Agenda

Call to order / Roll call

Public Comment

Action to set the agenda and approve consent items
1. Chair Report (Discussion)
2. CEO Report (Discussion)
1) Overview of PCE for city staff

2) Copy of enrollment notices

3) Map of residential customers in Phase 1
We’re Hiring!

<table>
<thead>
<tr>
<th>Position</th>
<th># of Applications Received</th>
<th>Interview Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Clerk / Executive Assistant to the CEO</td>
<td>50</td>
<td>August 8 and 9</td>
</tr>
<tr>
<td>Director of Marketing and Public Affairs</td>
<td>40</td>
<td>August 10 and 11</td>
</tr>
<tr>
<td>Director of Power Resources and Energy Programs</td>
<td>Closes August 8</td>
<td>August 17 and 18</td>
</tr>
</tbody>
</table>
• 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
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  Millbrae
Brisbane  Pacifica
Daly City  Redwood City
Half Moon Bay  San Carlos
Hillsborough  San Mateo
Menlo Park  Woodside
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.

• 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

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

*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*):

<table>
<thead>
<tr>
<th>Rate Component</th>
<th>PG&amp;E**</th>
<th>PCE EcoPlus</th>
<th>PCE Eco100</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG&amp;E Delivery Costs*</td>
<td>$25.58</td>
<td>$25.58</td>
<td>$25.58</td>
</tr>
<tr>
<td>Net Generation Costs</td>
<td>$29.05</td>
<td>$20.45</td>
<td>$23.45</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>$0.00</td>
<td>$7.16</td>
<td>$7.16</td>
</tr>
<tr>
<td><strong>Total Electric Charges</strong></td>
<td><strong>$54.64</strong></td>
<td><strong>$53.18</strong></td>
<td><strong>$56.18</strong></td>
</tr>
</tbody>
</table>

*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):

<table>
<thead>
<tr>
<th>Rate Component</th>
<th>PG&amp;E**</th>
<th>PCE EcoPlus</th>
<th>PCE Eco100</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG&amp;E Delivery Costs*</td>
<td>$10.18</td>
<td>$10.18</td>
<td>$10.18</td>
</tr>
<tr>
<td>Net Generation Costs</td>
<td>($31.23)</td>
<td>($31.57)</td>
<td>($29.32)</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>$0.00</td>
<td>($0.60)</td>
<td>($0.60)</td>
</tr>
</tbody>
</table>

*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):

<table>
<thead>
<tr>
<th>Rate Component</th>
<th>PG&amp;E**</th>
<th>PCE EcoPlus</th>
<th>PCE Eco100</th>
</tr>
</thead>
<tbody>
<tr>
<td>PG&amp;E Delivery Costs*</td>
<td>$10.18</td>
<td>$10.18</td>
<td>$10.18</td>
</tr>
<tr>
<td>Net Generation Costs</td>
<td>($21.55)</td>
<td>($22.38)</td>
<td>($20.13)</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>$0.00</td>
<td>($0.60)</td>
<td>($0.60)</td>
</tr>
<tr>
<td>Total Electric Charges</td>
<td>($11.37)</td>
<td>($12.79)</td>
<td>($10.55)</td>
</tr>
</tbody>
</table>

*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.
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:

![Net Energy Metering Customer: September True-Up](image)

- Generation (kWh)
- Consumption (kWh)
- Monthly Net (kWh)
- Annual Net (kWh)
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

<table>
<thead>
<tr>
<th>NEM Customer True-up Month</th>
<th>PCE Phase-in Month</th>
</tr>
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<tbody>
<tr>
<td>September 2016</td>
<td>October 2016</td>
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<td>October 2016</td>
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<td>November 2016</td>
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<td>December 2016</td>
<td>December 2016</td>
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<tr>
<td>January 2017</td>
<td>February 2017</td>
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<td>February 2017</td>
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<td>March 2017</td>
<td>April 2017</td>
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<td>April 2017</td>
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<td>May 2017</td>
<td>June 2017</td>
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<td>June 2017</td>
<td>June 2017</td>
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<td>July 2017</td>
<td>August 2017</td>
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<tr>
<td>August 2017</td>
<td>August 2017</td>
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</tbody>
</table>
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
5. Marketing and Outreach (Discussion)
Residential Customer Outreach Plan

- Residential Customers
- In-Person
- TV Ads
- Web Ads
- Enrollment Notices

- Print Ads
  - Paid Media
  - Earned Media
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
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
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?
6. Regulatory Update (Discussion)
7. Board Members’ Reports (Discussion)
Adjourn