION:**

Approve Delegation of Authority Policy

**BACKGROUND:**

The Board of Directors has authorized the Chief Executive Officer to approve any agreement if the total amount payable under an agreement is less than \$100,000 in any fiscal year, as stated in the PCE Joint Powers Agreement, section 3.4. Since the annual growth of Peninsula Clean Energy from \$93 million in annual revenue for FY 2016-17 to \$246 million estimated for FY 2017-18, the volume of contracts and expense reports of smaller amounts has also increased considerably. Given that, the Chief Executive Officer is proposing that the Director of Finance and Administration be delegated the following approval authority: Director of Finance and Administration may approve any agreement if the total amount payable under the agreement is less than \$10,000 in any fiscal year for Operating, General and Administrative Expenses, and may approve reimbursement of allowable employee expenses. Notwithstanding the foregoing, Director of Finance and Administration may not authorize Payroll expenditures.

This will allow the Chief Executive Officer to focus on larger contracts and will shorten the processing time for small contracts.



**DISCUSSION:**


We are requesting the Board to approve the attached Delegation of Authority Policy.

**FISCAL IMPACT:**

No fiscal impact

**ATTACHMENTS**

A. Delegation of Authority Policy

	<b>Document Title</b>	<b>Delegation of Authority Policy</b>
	<b>Reference No. / Date Implemented</b>	<b>Version 1 / November 16, 2017</b>
	<b>Policy Number</b>	<b>14</b>

## 1.0 PURPOSE:

Peninsula Clean Energy (PCE) is committed to effective and efficient management of its finances. The purpose of this policy is to:

- Establish the principles that govern the delegation of financial authority
- Support accountability in financial transactions
- Establish expense approval limits by role for Peninsula Clean Energy staff

## 2.0 RESPONSIBLE PARTIES:

The Director of Finance and Administration is responsible for ensuring uniform policies and procedures are followed for delegating the approval authority.

## 3.0 GENERAL POLICY GUIDELINES:

- 3.1 The cumulative amount of financial authority is limited by approved budgets. Approval from the Board of Directors is required in order to exceed a budgeted amount as dictated in PCE's Joint Powers Agreement, Section 5.2.3.

## 4.0 SCOPE

- 4.1 The policy applies to all the employees of Peninsula Clean Energy.
- 4.2 The policy is for staff only and does not cover the Board of Directors' powers and responsibilities, which are detailed in PCE's Joint Powers Agreement.

## 5.0 POLICY DETAILS:

The limits of authority set forth in this policy are the maximum limits authorized for the referenced position. This policy addresses the most common types of commitments, agreements, and expenditures for PCE, and the corresponding approval level that is required.

By position title, the limits are as follows:

- 5.1 Chief Executive Officer may approve any agreement if the total amount payable under the agreement is less than \$100,000 in any fiscal year, as stated in the PCE Joint Powers Agreement, section 3.4.
- 5.2 Director of Finance and Administration may approve any agreement if the total amount payable under the agreement is less than \$10,000 in any fiscal year for Operating, General and Administrative Expenses, and may approve reimbursement of allowable employee expenses. Notwithstanding the foregoing, Director of Finance and Administration may not authorize Payroll expenditures.



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** November 8, 2017  
**BOARD MEETING DATE:** November 9, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, CEO, Peninsula Clean Energy Authority  
**SUBJECT:** Repay Loans to 1) the County of San Mateo and 2) Barclays Bank

**RECOMMENDATION:**

- (a) Approve Resolution Authorizing Chief Executive Officer to Repay the County of San Mateo for all of its Loans to PCE.
- (b) Approve Resolution Authorizing Chief Executive Officer to Repay the Barclay's Loan.

**BACKGROUND:**

**a) County of San Mateo Loans Background:**

On February 24, 2015, the San Mateo County Board of Supervisors (BOS) authorized \$300,000 of an estimated initial start-up funding of \$1.5 million to the Office of Sustainability (OOS) for the purpose of completing Phase I of a three-phased project to form a Community Choice Aggregation (CCA) program, which included efforts to conduct outreach to cities and complete a technical feasibility study.

On October 20, 2015, the BOS authorized \$800,000 to the OOS for the purpose of completing Phase II of the CCA formation, which included further program design and development, community outreach, and establishment of the Peninsula Clean Energy Authority (PCEA).

On May 10, 2016, the BOS authorized the final \$400,000 of the initial \$1.5 million commitment as well as an additional \$1.48 million for completing Phase IV of the newly expanded four-phased project. On June 23, 2016, the PCE Board approved Resolution 2016-007, authorizing PCE to execute a loan agreement requiring PCE to repay over time this \$2.98 million of funds which had been provided by the County prior to and after

formation of PCE. These loan proceeds helped PCE pay for staffing, overhead, and initial energy purchase costs, prior to receipt of customer revenues.

The County Board of Supervisors also authorized a loan of up to \$6 million as collateral for a bank loan of \$12 million, discussed further below. On June 23, 2016, the PCE Board approved Resolution 2016-006, authorizing PCE to accept such a loan.

**b) Barclays loan Background:**

In December 2015, County staff, on behalf of the Peninsula Clean Energy Authority (PCEA) began to solicit interest from and meet with a number of local and regional banks with the capacity to provide the required financing for phases III and IV. A loan in the amount not to exceed \$12 million was sought in order to establish a reserve fund in support of the power purchase agreements entered into by the PCEA, to provide working capital for the pre-revenue collection phase as well as to account for seasonal differences in cash flow, for deposits required by California Independent Service Operator (CAISO) and the California Public Utilities Commission (CPUC), and other operating needs such as internal staffing costs and other administrative overhead. Barclays Bank PLC was selected for providing this loan.

As part of the loan agreement with Barclays, they required cash collateral of up to 50% of the loan value. As noted above, BOS authorized a loan to PCEA of up to \$6 million as collateral for this bank loan.

**DISCUSSION:**

PCE's initial proforma and projected budget anticipated the possibility of a higher opt out rate in the Phase 1 and Phase 2 rollouts. In light of PCE's continued low opt out rate which has only recently reached 2%, PCE's revenues have been higher than expected.

At the same time, PCE's costs in FY 2016-17 were lower than expected due to negotiating favorable power purchase agreements and reduced rent costs.

PCE is financially able to repay the loans from the County of San Mateo and Barclays Bank as they are no longer needed to manage PCE's start-up activities.

**FISCAL IMPACT:**

PCE's budget for FY17-18 anticipates repaying both the loans with the County of San Mateo as well as the loan with Barclays Bank. Repayment of the loans will reduce future interest payments for both of those entities.

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

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

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO REPAY  
ALL LOANS ISSUED FROM COUNTY OF SAN MATEO TO  
PENINSULA CLEAN ENERGY.**

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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**, the County of San Mateo provided approximately \$2.98 million in funding to (i) facilitate formation of PCEA and (ii) provide capital for start-up costs incurred after formation but prior to PCEA's receipt of significant customer revenues; and

**WHEREAS**, on June 23, 2016, this Board approved Resolution 2016-007, authorizing execution by PCEA of a loan and repayment agreement with the County of San Mateo for this amount, reference to which should be made for further particulars; and

**WHEREAS**, the County of San Mateo also authorized a loan of up to \$6 million as collateral for a loan of \$12 million from Barclays Bank, which PCEA sought in order to establish a reserve fund in support of power purchase agreements, to provide working capital for operating needs, and to cover deposits required by the California Independent Service Operator (CAISO) and the California Public Utilities Commission (CPUC); and

**WHEREAS**, PCEA has experienced higher revenue and lower overhead and energy acquisition costs than was originally projected, and is now able to provide early, full repayment to the County for these loans and wishes to do so.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board authorizes the Chief Executive Officer to (i) repay, in full, all loans issued by the County of San Mateo to Peninsula Clean Energy, and (ii) execute any ancillary documents, in a form approved by General Counsel, as may be necessary to effectuate such repayment.

\* \* \* \* \*

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

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

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO REPAY LOAN  
ISSUED BY BARCLAYS BANK TO PENINSULA CLEAN ENERGY.**

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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**, prior to launching energy service to customers, PCEA sought a \$12 million loan from Barclays Bank PLC in order to establish a reserve fund in support of power purchase agreements, to provide working capital for operating needs, and to cover deposits required by the California Independent Service Operator (CAISO) and the California Public Utilities Commission (CPUC); and

**WHEREAS**, approximately one year after launch of service, PCEA has experienced higher revenue and lower overhead and energy acquisition costs than was originally projected, and is now able to provide early, full repayment to Barclays Bank for this loan and wishes to do so.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board authorizes the Chief Executive Officer to (i) repay, in full, the loan issued by Barclays Bank to Peninsula Clean Energy, and (ii) execute any ancillary documents, in a form approved by General Counsel, as may be necessary to effectuate such repayment.





**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** November 16, 2017  
**BOARD MEETING DATE:** November 16, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

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

**FROM:** Jay Modi, Director of Finance and Administration, Peninsula Clean Energy

**SUBJECT:** Moving to First Republic Bank

**RECOMMENDATION:**

Approve Resolution Authorizing Chief Executive Officer to enter into Contracts with First Republic Bank.

**BACKGROUND:**

Peninsula Clean Energy has banked with Union Bank since November 2016 for managing working capital needs. Since then the banking experience has not been fruitful due to various reasons including but not limited to: high transaction and monthly fees, fees for check deposits, no returns on high balances, and poor customer service among other reasons. The Director of Finance and Administration conducted in-depth due diligence to explore potential banking options with private banks and credit unions which resulted in these top two finalists: First Republic Bank and Silicon Valley bank.

The Director of Finance and Administration proposes to move PCE's working capital bank account to First Republic Bank for the following reasons:

1. Focused on a personalized relationship and supporting small communities
2. Works with 300+ Non-profit Organizations
3. Offered Investment Options aligned with what is allowed for a public agency
4. The annual interest income potential based on \$20 million investment is up to \$210,400
5. The asset management team is highly experienced and qualified
6. The annual fees will be lower by ~\$1,200

7. Potential to get a line of credit for less than 2.0% rate
8. Publicly traded bank on the NYSE (FRC)
9. Long-term issuer rating of Baa1 (Moody's) and A- (S&P)
10. Ranked #37 in total assets; \$81 billion in total bank assets

**DISCUSSION:**

We are requesting the Board approve the Resolution authorizing the Chief Executive Officer to enter into contracts with First Republic Bank for PCE's working capital needs.

The Chair of Audit and Finance Committee has reviewed and supports this proposal.

**FISCAL IMPACT:**

A potential of earning interest income of up to \$210,400 annually based on a balance available for investment of \$20 million.

**ATTACHMENTS**

- A. None

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

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

\* \* \* \* \*

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO ENTER INTO  
CONTRACTS WITH FIRST REPUBLIC BANK**

---

**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**, in November 2016, Union Bank was selected as a bank to manage the working capital of PCEA based on San Mateo County's recommendation; and

**WHEREAS**, PCEA desires to change its banking relationship from Union Bank to another bank that has lower fees, offers a return on the bank balance and provides a relationship manager; and

**WHEREAS**, PCEA is now seeking to change its bank to First Republic Bank; and

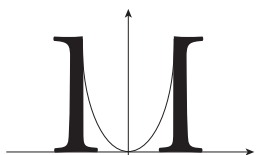
**WHEREAS**, First Republic Bank is focused on personalized relationship, offers a potential to earn substantial interest income, has a history of working with non-profit organizations, has a highly qualified asset management team and will result in lower annual bank fees than other banks; and

**WHEREAS**, the Chief Executive Officer seeks authority to execute standard contracts with First Republic Bank to initiate this banking relationship.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the Board of Directors delegates authority to the Chief Executive Officer to execute said contracts with First Republic Bank for and on behalf of the Peninsula Clean Energy Authority, and the Clerk of this Board shall attest the Chief Executive Officer's signature thereto.

\* \* \* \* \*

[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 (the Authority), a California Joint Powers Authority, which comprise the statement of net position as of September 30, 2017, 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  
October 31, 2017



# PENINSULA CLEAN ENERGY AUTHORITY

## STATEMENT OF NET POSITION

As of September 30, 2017

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 43,503,417
Accounts receivable, net of allowance	22,819,922
Other receivables	87,931
Accrued revenue	11,856,390
Prepaid expenses	187,301
Total current assets	<u>78,454,961</u>

#### Noncurrent assets

Capital assets, net of depreciation	240,528
Deposits	2,496,194
Total noncurrent assets	<u>2,736,722</u>
Total assets	<u>81,191,683</u>

### LIABILITIES

#### Current liabilities

Accounts payable	1,456,698
Accrued cost of electricity	27,617,544
Accrued interest payable	55,691
Accrued payroll and related liabilities	110,364
Other accrued liabilities	25,000
Supplier security deposits	50,000
User taxes and energy surcharges due to other governments	859,515
Total current liabilities	<u>30,174,812</u>

#### Noncurrent liabilities

Loan payable to bank	3,000,000
Loans payable to County of San Mateo	4,480,800
Supplier security deposits	75,000
Total noncurrent liabilities	<u>7,555,800</u>
Total liabilities	<u>37,730,612</u>

### NET POSITION

Net investment in capital assets	240,528
Unrestricted	<u>43,220,543</u>
Total net position	<u>\$ 43,461,071</u>

**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES**

**AND CHANGES IN NET POSITION**

**July 1, 2017 through September 30, 2017**

**OPERATING REVENUES**

Electricity sales, net	\$ 68,569,866
Green electricity premium	186,166
Total operating revenues	<u>68,756,032</u>

**OPERATING EXPENSES**

Cost of electricity	44,208,641
Staff compensation and benefits	495,136
Data manager	1,009,462
Service fees - PG&E	381,482
Consultants and other professional fees	151,210
Legal	397,798
Communications and noticing	119,077
General and administration	142,189
Depreciation	14,414
Total operating expenses	<u>46,919,409</u>
Operating income (loss)	<u>21,836,623</u>

**NONOPERATING REVENUES (EXPENSES)**

Interest income	1,405
Interest and related expense	(87,484)
Total nonoperating revenues (expenses)	<u>(86,079)</u>

**CHANGE IN NET POSITION**

	21,750,544
Net position at beginning of period	<u>21,710,527</u>
Net position at end of period	<u>\$ 43,461,071</u>

**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF CASH FLOWS**  
**July 1, 2017 through September 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from electricity sales	\$ 67,112,770
Tax and surcharge receipts from customers	1,106,792
Payments to purchase electricity	(40,972,668)
Payments for staff compensation and benefits	(500,777)
Payments for consultants and other professional fees	(891,110)
Payments for legal fees	(372,798)
Payments for communications and noticing	(205,458)
Payments for general and administration	(128,024)
Tax and surcharge payments to other governments	(974,152)
Net cash provided (used) by operating activities	<u>24,174,575</u>

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

Deposits and collateral paid	(2,019,162)
Deposits and collateral returned	1,073,500
Interest and related expense payments	<u>(65,923)</u>
Net cash provided (used) by non-capital financing activities	<u>(1,011,585)</u>

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

Acquisition of capital assets	<u>(43,193)</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest income received	<u>1,963</u>
Net change in cash and cash equivalents	23,121,760
Cash and cash equivalents at beginning of year	<u>20,381,657</u>
Cash and cash equivalents at end of period	<u><u>\$ 43,503,417</u></u>



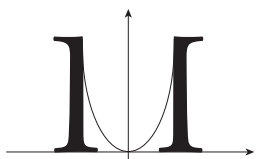
**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF CASH FLOWS (continued)**

**July 1, 2017 through September 30, 2017**

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

Operating income (loss)	\$ 21,836,623
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	14,414
Revenue reduced for uncollectible accounts	241,491
(Increase) decrease in net accounts receivable	(1,936,575)
(Increase) decrease in other receivables	(54,672)
(Increase) decrease in accrued revenue	13,729
(Increase) decrease in prepaid expenses	37,223
Increase (decrease) in accounts payable	602,208
Increase (decrease) in accrued payroll and related	(5,641)
Increase (decrease) in accrued cost of electricity	3,230,042
Increase (decrease) in accrued liabilities	25,000
Increase (decrease) in user taxes and energy surcharges due to other governments	170,733
Net cash provided (used) by operating activities	<u>\$ 24,174,575</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 (the Authority), a California Joint Powers Authority, which comprise the budgetary comparison schedule for the period ended September 30, 2017, 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  
October 31, 2017



**PENINSULA CLEAN ENERGY AUTHORITY**  
**OPERATING FUND**  
**BUDGETARY COMPARISON SCHEDULE**  
**July 1, 2017 through September 30, 2017**

	2017/18 YTD Budget	2017/18 YTD Actual	2017/18 YTD Budget Variance (Under) Over	2017/18 YTD Actual/Budget %	2017/18 Annual Budget	2017/18 Budget Remaining
<b>REVENUE AND OTHER SOURCES</b>						
Revenue - Electricity, net	\$ 74,394,731	\$ 68,569,866	\$ (5,824,865)	92%	\$ 248,082,000	\$ 179,512,134
Revenue - Green Premium, net	187,037	186,166	(871)	100%	737,000	550,834
Interest income	-	1,405	1,405			
Total revenue and other sources	74,581,768	68,757,437	(5,824,331)	92%	248,819,000	180,062,968
<b>EXPENDITURES AND OTHER USES</b>						
<b>CURRENT EXPENDITURES</b>						
Cost of energy	46,142,321	44,208,641	(1,933,680)	96%	181,715,000	137,506,359
Data manager	989,742	1,009,462	19,720	102%	3,970,000	2,960,538
PG&E service fees	402,050	381,482	(20,568)	95%	1,636,000	1,254,518
Personnel	675,000	495,136	(179,864)	73%	3,320,000	2,824,864
Customer noticing	75,000	76,638	1,638	102%	425,000	348,362
Outreach and communications	156,000	42,439	(113,561)	27%	624,000	581,561
Professional services	254,250	151,210	(103,040)	59%	1,017,000	865,790
Legal and regulatory	230,000	397,798	167,798	173%	1,030,000	632,202
Energy programs	25,000	-	(25,000)	0%	250,000	250,000
General and administration	236,250	142,189	(94,061)	60%	795,000	652,811
Total current expenditures	49,185,613	46,904,995	(2,280,618)	95%	194,782,000	147,877,005
<b>OTHER USES</b>						
Rate stabilization reserve *	3,729,088	-	(3,729,088)	0%	12,440,950	12,440,950
Capital outlay	300,000	236,029	(63,971)	79%	484,000	247,971
Total other uses	4,029,088	236,029	(3,793,059)	6%	12,924,950	12,688,921
<b>DEBT SERVICE</b>						
	100,000	87,484	(12,516)	87%	7,997,000	7,909,516
Total Expenditures, Other Uses and Debt Service	53,314,701	47,228,508	(6,086,193)	89%	215,703,950	168,475,442
Net increase (decrease) in available fund balance	\$ 21,267,067	\$ 21,528,929	\$ 261,862	101%	\$ 33,115,050	\$ 11,587,526

\* The rate stabilization reserve will be recognized at the end of the fiscal year

**PENINSULA CLEAN ENERGY AUTHORITY**  
**OPERATING FUND**  
**BUDGET RECONCILIATION TO STATEMENT OF**  
**REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**July 1, 2017 through September 30, 2017**

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 21,528,929
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(14,414)
Add back capital asset acquisitions	236,029
Change in net position	<u><u>\$ 21,750,544</u></u>