Call to order / Roll call

Public Comment

Action to set the agenda and approve consent items
1. Chair Report (Discussion)
2. CEO Report (Discussion)
• Introducing Leslie Brown, Manager of Customer Care

• New PCE Employees starting on March 27th:
  – Joseph Wiedman, Senior Regulatory/Legislative Analyst
  – Siobhan Doherty, Manager of Contracts

• Other positions
  – Posting soon for Finance Manager / Director and Energy Analyst
Regulatory/Legislative Update

• CalCCA meetings (attended by David Burruto):
  – February 28 meetings in Sacramento
    • Senate Energy and Utilities Committee
    • Assembly Energy and Utilities Committee members
    • Governor’s Office staff
  – March 15 meetings in SF
    • Ex Parte with advisors to CPUC Commissioners Peterman, Randolph and Picker
    • CA Foundation on the Environment and Economy (CFEE)

• Diablo Canyon Retirement proceeding
  – PG&E withdrew portion of testimony for Tranches 2 and 3
    • Followed Joint Parties recommendation to cover in IRP Proceeding

• En Banc Hearing on Retail Choice – May 19 - Sacramento
PCE Weekly Newsletter

• Opportunity to share important information with board
  – Compile information during the week
  – Send out on Fridays
• Started on February 24, 2017
• Hope you’re enjoying it!
Employee Handbook

• Compiling now
  – Introduction to PCE
  – Employment policies
  – Employee Conduct
  – Employee Benefits
3. Marketing and Outreach Report (Discussion)
Thank You to Your City Staff!

- Sustainability staff are doing a great job implementing their PCE city outreach plans!
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1</td>
<td>City of Milbrae combined workshop on energy and water</td>
</tr>
<tr>
<td>March 2</td>
<td>Rebuilding Together Peninsula Energy Working Group Presentation</td>
</tr>
<tr>
<td>March 2</td>
<td>City of Brisbane City Council Presentation</td>
</tr>
<tr>
<td>March 7</td>
<td>South San Francisco Kiwanis Club</td>
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<tr>
<td>March 7</td>
<td>City of San Carlos Official PCE Community Workshop</td>
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<tr>
<td>March 8</td>
<td>City of San Mateo Official PCE Community Workshop</td>
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<tr>
<td>March 9</td>
<td>Portola Valley Official PCE Community Workshop #1</td>
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<tr>
<td>March 11</td>
<td>Portola Valley Official PCE Community Workshop #2</td>
</tr>
<tr>
<td>March 14</td>
<td>San Bruno City Council Presentation</td>
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<td>March 15</td>
<td>City of Daly City Official PCE Community Workshop</td>
</tr>
<tr>
<td>March 18</td>
<td>Tabling District 5 Together in Daly City</td>
</tr>
<tr>
<td>March 18</td>
<td>Redwood City Gardening Workshop</td>
</tr>
<tr>
<td>March 21</td>
<td>Millbrae Rotary Club</td>
</tr>
<tr>
<td>March 23</td>
<td>Menlo Park Chamber of Commerce</td>
</tr>
<tr>
<td>Date</td>
<td>Event Description</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>March 27</td>
<td>Belmont PCE Community Workshop</td>
</tr>
<tr>
<td>March 28</td>
<td>Burlingame BAYREN Multifamily Energy Workshop</td>
</tr>
<tr>
<td>March 28</td>
<td>PCE Presentation to Fun After Fifty Seniors Group in Redwood City</td>
</tr>
<tr>
<td>April 10</td>
<td>Half Moon Bay PCE and Hero Community Workshop</td>
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<tr>
<td>April 14</td>
<td>Skyline College Women in Energy career panel</td>
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<tr>
<td>April 18</td>
<td>Lunchtime PCE presentation to SamTrans employees</td>
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<td>April 19</td>
<td>PCE Presentation at Atherton City Council</td>
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<td>April 20</td>
<td>Silver Dragon -- flyering</td>
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<tr>
<td>April 22</td>
<td>Marine Science Earth Day tabling Redwood City</td>
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<tr>
<td>April 22</td>
<td>Pacifica Earth Day tabling</td>
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<td>April 22</td>
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<tr>
<td>April 29</td>
<td>Belmont Earth Day tabling</td>
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<tr>
<td>April 29</td>
<td>Burlingame rainwater and energy workshop</td>
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<tr>
<td>April 29</td>
<td>STEAM fest in Redwood City tabling</td>
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<tr>
<td>May 10</td>
<td>Burlingame Streets Alive tabling</td>
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<tr>
<td>May 11</td>
<td>Bike to Work Day -- flyering</td>
</tr>
<tr>
<td>June 3</td>
<td>Hillsborough Earth Day tabling</td>
</tr>
</tbody>
</table>
Social Media Champions

• Thank you for volunteering!
• Action steps:
  1. Like PCE Facebook page
     • PCE FB group will be phased out as redundant
  2. Re-post FB content on your page, especially events in your area
  3. Follow @pencleanenergy on Twitter, mention and re-tweet
     • When you tag PCE, will we amplify
  4. Board members: Please do post accurate information about PCE on Next Door, identifying that you are on board
Reaching CARE and Medical Baseline

• CARE, FERA, LIHEAP discounts automatically continue for PCE customers
• Medical Baseline customers are exempt from PCIA, receive additional 35% savings!
• PCE is designing special post card to send to customers with discounts
  – In English, Spanish, and Chinese
• Getting word out through Thrive network and discount enrollment agencies
  – Will supply agencies with post cards for clients
How to Read PG&E Bills

- PCE line items appear on pages 1, 3, and 4 of PG&E bills – not much we can do (next slides)
- Annotated sample bill already on PCE website explaining bill line by line
- Sending a special post card to residential (E1) customers on how to find savings on bill
- Creating website video on reading your bill
- Organizing workshop/open house for solar customers to bring in their NEM bills
New Changes to Your Bill

- PCE charge on page 1
- PG&E Generation Credit on page 3

PCE charge + PCIA and FF fees is LESS than the Generation Credit

Customer saves with PCE
PCE Sample Energy Bill: Page 1

Statement

Your Account Summary

Account No: 0123456789-1
Statement Date: 12/15/2016
Due Date: 01/05/2017

Your Account Summary

Amount Due on Previous Statement $75.84
Payment(s) Received Since Last Statement -75.84
Previous Unpaid Balance $0.00

Current PG&E Electric Delivery Charges $43.45
PENINSULA CLEAN ENERGY Electric Generation Charges 25.33
Current Gas Charges 30.24

Total Amount Due by 01/05/2017 $99.02
### Details of PG&E Electric Delivery Charges

**11/09/2016 - 12/08/2016 (30 billing days)**

**Service For:** 1234 ROAD STREET  
**Service Agreement ID:** 0123456789  
**Rate Schedule:** E1 X Residential Service

<table>
<thead>
<tr>
<th>11/09/2016 – 12/08/2016</th>
<th>Your Tier Usage</th>
<th>1</th>
<th>2</th>
<th>3</th>
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<td></td>
<td></td>
<td>$60.01</td>
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<td>Tier 2 Usage</td>
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<td>$10.44</td>
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<tr>
<td>Generation Credit</td>
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<td></td>
<td>$35.83</td>
<td></td>
</tr>
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<td>Power Charge Indifference Adjustment</td>
<td></td>
<td></td>
<td></td>
<td>8.60</td>
</tr>
<tr>
<td>Franchise Fee Surcharge</td>
<td></td>
<td></td>
<td></td>
<td>0.23</td>
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<tr>
<td><strong>Total PG&amp;E Electric Delivery Charges</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$43.45</strong></td>
</tr>
<tr>
<td>Date Range</td>
<td>Your Tier Usage</td>
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<td>2</td>
<td>3</td>
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<td>---</td>
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<tr>
<td>11/09/2016 – 12/08/2016</td>
<td>Tier 1 Allowance</td>
<td>327.00 kWh</td>
<td>(30 days x 10.9 kWh/day)</td>
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<tr>
<td></td>
<td>Tier 1 Usage</td>
<td>327.000000 kWh</td>
<td>@ $0.18353</td>
<td>$60.01</td>
</tr>
<tr>
<td></td>
<td>Tier 2 Usage</td>
<td>43.000000 kWh</td>
<td>@ $0.24276</td>
<td>10.44</td>
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<tr>
<td></td>
<td>Generation Credit</td>
<td>-35.83</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Power Charge Indifference Adjustment</td>
<td>8.60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Franchise Fee Surcharge</td>
<td>0.23</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total PG&amp;E Electric Delivery Charges</strong></td>
<td><strong>$43.45</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2016 Vintaged Power Charge Indifference Adjustment
Sample Bill: Page Four

ENERGY STATEMENT
www.pge.com/MyEnergy

Details of PENINSULA CLEAN ENERGY Electric Generation Charges
11/09/2016 - 12/09/2016 (31 billing days)

Service For: 1234 ROAD STREET
Service Agreement ID: 0123456789 ESP Customer Number: 0123456789

11/09/2016 - 12/09/2016

- Rate Schedule: E-1
  - GENERATION - TOTAL: 370.000000 kWh @ $0.06815
    - NET CHARGES: 25.22

10

- Energy Surcharge: 0.11

11

Total PENINSULA CLEAN ENERGY Electric Generation Charges: $25.33

12

PG&E continues to provide and bill for electric delivery services. Gas services are not provided by PCE.

We invite you to contact us at info@peninsulacleanenergy.com or 866-966-0110 to learn more. We're happy to help.
Details of PENINSULA CLEAN ENERGY Electric Generation Charges

11/09/2016 - 12/09/2016 (31 billing days)

Service For: 1234 ROAD STREET
Service Agreement ID: 0123456789 ESP Customer Number: 0123456789


Rate Schedule: E-1
GENERATION - TOTAL 370.000000 kWh @ $0.06815 $25.22
NET CHARGES 25.22

Energy Surcharge
Peninsula Clean Energy is San Mateo County's official electricity provider
You're getting cleaner energy at lower rates!

Total PENINSULA CLEAN ENERGY Electric Generation Charges $25.33
# The Math

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>PENINSULA CLEAN ENERGY Generation Charges (Page 1)</td>
<td>$25.33</td>
</tr>
<tr>
<td>Power Charge Indifference Adjustment Fee (Page 3)</td>
<td>8.60</td>
</tr>
<tr>
<td>Franchise Fee Surcharge (Page 3)</td>
<td>0.23</td>
</tr>
<tr>
<td>Minus Energy Surcharge (Page 4)</td>
<td>-0.11</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$34.05</td>
</tr>
<tr>
<td>Generation Credit (Page 3)</td>
<td>-$35.83</td>
</tr>
</tbody>
</table>

Savings = $1.78

Your PCE savings are $1.78/$35.83 = 5% !!!!!
Social Media: March 2017

Peninsula Clean Energy
Published by Kirk Nelson (7) · March 12 at 1:32pm
Today is Daylight Saving - be energy efficient, take advantage of the extra hour of natural light!

Peninsula Clean Energy
Published by Kirk Nelson (7) · March 14 at 2:15pm
You’ve got questions, we’ve got answers! Visit our FAQ page to learn about Peninsula Clean Energy. http://www.peninsulacleanenergy.com/

Peninsula Clean Energy
Published by Kirk Nelson (7) · March 17 at 1:31pm
We’re all about green, especially on St. Patrick’s Day!
Press Releases

• One press release distributed in March
  – SamTrans, Caltrain to Use 100 Percent Renewable Electricity from
  – Media coverage included:
    • Mass Transit Magazine
    • The Almanac

• April press releases will include:
  – Portola Valley goes ECO100
  – PCE now the largest CCA in California (with press event)
  – PCE signs new power supply contracts
Spring Advertising Summary

**Media Mix:**
- Print
- Radio
- Online
- Cable
- Outdoor/Transit
- Social Media

**Audiences:**
- Residents
  - English, Spanish, & Chinese language
- Multicultural Communities
- Businesses
- Seniors

**Timing:**
- Late February
- All March
- Early/Mid April
Social Media Videos

- Completed for:
  - Wayne Lee
  - Lori Liu
  - John Keener
  - Harvey Rarback
  - Glenn Sylvester
  - Daniel Yost
  - Charles Stone
  - Jan Pepper
- Will be posted to our website and YouTube channel, and distributed through social media
- Please share with your network
Op Ed Update

• Two drafted for March:
  – Jeff Aalfs for Almanac
  – Dave Pine for San Mateo Daily Journal

• On deck:

<table>
<thead>
<tr>
<th>Author</th>
<th>Month</th>
<th>Topic</th>
<th>Outlet</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Keener</td>
<td>April</td>
<td>How PCE helps us meet our climate action plan goals</td>
<td>Pacifica Tribune</td>
</tr>
<tr>
<td>Donna Colson</td>
<td>April</td>
<td>Green Power Options with PCE</td>
<td>Burlingame Voice</td>
</tr>
</tbody>
</table>
Customer Notices: Update

- 208,000 units of each notice
- Phase 2 notice #1 already sent
- Phase 2 notice #2 currently mailed weekly
- 2 different notices for #2
  - Self-mailer
  - Portola Valley letter format
- Self-mailer includes both Spanish and Chinese
- Post-enrollment notices #3 and #4 will be large postcard format
Outreach to Top 100 Customers

- Reaching out to largest electric users and other key accounts such as school districts and hospitals
- Asking for meeting to provide overview of PCE and answer questions
- Meetings are going well and mutually informative
Eco Business Directory

• Form sent to all 24 ECO100 businesses and cities enrolled in Phase 1
• Web site being completed this week based on completed forms
• Soft launch (live website) next week
• Promotion around Earth Day
• Can be used to help encourage business upgrades to ECO100
• We can add new ECO100 businesses anytime
Website Visits: May 1, 2016 - February 21, 2017

- 1st social media ads
- Enrollment phase 1 ad buy
- Enrollment phase 2 ad buy

Sessions: 72,743
Users: 37,605
Pageviews: 150,482

Pages / Session: 2.07
Avg. Session Duration: 00:02:12
Bounce Rate: 62.56%

% New Sessions: 51.30%

New Visitor: 48.7%
Returning Visitor: 51.3%
## Opt-Outs

### OPT OUT BY CITY/POPULATION 3/17/17

<table>
<thead>
<tr>
<th>CITY</th>
<th>Eligible Accts</th>
<th>Past Phase Accts</th>
<th>Total</th>
<th>TOTAL OPT OUT %</th>
</tr>
</thead>
<tbody>
<tr>
<td>PORTOLA VALLEY INC</td>
<td>1,674</td>
<td>160</td>
<td>42</td>
<td>2.51%</td>
</tr>
<tr>
<td>COLMA INC</td>
<td>799</td>
<td>772</td>
<td></td>
<td>1.25%</td>
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<tr>
<td>SAN BRUNO INC</td>
<td>16,416</td>
<td>4,088</td>
<td>191</td>
<td>1.16%</td>
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<tr>
<td>SO SAN FRANCISCO INC</td>
<td>24,857</td>
<td>7,315</td>
<td>279</td>
<td>1.12%</td>
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<tr>
<td>PACIFICA INC</td>
<td>15,417</td>
<td>3,778</td>
<td>154</td>
<td>1.00%</td>
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<tr>
<td>SAN CARLOS INC</td>
<td>14,380</td>
<td>4,704</td>
<td>133</td>
<td>0.92%</td>
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<tr>
<td>HILLSBOROUGH INC</td>
<td>4,056</td>
<td>1,027</td>
<td>37</td>
<td>0.91%</td>
</tr>
<tr>
<td>DALY CITY INC</td>
<td>33,729</td>
<td>8,111</td>
<td>307</td>
<td>0.91%</td>
</tr>
<tr>
<td>UNINC SAN MATEO CO</td>
<td>24,362</td>
<td>7,180</td>
<td>221</td>
<td>0.91%</td>
</tr>
<tr>
<td>BELMONT INC</td>
<td>11,818</td>
<td>3,085</td>
<td>102</td>
<td>0.86%</td>
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<tr>
<td>MILLBRAE INC</td>
<td>9,377</td>
<td>2,386</td>
<td>80</td>
<td>0.85%</td>
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<tr>
<td>HALF MOON BAY INC</td>
<td>4,910</td>
<td>1,449</td>
<td>41</td>
<td>0.84%</td>
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<tr>
<td>BURLINGAME INC</td>
<td>15,458</td>
<td>4,595</td>
<td>129</td>
<td>0.83%</td>
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<tr>
<td>SAN MATEO INC</td>
<td>43,457</td>
<td>11,540</td>
<td>335</td>
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<tr>
<td>BRISBANE INC</td>
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<td>864</td>
<td>19</td>
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<tr>
<td>WOODSIDE INC</td>
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<td>0.66%</td>
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<tr>
<td>ATHERTON INC</td>
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<td>756</td>
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<td>FOSTER CITY INC</td>
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<td>MENLO PARK INC</td>
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<tr>
<td>REDWOOD CITY INC</td>
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<tr>
<td>EAST PALO ALTO INC</td>
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<td>1,852</td>
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<tr>
<td><strong>Grand Total</strong></td>
<td><strong>299,598</strong></td>
<td><strong>81,424</strong></td>
<td><strong>2,496</strong></td>
<td><strong>0.83%</strong></td>
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## Opt-Ups

<table>
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<td></td>
<td>Full Territory</td>
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<tr>
<td>ATHERTON INC</td>
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<td>BELMONT INC</td>
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<td>BRISBANE INC</td>
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<tr>
<td>BURLINGAME INC</td>
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<tr>
<td>COLMA INC</td>
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<tr>
<td>DALY CITY INC</td>
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<td>FOSTER CITY INC</td>
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<td>3,421</td>
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<tr>
<td>HALF MOON BAY INC</td>
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<td>1,425</td>
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<td>HILLSBOROUGH INC</td>
<td>4,056</td>
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<td>PORTOLA VALLEY INC</td>
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<td>24,857</td>
<td>7,233</td>
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<td>UNINC SAN MATEO CO</td>
<td>24,362</td>
<td>6,901</td>
</tr>
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<td>WOODSIDE INC</td>
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<td>691</td>
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<tr>
<td>Unallocated</td>
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<tr>
<td>Unallocated (cust type)</td>
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<td>370</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>299,598</td>
<td>80,475</td>
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</tbody>
</table>
4. Authorize the Chief Executive Officer to execute Power Purchase Agreements and ancillary documents for Renewable Supply with:
   1) Buena Vista Energy, LLC; 2) Energy Development & Construction Corporation; and 3) Cuyama Solar, LLC
Power Purchase Agreements (PPAs) for Renewable Supply – Approval Request

March 23, 2017
At the January Board of Directors meeting, PCE staff presented four contracts, and received Board of Directors approval to execute them
  – These contracts were executed and are moving forward
Since that time, negotiations have proceeded successfully with a number of project development teams
  – Supported by our Associate General Counsel and outside counsel Winston & Strawn
Tonight, PCE staff presents three Renewables PPAs for approval
  – Two wind projects (existing) and one solar farm (new)
  – PCE anticipates bringing additional contracts to the Board of Directors for approval at the April meeting
## Summary of the Three Renewables Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Buena Vista Energy, LLC</th>
<th>Energy Development &amp; Construction Corporation (EDCC)</th>
<th>Cuyama Solar, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology</td>
<td>Wind (Existing)</td>
<td>Wind (Existing)</td>
<td>Solar (New)</td>
</tr>
<tr>
<td>Location</td>
<td>Altamont Pass</td>
<td>Palm Springs</td>
<td>Santa Barbara County</td>
</tr>
<tr>
<td>Anticipated delivery start date</td>
<td>4/17/2017</td>
<td>7/1/2017</td>
<td>1/1/2018</td>
</tr>
<tr>
<td>Delivery term, years</td>
<td>5</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Contract capacity, MW</td>
<td>38</td>
<td>11.7</td>
<td>40</td>
</tr>
</tbody>
</table>
Buena Vista Energy, LLC

- The Seller is Buena Vista Energy, LLC, a California limited liability company
  - The parent company is Leeward Renewable Energy, LLC, based in Texas
• The Seller is Energy Development & Construction Corporation, a Delaware corporation (dba EDCC in California)
  – EDCC is a small, privately owned company based in southern California
Cuyama Solar, LLC

- The Seller is Cuyama Solar, LLC, a Delaware limited liability company
  - The parent company is First Solar, based in San Francisco
5. Authorize the Chief Executive Officer to execute WSPP Confirmation for Purchase of Resource Adequacy from PG&E for June 2017, in an amount not to exceed $375,000 (Action)
6. Authorize the Chief Executive Officer to execute WSPP Confirmation for Purchase of Greenhouse Gas Free Energy from Morgan Stanley Capital Group, Inc. for 2017 in an amount not to exceed $350,000 (Action)
7. Receive update on status of Wright Solar Park and Delegate Authority to CEO to modify certain dates in the Power Purchase Agreement between PCE and Wright Solar Park (Action)
8. Update from Ad Hoc Committee on Formation of New Citizens Advisory Committee (Discussion)
9. Power Charge Indifference Adjustment (PCIA) Vintaging and PCIA Workgroup Update (Discussion)
PCIA
(Power Charge Indifference Adjustment)

- Mandated by legislature, through CPUC
- Paid by PCE customers, not PG&E
- 35% of PCE's residential generation charges
  - After 3/15/2017, ~47% of residential generation
- Supposed to pay for above market power contracts
  - Mostly renewables, but not exclusively
Original value of PG&E's above market contracts

Minus: Current value of those contracts

= PCIA
PG&E's Above Market Contracts

- Mainly renewable energy, but not exclusively
- Some were CPUC-mandated to develop renewable market
- Details of contracts are not available
- Why not have **ALL** contracts be part of PCIA?
  - Why do we pay for just the above market ones?
Current Value of PG&E Contracts

- Each year, utility estimates amount of power delivered from above market contracts
- Multiplies that by Market Price Benchmark (MPB) to give current value
- MPB determined administratively
PCIA Problems

- Contracts are not transparent
- Depends on power estimates and market estimates for coming year – no "true up"
- Unpredictable how much increases will be each year
PCIA Over the Years

PCIA charges for E-1 customers

$/kWhr

2012 2013 2014 2015 2016 2017
PCIA Calculation Revisited

Original value of PG&E's above market contracts

Minus: Current value of those contracts
(energy x Market Price Benchmark)

= PCIA

• Increase in 2016 due to Market Price Benchmark decrease
• In 2017, due to increase in above market contracts
Vintages of PCIA

• Vintage 2016 includes all PCE customers, those who started PCE last October as well as those who start in April 2017

• Vintage 2016 is not responsible for new contracts PG&E makes in 2017
  – But is responsible for extensions to existing contracts
PAM
(Portfolio Allocation Methodology)

• Utility proposal to replace PCIA, very preliminary

• A portion of above market contracts transferred to CCAs each year
  – CCAs could use the energy
  – But, if CCAs don't need it, forced to sell on spot market

• Problems remain: No transparency on contracts
  – Probably state legislature action required to make legal
PCIA Workshop Update

March 23, 2017

Pradeep Gupta
The PCIA represents the difference between the utilities’ contracted rate and the market price benchmark set annually by the CPUC.

The market price benchmark (MPB) represents what the utility would get in the current market to sell-off unused power contracts.

RPS adder, a component of MPB, uses average of DOE Survey of Western energy premiums and PG&E’ RPS compliant resources.
## IOU Proposed Portfolio Allocation Methodology (PAM)

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>The Portfolio Allocation Methodology (PAM) approach is intended to replace the “above-market” construct, which is based on administratively-set benchmarks, in order to ensure bundled customer indifference. <em>IOUs claim that benchmarks overstate market values and underestimate PCIA.</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>MARKET-BASED</td>
<td>Pro-rated net costs allocated to customers would be determined on a vintaged portfolio basis, based on forecast portfolio costs and market revenues, and would be trued up to reflect actual costs and revenues.</td>
</tr>
<tr>
<td>DETERMINATION OF</td>
<td></td>
</tr>
<tr>
<td>ACTUAL COSTS</td>
<td></td>
</tr>
<tr>
<td>EQUITABLE ALLOCATION</td>
<td>Load Serving Entities (LSEs) would receive a pro-rated allocation of resource attributes, including Resource Adequacy (RA), Renewable Energy Credits (REC), and any future attributes.</td>
</tr>
<tr>
<td>OF ACTUAL BENEFITS</td>
<td></td>
</tr>
</tbody>
</table>
IOU Portfolio

Capacity Value (RA)

Green Attribute (REC)

Energy & Ancillary Services Value

Above Market Cost

Costs and Benefits

Allocated to all LSEs

Monetized through CAISO market and allocated to all customers

Paid for by all customers

PAM OVERVIEW
CALCULATION OF NET COSTS

COSTS

• Contract Costs
  – PPA costs
  – GHG compliance instrument costs
• Indirect Costs
  – Fuel (e.g., natural gas, water, etc.)
  – Hedging
• UOG Costs
  – Capital
  – O&M
  – New Capital Upgrades

Excluded Costs:
• Congestion Revenue Rights
• Gas Storage

Market Revenues

• Energy and Ancillary Service Revenues (all markets)
• Net CAISO grid management revenues/costs, unit commitment revenues/costs, and “make whole” revenues/costs

SUMMARY: Initial rate based on forecast of resource costs and revenues/charges from CAISO market; trued-up annually.
Resource Costs – Offsetting Revenues = PAM Amount

• PAM Amount is calculated for each vintage resource portfolio, and allocated to departed customers based on assigned vintage consistent with D.16-09-044.
• Net costs are trued-up in the ERRA Forecast proceeding based on actual portfolio performance and *market* settlement data using a balancing account (like CAM).

**SUMMARY:** Consistent with the current PCIA vintaging, costs are calculated and allocated to customers based on their date of departure. Customers are responsible for their pro-rata share of the net costs of their vintaged portfolio.
# ALLOCATION OF BENEFITS: RECs

<table>
<thead>
<tr>
<th>ALLOCATION</th>
<th>RECs allocated to the LSEs based on load share (not peak load)</th>
</tr>
</thead>
</table>
| TIMING     | • Forecasted yearly  
|            | • Allocated annually |
| TRUE-UP    | Annually, to reflect changes to actual load share and actual changes to REC generation |

**SUMMARY:** RECs allocated to LSEs based on their annual energy load share.
### ALLOCATION OF RA ATTRIBUTES

<table>
<thead>
<tr>
<th>ALLOCATION</th>
<th>RA credit allocated to the LSEs based on forecast peak load share</th>
</tr>
</thead>
<tbody>
<tr>
<td>TIMING</td>
<td>• System, Local, and Flex RA credit forecasted annually</td>
</tr>
</tbody>
</table>
| RE-ALLOCATION | Based on updates to monthly peak loads, amounts of RA credit are re-allocated:  
|             | • Details on timing to be developed                               |

**SUMMARY:** Consistent with current CAM RA allocations, credit for System, Local, and Flexible RA will be allocated to LSEs based on forecast peak load share.
1. Utility costs higher than sum of RECs, RA, energy.
2. Data unavailable- SFPUC request denied.
3. Regulatory gaps- process to transfer RECs, RA, RPS contracts.
4. Monetization of benefits to LSE-
5. LSEs have contracted for their needs
6. Avoided costs due to departing loads not included.
10. Financial Reports (Discussion)
11. Board Members’ Reports (Discussion)
Adjourn