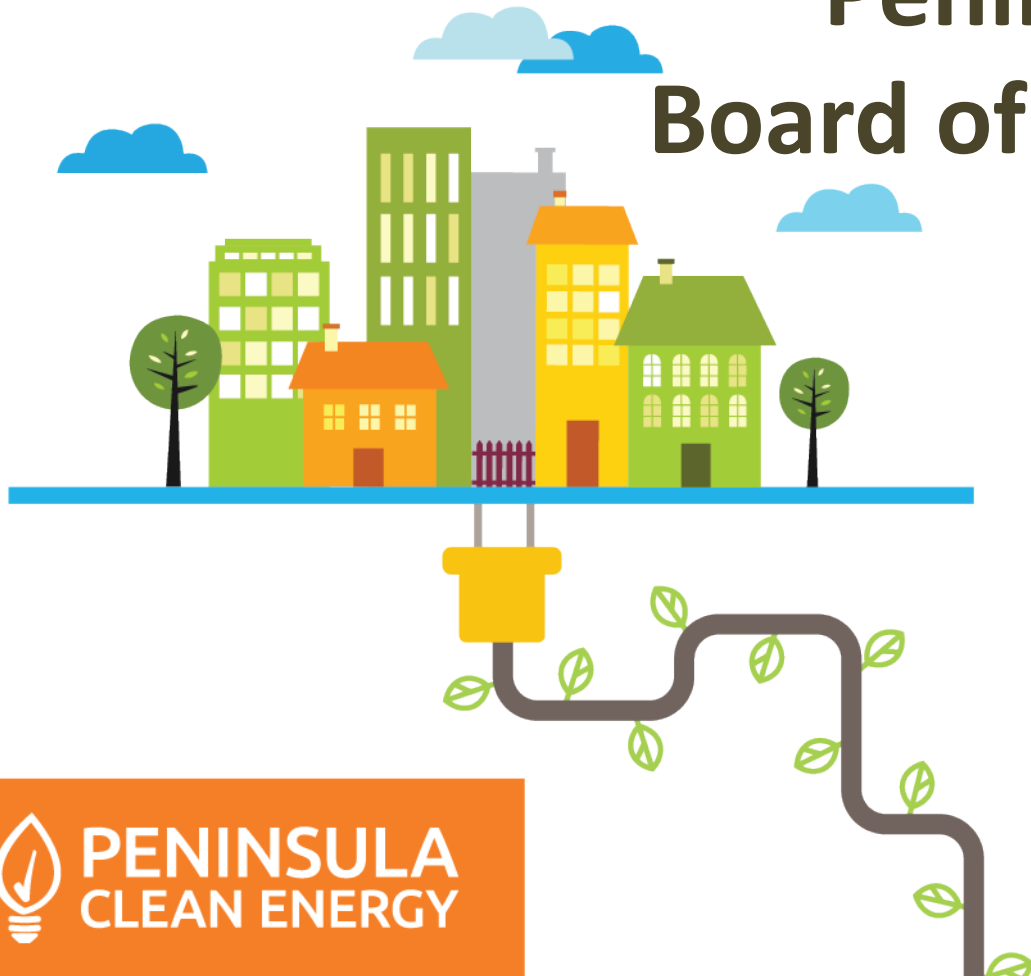


Peninsula Clean Energy Board of Directors Meeting

July 28, 2016



Agenda

Call to order / Roll call

Public Comment

Action to set the agenda and approve consent items

Regular Agenda

1. Chair Report (Discussion)

Regular Agenda

2. CEO Report (Discussion)

Email to City Councilmembers



1) Overview of PCE for city staff



COUNTY OF SAN MATEO
OFFICE OF SUSTAINABILITY
455 COUNTY CTR. #4
REDWOOD CITY, CA 94063-1563

Cleaner energy, lower rates
PeninsulaCleanEnergy.com

Dear Customer,

Peninsula Clean Energy (PCE) will soon be San Mateo County's official electricity provider offering cleaner electricity at lower rates. With Peninsula Clean Energy, at least 50% of your electricity will come from renewable sources like wind, solar, geothermal and hydropower. This is nearly twice the renewable energy you currently receive from PG&E. PG&E will continue to deliver the electric and maintain the power lines to your home or business. It's a great combination of the same reliability we're used to, but with more renewable power at lower rates.

Who we are

Peninsula Clean Energy is a public agency based in San Mateo County. We were formed by the unanimous agreement of every city in San Mateo County and the County to provide a choice for our residents and businesses to receive greener electricity at competitive rates. We're governed by a Board of Directors comprised of elected representatives from the County and each of its 20 participating cities and towns. Our goal is to invest our earnings into lower costs for you, while supporting cleaner power and boosting our local economy.



Because of the number of customers involved, all residential and commercial ratepayers will be enrolled through a three-phase process over a period of 12 months. Your account is one of the first 70,000 now eligible to participate.

You don't need to do a thing to choose cleaner energy.



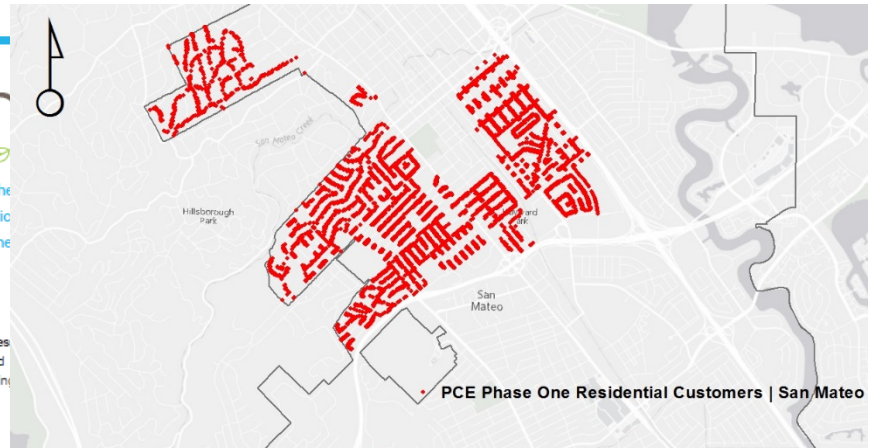
In October 2016 you will be automatically enrolled in our ECOplus product, our default electric service, on your regular billing date. ECOplus is at least 50% renewable and costs less than what you pay for PG&E. It's better for your wallet, the planet and your community!



If you want to do more for the environment and you can afford to pay a little extra, sign up for ECO100. With ECO100, 100% of your electricity comes from renewable sources and is 100% carbon free. Learn more by visiting PeninsulaCleanEnergy.com.

You may opt out of Peninsula Clean Energy and continue to purchase PG&E's standard service. Just call toll free (866) 966-0110, visit PeninsulaCleanEnergy.com, or sign up online. Your PCE bill will be based on your actual usage.

2) Copy of enrollment notices



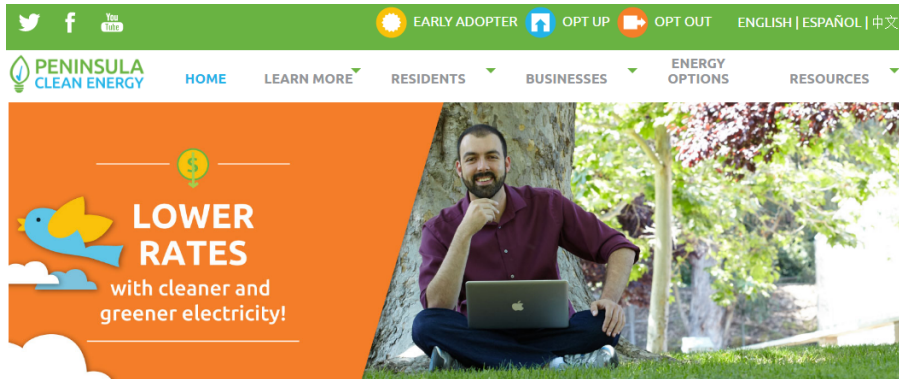
PCE Phase One Residential Customers | San Mateo

3) Map of residential customers in Phase 1

We're Hiring!

Position	# of Applications Received	Interview Dates
<i>Board Clerk / Executive Assistant to the CEO</i>	50	August 8 and 9
<i>Director of Marketing and Public Affairs</i>	40	August 10 and 11
<i>Director of Power Resources and Energy Programs</i>	Closes August 8	August 17 and 18

Other Updates



- CCA Registration Packet on its way to CPUC
- First enrollment notices to Phase 1 customers completed
- New website launched on July 18
- Call center operational as of July 18
- Barclay's Loan interest payments started
- Mail vendor contract signed for \$99,000 for next round of enrollment notices
- Business outreach plan

Municipal Accounts and ECO100

Confirmed to Opt-up

Brisbane

Millbrae

Portola Valley

Redwood City

Woodside

Menlo Park

Expressed Interest

Hillsborough

San Mateo

San Mateo County

Half Moon Bay

Atherton



Received Completed Business Worksheets

Atherton

Brisbane

Daly City

Half Moon Bay

Hillsborough

Menlo Park

Millbrae

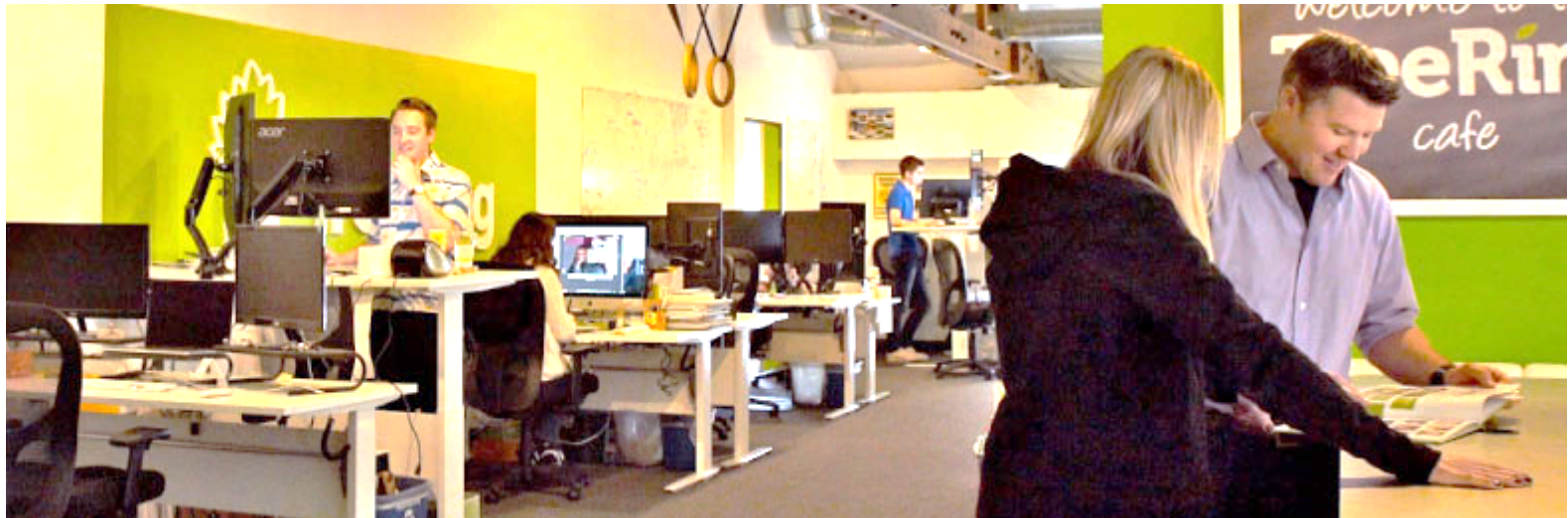
Pacifica

Redwood City

San Carlos

San Mateo

Woodside



Regular Agenda

3. Approve Net Energy Metering Rate Schedule (Action)

PENINSULA CLEAN ENERGY: NET ENERGY METERING TARIFF

PCE Board of Director's Meeting

July 28, 2016



Net Energy Metering: Overview

Net Energy Metering: Overview

- Primary purpose of a NEM tariff is to address energy produced by customer-sited, small-scale renewable generating projects.
 - Participation is limited to RPS-eligible renewable generating technologies.
 - A NEM generating facility may not exceed 1,000 kW.
 - Generating projects should be sized for the primary purpose of offsetting some or all of the customer-generator's typical energy use.
 - Substantially "oversized" projects may be better suited for Feed-In Tariff programs, which are specifically designed for wholesale energy export.
- $\text{Energy Consumed} - \text{Energy Produced} = \text{Energy Billed}$.
- There are approximately 8,000 NEM customers within PCE's service territory.

Net Energy Metering: Overview (cont.)

- NEM programs work in concert with the utility's available rate schedules:
 - Participating customers may choose baseline or time-of-use rate options, based on applicable eligibility criteria.
- Considerations affecting CCE's:
 - PCE and PG&E NEM tariffs are jointly applicable.
 - PCE's NEM tariff will address generation charges/credits.
 - PG&E's NEM tariff will address delivery charges/credits.
 - Credits accrued under PCE's NEM tariff will not offset PG&E charges.
 - Any NEM customer transitioning to PCE service will be subject to a true-up at the time of such transition.

Net Energy Metering: Overview (cont.)

- PG&E will continue to oversee the NEM generator interconnection process.
- PCE's proposed NEM tariff represents an adaptation of the MCE and SCP NEM programs.
- Under PG&E's current tariff, NEM participation will remain available until the earlier of:
 - July 1, 2017; or
 - Such time that NEM generators (in aggregate) exceed the greater of 5% of PG&E's peak demand, or 2,409 MW.

Comparing NEM and FIT Programs

	Net Energy Metering	Feed-In Tariff
Primary purpose	Offset customer usage	Wholesale export
Eligible generating technologies	All RPS-eligible technologies	All RPS-eligible technologies
Capacity limitations	1,000 kW	To be determined by PCE*
Rate considerations	Retail generation rates apply (Generation + Delivery)	Specified fixed price throughout contract term**
Term of commitment	As long as generator remains in service	Fixed term: 10- to 20-years
Planning considerations	NEM production will reduce utility peak demand and overall energy requirements	FIT production will supplement other utility supply and will count towards RPS obligations
Financial considerations	NEM costs/incentives are funded through rate revenues	FIT prices are typically above market

*Generator registration and scheduling requirements will apply for generators >1,000 kW.

** Certain FIT programs incorporate time of delivery adjustments to the base energy price.

PCE's NEM Program: Key Features

- Key features of the proposed PCE NEM tariff include:
 - Customers will receive a financial incentive of \$0.01/kWh (above the otherwise applicable retail generation rate) for all surplus energy production.
 - Credits will not be lost – PCE will track accrued credit balances on a monthly basis, applying unused credits to current generation charges; PCE NEM credits will not offset PG&E charges.
 - Annual “cash out” program – customers accruing more than \$100 in NEM credits during a specified 12-month period (ending with the customer's March billing cycle) will receive a direct payment equivalent to the credit balance. Accrued credits < \$100 will be carried forward.
 - Opt-out, move out, account closure – customers will receive an opportunity to cash out any remaining credit balance at such times.

PCE's NEM Program: Key Features (cont.)

- PCE may choose to specify a cap on annual cash-out payments, subject to future monitoring of the PCE NEM program.
 - SCP has implemented a \$5,000 cap on annual cash-out payments to NetGreen customers.
 - MCE has not implemented such a cap.
 - A cap on cash-out payments could be implemented to control program costs, if deemed necessary by the Board.

PCE's NEM Program: Billing Example #1

- Residential NEM customer, net consumer (E-1 tariff*):

Rate Component	PG&E**	PCE EcoPlus	PCE Eco100
PG&E Delivery Costs*	\$25.58	\$25.58	\$25.58
Net Generation Costs	\$29.05	\$20.45	\$23.45
PG&E Fees	\$0.00	\$7.16	\$7.16
Total Electric Charges	\$54.64	\$53.18	\$56.18

*300 kWh monthly usage; summer season.

**For PG&E NEM customers, billed charges are commonly settled on an annual basis with such customers subject to certain minimum monthly charges prior to the annual true-up process; in this example, the PG&E NEM customer would be sent a bill for approximately \$10 (minimum monthly charge) with the balance of charges and credits tracked until the annual true-up period.

PCE's NEM Program: Billing Example #2

- Residential NEM customer, net producer (E-6 tariff):

Rate Component	PG&E**	PCE EcoPlus	PCE Eco100
PG&E Delivery Costs*	\$10.18	\$10.18	\$10.18
Net Generation Costs	(\$31.23)	(\$31.57)	(\$29.32)
PG&E Fees	\$0.00	(\$0.60)	(\$0.60)
Total Electric Charges	(\$21.04)	(\$21.98)	(\$19.74)

*25 kWh net monthly production: 250 kWh net production during peak period; 150 kWh consumed during partial peak; and 75 kWh consumed during off peak; summer season.

**For PG&E NEM customers, billed charges are commonly settled on an annual basis with such customers subject to certain minimum monthly charges prior to the annual true-up process – for this example, the minimum customer charge approximates \$10 with accrued credits carrying forward to offset future charges.

PCE's NEM Program: Billing Example #3

- Residential NEM customer, net producer (E-TOU-A tariff):

Rate Component	PG&E**	PCE EcoPlus	PCE Eco100
PG&E Delivery Costs*	\$10.18	\$10.18	\$10.18
Net Generation Costs	(\$21.55)	(\$22.38)	(\$20.13)
PG&E Fees	\$0.00	(\$0.60)	(\$0.60)
Total Electric Charges	(\$11.37)	(\$12.79)	(\$10.55)

*25 kWh net monthly production: 250 kWh net production during peak period; and 225 kWh consumed during off peak; summer season.

**For PG&E NEM customers, billed charges are commonly settled on an annual basis with such customers subject to certain minimum monthly charges prior to the annual true-up process – for this example, the minimum customer charge approximates \$10 with accrued credits carrying forward to offset future charges.

Regular Agenda

- 4. Adopt a net energy metering phase-in schedule for customers as follows: a bi-monthly enrollment schedule whereby net metering customers are enrolled based on their annual true-up date, which will be either the same month or the month immediately after their annual true-up date (Action)**

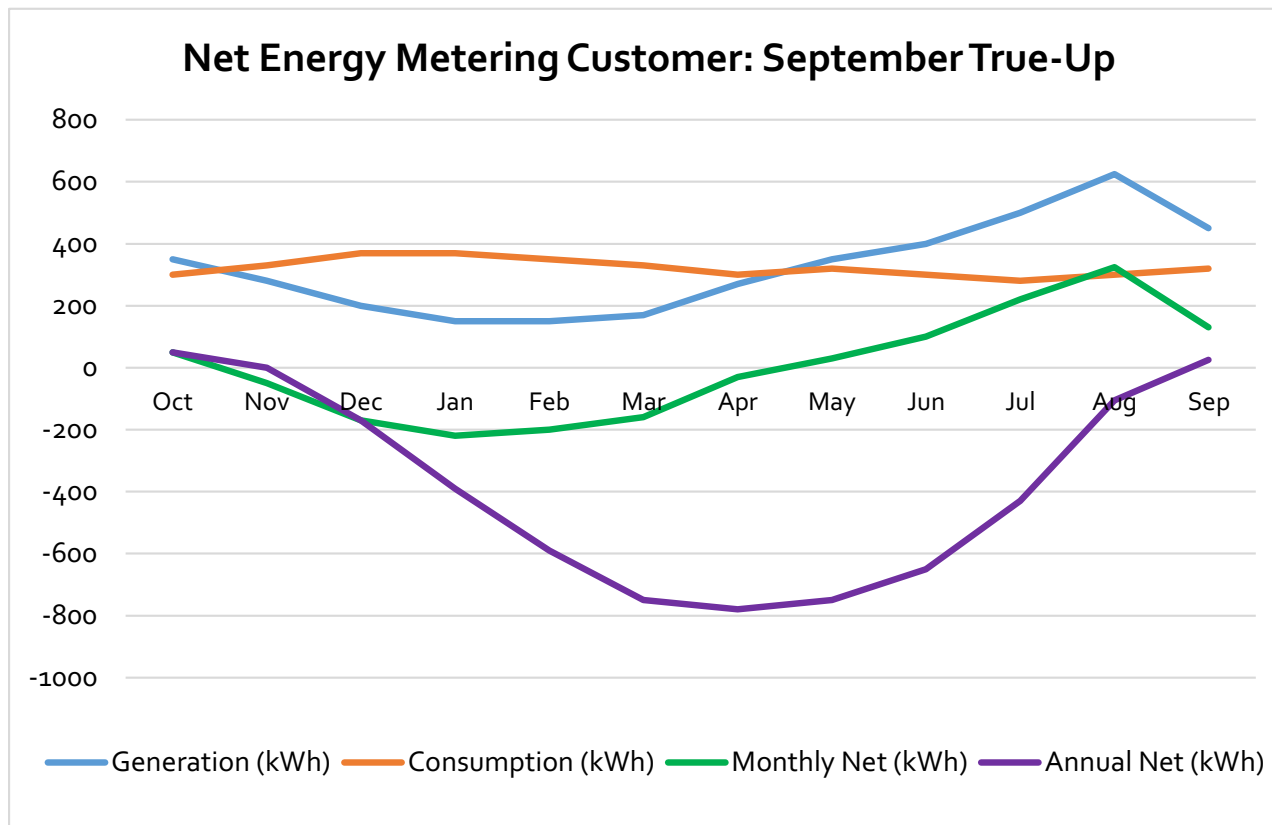
NEM Phase-In Proposal

PCE's NEM Program: Customer Enrollment

- Key considerations:
 - PG&E NEM customers are subject to an annual account true-up, which generally occurs on the anniversary of generator start-up.
 - Charge/credit balance is traditionally settled during the annual true-up process.
 - PCE's prospective NEM customers will be subject to a true-up at the time of enrollment:
 - Timing of enrollment in PCE service may result in unexpected billing statements (or potential loss of accrued credit balances).
 - Coordinating NEM customer enrollments in consideration of true-up dates should minimize unexpected/unwanted impacts.

PCE's NEM Program: Customer Impacts

- Impact Analysis – NEM customer with September true-up:



PCE's NEM Enrollments: Proposed Phase-In

- Multiple phase-in approaches were evaluated in consideration of anticipated costs, customer impacts and administrative rigor.
- PG&E is agreeable to additional PCE enrollments, subject to typical enrollment charges (\$4,000/enrollment).
- Proposed PCE Phase-In for NEM customers:
 - Six discrete enrollment periods for NEM customers.
 - Enrollments to occur every other month.
 - Prospective NEM customers would be grouped in two-month tranches based on true-up dates.
 - Process would result in four additional enrollment periods at an incremental cost of \$16,000.

PCE's NEM Enrollments: Proposed Phase-In

NEM Customer True-up Month	PCE Phase-in Month
September 2016	October 2016
October 2016	October 2016
November 2016	December 2016
December 2016	December 2016
January 2017	February 2017
February 2017	February 2017
March 2017	April 2017
April 2017	April 2017
May 2017	June 2017
June 2017	June 2017
July 2017	August 2017
August 2017	August 2017

PCE's NEM Enrollments: Proposed Phase-In

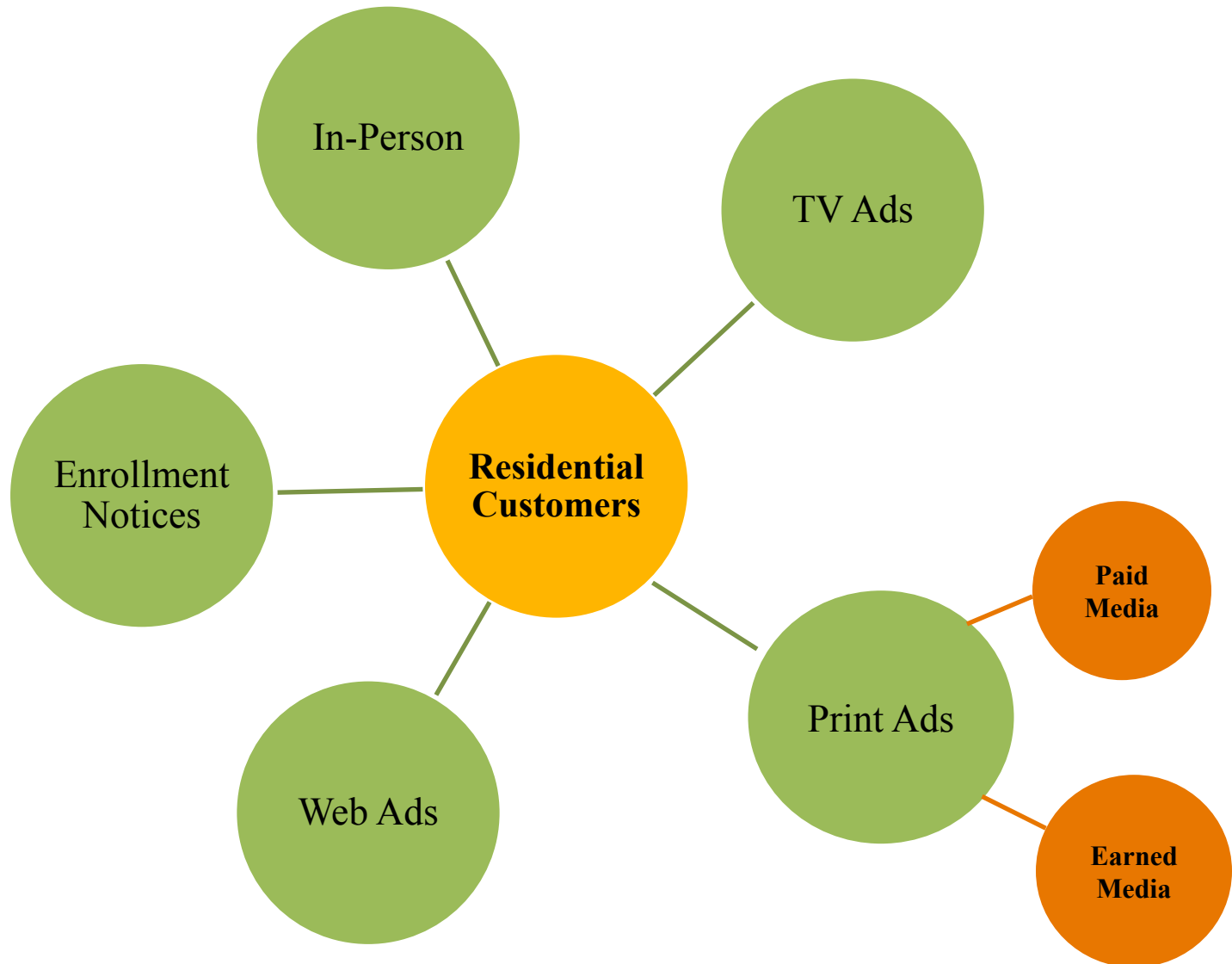
- Key advantages of the bi-monthly phase-in proposal:
 - Minimize impacts to prospective PCE customers:
 - True-up statement will arrive within a timeframe that is familiar to the customer.
 - Accrued charges/credits should not significantly differ from expectations.
- Key concerns related to the bi-monthly phase-in proposal:
 - Six enrollment periods must be managed by PCE (with relatively low customer account totals within four of the enrollment windows).
 - Additional cost: 4 additional enrollment windows at a total incremental cost of \$16,000.
 - Additional administrative rigor: noticing and other communications, if necessary.

Questions & Discussion

Regular Agenda

5. Marketing and Outreach (Discussion)

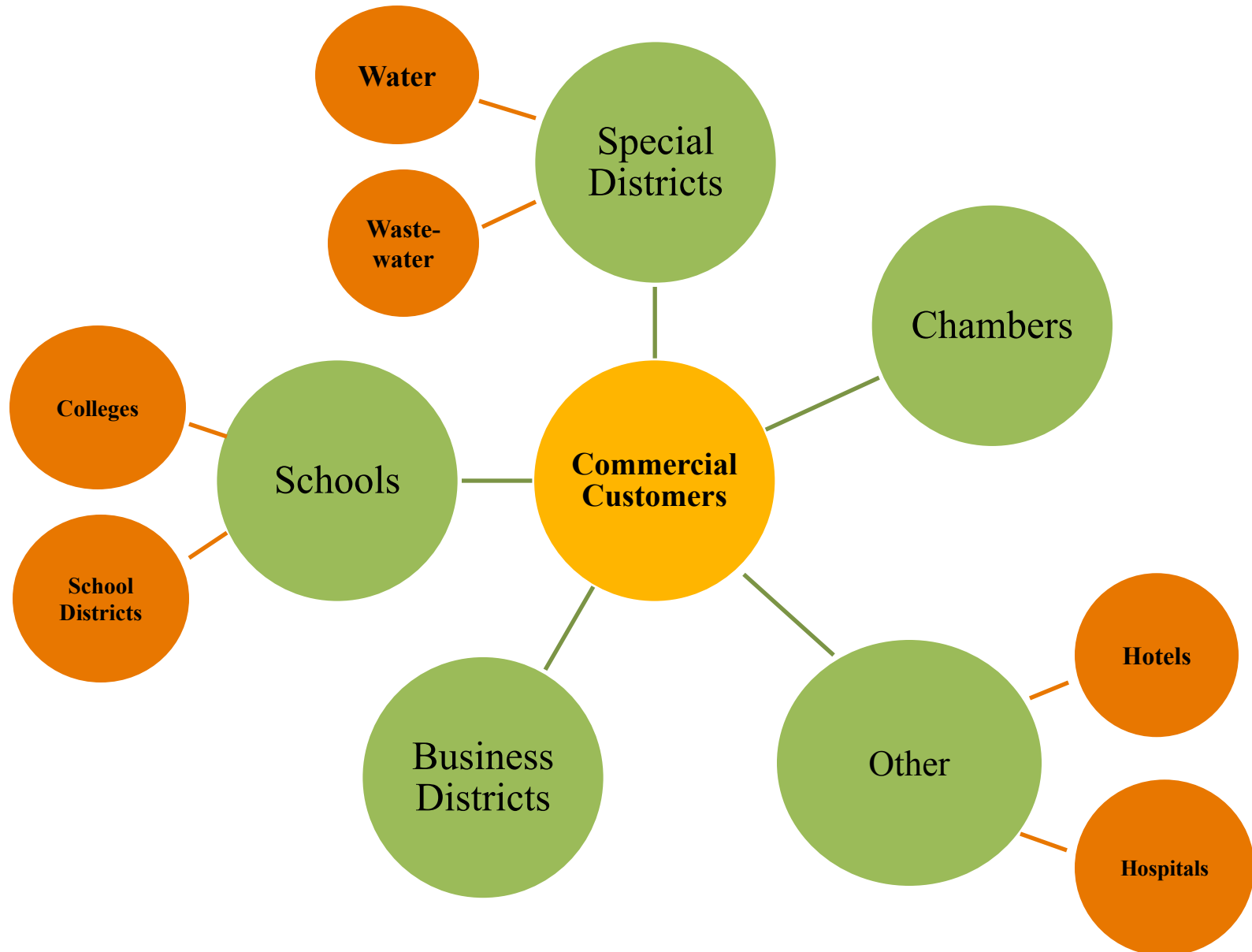
Residential Customer Outreach Plan



Residential Outreach

- **July: Social Media Ads**
- **August-Septembers: Transit Shelter Ads**
 - **August 29th-September 19th**
 - **Geo-targeted in Phase 1 neighborhoods**
- **August-October: TV ads**
 - **August 15th; Running for 11 weeks**
 - **Rotating on 24 different channels**
 - **Coverage on Giants and Warriors games**
- **August-October: Print ads**
 - **August 15th-October 10th**
 - **12 publications**

Commercial Customer Outreach Plan



Advocates Training Workshops

WORKSHOP #1:

- **Saturday, August 13th**
- **10 AM – 12:30 PM**
- **City of San Mateo Main Library, Oak Room**

WORKSHOP #2:

- **Tuesday, August 23rd**
- **5:30-8:00 PM**
- **City of Burlingame Library, Lane Community Room**

Volunteers can sign-up for workshop online or by emailing Kirsten at Kpringle@smcgov.org



UPCOMING VOLUNTEER WORKSHOP

Please join us on **Saturday, August 13th at 10 am** for a volunteer training workshop for Peninsula Clean Energy.

Workshop Location:

City of San Mateo Main Library,
Oak Room
55 W 3rd Ave, San Mateo, CA
94402

Workshop Date:

Saturday, August 13
10:00 am - 12:30 pm

Interested in volunteering in your community? Are you passionate about making San Mateo County a more sustainable place to live and work?

Peninsula Clean Energy is looking for local advocates to help spread the word about our launch this October.

Peninsula Clean Energy, or PCE, is San Mateo County's official electricity provider. Peninsula Clean Energy offers lower rates and the added benefit of two electricity options, each with a different percentage of sustainable energy.

At this interactive workshop, you will learn about Peninsula Clean Energy, receive training on community engagement and discover opportunities on how to support PCE in your community. No prior knowledge of energy is required, all are welcome!

Light refreshments and lunch will be served. We look forward to seeing you there!

To sign up for this workshop,
visit PeninsulaCleanEnergy.com
or email Kirsten Pringle
at KPringle@smcgov.org



Business Workshops

Aimed at small and medium businesses; Partnering with local chambers

North County—Co-sponsored by SSF Chambers of Commerce

- Date & time TBD
- @ Brisbane Double Tree

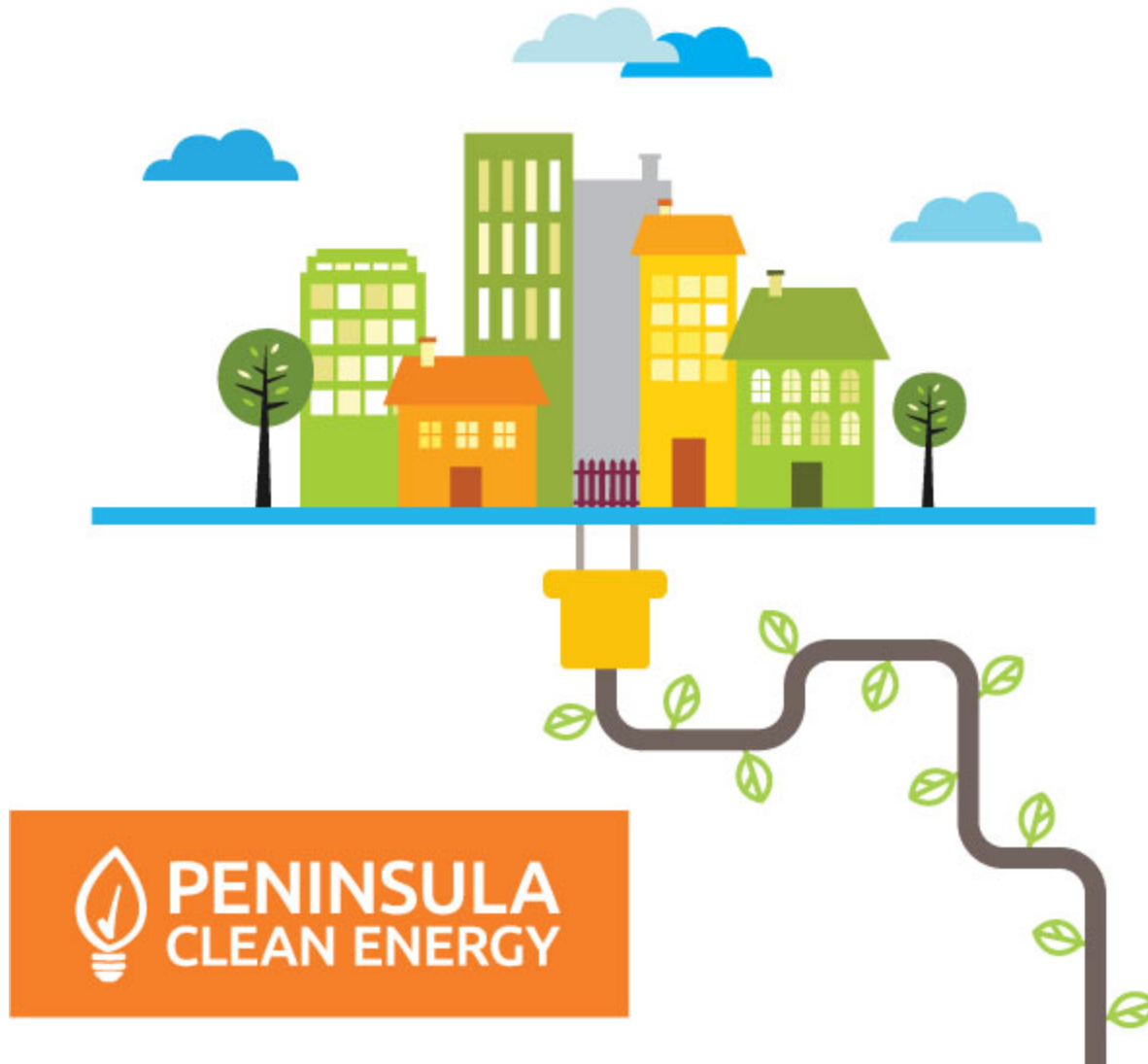
Mid-County—TBD

South County – Co-sponsored by Redwood City Chambers of Commerce

- Wednesday, September 7th, 9:00-10:00 am [timing tentative]
- @ City of Redwood Council Chambers

Coast-side—TBD

Questions?



Regular Agenda

6. Regulatory Update (Discussion)

Regular Agenda

7. Board Members' Reports (Discussion)

Regular Agenda

Adjourn