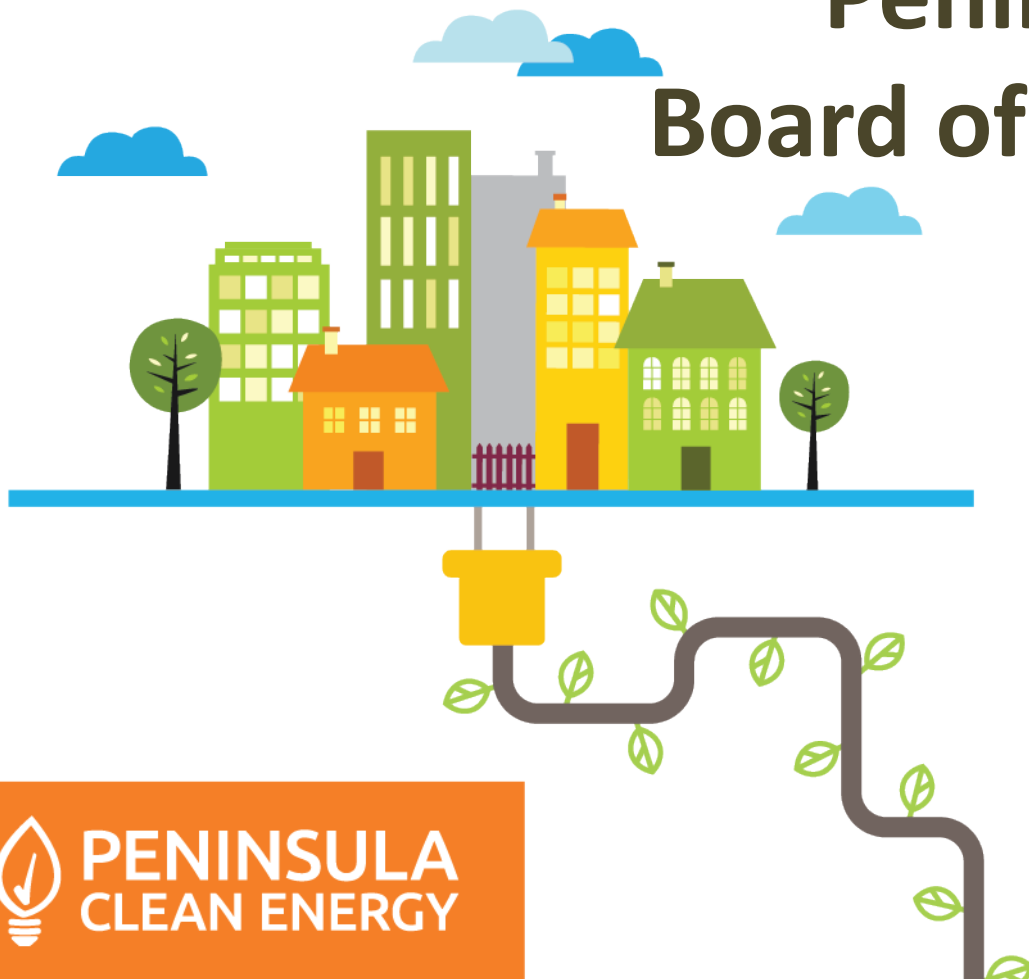


Peninsula Clean Energy Board of Directors Meeting

June 22, 2017



**PENINSULA
CLEAN ENERGY**

Agenda

Call to order / Roll call

Public Comment

Action to set the agenda and approve consent items

Closed Session

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS

**Agency Designated Representatives:
Dave Pine and David Silberman**

**Unrepresented Employee:
Chief Executive Officer**

Closed Session

3. RECONVENE OPEN SESSION AND REPORT OUT OF CLOSED SESSION

Regular Agenda

4. Approval of Employment Contract Amendment and Compensation Adjustment for Chief Executive Officer (Action)

Regular Agenda

5. Chair Report (Discussion)

Regular Agenda

6. CEO Report (Discussion)

Recruiting Update

- Current Recruitment:
 - Finance Director
 - Posting extended to Wednesday, July 5th
 - Please inform your networks
- Next recruitment:
 - Marketing Associate
 - Outreach Fellows (2)
 - Posting early next week

PCE Updates

- First Citizens Advisory Committee meeting with the new CAC was held on June 15
- Office Space: Still aiming for completion July 23, and move-in the last week of July

Financial Update

- Finance and Audit Committee:
 - First meeting held on May 31
 - Audit RFP sent out yesterday (June 21)
 - Proposals due July 14
 - Selection made by August 7
- PCE's Net Position:
 - As of May 31, 2017 = \$16,264,663
 - Increase of \$10,483,211 from last month
 - Net position will continue to grow due to:
 - Full roll-out to all of San Mateo County
 - Summer rates in effect

CalCCA Updates

- Participated in interviews of top candidates for Operations Director
- Dan chairing Marketing and Communications Subcommittee for CalCCA
- Joe very involved in the Legislative and Regulatory Subcommittees for CalCCA
- Annual CalCCA Meeting will be in Lancaster in October

Conference Highlights

- Precourt Institute Silicon Valley Energy Summit at Stanford tomorrow
 - PCE will have a booth
 - PCE will cover registration for PCE board members
 - Jan speaking on panel with SVCE and two direct access customers

Regular Agenda

7. Marketing and Outreach Report (Discussion)

Recent Presentations & Tabling

June 3	Hillsborough Earth Day tabling
June 6	Sons in Retirement presentation in San Mateo
June 8	Talking with Henrietta local cable access TV show (East Palo Alto, Menlo Park)
June 10	County Fair Emergency Preparedness Day
June 12	Outreach to solar industry at Pacific Energy Center
June 14	Colma Senior Center Presentation
June 20	RICAPS group webinar

Upcoming Presentations & Tabling

27-Jun	Belmont City Council ECO100 Presentation
8-Jul	Tabling at Kite Festival at Coyote Point
13-Jul	City of San Mateo Sustainability Commission
15-Jul	Colma Community Fair
19-Jul	Eggs and Issues with Pacifica Chamber of Commerce
3-Aug	Bayshore Friendship Seniors Club Presentation, Daly City
23-Sep	Bacon and Brew with San Mateo Chamber of Commerce*
14-Oct	Half Moon Bay Pumpkin Festival*

Keep PCE in mind for your community groups, fairs, summer events. We love invitations to table or present!

Chambers of Commerce

- **PCE joining all Chambers of Commerce in County**
 - Phased approach to take advantage of new member outreach benefits
- **San Mateo Area Chamber of Commerce**
 - Helped publicize Phase 2 press event
 - Access to networking nights with local businesses
 - Helping us get booth at Bacon and Brews event
- **Pacifica Chamber of Commerce**
 - Hosting Eggs and Issues breakfast presentation on PCE
- **Next up: San Bruno and South San Francisco Chambers**



PACIFICA
CHAMBER of COMMERCE
& VISITOR CENTER

Early emphasis on North County and coastal communities with higher opt-out rates

City Outreach Kit #3

- Sent to staff at each city through RICAPS network
- Content for City Manager newsletters, City websites, Next Door, and social media
- Focus on Understanding Bill
- Optional content on ECO100, Citizens Advisory appointments
- Thank you to city staff for helping to educate your residents!
- Follow up with your City Manager





July Outreach Priorities

1. Community newsletters: How to Read Your Bill content
2. Outreach to health and social service providers re: CARE and Medical Baseline discounts
3. Continued strategic North County focus

Joint Rate Mailer

- Sent to all customers in San Mateo County, whether in PCE or not
- Four different versions (one residential, three commercial)
- Dropped in mail earlier this week
- Good optics:
 - Jointly branded
 - Shows PCE as lower cost and cleaner power supply

Pacific Gas and Electric Company
P.O. Box 997220
Sacramento, CA 95899-7220

Printed
on
recycled
paper
PAID
San Jose, CA
Permit #255

We support your power to choose

As part of our mutual commitment to support your energy choice, Peninsula Clean Energy (PCE) and Pacific Gas and Electric Company (PG&E) have partnered to provide you with a comparison of typical residential electric rates, average monthly charges and generation portfolio contents.

If this comparison does not address your specific rate, please visit us online at peninsulacleanenergy.com or pge.com/ccca.

Understanding your energy choice

2017 Residential Rate Comparison, E-1*

	PG&E Solar Choice	Peninsula Clean Energy ECOplus	ECO100
Generation Rate (cents)	\$0.09838	\$0.09529	\$0.06369
PG&E Delivery Rate (cents)	\$0.13829	\$0.13829	\$0.13829
PG&E PCIA/FF (cents)	N/A	\$0.02919	\$0.02977
Total Electricity Cost (cents)	\$0.23667	\$0.26277	\$0.23175
Average Monthly Bill (\$)	\$160.07	\$111.15	\$97.99

Electric Power Generation Mix*

	PG&E Solar Choice	Peninsula Clean Energy ECOplus	ECO100
Renewable	33%	100%	90%
- Biomass & Biowaste	4%	0%	3%
- Geothermal	5%	0%	3%
- Hydro	3%	0%	13%
- Solar (Electric)	13%	100%	3%
- Wind	8%	0%	28%
Coal	0%	0%	0%
Large Hydroelectric	12%	0%	30%
Natural Gas	17%	0%	0%
Nuclear	24%	0%	0%
Other	0%	0%	0%
Unspecified Sources of Power**	14%	0%	25%
Total	100%	100%	100%

*This compares electricity costs for an average residential customer in the PCE/PG&E service area (San Mateo County) with an average monthly usage of 422 kilowatt-hours (kWh). This is based on a representative December billing history for all customers on the rate schedules for PG&E and PCE published rates as of March 15, 2017.

Generation Rate is the cost of creating electricity to power your home. The generation rate varies based on your energy provider and the resources included in your energy provider's generation supply.

PG&E Delivery Rate is a charge assessed by PG&E to deliver electricity to your business. The PG&E delivery rate depends on your electricity usage, but is charged equally to both PCE and PG&E customers.

PG&E PCIA/FF represents the Power Charge Indifference Adjustment (PCIA) and the Franchise Fee surcharge (FF). The PCIA is a charge to recover PG&E's costs for generation resources that are currently above the market rate. These resources were committed to prior to a customer's switch to a third-party electric generation provider. The PCIA also applies to PG&E customers that elect to take service under PG&E's optional Solar Choice program. PG&E acts as a collection agent for the Franchise Fee surcharge. This fee is imposed by cities and counties in PG&E's service territory for all customers. The costs for resources included in the PCIA and FF surcharges are included in the generation rate for PG&E bundled service customers.

If this comparison does not address your specific rate, please visit us online at peninsulacleanenergy.com or pge.com/ccca.

**Unspecified sources of power refers to electricity that is not traceable to a specific generating facility, such as electricity traded through open market transactions. Unspecified sources of power are typically a mix of all resource types, and may include renewables.

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How to Read PG&E Bills


- Reminder: these cards are still being mailed to customers throughout San Mateo County.
- Rate concerns are now the #1 reason for opt-outs
- Please share the video with your constituents



Congratulations—you are now saving 5% on electric generation service and receiving cleaner power from Peninsula Clean Energy's ECOplus program.

Peninsula Clean Energy (PCE) is now San Mateo County's official electricity provider offering cleaner electricity at lower rates. You are receiving 50% renewable energy from sources including wind and solar power. Peninsula Clean Energy's power supply has more renewable energy, and less greenhouse gas emissions, than PG&E's power supply. But with the same reliable service!

Your Peninsula Clean Energy charges will appear on your PG&E bill, and you will receive a credit from PG&E on the bill, since you are no longer purchasing its power. We explain below how to calculate your 5% savings.



You are a PCE ECOplus customer! Here's how to calculate your savings:

Step 1 Enter "Generation Credit" usually found on page 3 of your bill. This is a credit from PG&E, because they're no longer providing their 30% renewable energy. CREDIT FROM PG&E
\$

Step 2 Enter additional charges from PG&E: Power Charge Indifference Adjustment and Franchise Fee Surcharge. This covers energy purchased by PG&E on your behalf before you joined PCE. PCE
\$
+ FRANCHISE FEE
\$
+ NET CHARGES
\$

Step 3 Enter charges for Peninsula Clean Energy's greener power, called "Net Charges" on page 4. Other fees found here, which may include an Energy Commission Tax and sometimes a Local Utility Users Tax, are paid by all PG&E customers. \$

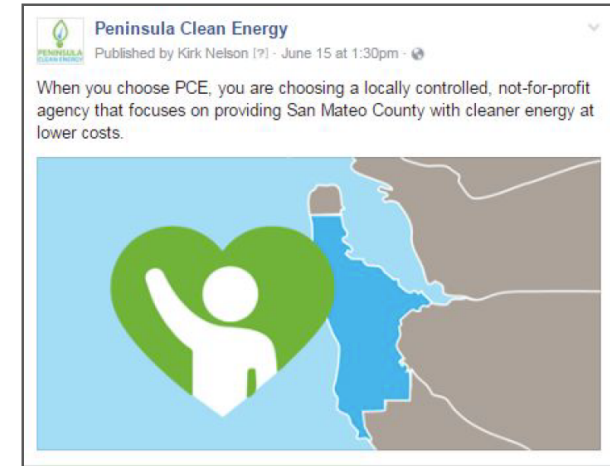
Step 4 Add the amount of the 3 boxes in Steps 2 and 3. TOTAL CHARGES
\$

Step 5 Subtract the amount in Step 4 from the PG&E credit in Step 1 to see your savings. A typical ECOplus customer will save about \$2/month. How do your savings stack up? TOTAL SAVINGS
\$

Having trouble with the calculation? Contact our helpful call center representatives at 1 (866) 966-0110 during regular business hours, or watch the short instructional video on our website at peninsulacleanenergy.com/residents.

Social Media: May 2017

Social Media: June 2017



Op Eds

Status	Who	Subject	Publications
Drafted	Donna Colson	Green Power Options with PCE	Burlingame Voice
Drafted	Charles Stone and Cameron Johnson	First month of PCE's data – what it shows	San Mateo Daily Journal

Next Month:

- Custom city data with updated projections on opt-outs, ECO100 enrollments, MWh sales, avoided greenhouse gas emissions, and projected annual \$ savings for each community (i.e. not just municipal accounts).
- PCE will provide the data and talking points to each Board member
- PCE will issue a press release with county-wide data
- Sneak peak:
 - Save electric customers over \$18 million annually
 - Avoid 650 million pounds of GHGs countywide this year

Customer Notices: Update

- Phase 2 complete!
- Now mailing bi-weekly to customers who need:
 - Confirmation of opt-out
 - Confirmation of opt-up
 - Enrollment notices for customers who establish service



Social Media & Web Metrics

Website Visits: June 21, 2016 - June 21, 2017



Sessions
89,457



Users
48,266



Pageviews
187,011



Pages / Session
2.09



Avg. Session Duration
00:02:17



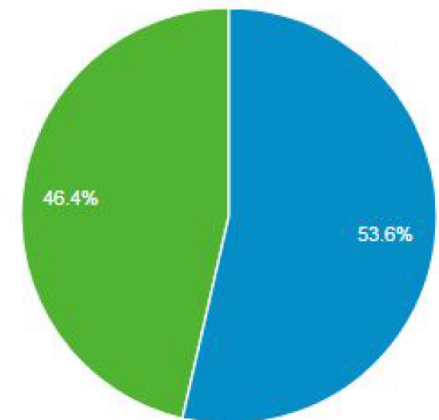
Bounce Rate
60.70%



% New Sessions
53.56%



New Visitor Returning Visitor



Check It Out! Home Energy and Water Saving Toolkit

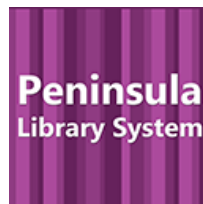
- 31 Libraries (all branches in San Mateo County)
- 71 kits available
- The kits have been checked out 115 times countywide in first month of launch
- Includes info book with PCE info
- More information can be found on smcenergywatch.com



Provided by the partnership of:

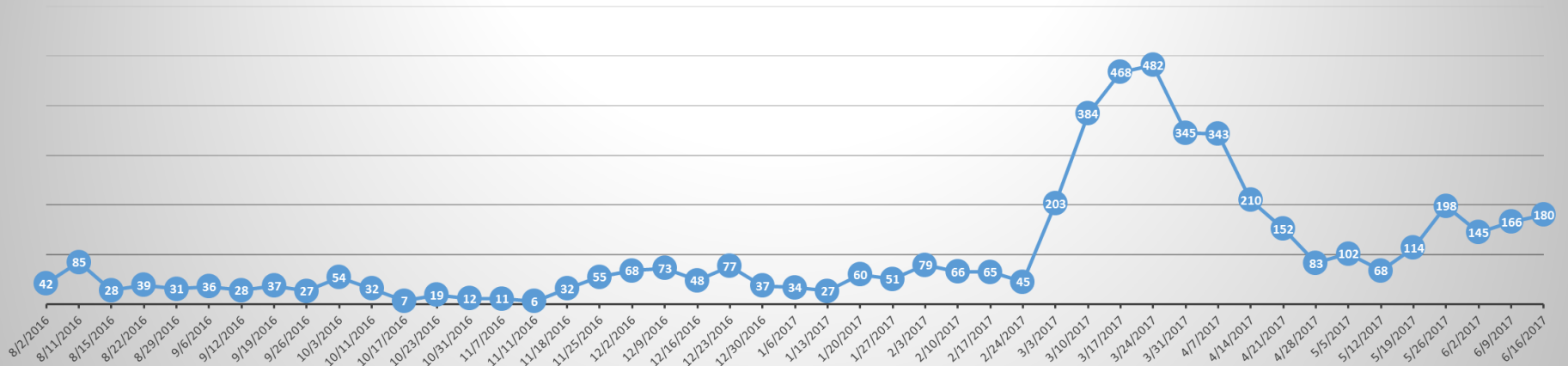


San Mateo
County
Libraries



Opt Outs By Week

Opt Outs by Week



Opt Outs

CITY	Eligible Accts	Total	TOTAL OPT OUT %
PORTOLA VALLEY INC	1,668	78	4.68%
SAN BRUNO INC	16,387	425	2.59%
PACIFICA INC	15,436	357	2.31%
SO SAN FRANCISCO INC	24,786	564	2.28%
HALF MOON BAY INC	4,918	107	2.18%
DALY CITY INC	33,885	624	1.84%
MILLBRAE INC	9,383	172	1.83%
SAN CARLOS INC	14,346	250	1.74%
UNINC SAN MATEO CO	24,356	421	1.73%
BELMONT INC	11,854	198	1.67%
SAN MATEO INC	43,780	683	1.56%
BRISBANE INC	2,490	38	1.53%
HILLSBOROUGH INC	4,065	57	1.40%
BURLINGAME INC	15,434	216	1.40%
FOSTER CITY INC	14,397	184	1.28%
WOODSIDE INC	2,289	27	1.18%
REDWOOD CITY INC	34,431	404	1.17%
COLMA INC	791	•	1.14%
ATHERTON INC	2,683	30	1.12%
MENLO PARK INC	15,444	160	1.04%
EAST PALO ALTO INC	7,782	80	1.03%
Grand Total	300,605	5,084	1.69%

Opt-Ups

ACTIVE ACCTS BY CITY	Eligible Accts	
CITY	Full Territory	ECO100
ATHERTON INC	2,683	48
BELMONT INC	11,854	57
BRISBANE INC	2,490	76
BURLINGAME INC	15,434	102
COLMA INC	791	
DALY CITY INC	33,885	37
EAST PALO ALTO INC	7,782	13
FOSTER CITY INC	14,397	94
HALF MOON BAY INC	4,918	32
HILLSBOROUGH INC	4,065	
MENLO PARK INC	15,444	217
MILLBRAE INC	9,383	74
PACIFICA INC	15,436	71
PORTOLA VALLEY INC	1,668	1,348
REDWOOD CITY INC	34,431	499
SAN BRUNO INC	16,387	46
SAN CARLOS INC	14,346	157
SAN MATEO INC	43,780	214
SO SAN FRANCISCO INC	24,786	36
UNINC SAN MATEO CO	24,356	179
WOODSIDE INC	2,289	36
Unallocated		
Unallocated (cust type)		
Grand Total	300,605	3,353

Opt-UpDate™

- County of San Mateo
- San Mateo County Harbor District

Sponsorships and Conferences

- PCE is sponsoring these upcoming events:

What	When	Where	Who
Silicon Valley Energy Summit	June 23	Stanford	Precourt Energy Efficiency Center

Transitional Rates

- Most PCE customers have now been served for more than 60 days
- If a customer opts out of PCE after 60 days of service, PG&E gives them two options:
 - Notify PCE of intent to opt out. Remain on PCE service for six months and then auto-return to previous bundled electric generation rate from PG&E.
 - Return to PG&E bundled service immediately. For a six month period pay PG&E's market-based Transitional Bundled Commodity Cost (TBCC) rate. Thereafter, pay the standard bundled electric generation rate
- Messaging to customers about opt-outs must now be more nuanced

CalCCA

- Dan Lieberman is chairing the CalCCA Marketing and Communications Subcommittee
- Focusing on improving the CalCCA website
 - Add content
 - Improve architecture
- Creating Press Plan for media relations
 - Coordinate with other CCAs on media relations
 - Ensure consistent messaging while allowing independence for each CCA

Regular Agenda

8. Regulatory and Legislative Report (Discussion)

Regulatory and Legislative Report

June 22, 2017

Joseph Wiedman
Senior Regulatory/Legislative Analyst



May/June Regulatory Activities

– PCE May Filings

- Filed Motion to Dismiss to IOU's PAM Application on May 30th in **A.17-04-018 (PAM Application)**
- Filed Reply Comments on Disadvantaged Communities Proposals on June 16th in **R.14-07-002 (NEM 2.0)**
- Filed a Reply Brief on CCA rights to administer EE programs on June 16th in **A.16-08-006 (Diablo Canyon)**
- Filed informal comments on Retail Choice En Banc/staff white paper on retail choice on June 19th (no docket)

May/June Legislative Activities

- **SB 100 (De Leon)** – Increase CA RPS to 60% by 2030. Sets a 100% RPS target by 2045. CalCCA supports the legislation and is working with the author and stakeholders.
- **SB 366 (Leyva)**– Would subsidize IOU's GTSR programs so low-income customers can participate. CalCCA is concerned about anticompetitive aspects of the legislation and is working with the author and stakeholders.
- **AB 1405 (Skinner)/SB 338** – Would authorize the CPUC to establish policies to address “net peak load”. CalCCA is working with the authors' to address our concerns with maintaining CCA procurement authority.

Future Reg/Leg Activities

- Anticipating issuance of an OIR that will dismiss the IOU's PAM application and undertake a wholesale review of the PCIA. Commission is set to vote on the OIR on June 29th.
- Developing response to ALJ ruling seeking comment on Energy Division Staff Proposal on IRP process. Comments due June 28th.
- Developing PCE's 2017 RPS Procurement Plan which is due July 21st.
- Developing Testimony on CCA Bond Methodology due July 28th.

Regular Agenda

9. Approve Final Fiscal Year 2017-2018 Budget (Action)

2017-2018 Final Budget - Overview

- Approve final budget 17-18 tonight
 - Finance and Budget Committee met on May 31 and approved budget
- Receive 5-year financial projections

2017-2018 Personnel Additions

Position	Target Start
Director of Finance and Administration	July 2017
Outreach Fellows (2)	July 2017
Energy Programs Manager I	July 2017
Legislative Analyst	August 2017
Administrative Assistant	September 2017
Marketing Analyst / Associate	September 2017
Accountant	October 2017
Key Accounts Manager	November 2017
Call Center Supervisor	November 2017
Energy Analyst II	October 2017
Energy Programs Manager II	December 2017
Regulatory Analyst	December 2017

2017-2018 Proposed Budget

PENINSULA CLEAN ENERGY AUTHORITY OPERATING FUND

	2016/17 Annual Budget (proposed amended)	2017/18 Budget Proposed	Variance from 2016/17*	Variance from 2016/17
REVENUE AND OTHER SOURCES				
Revenue - Electricity (net of allowance for bad debt)	\$ 96,569,760	\$ 248,082,000	\$ 151,512,240	257%
Revenue - Green Premium (net of allowance for bad debt)	267,843	737,000	469,157	275%
Other Source - bank loan proceeds	4,000,000	-	(4,000,000)	0%
Total revenue and other sources	100,837,603	248,819,000	147,981,397	
EXPENDITURES AND OTHER USES				
CURRENT EXPENDITURES				
Cost of energy	70,448,147	181,715,000	111,266,853	258%
Data manager	1,538,853	3,970,000	2,431,147	258%
PG&E service fees	594,892	1,636,000	1,041,108	275%
Personnel	1,211,250	3,320,000	2,108,750	274%
Benefits	418,000	-	(418,000)	0%
Customer noticing	680,000	425,000	(255,000)	63%
Outreach and communications	540,000	624,000	84,000	116%
Professional services	230,000	1,017,000	787,000	442%
Legal and regulatory	900,000	1,030,000	130,000	114%
Energy Programs	100,000	250,000	150,000	250%
General and administration	700,625	795,000	94,375	113%
Total current expenditures	77,361,767	194,782,000	117,420,233	
OTHER USES				
Rate stabilization reserve **	4,841,880	12,440,950	7,599,070	257%
CCA Bond, CAISO and PG&E deposits	100,000	-	(100,000)	0%
Capital outlay	-	484,000	484,000	*
Total other uses	4,941,880	12,924,950	7,983,070	
DEBT SERVICE				
Principal and interest	376,675	7,997,000	7,620,325	2123%
Total expenditures, Other Uses and Debt Service	82,680,322	215,703,950	133,023,628	
Net increase	\$ 18,157,281	\$ 33,115,050	\$ 14,957,769	

* The 2017/18 fiscal year is the first full year of service to customers, and is generally the cause of the large variances from the prior year

** As PCE develops a reserve policy, all funds will be accumulated as operating reserves and not designated for specific purposes.

5-Year Financial Projections

PENINSULA CLEAN ENERGY FIVE-YEAR FINANCIAL PROJECTIONS

	2017/18	2018/19	2019/20	2020/21	2021/22
REVENUE AND OTHER SOURCES					
Revenue - Electricity (net of allowance)	\$ 248,082,000	\$ 252,191,401	\$ 260,379,768	\$ 269,532,117	\$ 279,006,171
Revenue - Green Premium (net of allowance)	737,000	740,506	744,209	747,930	751,669
Total revenue and other sources	248,819,000	252,931,907	261,123,977	270,280,047	279,757,840
EXPENDITURES AND OTHER USES					
CURRENT EXPENDITURES					
Cost of energy	181,715,000	188,241,864	202,222,741	209,083,606	218,046,424
Data manager	3,970,000	4,009,700	4,049,797	4,090,295	4,131,198
PG&E service fees	1,636,000	1,652,360	1,668,884	1,685,572	1,702,428
Personnel	3,320,000	3,818,000	4,390,700	4,829,770	5,312,747
Customer noticing	425,000	437,750	450,883	464,409	478,341
Outreach and communications	624,000	642,720	662,002	681,862	702,317
Professional services	1,017,000	1,047,510	1,078,935	1,111,303	1,144,642
Legal and regulatory	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274
Energy Programs	250,000	3,000,000	3,000,000	3,000,000	3,000,000
General and administration	795,000	874,500	961,950	1,058,145	1,163,960
Total current expenditures	194,782,000	204,785,304	219,578,618	227,130,471	236,841,332
OTHER USES					
Rate stabilization reserve	12,440,950	12,646,595	13,056,199	13,514,002	13,987,892
Capital outlay	484,000	100,000	100,000	100,000	100,000
Total other uses	12,924,950	12,746,595	13,156,199	13,614,002	14,087,892
DEBT SERVICE					
Principal and interest	7,997,000	-	-	-	-
Total expenditures, Other Uses and Debt Service	215,703,950	217,531,899	232,734,817	240,744,474	250,929,224
Net increase	\$ 33,115,050	\$ 35,400,008	\$ 28,389,160	\$ 29,535,573	\$ 28,828,617
Reserve and fund balance at year end *					
Accumulated rate stabilization reserve	\$ 17,282,830	\$ 29,929,425	\$ 42,985,624	\$ 56,499,627	\$ 70,487,519
Accumulated other fund balance **	\$ 53,830,050	\$ 89,230,058	\$ 117,619,217	\$ 147,154,790	\$ 175,983,407

* Includes beginning balance of \$4,841,880 for rate stabilization reserve, and an estimate of \$20,715,000 for other fund balance.

** Calculated as Revenue less Other Uses and Debt Service displayed above. Will vary from net position due to modified accrual adjustments.

Regular Agenda

10. Procurement Update (Discussion)

10.1 Renewable Project Evaluation Factors

10.2 Energy Contracts Executed to Date

10.3 Resource Adequacy Status Update

Regular Agenda

10. Procurement Update (Discussion)

10.1 Renewable Project Evaluation Factors

Project Evaluation Factors

- Factors other than price considered in evaluating candidate projects included:
 - Project location & local benefits (Including local hiring and prevailing wage consideration)
 - Interconnection status, including queue position, full deliverability of RA capacity, and related study completion, if applicable
 - Siting, zoning, permitting status
 - Qualifications of project team
 - Ownership structure
 - Environmental impacts and related mitigation requirements
 - Financing plan and financial stability of project owner/developer
 - Acceptance of PCE's pro forma contract terms
 - Development milestone schedule, if applicable

Executed Contracts	Location (City or County)	Interconnection Status	Permitting Status	Ownership	Environmental Impacts and Mitigation**	Financing Plan and Stability	Contract Terms***	Milestone Schedule	Project Labor Agreements
Hatchet Creek Hydro	Shasta County (NP-15)	Operating	Operating	Mega Renewables (Privately Owned)	Net Positive	Operating	Close to PCE's PPA Terms	Operating	Operating
Roaring Creek Hydro	Shasta County (NP-15)	Operating	Operating	Mega Renewables (Privately Owned)	Net Positive	Operating	Close to PCE's PPA Terms	Operating	Operating
Bidwell Ditch Hydro	Shasta County (NP-15)	Operating	Operating	Mega Renewables (Privately Owned)	Net Positive	Operating	Close to PCE's PPA Terms	Operating	Operating
Buena Vista Wind	Altamont Pass (NP-15)	Operating	Operating	Arclight Capital Partners	Bird Strikes Mitigated**	Operating	Significant Changes from PCE's PPA Terms	Operating	Operating
Karen Avenue Wind	Palm Springs (SP-15)	Operating	Operating	EDCC (Privately Owned)	Bird Strikes Mitigated**	Operating	Close to PCE's PPA Terms	Operating	Operating
Shiloh Wind	Solano County (NP-15)	Operating	Operating	Avangrid (Spanish Utility)	Bird Strikes Mitigated**	Operating	Significant Changes from PCE's PPA Terms	Operating	Operating
Cuyama Solar	Santa Barbara County (ZP-26)	Executed GIA*	Complete	First Solar (NASDAQ Traded)	Net Positive	Third Party Investor	Close to PCE's PPA Terms	COD**** January 2018	Yes
Wright Solar	Los Banos (NP-15)	Executed GIA	Complete	Frontier Solar (Privately Owned)	Net Positive	Third Party Investor/Owner	Close to PCE's PPA Terms	COD**** November 2018	Yes

* GIA = Generator Interconnection Agreement; this is a contract between the project developer, the transmission provider (e.g., PG&E) and CAISO to construct the interconnection facilities that will allow the project to operate.

**Mitigation or Mitigated = a significant reduction in environmental impacts, usually through land use changes or use of advanced technology.

*** Contract Terms = the extent to which the PPA was negotiated, ending up similar to, or significantly different from the PPA terms published by PCE for developers to consider.

****COD = Commercial Operation Date, or Commercial Operation Deadline.

Transmission Cost as a Function of Project Location (1)

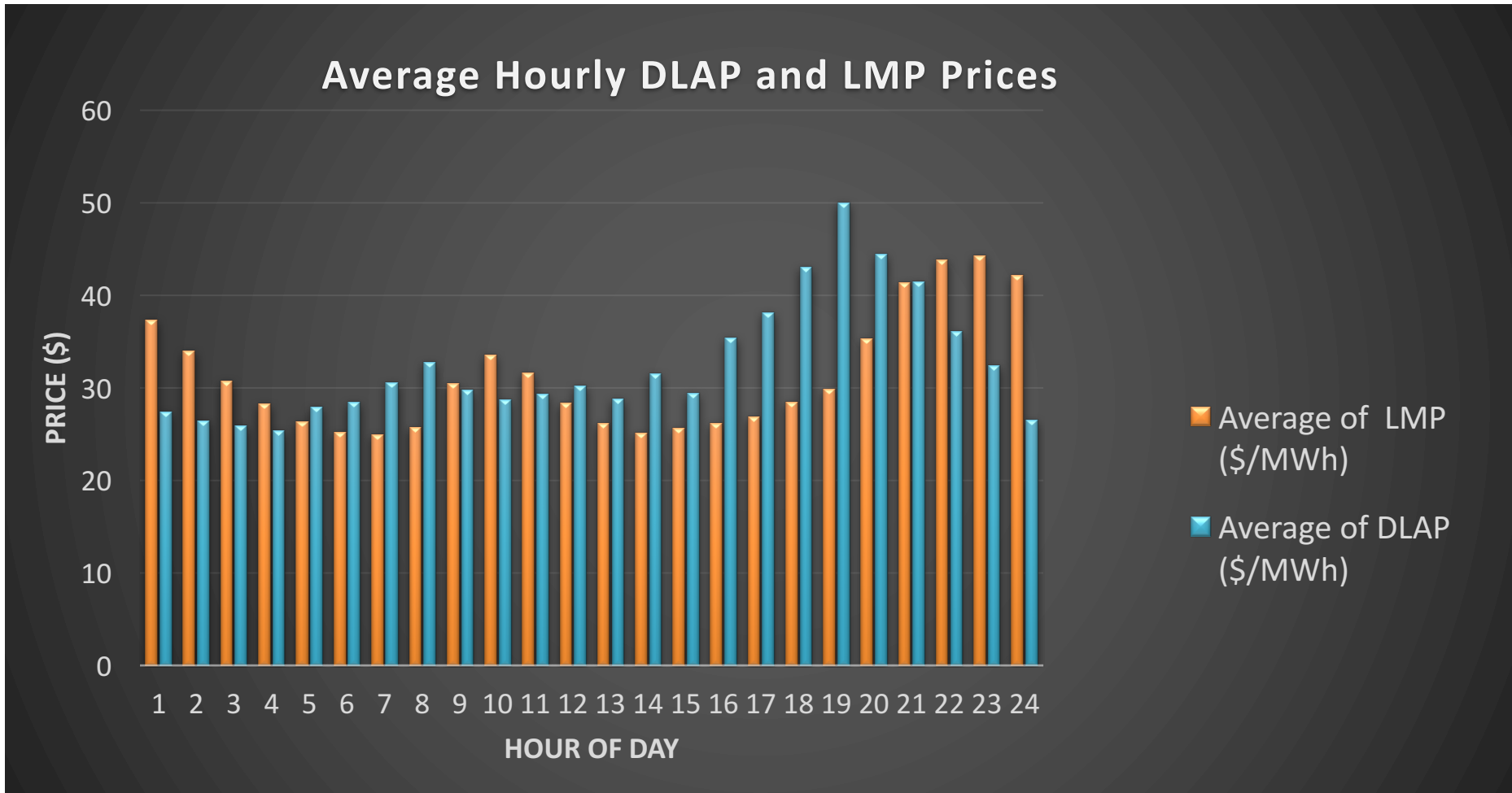
- Price (\$/MWh) is a major factor in a PPA
- Other factors, like transmission and congestion, can influence total cost of a project
- Quantitative analysis can give insight into whether these factors will be significant

Transmission Cost as a Function of Project Location (1)

- Our analysis uses three sets of data
 - Historical prices at the site of the project where PCE sells the energy (LMP)
 - Historical prices where PCE buys the energy (DLAP)
 - An energy generation profile submitted by the project developer
- Uses hourly data

Transmission Cost as a Function of Project Location (1)

Hourly Analysis



Regular Agenda

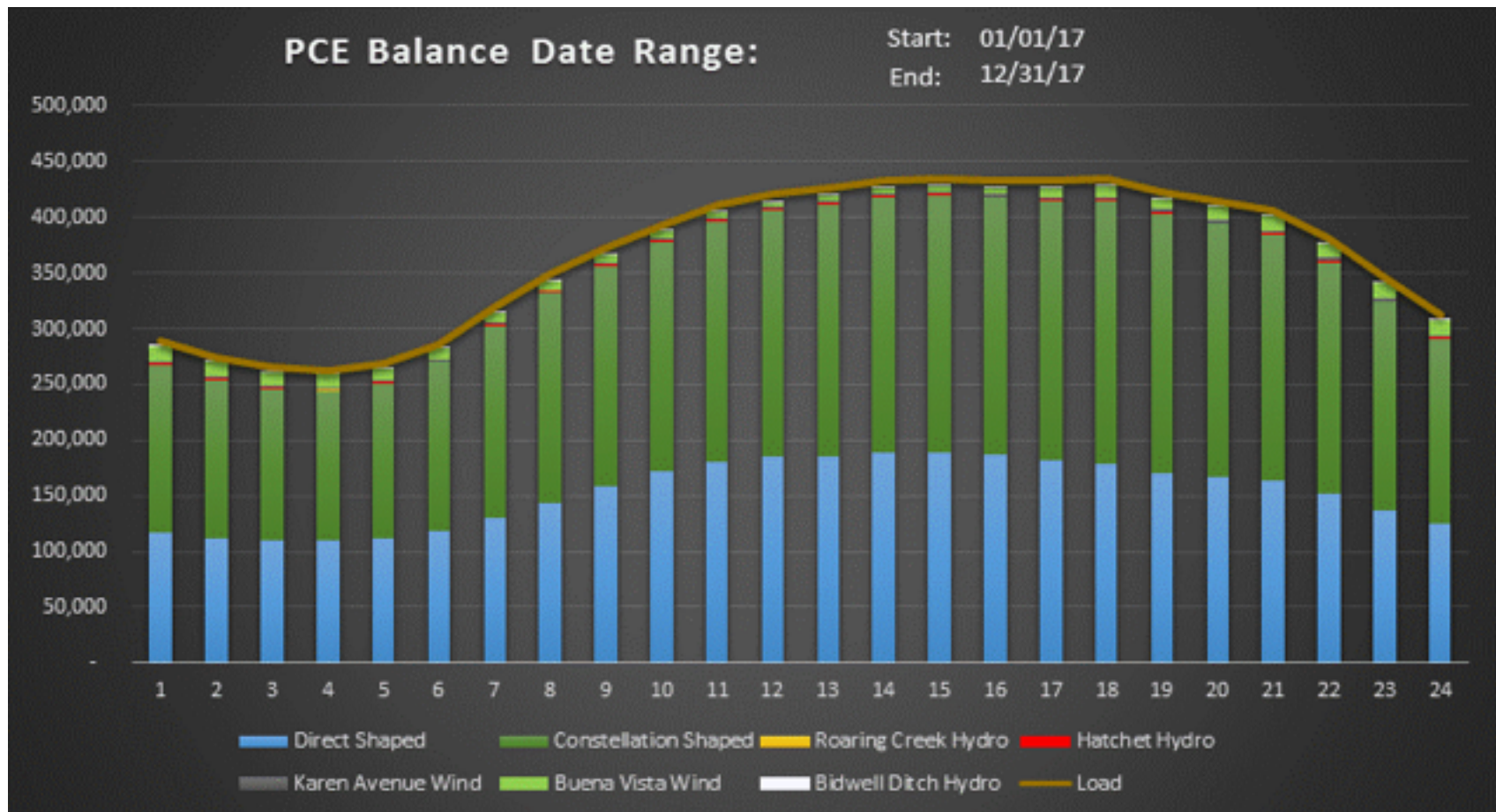
10. Procurement Update (Discussion)

10.2 Energy Contracts Executed to Date

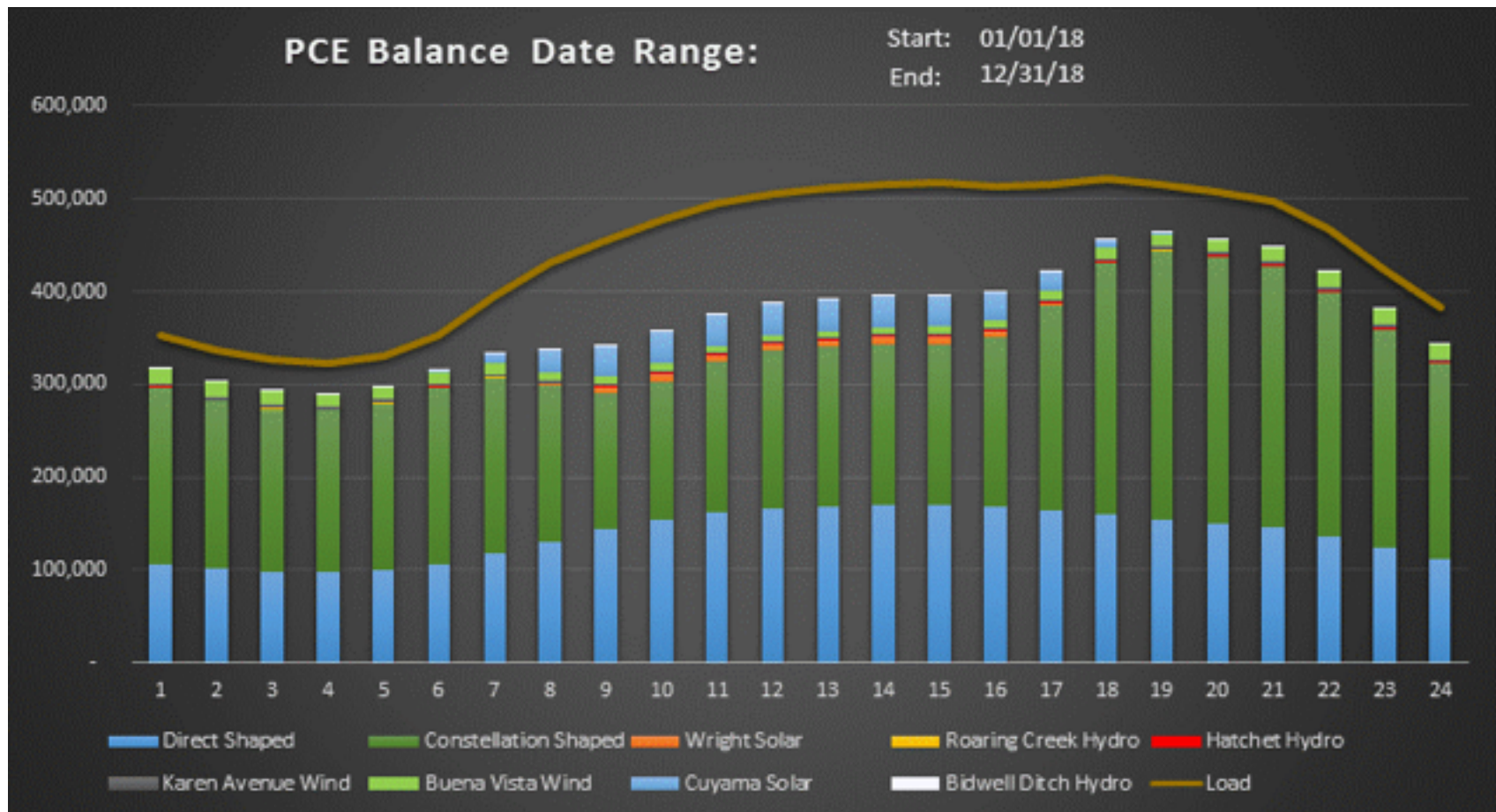
Energy Contracts Executed to Date

Counterparty (Abbreviated)	Contract	Resource Type	Effective Date	Term Start	Term End
Direct Energy (Energy America)	EEL	Energy	6/29/16	10/1/16	12/31/20
Constellation	EEL	Energy	2/28/17	4/1/17	12/31/18
Direct Energy (Energy America)	EEL	PCC1	6/29/16	10/1/16	12/31/20
Direct Energy (Energy America)	EEL	PCC1	12/13/16	1/1/17	12/31/26
Powerex	EEL	PCC1	5/18/17	6/1/17	4/30/18
PG&E	EEL	PCC1	5/1/17	5/1/17	12/31/17
Direct Energy (Energy America)	EEL	PCC2	6/29/16	10/1/16	12/31/20
Constellation	EEL	PCC2	2/28/17	4/1/17	12/31/18
Direct Energy (Energy America)	EEL	Carbon Free	6/29/16	10/1/16	12/31/20
Powerex	EEL	Carbon Free	5/18/17	6/1/17	4/30/18
Morgan Stanley	WSPP	Carbon Free	3/21/17	4/1/17	9/15/17
Hatchet Creek Hydro	PPA	Hydro	1/26/17	3/9/17	3/8/22
Roaring Creek Hydro	PPA	Hydro	1/26/17	3/16/17	3/15/19
Bidwell Ditch Hydro	PPA	Hydro	1/26/17	3/9/17	3/8/19
Buena Vista Wind	PPA	Wind	3/23/17	4/17/17	4/16/22
Karen Avenue Wind	PPA	Wind	3/23/17	8/1/17	7/31/20
Shiloh Wind	PPA	Wind	5/25/17	1/1/19	12/31/23
Cuyama Solar	PPA	Solar	3/23/17	1/1/18	12/31/18
Wright Solar	PPA	Solar	1/26/17	11/30/18	11/29/38

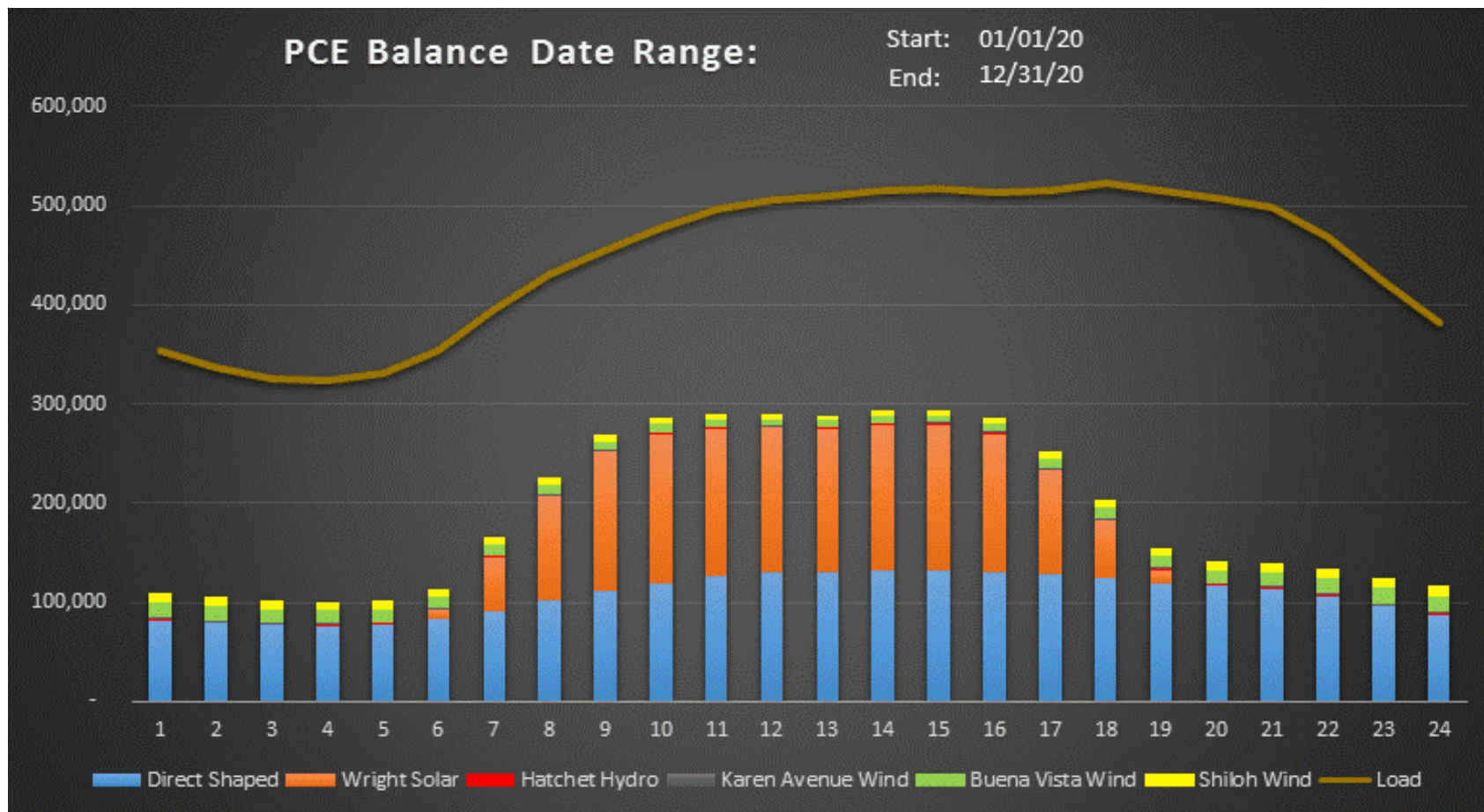
Supply vs. Load Projections - 2017



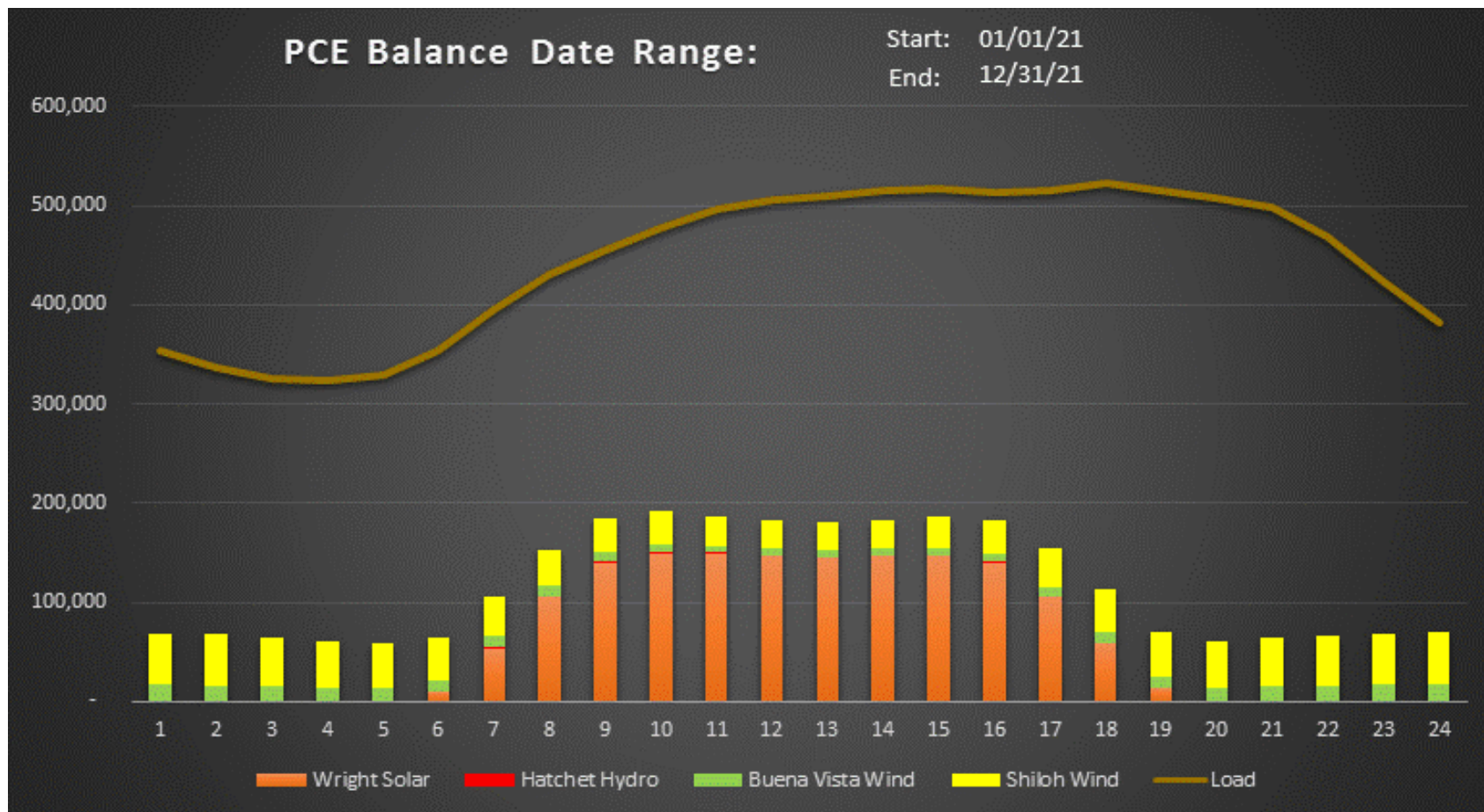
Supply vs. Load Projections - 2018



Supply vs. Load Projections - 2020



Supply vs. Load Projections - 2021



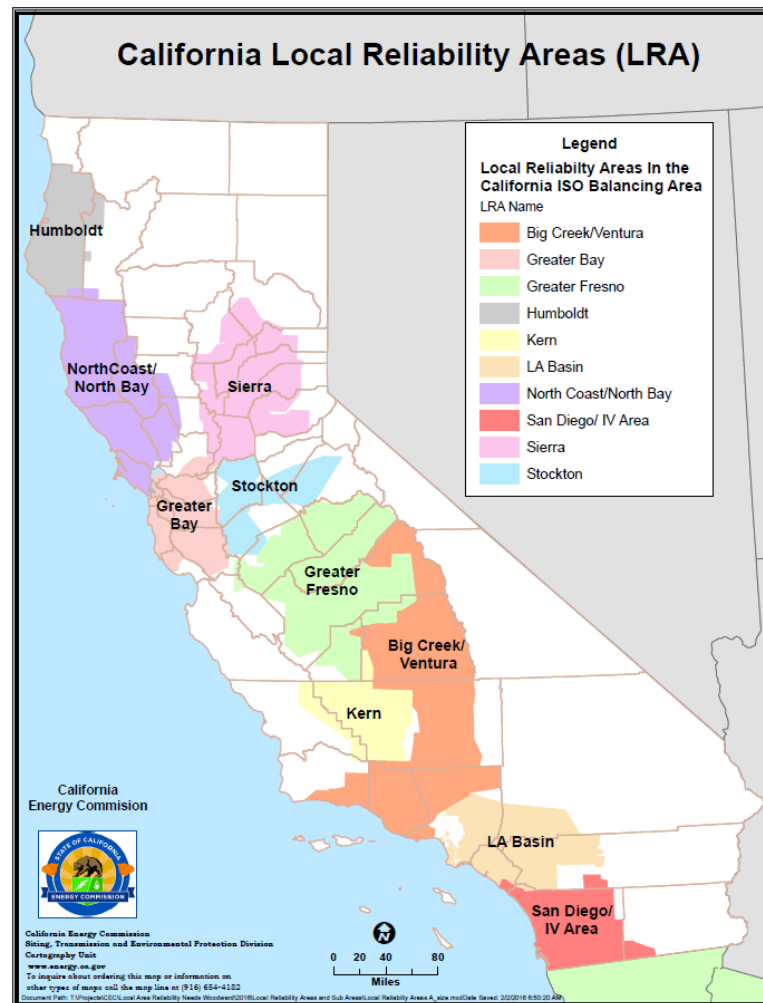
Regular Agenda

10. Procurement Update (Discussion)

10.3 Resource Adequacy

Types of RA

- System RA (Defined by location):
 - Sourced within the CAISO Balancing Area
 - Generators must be located in Northern California for CCA's operating within the PG&E footprint (a small amount can come from Southern California)
 - System requirements are determined based on each LSE's CEC adjusted forecast plus a 15% planning reserve margin.
- Local RA (Defined by location):
 - Local requirements are determined based on an annual CAISO study
 - Local RA procurement obligations require PCE to purchase a certain amount of RA capacity from generators located within the following regions
 - Greater Bay area
 - PG&E Other (consists of the Humboldt, North Coast/North Bay, Sierra, Stockton, Greater Fresno, and Kern regions on the map to the below)
- Flexible RA (Defined by generating characteristics):
 - Qualifying generating resources must be able to respond to CAISO dispatch instructions and manage variations in load/resource output
 - No location requirements
 - Flexible Requirements are based on an annual CAISO study



PCEA's 2017 RA Requirements

2017 Requirements	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
System	84	100	58	408	476	585	320	371	377	295	264	253
Other PG&E	54	54	54	54	54	54	235	235	235	235	235	235
Bay Area	45	45	45	45	45	45	48	48	48	48	48	48
Total	183	199	157	507	575	684	603	654	660	578	547	536

- PCEA procures RA in two ways
 - Bilateral contracts with counterparties, after sending out a request for competitive proposals to companies that may have RA products to offer
 - PCE receives the resource adequacy value/benefit from several of its renewable energy contracts. For example, PCE receives a small amount of RA from the Karen Avenue Wind and the Buena Vista Wind projects.

PCEA's 2017 RA Contracts

PCE Resource Adequacy Requirements, Procurements and Net Open Position

Generic System	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Requirements	84	100	58	408	476	585	320	371	377	295	264	253
Procured	84	100	58	408	476	585	320	371	377	203	203	203
Net Open	0	0	0	0	0	0	0	0	0	92	61	50
Counterparties	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct
				NRG	NRG	NRG						
						PG&E	PG&E	PG&E	PG&E	PG&E	PG&E	PG&E
							Shell					
							SVP	SVP	SVP			
						Tenaska						
										Karen Wind	Karen Wind	Karen Wind
										Mega Hydro	Mega Hydro	Mega Hydro

* The yellow highlight indicates that this number has not been finalized by CPUC. We expect to receive final requirements in early July.

PG&E Other	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Requirement	54	54	54	54	54	54	235	235	235	235	235	235
Procured	54	54	54	54	54	54	235	235	235	235	235	235
Net Open	0	0	0	0	0	0	0	0	0	0	0	0
Counterparties	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct	Direct
	Shell	Shell	Shell	Shell	Shell	Shell	Shell	Shell	Shell	Shell	Shell	Shell
							PG&E	PG&E	PG&E	PG&E	PG&E	PG&E

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11. Integrated Resource Plan (IRP) Progress Update (Discussion)

PCE's 2017 IRP Plan - Purpose

- The 2017 IRP documents PCE's resource planning policies and objectives from 2017 through 2026 (the "Planning Period")
- The IRP has four primary purposes:
 - Quantify resource needs over the Planning Period
 - Prioritize resource preferences and articulate energy procurement* policies
 - Guide the energy procurement processes undertaken by PCE staff
 - Communicate PCE's resource planning policies, objectives and planning framework to the board, public and key stakeholder groups
- PCE will procure energy products through various mechanisms, including:
 - Competitive solicitations
 - Standard offer contracts
 - Bilateral engagements

*Energy procurement means purchases of energy products, including electricity, capacity, ancillary services, energy efficiency, distributed generation, demand response and energy storage.

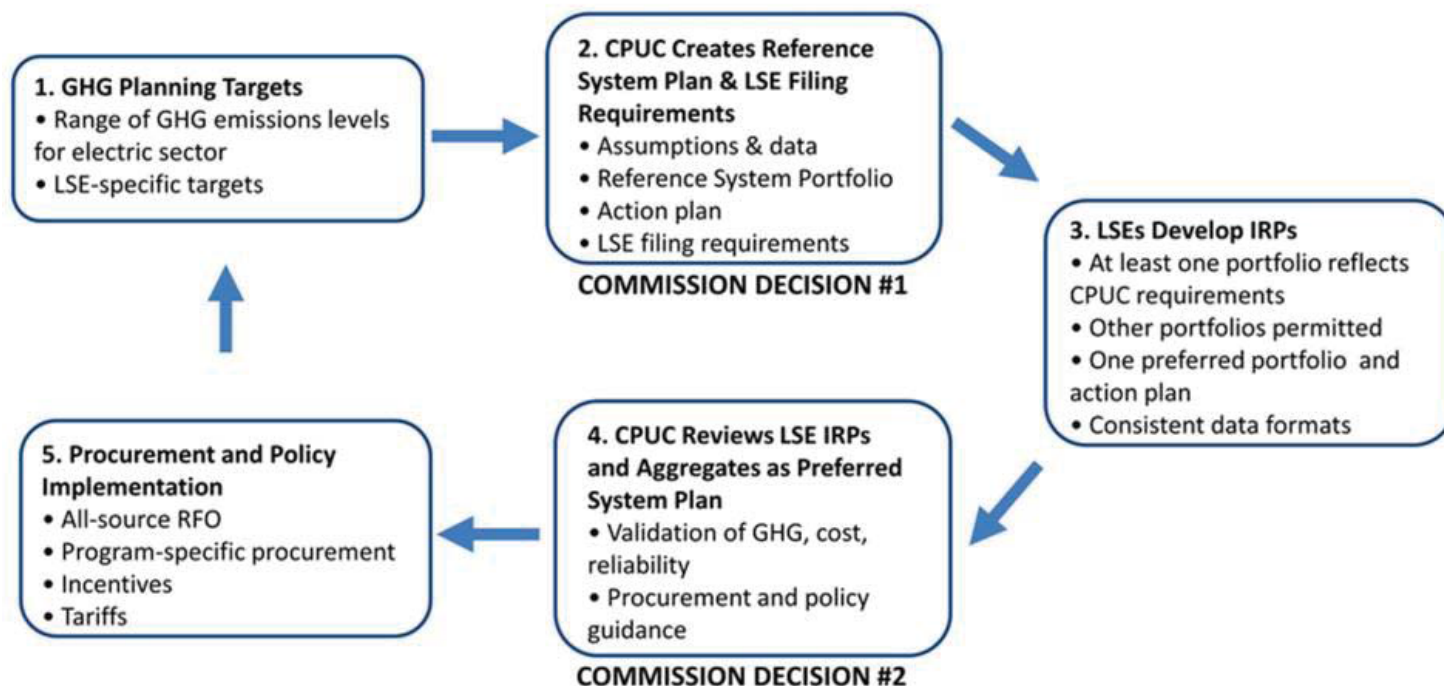
PCE's 2017 IRP Schedule

- Drafting is underway
- The goal is to present a complete draft to the Board for discussion at the August 24 meeting
- And to present the final document to the Board for approval at the September 28 meeting

Goal	Completed by
Draft for staff review	July 14
Discussion with Ad Hoc Committee	August 4
Discussion with Executive Committee	August 14
Discussion with Board	August 24
Board Approval of Final Plan	September 28

PCE's 2018 IRP Update

CPUC envisions a multi-step process for analyzing IRPs submitted by LSEs



Comments on the staff proposal are due in June and July.

Reference system plan and initial modeling results are anticipated in mid-July.

Workshops held in July and September.

CPUC Decision in December 2017.

PCE submits its first IRP to CPUC during 2nd Quarter of 2018.

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12. PCE Local Program Criteria Development (Discussion)

Draft Program Selection Process

1. Staff creates criteria list and weighted scoring matrix based on Board's strategic goals.
2. Discussion with Citizens Advisory Committee and Board.
3. Staff creates an in-depth online form based on scoring matrix for **board, CAC, staff, and public** to input program ideas.
4. Staff evaluates proposals based on scoring matrix.
5. Staff brings top proposals to Board.
6. Implementation begins only after PCE's initial financial goals have been met, for example funding the rate stabilization fund.

Draft Goals to Form Criteria

- Reduces GHG emissions
- Cost effective (to keep ECOplus rates lower than PG&E)
- Number of customers that benefit
- Geographic diversity in San Mateo County communities served
- Contributes toward goal of creating 20 MW of new local power by 2025
- Contributes toward goal of 100% GHG-free power for 2021
- Contributes toward goal of 100% renewable energy by 2025
- Helps PCE match supply to load, e.g. addresses duck curve
- Supports PCE's workforce policy
- Creates local jobs
- Benefits low-to-moderate income residents
- Helps customers understand and support PCE
- Innovative, scalable, and replicable

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13. Citizens Advisory Committee Report (Action)

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14. Board Members' Reports (Discussion)

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Adjourn