REGULAR MEETING of the Board of Directors of the Peninsula Clean Energy Authority (PCEA)
Thursday, February 22, 2018

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

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Anne Bartoletti, Board Clerk, at least 2 working days before the meeting at abartoletti@peninsulacleanenergy.com. Notification in advance of the meeting will enable the PCEA to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.

If you wish to speak to the Board, please fill out a speaker's slip located on the tables as you enter the Board meeting room. If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of PCEA staff who will distribute the information to the Board members and other staff.

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT
This item is reserved for persons wishing to address the Board on any PCEA-related matters tha are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda and/o Closed Session Agenda; 3) Chief Executive Officer's or Staff Report on the Regular Agenda; o 4) Board Members' Reports on the Regular Agenda. Public comments on matters not listec above shall be heard at the time the matter is called.

As with all public comment, members of the public who wish to address the Board are requestec to complete a speaker's slip and provide it to PCEA staff. Speakers are customarily limited to twc minutes, but an extension can be provided to you at the discretion of the Board Chair.

ACTION TO SET AGENDA and TO APPROVE CONSENT AGENDA ITEMS
This item is to set the final consent and regular agenda, and for the approval of the items listed or the consent agenda. All items on the consent agenda are approved by one action.

CLOSED SESSION

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

   Title: Chief Executive Officer

2. RECONVENE OPEN SESSION AND REPORT OUT OF CLOSED SESSION

REGULAR AGENDA

3. Chair Report (Discussion)
4. CEO Report (Discussion)
5. Citizens Advisory Committee Report (Discussion)
6. Audit and Finance Committee Report (Discussion)
7. Marketing and Outreach Report (Discussion)
8. Regulatory and Legislative Report (Discussion)
9. Selection of the Chair and Vice Chair (Action)
10. Update JPA Voting Shares (Action)
11. Approve Endorsement of the Citizen's Climate Lobby's Carbon Fee and Dividend Proposal (Action)
12. Review Insurance Coverage (Discussion)
13. Create a New Residential Time-of-Use, TOU-C, Electric Rate (Action)
14. PCE Rate Change Update (Discussion)
15. Update on 2018 RFO for Renewable and Storage Resources (Discussion)
16. Board Members' Reports (Discussion)

CONSENT AGENDA

17. Approval of the Minutes for the January 25, 2018 Meeting (Action)

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the Peninsula Clean Energy office, located at 2075 Woodside Road, Redwood City, CA 94061, for the purpose of making those public records available for inspection. The documents are also available on the PCEA's Internet Web site. The website is located at: http://www.peninsulacleanenergy.com.

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

DATE: February 13, 2017
BOARD MEETING DATE: February 22, 2017
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

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

FROM: Kirsten Andrews-Schwind, Communications and Outreach Manger, and Leslie Brown, Manager of Customer Care

SUBJECT: Update on PCE's Marketing and Outreach Activities

BACKGROUND:
The marketing team has been busy doing outreach, managing our online presence, responding to customer requests, and preparing future campaigns.

DISCUSSION:

PCE Community Outreach Small Grant Pilot Launch

The application information for Peninsula Clean Energy's Community Outreach Small Grant Pilot Program is now live on our website at www.peninsulacleanenergy.com/small-grants.

Peninsula Clean Energy invites nonprofit organizations to apply for small grants to fund short-term collaboration with our outreach team to provide accurate information about PCE to their members, clients, constituents, and broader audiences. Grants will be awarded in amounts up to $10,000 per outreach project, for work to be completed by September 30th 2018, with a report completed by October 12th. This small grant program is a pilot project that may result in renewed opportunities for collaboration funding based on results.

We encourage board members to help distribute this funding opportunity widely to nonprofits in your area. All 501c3 nonprofit organizations or their fiscally sponsored projects with an established track record of public outreach, communications, providing social services, or case management in San Mateo County are eligible and encouraged to apply. **Application deadline is March 9th, 2018.**

The goals of the program are to collaborate with trusted local nonprofits to increase knowledge of the following points among residents in San Mateo County, specifically:

- Understanding of Peninsula Clean Energy, its mission, and benefits
- Understanding of how PCE savings appear on residential energy bills
- Knowledge of eligibility for energy discount, efficiency, and associated programs

PCE is especially interested in reaching the following audiences:

- Low-income residents
- Seniors
- Customers eligible for Medical Baseline discounts
- Customers with low English language proficiency
- Residents of northern San Mateo County focusing on San Bruno, South San Francisco, Pacifica, and Daly City

PCE expects that organizations will generally include PCE's key messages in their existing outreach, communications, services, and programs. Grantees will collaborate with PCE to customize messaging for their audience, with PCE providing creative content and speakers as needed. PCE will provide a one-day training on understanding and presenting our key messages which will be required for all grantee staff implementing the project.

ECO100 Municipal Opt-Ups

As the Board has requested a list of current municipal and special district ECO100 opt-ups, the complete list as of January 2018 is presented below:

Customer Name
CITY OF BELMONT
CITY OF BRISBANE
CITY OF BURLINGAME
CITY OF FOSTER CITY
CITY OF MENLO PARK
CITY OF MILLBRAE
CITY OF MILLBRAE /CORP YARD
CITY OF REDWOOD CITY
CITY OF SAN CARLOS
CITY OF SAN MATEO
COUNTY OF SAN MATEO
MONTARA SANITARY DISTRICT
PENINSULA CLEAN ENERGY
PENINSULA CORRIDOR JOINT POWERS BOARD
SAN MATEO COUNTY HARBOR DISTRICT
SAN MATEO COUNTY TRANSIT DISTRICT
TOWN OF ATHERTON
TOWN OF HILLSBOROUGH
TOWN OF WOODSIDE
WOODSIDE FIRE PROTECTION DISTRICT
WOODSIDE MUTUAL WATER

Thank you again to all the municipalities and special districts that have chosen ECO100 for their operations.

Recent and Upcoming Outreach Events

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

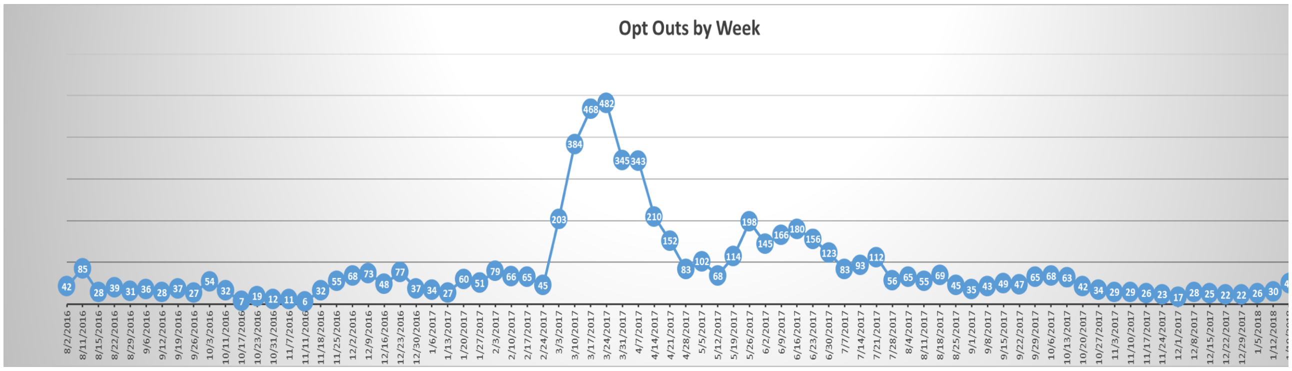
25-Jan	Presentation at Samaritan House Staff Meeting
26-Jan	Networking at San Mateo Chamber State of the City Address Breakfast
3-Feb	Tabling at Daly City Farmers Market
8-Feb	Networking at South San Francisco Chamber New Members Breakfast

13-Feb	Networking at Foster City Chamber of Commerce State of the City
13-Feb	Networking at Millbrae Chamber of Commerce Business Awards
13-Feb	Networking at Pacifica Chamber of Commerce Valentine's Mixer
17-Feb	Tabling at Senior Fair in San Carlos
18-Feb	Tabling at Foster City Lunar New Year Celebration
21-Feb	PCE Networking Event with Burlingame Chamber
24-Feb	Tabling at Redwood City Lunar New Year
27-Feb	Speaking at Burlingame ECO100 Opt-Up House Party
3-Mar	Tabling at Daly City Fun, Health & Safety Fair
4-Mar	Tabling at San Mateo STEM Science Fair
8-Mar	Networking Mixer with Millbrae Chamber of Commerce
8-Mar	STEM Fair Award Presentation*
9-Mar	Presentation at San Carlos Adult Center
15-Mar	Presentation at Career Day, Taylor Middle School in Millbrae
15-Mar	Presentation at Senior Coastsiders in HMB*
16-Mar	Tabling at South San Francisco Senior Fair
23-Mar	Tabling at Belmont Senior Fair
27-Mar	PCE Volunteer Appreciation Event and Earth Day Outreach Training
29-Mar	Sustainable San Mateo County Award Ceremony, College of San Mateo
31-Mar	Tabling at District 5 Together in Daly City
14-Apr	Tabling at Marine Science Earth Day in Redwood City
21-Apr	Tabling at Pacifica Earth Day
21-Apr	Tabling Belmont Earth Day
21-Apr	Tabling at EarthDay@Shoreway in San Carlos
26-Apr	SSF Chamber of Commerce Higher Education Scholarship Luncheon*
28-Apr	Table at Portola Valley Earth Day*
28-Apr	STEAM Fest in Redwood City

**Pending registration*

Enrollment Statistics

Weekly opt-outs increased in January, with two weeks of 60+ opt-outs. This pattern is similar to the pattern last January and February 2017 of seasonal opt-outs as customers begin to receive higher winter bills. Three cities had “0” opt-outs in January: Atherton, Colma, and Half Moon Bay. Our overall opt-out rate is approximately 2.29%.



CITY	Eligible Accts	Total	TOTAL OPT OUT %
PORTOLA VALLEY INC	1,676	92	5.49%
SAN BRUNO INC	16,329	541	3.31%
SO SAN FRANCISCO INC	24,690	738	2.99%
PACIFICA INC	15,413	454	2.95%
DALY CITY INC	33,830	900	2.66%
MILLBRAE INC	9,337	227	2.43%
HALF MOON BAY INC	4,942	120	2.43%
UNINC SAN MATEO CO	24,349	582	2.39%
BELMONT INC	11,806	257	2.18%
EAST PALO ALTO INC	7,755	167	2.15%
SAN CARLOS INC	14,365	309	2.15%
SAN MATEO INC	43,820	936	2.14%
BRISBANE INC	2,473	48	1.94%
HILLSBOROUGH INC	4,036	77	1.91%
BURLINGAME INC	15,361	279	1.82%
REDWOOD CITY INC	34,534	615	1.78%
FOSTER CITY INC	14,604	244	1.67%
WOODSIDE INC	2,275	36	1.58%
ATHERTON INC	2,685	41	1.53%
COLMA INC	790	[redacted]	1.39%
MENLO PARK INC	15,524	209	1.35%
Grand Total	300,594	6,883	2.29%

There are now almost 5,000 accounts in ECO100. We are pleased to note that Burlingame enjoys a proportionately higher rate of ECO100 participation, likely due to the work of the Citizens Environmental Council's #OptUpBurlingame grassroots campaign. PCE thanks them for their efforts.

ACTIVE ACCTS BY CITY	Eligible Accts	February			
CITY	**Full Territory**	**RES ACT**	**COM ACT**	**ACTIVE**	**ECO100**
ATHERTON INC	2,685	2,320	185	2,505	55
BELMONT INC	11,806	10,349	912	11,261	143
BRISBANE INC	2,473	1,874	502	2,376	75
BURLINGAME INC	15,361	12,809	1,938	14,747	283
COLMA INC	790	498	274	772	[redacted]
DALY CITY INC	33,830	30,284	1,936	32,220	56
EAST PALO ALTO INC	7,755	7,003	437	7,440	16
FOSTER CITY INC	14,604	12,776	813	13,589	116
HALF MOON BAY INC	4,942	4,108	572	4,680	42
HILLSBOROUGH INC	4,036	3,741	138	3,879	56
MENLO PARK INC	15,524	13,168	1,684	14,852	410
MILLBRAE INC	9,337	8,290	661	8,951	87
PACIFICA INC	15,413	13,833	852	14,685	110
PORTOLA VALLEY INC	1,676	1,403	142	1,545	1,447
REDWOOD CITY INC	34,534	29,585	3,324	32,909	606
SAN BRUNO INC	16,329	14,404	1,092	15,496	78
SAN CARLOS INC	14,365	11,558	2,152	13,710	234
SAN MATEO INC	43,820	37,957	3,857	41,814	563
SO SAN FRANCISCO INC	24,690	20,414	3,223	23,637	67
UNINC SAN MATEO CO	24,349	20,268	2,807	23,075	430
WOODSIDE INC	2,275	1,962	213	2,175	47
Unallocated		93	[redacted]	101	
Unallocated (cust type)				239	
Grand Total	**300,594**	**258,697**	**27,722**	**286,658**	**4,925**

PENINSULA CLEAN ENERGY

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

DATE: February 15, 2018
BOARD MEETING DATE: February 22, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

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

FROM: Joseph Wiedman, Director of Regulatory and Legislative Affairs
Jeremy Waen, Senior Regulatory Analyst

SUBJECT: Update on PCE's December and January Regulatory and Legislative Activities

BACKGROUND:

The end of January and early February were very busy on a number of matters both legislative and regulatory. As discussed in more detail below, PCE, as part of various coalitions, submitted four pleadings at the California Public Utilities Commission (CPUC). PCE staff attended seven other stakeholder meetings and CalCCA lobby days during this period also.

DISCUSSION:

Regulatory Outreach

On Wednesday, January 24th, Jan Pepper, Jeremy Waen, Michael Brownrigg, Mayor of Burlingame, and Vidhya Prabhakaran, outside counsel to PCE, met with Commissioner Carla Peterman and her staff to discuss PCE's concerns with the proposed decision issued in the Commission's Integrated Resource Planning (IRP) docket. Ms. Pepper also provided an overview of PCE's recently developed IRP and how it relates to the Commission's upcoming IRP process.

On Thursday, February 1, Jan Pepper, Joseph Wiedman, and Jeremy Waen met with Commissioner Liane Randolph and her staff to discuss PCE's concerns with the proposed decision issued in the Commission's Integrated Resource Planning (IRP) docket. Ms. Pepper also provided an overview of PCE's recently developed IRP and how it relates to the Commission's upcoming IRP process.

On Thursday, February 1, Jan Pepper, Joseph Wiedman, and Jeremy Waen met with David Peck, Energy Advisor to CPUC President Michael Picker to discuss PCE's concerns with the proposed decision issued in the Commission's Integrated Resource Planning (IRP) docket. Ms. Pepper also provided an overview of PCE's recently developed IRP and how it relates to the Commission's upcoming IRP process. Mr. Peck was interested in the energy content of CCA portfolios.

On Tuesday, February 6th, Joseph Wiedman met with Commissioner Martha Guzman-Aceves and her staff to discuss PCE's concerns with the proposed decision issued in the Commission's Integrated Resource Planning (IRP) docket. Mr. Wiedman also provided an overview of PCE's recently developed IRP and how it relates to the Commission's upcoming IRP process. The Commissioner was particularly interested in ways to avoid using natural gas to backfill renewables procurement.

On February 8th, Jan Pepper, Dave Pine and Joseph Wiedman attended a rally hosted by the Center for Climate Protection at the CPUC prior to the Commission's voting meeting. Supervisor Pine and Ms. Pepper spoke about the need for transparency in CPUC decision making and PCE's goals for the future. The rally was attended by approximately fifty CCA supporters.

On February 8th, eleven representatives of CCAs, including Jeremy Waen, met with CPUC Energy Division staff and Ed Randolph, Director of the Energy Division, to discuss CCAs and the capacity market, and to avoid costly backstop procurement via the CAISO's Reliability Must Run (RMR) or Capacity Procurement Mechanism (CPM) allocation mechanisms.

Regulatory Advocacy

R.17-06-026 – PCIA Order Instituting Rulemaking – On Wednesday, February 7th, CalCCA filed a motion requesting an extension of time to file opening testimony in the PCIA docket. Commercial Energy, the Direct Access Customer Coalition/Alliance for Retail Energy Markets and The Energy Users Forum joined the motion. CalCCA proposed that all dates in the docket be extended by 35 days due to delays in production of data by the investor-owned utilities (IOUs). Accordingly, opening testimony would be due on April 16th rather than March 12th. On February 12th, the IOUs and TURN filed responses to the motion. The IOUs requested that the motion be denied, but also offered up an alternative schedule that would set the due date for opening testimony at March 26th. TURN supported CalCCA's motion. CalCCA filed a response to the IOU's motion on February 14th. The matter remains before the judge.

R.16-02-007 – Integrated Resource Plans (IRP) – On February 8th, the CPUC approved the IRP proposed decision with significant changes regarding the Commission's jurisdiction over CCA's IRPs and concerning the use of the clean net short methodology proposed by PG&E. While the final written decision reflecting the Commission's vote has not been released, an informal draft of the final decision shows significant modifications to the discussion relating to the role of CCAs and the Commission in the IRP process with a greater recognition that the Commission's role is primarily one of planning and that the CCAs have sole procurement authority. PCE's opening comments on the matter were highlighted in the new discussion. The Commission also backed away from a wholesale authorization of the clean net short methodology and instead requested more work on how greenhouse gas emissions would be treated under a framework like the clean net short. The Commission also highlighted the need for further process, including workshops, to develop greater detail on the contents of IRPs that will be submitted to the Commission on August 1st. Once the final version of the IRP decision is released, more guidance can be provided.

R.12-02-009 – Order Instituting Rulemaking to Implement SB 790 – On January 30th, the IOUs filed a Petition for Modification of D.12-12-036 which established the Commission's Code of Conduct covering utility CCA marketing and lobbying. They argue that since the issuance of D.12-12-036 many new CCAs have emerged and many localities are considering formation so the issue of IOU's communication concerning CCAs needs to be revisited. They argue that prohibitions on lobbying local elected officials is unduly broad and prevents the IOUs from correcting errors in implementation plans and responding to requests for further information from local officials considering forming a CCA. Their main request is that they should be allowed to lobby local governments regarding newly forming and existing CCAs and communicate with the press without restriction to prevent a violation of the First Amendment. Responses to the Petition are due March 1st. CalCCA has engaged specialized First Amendment counsel to assist with the response.

R.17-09-020 - Resource Adequacy – On January 30th, CCA parties, including PCE, filed comments on the Scoping Memo issued on January 18th. The CCAs generally advocated that the docket should cover the issues covered in Resolution E-4907 and should be the venue for resolving those matters. The CCAs also advocated for consideration of revisions to Cost Allocation Mechanism (CAM) treatment as part of discussions on multi-year resource adequacy and centralized buying of resource adequacy. On February 16th, the CCA parties submitted comments describing proposals for resolving E-4907 implementation matters, while keeping the door open for proposals on addressing backstop procurement later within the proceeding.

Resolution E-4907 – (no docket) – On February 8th, the CPUC adopted a modified Resolution E-4907 which instituted a waiver process for CCAs seeking to begin operations or expand during the remainder of 2018. CalCCA negotiated the modifications with the CPUC. Further details on the waiver process are expected to be addressed in the Commission's Resource Adequacy docket (R.17-09-020).

Legislative Advocacy

On Thursday, January 18th, Jan Pepper and Joseph Wiedman met with Marc Joseph, attorney for IBEW and Ralph Cavanagh, Co-Director of the Natural Resources Defense Council's Energy Program to discuss opportunities in the coming legislative session to work together towards mutual goals. Topics discussed included advanced procurement of renewable energy, policies related to distributed energy resources, and opportunities for resource adequacy and load shifting.

On Wednesday, January 24th and Thursday, January 25th, CalCCA held lobby days in Sacramento. Joseph Wiedman attended on behalf of PCE. Mr. Wiedman met with Assemblymember Eduardo Garcia, Assemblymember Al Muratsuchi, Gabrielle Zeps, Policy Consultant for Speaker of the Assembly Anthony Rendon, and Assemblymember Chris Holden to discuss the Commission's recent Resolution E-4907 and other matters important to CalCCA and PCE. Mr. Wiedman also attended a Legislator Briefing hosted by Senator Mike McGuire. Assemblymember Mark Berman, Senator Scott Wiener, and Senator Jerry Hill attended the briefing from PCE's service territory. On January 25th, Mr. Wiedman met with Kip Lipper, Energy Advisor to the Senate President Pro Tem and Edson Perez, staff to incoming Senate President Pro Tem Toni Atkins. Discussion focused on a wide range of topics including regionalization, Resolution E-4907, and CCA procurement activities. Mr. Wiedman also attended a Legislative Staff Briefing on CalCCA. During the briefing, Mr. Wiedman discussed recent CalCCA research in the PCIA docket concerning ways to save all ratepayers money via securitization of certain rate-based assets of the investor-owned utilities.

FISCAL IMPACT:
Not applicable.

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

DATE: February 13, 2018
BOARD MEETING DATE: February 22, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Leslie Brown, Manager of Customer Care, Peninsula Clean Energy Authority

SUBJECT: Updated JPA Voting Shares (Action)

RECOMMENDATION:

Approve recalculated weighted voting shares based on annual energy consumption from 2017.

BACKGROUND:

As the Board is aware, the Joint Powers Agreement creating Peninsula Clean Energy has a "weighted" voting option. Votes are first taken by simple majority vote. Voting can stop there (and does stop there if the vote is AGAINST the item). However, if an item is APPROVED, a "weighted" vote can be called. If, pursuant to the weighted vote, the item is rejected, the weighed vote prevails. In other words, the weighted vote can serve as a possible veto. But to date, no weighted vote has ever been called. This is all covered by Section 3.7 of the Joint Powers Agreement.

Section 3.7 also provides for how the weighted voting strength of each member is calculated by taking that member jurisdiction's annual electricity use and dividing that number by the total annual electricity use of all members' jurisdictions. So, for example, at inception, the largest weighted share was South San Francisco's at 15.18%. In any event, Section 3.7.2 requires that shares be revised annually.

DISCUSSION:

Staff has recalculated the shares based on usage from 2017 and prepared a revised Exhibits C and D to be attached to the Joint Powers Agreement, attached. The recalculated energy consumption and weighted shares are based on data received from PG&E's Item 16 report for 2017.

Attachment:
Exhibits C and D

Exhibits C and D
Annual Energy Use and Voting Shares

ANNUAL ENERGY USE WITHIN PCE JURISDICTIONS AND VOTING SHARES		
Twelve Months Ended December 2017		
Party	Total kWh	Voting Share
ATHERTON	62,664,288	1.80%
BELMONT	88,333,458	2.54%
BRISBANE	57,469,444	1.65%
BURLINGAME	202,761,927	5.83%
COLMA	20,071,085	0.58%
DALY CITY	240,149,652	6.90%
EAST PALO ALTO	67,751,822	1.95%
FOSTER CITY	177,259,733	5.10%
HALF MOON BAY	55,749,795	1.60%
HILLSBOROUGH	55,357,571	1.59%
MENLO PARK	266,754,006	7.67%
MILLBRAE	75,810,842	2.18%
PACIFICA	97,630,827	2.81%
PORTOLA VALLEY	22,162,037	0.64%
REDWOOD CITY	464,545,460	13.35%
SAN BRUNO	133,176,510	3.83%
SAN CARLOS	152,028,851	4.37%
SAN MATEO	457,510,644	13.15%
SOUTH SAN FRANCISC	516,696,376	14.85%
UNINCORPORATED	224,953,843	6.47%
Total		100.00%

Item No. 11

PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: February 15, 2018
BOARD MEETING DATE: February 22, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer

SUBJECT: Approve Endorsement of Citizens' Climate Lobby Carbon Fee and Dividend Proposal

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

> *Citizens' Climate Lobby Proposal:*
> *We propose Congress place a steadily rising cost on carbon to drive down the use of carbon-based fossil fuels. To account for the cost of burning fossil fuels, an initial fee of $15/ton is to be placed on the CO2 equivalent emissions of fossil fuels, escalating $10/ton/year, imposed upstream at the mine, well or port of entry. Accounting for the true cost of fossil fuel emissions not only creates a level-playing field for all sources of energy, but also informs consumers of the true cost comparison of various fuels when making purchase decisions.*
>
> *We advocate giving 100% of the fees collected (minus a small administrative cost) back to American households on a monthly basis. Research indicates that about two-thirds of all households will break even or receive more money than what they would pay in higher oil and gas prices. This feature will inject billions of dollars into the economy, protect family budgets, free households to make independent choices about their energy use, spur innovation and build aggregate demand for no and low-carbon producers at the consumer level.*
>
> *We recommend implementing a border adjustment to stop business relocation. Import fees on products imported from countries without a carbon fee, along with*

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

A study from Regional Economic Models Inc. (REMI) shows that a carbon fee and dividend system will reduce U.S. CO2 emissions by 52% below 1990 levels within 20 years and that recycling the revenue creates an economic stimulus that adds 2.8 million jobs to the U.S. economy. A structured rising price on greenhouse gas emissions will focus businesses to plan on optimizing investment priorities in order to thrive in a carbon-constrained world. Additionally, carbon fee and dividend is projected to prevent over 230,000 premature deaths over 20 years from improved air quality.
Carbon fee and dividend does not increase the size of government, require new bureaucracies or directly increase government revenues. The dividend increases real disposable income, protects personal spending decisions and will recruit widespread, sustained engagement. Finally, carbon fee and dividend is elegant in its simplicity, transparent in its accessibility to public scrutiny and clear in its signals and benefits.

DISCUSSION:

At the October 31, 2017 meeting of the San Mateo County Board of Supervisors, they adopted a resolution urging the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels. Copies of the documents presented at the Board of Supervisors' meeting are attached, including the memo describing the issue, the resolution, and the PowerPoint presentation from the Citizens' Climate Lobby.

At the November 16, 2017 PCE Board meeting, Gary White, a Group Leader from the Citizen's Climate Lobby (CCL), presented to the Board information about CCL and their proposal. Mr. White's presentation is also attached. At the November 2017, the PCE Board decided to table the item, as certain board members wanted to check in with their city councils before taking a vote.

Attached is a proposed PCE resolution urging the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels, which closely follows that adopted by the San Mateo County Board of Supervisors.

RESOLUTION NO. ________________

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

* * * * * *

RESOLUTION URGING THE UNITED STATES CONGRESS TO ENACT A REVENUE-NEUTRAL TAX ON CARBON-BASED FOSSIL FUELS

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, greenhouse gas (GHG) emissions from human activities, including the burning of fossil fuels, are causing rising global temperatures; and

WHEREAS, the average surface temperature on Earth has been increasing steadily, with the sixteen hottest years ever recorded all occurring since 1998, and the hottest of all years to date being 2016; and

WHEREAS, the global atmospheric concentration of carbon dioxide (CO2) exceeded 410 parts per million (ppm) in April 2017, the highest level in three million years; and

WHEREAS, the average global temperature by the year 2100 is predicted to be 2 degrees Fahrenheit to 11.5 degrees Fahrenheit higher than the current average global temperature, depending on the level of GHG emissions trapped in the atmosphere; and

WHEREAS, scientific evidence indicates that it is necessary to reduce the global atmospheric concentration of CO2 from the current concentration of more than 400 ppm to 350 ppm or less in order to slow or stop the rise in global temperature; and

WHEREAS, global warming is already leading to large-scale problems including ocean acidification and rising sea levels; more frequent, extreme, and damaging weather events such as heat waves, storms, heavy rainfall and flooding, and droughts; more frequent and intense wildfires; disrupted ecosystems affecting biodiversity and food production; and an increase in heat-related deaths; and

WHEREAS, further global warming poses an unacceptable risk of catastrophic impacts to the ecosystems on which all life depends; and

WHEREAS, conservative estimates by the world's climate scientists state that to achieve climate stabilization and avoid cataclysmic climate change, by the year 2050 GHG emissions must be reduced to levels that are 80% below 1990 levels; and

WHEREAS, the Global Warming Solutions Act of 2006 (AB 32) commits the State of California to reduce GHG emissions to 1990 levels by 2020, and the State has further established goals to reduce GHG emissions by 40 percent below 1990 levels by 2030 (SB 32), and to 80 percent below 1990 levels by 2050 (Executive Order S-3-05); and

WHEREAS, the Peninsula Clean Energy Authority was formed to reduce greenhouse gas emissions in the county through the sourcing of cleaner and greener electricity; and

WHEREAS, the environmental, health, and social costs of CO2 emissions are not currently included in the price paid for fossil fuels, and these negative externalities are borne by all global inhabitants, particularly those in disadvantaged communities; and

WHEREAS, a national carbon tax will benefit the economy, human health, the environment, and national security as a result of correcting market distortions, reducing toxic pollutants, reducing the outflow of dollars to oil-producing countries, and improving the energy security of the United States; and

WHEREAS, a phased-in carbon tax on GHG emissions 1) is an efficient, transparent, and enforceable mechanism to drive an effective and fair transition to a renewable energy economy, 2) will incentivize manufacturers, businesses, and consumers throughout the economy to produce and use less fossil fuel, and 3) will stimulate investment in alternative-energy; and

WHEREAS, equal monthly dividends (or "rebates") from the funds generated by the carbon tax paid to every American household can help ensure that families and individuals can afford the energy they need during the transition to a GHG-free economy, and these dividends also will stimulate the economy; and

WHEREAS, enacting a national carbon tax would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21st century, and would incentivize other countries to enact a similar carbon tax, reducing global GHG emissions; and

WHEREAS, a national carbon tax, starting at a low rate and increasing steadily over future years, is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use non-carbon-based energy resources; and

WHEREAS, fossil fuels can be taxed once, as far upstream as possible in the economy as practical, or at the port of entry to the United States, for efficient administration; and

WHEREAS, border adjustments levied on carbon-based products imported from countries without comparable carbon pricing, and refunds to exporters, will help level the playing field and maintain the competitiveness of United States' businesses in global markets; and

WHEREAS, a national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax, and already collects taxes from fossil fuel producers and importers; and

WHEREAS, the Citizens' Climate Education Corporation contracted with Regional Economic Modeling, Inc. (REMI) to undertake a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

WHEREAS, REMI's research predicts that, after 10 years, a revenue-neutral carbon tax would lead to a decrease of CO2 emissions by 33 percent, an increase in national employment of 2.8 million jobs, and an average monthly dividend for a family of four of $288; and

WHEREAS, if 100% of the carbon tax revenue is returned to households in equal shares, approximately two-thirds of Americans will break even or come out ahead, as their dividends will match or exceed direct and indirect price increases due to the tax, protecting lower and middle income households; and

WHEREAS, continued widespread use of fossil fuels and impacts due to climate change pose a present and growing risk to the residents of San Mateo County, and a nation-wide, revenue-neutral carbon tax will significantly mitigate those risks and promote the health, safety, and prosperity of communities in San Mateo County, across the United States, and around the world.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that this Board urges the Congress of the United State to enact, without delay, a revenue-neutral tax on carbon-based fossil fuels; and

BE IT FURTHER RESOLVED that the tax should be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and

BE IT FURTHER RESOLVED that the tax rate should start low and increase steadily and predictably with the goal of reducing carbon dioxide emissions in the United States to 80 percent below 1990 levels by 2050; and

BE IT FURTHER RESOLVED that all tax revenue should be returned to households to protect low and middle-income Americans from the impact of rising prices due to the tax; and

BE IT FURTHER RESOLVED that the international competitiveness of the United States businesses should be protected by using border tariffs and tax refunds.

* * * * * *

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Supervisor Don Horsley, President of the Board
Supervisor Dave Pine, District 1

Subject: Revenue-Neutral Tax on Carbon-Based Fossil Fuels

RECOMMENDATION:

Adopt a resolution urging the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels. The request stipulates the tax rate should start low and increase steadily and predictably with the goal of reducing carbon dioxide (CO_2) emissions in the United States to 80 percent below 1990 levels by 2050; that all tax revenue should be distributed to the general population to protect middle to low-income earners from the impact of rising prices due to the tax; that the tax be collected once, as far upstream in the economy as practical, or at the port of entry into the United States; and that the international competitiveness of United States businesses should be protected by using carbon-content-based tariffs and tax refunds.

BACKGROUND:

Greenhouse gas (GHG) emissions from human activities, such as the burning of fossil fuels, are causing rising global temperatures. The average surface temperature on Earth has been increasing steadily, with the sixteen hottest years ever recorded all occurring since 1998. The hottest of all years to date was 2016. In April 2017, the global atmospheric concentration of CO_2 reached 410 parts per million, a level higher than has occurred in the past 3 million years. By 2100, the projected average global temperature will be 2 degrees Fahrenheit to 11.5 degrees Fahrenheit higher than the current average global temperature, depending on the level of GHG trapped in the atmosphere. As carbon dioxide remains in the atmosphere for hundreds of years, the increasing release of carbon dioxide exacerbates global warming, and threatens the very conditions which sustain human survival on the planet. In order to achieve climate stabilization and avoid cataclysmic climate change, climate scientists from around the world estimate GHG emissions must be brought to 80 percent below 1990 levels by 2050.

DISCUSSION:

Local and regional jurisdictions must press for national level policy solutions to global warming and urge federal action to transition from fossil fuels to clean energy. One such solution would be the enactment of a revenue-neutral tax on carbon-based fossil fuels. A national carbon tax on fossil fuels would begin to correct the negative externalities missed by current pricing and efficiently and effectively reduce GHG emissions.

Citizens' Climate Education Corporation commissioned Regional Economic Models, Inc. (REMI) to complete a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax. REMI's study predicted such a tax would lead to a decrease in carbon dioxide emissions by 33 percent after ten years, with an increase in national employment by 2.8 million jobs, and an average dividend for a family of four of $288. REMI's study also showed that a carbon tax would reduce CO2 emissions by 33% in 10 years.

A national carbon tax on fossil fuels, based on the amount of carbon dioxide the fuel will emit when burned, can be implemented quickly and efficiently. The tax would be collected once as far upstream in the economy as possible or at the port of entry to the United States. The tax rate would start low and increase steadily and predictably with the goal of reducing carbon dioxide (CO2) emissions in the United States to 80 percent below 1990 levels by 2050,

By returning the revenue generated by the carbon tax in equal monthly dividends to all American households, approximately two-thirds of Americans will break even or come out ahead, as their dividends will match or exceed direct and indirect price increases due to the tax. In addition, by implementation of border adjustments such as carbon-content-based tariffs on countries without comparable carbon pricing and carbon tax refunds to American exporters, the international competitiveness of United States businesses will be protected. This new policy also would make the United States a leader in mitigating climate change, advancing clean energy technologies, and accelerating the reduction of GHG emissions.

California is already recognized as a leader in addressing climate change and is on track to meet the goals of the California Global Warming Solutions Act of 2006 (AB32) to reduce GHG emission to 1990 levels by the year 2020. The State has further established goals to reduce GHG emissions by 40 percent below 1990 levels by 2030 (SB 32), and to 80 percent below 1990 levels by the year 2050 (Executive Order S-3-05). San Mateo County's Climate Action Plan for Government Operations (adopted on September 11, 2012), and its Climate Action Plan for the Unincorporated Area of the County (adopted June 4, 2013) set targets of reducing emission by 15 percent and 17 percent below 2005 levels by 2020, respectively. The County is in the process of updating its climate action plans so that its emission reduction goals are consistent with the state's target of 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050. Moreover, the County led the effort to create Peninsula Clean Energy which is now providing electricity throughout the county that is 80% GHG free.

A joint resolution of the California State Senate and State Assembly was chaptered September 1, 2016 to urge the adoption and implementation of a federal carbon tax and dividend. By adopting the proposed resolution, the San Mateo County Board of Supervisors affirms the critical importance of addressing both the negative impacts of climate change and the underlying causes of GHG emissions, and urges the United States Congress to enact a revenue-neutral tax on carbon-based fossil fuels and dividend.

FISCAL IMPACT:
No Net County Cost with the adoption of this resolution.

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

* * * * * *

RESOLUTION URGING THE UNITED STATES CONGRESS TO ENACT A REVENUE-NEUTRAL TAX ON CARBON-BASED FOSSIL FUELS

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

WHEREAS, greenhouse gas (GHG) emissions from human activities, including the burning of fossil fuels, are causing rising global temperatures; and

WHEREAS, the average surface temperature on Earth has been increasing steadily, with the sixteen hottest years ever recorded all occurring since 1998, and the hottest of all years to date being 2016; and

WHEREAS, the global atmospheric concentration of carbon dioxide (CO2) exceeded 410 parts per million (ppm) in April 2017, the highest level in three million years; and

WHEREAS, the average global temperature by the year 2100 is predicted to be 2 degrees Fahrenheit to 11.5 degrees Fahrenheit higher than the current average global temperature, depending on the level of GHG emissions trapped in the atmosphere; and

WHEREAS, scientific evidence indicates that it is necessary to reduce the global atmospheric concentration of CO2 from the current concentration of more than 400 ppm to 350 ppm or less in order to slow or stop the rise in global temperature; and

WHEREAS, global warming is already leading to large-scale problems including ocean acidification and rising sea levels; more frequent, extreme, and damaging weather events such as heat waves, storms, heavy rainfall and flooding, and droughts; more frequent and intense wildfires; disrupted ecosystems affecting biodiversity and food production; and an increase in heat-related deaths; and

WHEREAS, further global warming poses an unacceptable risk of catastrophic impacts to the ecosystems on which all life depends; and

WHEREAS, conservative estimates by the world's climate scientists state that to achieve climate stabilization and avoid cataclysmic climate change, by the year 2050 GHG emissions must be reduced to levels that are 80% below 1990 levels**;** and

WHEREAS, the Global Warming Solutions Act of 2006 (AB 32) commits the State of California to reduce GHG emissions to 1990 levels by 2020, and the State has further established goals to reduce GHG emissions by 40 percent below 1990 levels by 2030 (SB 32), and to 80 percent below 1990 levels by 2050 (Executive Order S-3-05).

WHEREAS, the San Mateo County Board of Supervisors adopted Resolution #072558 committing the County to reduce GHG emissions for the County's unincorporated area to a target of 17% below 2005 levels by 2020, in accordance with the County's Energy Efficiency Climate Action Plan**;** and

WHEREAS, the San Mateo County Board of Supervisors adopted Resolution #072149 committing the County to reduce GHG emissions for County government operations to a target of 15% below 2005 levels by 2020**;** and

WHEREAS, the environmental, health, and social costs of CO2 emissions are not currently included in the price paid for fossil fuels, and these negative externalities are borne by all global inhabitants, particularly those in disadvantaged communities; and

WHEREAS, a national carbon tax will benefit the economy, human health, the environment, and national security as a result of correcting market distortions, reducing toxic pollutants, reducing the outflow of dollars to oil-producing countries, and improving the energy security of the United States**;** and

WHEREAS, a phased-in carbon tax on GHG emissions 1) is an efficient, transparent, and enforceable mechanism to drive an effective and fair transition to a renewable energy economy, 2) will incentivize manufacturers, businesses, and consumers throughout the economy to produce and use less fossil fuel, and 3) will stimulate investment in alternative-energy**;** and

WHEREAS, equal monthly dividends (or “rebates”) from the funds generated by the carbon tax paid to every American household can help ensure that families and individuals can afford the energy they need during the transition to a GHG-free economy, and these dividends also will stimulate the economy**;** and

WHEREAS, enacting a national carbon tax would make the United States a leader in mitigating climate change and in the clean energy technologies of the 21^{st} century, and would incentivize other countries to enact a similar carbon tax, reducing global GHG emissions**;** and

WHEREAS, a national carbon tax, starting at a low rate and increasing steadily over future years, is a market-based solution that would minimally disrupt the economy while sending a clear and predictable price signal to businesses to develop and use non-carbon-based energy resources**;** and

WHEREAS, fossil fuels can be taxed once, as far upstream as possible in the economy as practical, or at the port of entry to the United States, for efficient administration**;** and

WHEREAS, border adjustments levied on carbon-based products imported from countries without comparable carbon pricing, and refunds to exporters, will help level the playing field and maintain the competitiveness of United States' businesses in global markets**;** and

WHEREAS, a national carbon tax can be implemented quickly and efficiently, and respond to the urgency of the climate crisis, because the federal government already has in place mechanisms, such as the Internal Revenue Service, needed to implement and enforce the tax, and already collects taxes from fossil fuel producers and importers**;** and

WHEREAS, the Citizens' Climate Education Corporation contracted with Regional Economic Modeling, Inc. (REMI) to undertake a nation-wide macroeconomic study on the impact of a revenue-neutral carbon tax; and

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WHEREAS, continued widespread use of fossil fuels and impacts due to climate change pose a present and growing risk to the residents of San Mateo County, and a nation-wide, revenue-neutral carbon tax will significantly mitigate those risks and promote the health, safety, and prosperity of communities in San Mateo County, across the United States, and around the world.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that Board of Supervisors urges the Congress of the United State to enact, without delay, a revenue-neutral tax on carbon-based fossil fuels; and

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BE IT FURTHER RESOLVED that the international competitiveness of the United States businesses should be protected by using border tariffs and tax refunds.

* * * * * *


Citizens' Climate Lobby

Mission

To create the political will for climate solutions by enabling individual breakthroughs in personal and political power.

Citizens' Climate Lobby

About CCL

1 **International**
United States, Canada, Australia, India, Germany, Sweden, Panama, etc. Now over 80,000 supporters

2 **Nonpartisan**
We build relationships with everyone, even those who oppose us.

3 **Nonprofit**
Volunteer driven organization with 501c(3) and 501c(4) status.

4 **Solution focus**
We are for a solution: Carbon Fee and Dividend.

5 **Respect, appreciation and gratitude**
We treat everyone with respect, appreciation and gratitude.

Citizens' Climate Lobby

About CCL - San Mateo

<u>Alan Mattlage</u>
Congressional Liaison

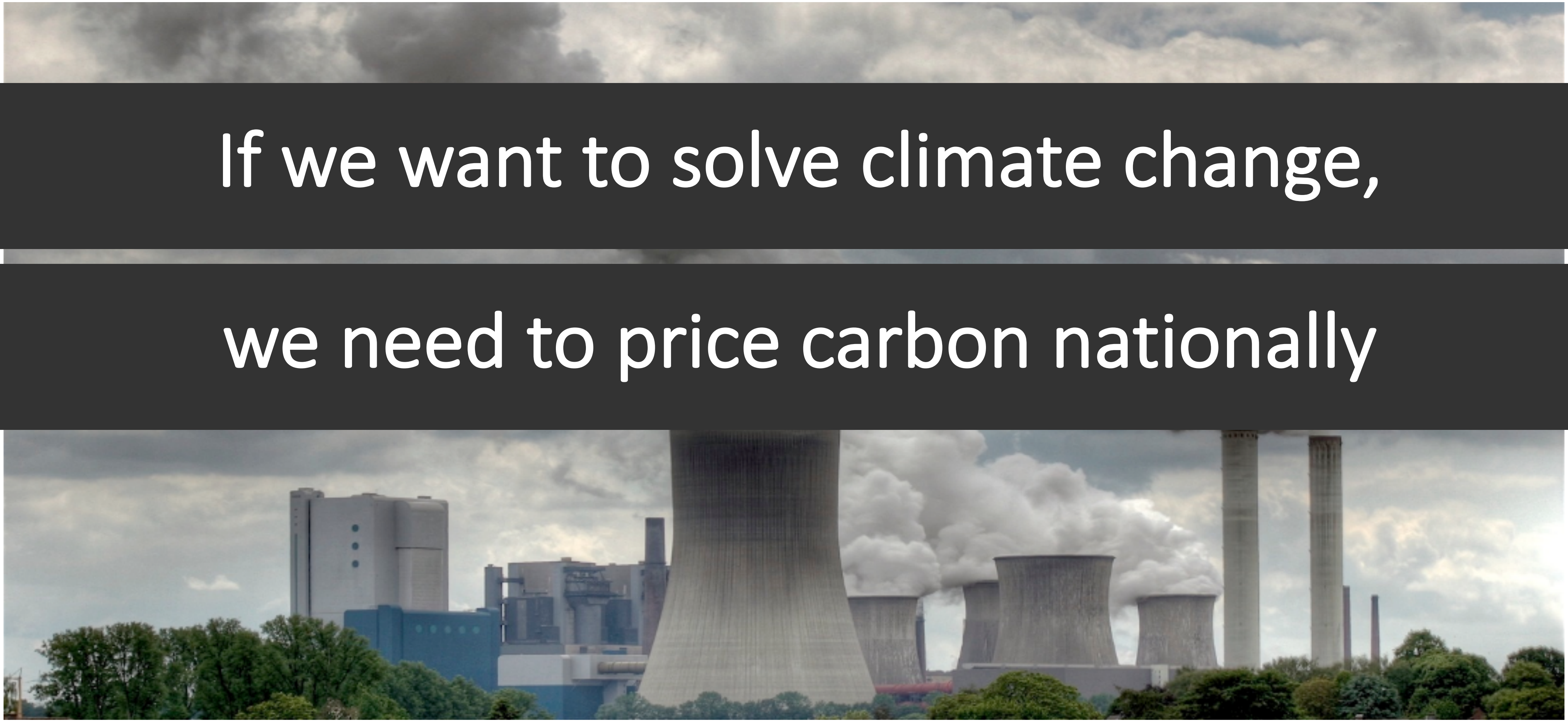
<u>Gary White</u>
Group Leader

<u>Ellyn Dooley</u>
Membership & Projects

344 Supporters in San Mateo County

Citizens' Climate Lobby
San Mateo Chapter

40 Climate Activists



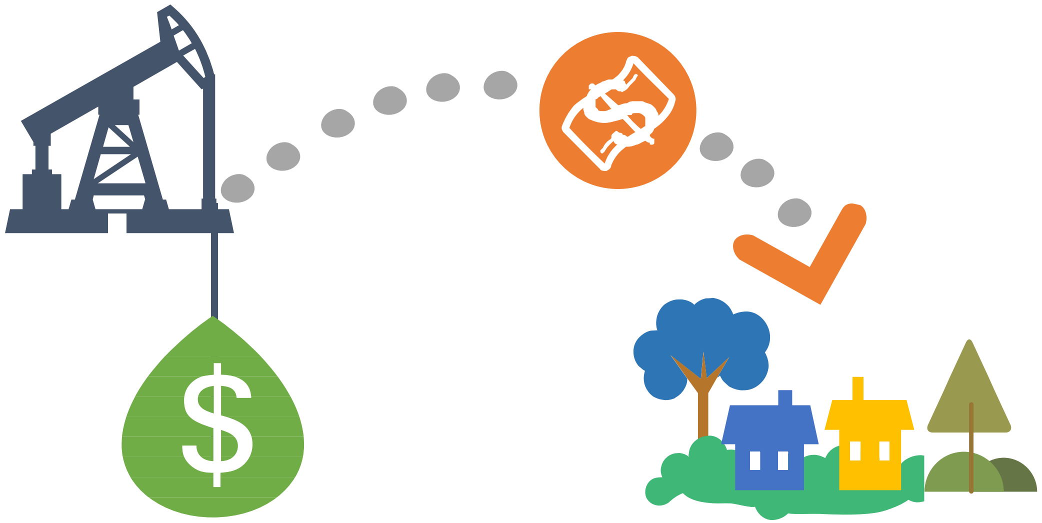
If we want to solve climate change,

we need to price carbon nationally

Carbon Fee and Dividend

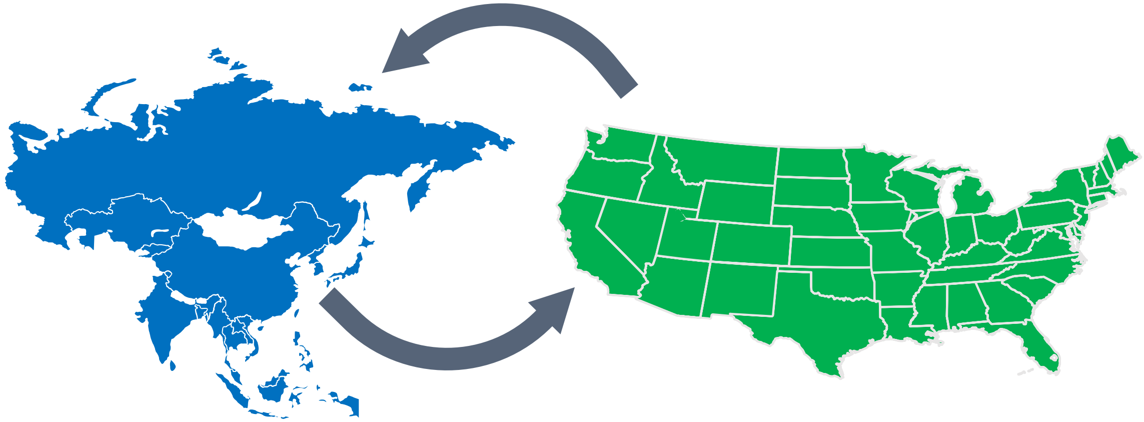
The Best Next Step

1. Place a fee on fossil fuels at the source (at the mine, well or port).

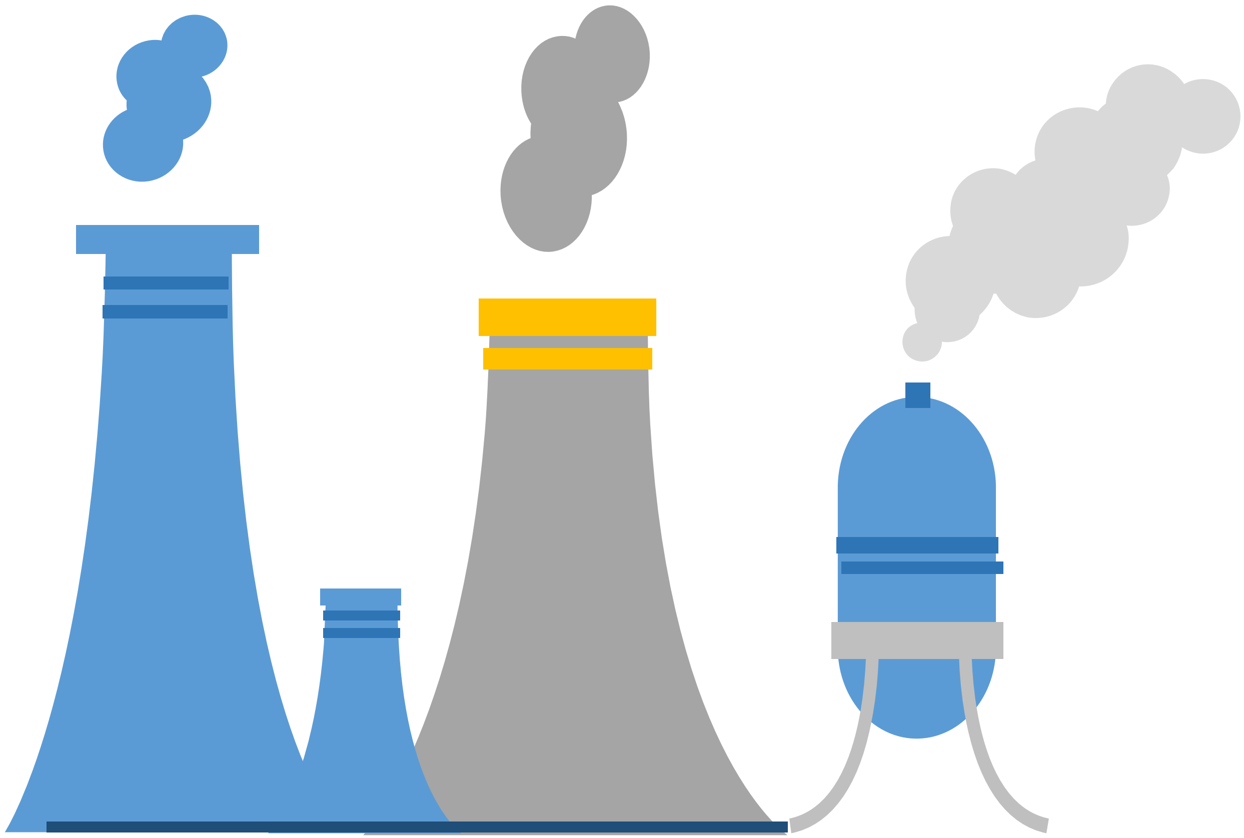


2. Return all of the revenue to U.S. households equally.

3. Place a border adjustment on goods Imported from or exported to countries without an equivalent price on carbon.



Anticipated Emissions Reductions



Under Carbon Fee and Dividend

31% ↓ **Within 10 years***

50% ↓ **Within 20 years***

*Below 1990 levels

Expected Jobs Created

Under Carbon Fee and Dividend

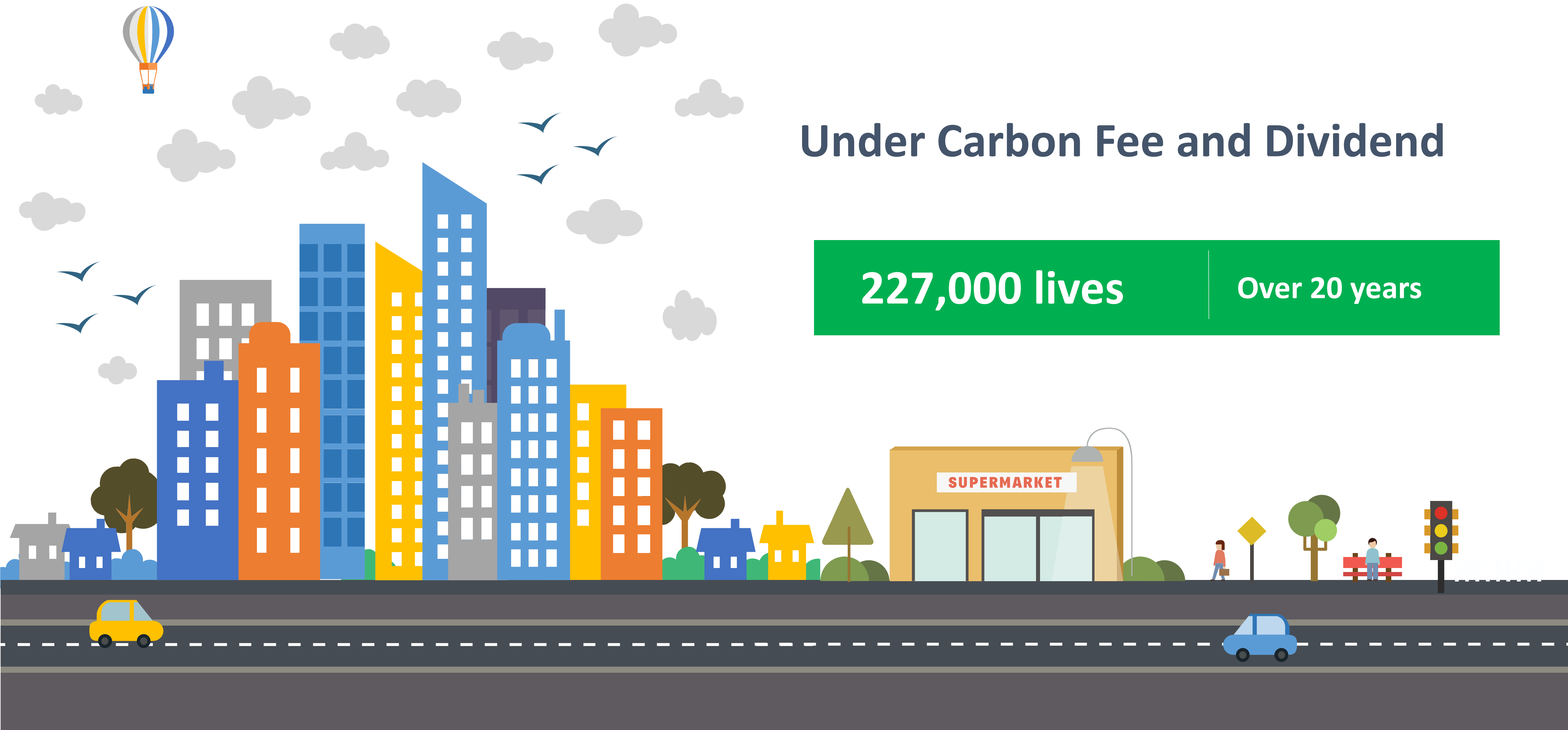
2.1M New Jobs	10 years
2.8M New Jobs	20 years

Likely GDP Growth

Under Carbon Fee and Dividend

$70 - $85B/year	Average
$1.375 T	20 years

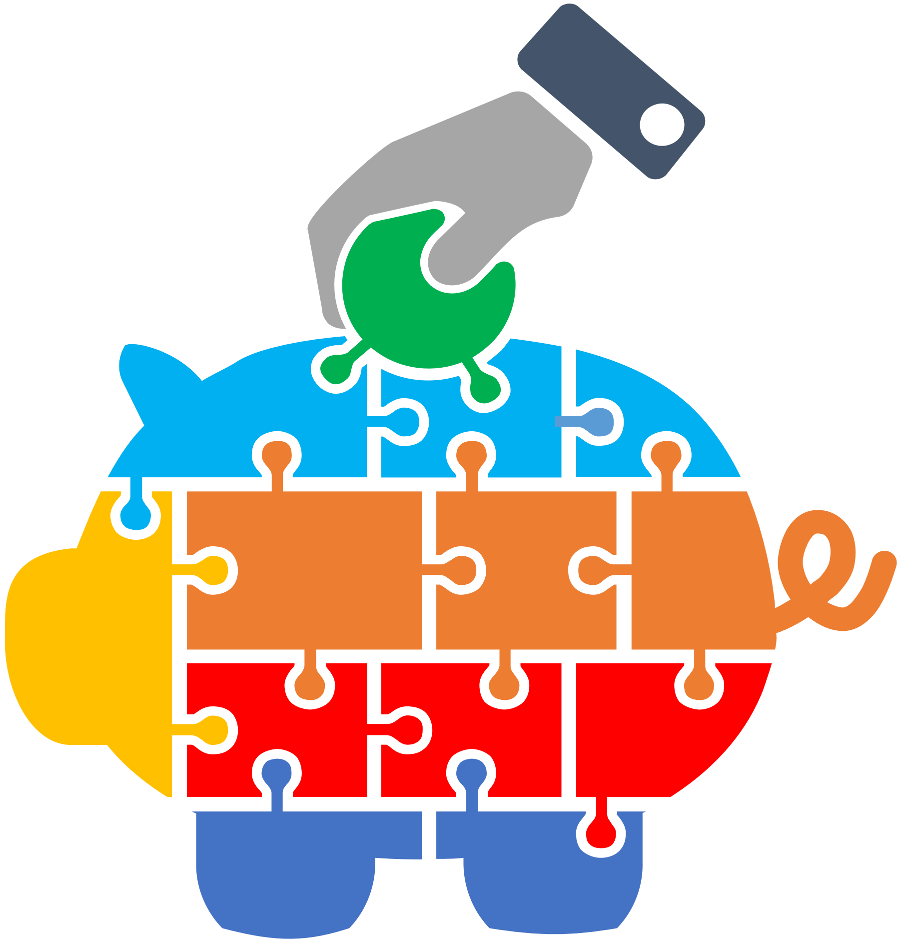
Estimated Lives Saved



Under Carbon Fee and Dividend

227,000 lives	Over 20 years

Household Dividend



Under Carbon Fee and Dividend

$288/month*	10 years
$396/month*	20 years

*For a family of four

James Hansen

Climate Scientist

> “…the backbone of a solution to the climate problem is a flat carbon emissions price... This carbon price must rise continually at a rate that is economically sound. The funds must be distributed back to the citizens, not to special interests.”

CCL Advisory Board

CCL Advisory Board

George Shultz

Former Treasury Secretary

And Secretary of State

> “We argue for revenue neutrality on the grounds that this tax should be exclusively for the purpose of leveling the playing field, not for financing some other government programs or for expanding the government sector.”

Your Endorsement

- Joins over 100 U.S. sub-national governmental endorsements
- Helps us obtain the endorsements of San Mateo County cities
- Demonstrates support of the proposal for national action and in particular in the U.S. Congress

Citizens' Climate Lobby

San Mateo Chapter

PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: February 15, 2018

BOARD MEETING DATE: February 22, 2018

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy

SUBJECT: Create a New Residential Time of Use, TOU-C, Electric Rate

RECOMMENDATION:

Staff recommends that the Board authorize the creation and implementation of a new TOU-C rate for PCE residential customers with the same 5% discount as all other current rate schedules to maintain consistency with the available tariffs from PG&E.

BACKGROUND

PG&E is launching a new Time of Use electric rate (TOU-C) to be rolled out across a select group of residential customers throughout their service territory. The initial phase of TOU-C customers will be enrolled in an ‘opt-out’ mechanism, similar to how PCE enrolled its customers. The selected accounts have already begun receiving communication from PG&E about the new TOU-C rate and their default enrollment on April 1st, unless they take action to opt-out. While there will be no active PCE customers automatically enrolled in this rate, it will be an eligible rate that our customers could select if they requested to do so from PG&E. This new Time of Use rate will have different peak and off-peak hours and costs than PCE’s other existing voluntary Time of Use rates.

DISCUSSION

Since PCE has previously developed complementary rates for all the other eligible PG&E tariffs, to maintain consistency in our service offerings, it would be to our advantage to create and implement a TOU-C rate as well. PCE staff has been in regular communication with the PG&E team that is rolling out this project, and while PG&E does not plan to promote the new TOU-C rate beyond the original Phase 1 implementation group, it is possible that some PCE customers may independently discover the rate and determine that they would like to enroll in it. If PCE does not have a complementary rate available and one of our customers wants to be served under this rate, there will be inconsistencies in billing which would lead to customer confusion and dissatisfaction.

FISCAL IMPACT

The new TOU-C rate would be consistent with other PCE rate models with a 5% total generation discount. There would be nominal, if any, fiscal impact to PCE in creating the rate. Not creating the rate however could have a negative fiscal impact if customers chose to opt-out of PCE in order to enroll in the TOU-C rate as a bundled PG&E customer.

RESOLUTION NO. ____________

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

* * * * * *

RESOLUTION AUTHORIZING THE CREATION OF A NEW RESIDENTIAL TIME-OF-USE, TOU-C, ELECTRIC RATE

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, PG&E is launching a new residential Time of Use rate (TOU-C) on April 1, 2018; and

WHEREAS, Peninsula Clean Energy Authority customers will be eligible to select the rate from PG&E's available residential tariffs.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board authorizes Peninsula Clean Energy (PCE) staff to create and implement a PCE TOU-C rate at a 5% generation discount consistent with all of PCE's other available rates.

* * * * * *

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

DATE: February 15, 2018
BOARD MEETING DATE: February 22, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer

SUBJECT: PCE 2018 Electric Rates Update

UPDATE:

As discussed in a previous Board meeting, due to delays in the normal ratemaking process, PG&E's 2018 rate adjustments will be going into effect March 1, 2018. The actual rates will not be known until then, however the preliminary information from the proceedings to-date indicate that Peninsula Clean Energy will need to make adjustments to most rate schedules in order to align with our stated goal of a 5% discount on Generation across the board. Staff has been working with both Pacific Energy Advisors and Calpine to prepare for a quick turnaround in calculating, programming and implementing updated rates to minimize lag time and billing confusion for customers. The goal is to have all rates updated on or before April 1st, 2018.

PCE staff will report back to the Board with a follow-up on the rate implementation and overall impact across rate schedules once it has been completed.

Item No. 15

PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE:	February 14, 2018
BOARD MEETING DATE:	February 22, 2018
SPECIAL NOTICE/HEARING:	None
VOTE REQUIRED:	None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Siobhan Doherty, Director of Power Resources

SUBJECT: Update on 2018 RFO for Renewable and Storage Resources (Discussion)

BACKGROUND:
The Power Resources team will present on the progress of PCE's 2018 Request for Offers (RFO) for Renewable and Storage Resources, and next steps of same.

The RFO was launched on January 12, 2018 and bids were due on February 9, 2018. PCE posted all information about the RFO to the PCE website: https://www.peninsulacleanenergy.com/our-power/pce-2018-renewables-rfo/.

REGULAR MEETING of the Board of Directors of the Peninsula Clean Energy Authority (PCEA)
Thursday, January 25, 2018
MINUTES

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

CALL TO ORDER

Meeting was called to order at 6:36 p.m.

ROLL CALL

Present: Dave Pine, County of San Mateo, *Chair*
Jeff Aalfs, Town of Portola Valley, *Vice Chair*
Rick DeGolia, Town of Atherton
Greg Scoles, City of Belmont
Madison Davis, City of Brisbane
Donna Colson, City of Burlingame
Rae P. Gonzalez, Town of Colma
Carlos Romero, City of East Palo Alto
Laurence May, Town of Hillsborough
Wayne Lee, City of Millbrae
John Keener, City of Pacifica
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Cameron Johnson, City of San Carlos
Rick Bonilla, City of San Mateo
Pradeep Gupta, City of South San Francisco
Daniel Yost, Town of Woodside

Absent: County of San Mateo
City of Daly City
City of Foster City
City of Half Moon Bay
City of Menlo Park

Staff: Jan Pepper, Chief Executive Officer
Jay Modi, Director of Finance and Administration
Siobhan Doherty, Director of Power Resources
Kirsten Andrews-Schwind, Communications and Outreach Manager

Leslie Brown, Manager of Customer Care
Michael Totah, Key Accounts Executive
Jeremy Waen, Senior Regulatory Analyst
Eric Wiener, Renewable Energy Analyst
TJ Carter, Marketing Associate
Alejandra Posada, Outreach Fellow
Nirit Eriksson, Associate General Counsel
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

A quorum was established.

PUBLIC COMMENT:

No public comment.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Dave Pine—Chair—announced that agenda items 1 and 2 relating to a Closed Session would not take place and will be moved to next month's agenda.

<u>Motion Made / Seconded, as modified:</u> Yost / Lee

Motion passed unanimously 17-0 (Absent: County of San Mateo, Daly City, Foster City, Half Moon Bay, Menlo Park.)

REGULAR AGENDA

3. CHAIR REPORT

Dave Pine–Chair–welcomed attendees and introduced a new member of the Board of Directors, Madison Davis, representing the City of Brisbane. Nirit Eriksson—Associate General Counsel—administered the official swearing-in of Madison Davis.

4. CEO REPORT

Jan Pepper–Chief Executive Officer–reported that the United States' decision to impose tariffs on solar cells does not impact Peninsula Clean Energy's (PCE) existing projects, but could impact new offers submitted through PCE's latest RFO (Request for Offers).

Jan introduced two new employees, Michael Totah, Key Accounts Executive, and Jeremy Waen, Senior Regulatory Analyst, and reported that PCE will soon be interviewing candidates for Power Resources Manager, Legislative Analyst, and Energy Programs Manager/Director.

Jan reported that new PCIA rates are to be published in mid-February, and PG&E's generation rate changes will go into effect on March 1. She reviewed details of PCE's 2018 Renewables and Storage RFO that was issued on January 12, 2018, and reported that bids are due March 9, 2018.

5. CITIZENS ADVISORY COMMITTEE REPORT

Michael Closson–Chair of the Citizens Advisory Committee (CAC)–reported that Silicon Valley Clean Energy has created a Customer Program Advisory Group similar to PCE's CAC. He reported on discussions that took place at the last CAC meeting, including a work-group led by CAC member Joe Fullerton that matched CAC member skills to PCE's needs. Michael reported that the CAC approved a report on Distributed Energy Resources (DER) programs, which is included in the Board's Agenda Packet.

6. AUDIT AND FINANCE COMMITTEE REPORT

Donna Colson—Audit and Finance Committee Chair—reported that the Committee reviewed the budget report, reviewed the draft Disbursement Policy, and reviewed the draft Investment Policy. She reported that the Committee is interviewing companies and consultants to assist with developing the final Investment Policy.

7. MARKETING AND OUTREACH REPORT

Kirsten Andrews-Schwind—Communications and Outreach Manager—reviewed highlights of PCE's 2017 direct mail campaigns, advertising, and outreach efforts, which included 118 events. She announced a new ad would focus on the fact that San Mateo County residents already have cleaner energy with PCE, so the message is "you have great energy". She invited Board members to invite PCE staff to their City Council meetings to provide an update on PCE activities.

8. MARKET RESEARCH RESULTS

Leslie Brown—Manager of Customer Care—reported on the objectives, methodology, and results of PCE's recent Market Research into awareness of PCE across the county. Leslie reported that 'environmental benefits' and 'lower rates' are the most important benefits to customers, and that PCE needs to continue to tell its story to move customers to become PCE champions. Board members discussed the pros and cons of traditional advertising versus community outreach, advocacy, and programs.

PUBLIC COMMENT

Mark Roest, SeaWave Battery

9. REGULATORY AND LEGISLATIVE REPORT

Jeremy Waen—Senior Regulatory Analyst—reported on recent filings, regulatory meetings with CPUC Commissioners Rechtschaffen and Peterman earlier in January, and meetings with Assemblymembers Mullin and Ting, and Senator Wiener, in December 2017.

10. RECEIVE MID-YEAR BUDGET UPDATE

Jan Pepper reviewed the mid-year budget and financial reports, and reported that no changes to the budget are being proposed.

11. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AMENDMENT 1 TO POWER PURCHASE AGREEMENTS WITH:

11.1 MEGA RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP (HATCHET) – HATCHET CREEK HYDROELECTRIC PROJECT. CONTRACT TERM: 20 YEARS. NOT TO EXCEED $17,000,000.

11.2 MEGA RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP (ROARING) – ROARING CREEK HYDROELECTRIC PROJECT. CONTRACT TERM: 17 YEARS. NOT TO EXCEED $5,000,000.

11.3 MEGA RENEWABLES, A CALIFORNIA GENERAL PARTNERSHIP (BIDWELL) – BIDWELL DITCH HYDROELECTRIC PROJECT. CONTRACT TERM: 17 YEARS. NOT TO EXCEED $10,000,000.

Siobhan Doherty—Director of Power Resources—reported that PCE signed PPAs for the designated hydroelectric projects in January 2017, and that the owner of the projects approached PCE with a proposal to extend them. She reported that these amendments would help PCE to meet renewable energy goals, provide pricing stability, and provide diversity to PCE's portfolio.

Motion Made / Seconded: Lee / May

Motion passed unanimously 17-0 (Absent: County of San Mateo, Daly City, Foster City, Half Moon Bay, Menlo Park.)

12. AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A POWER PURCHASE AGREEMENT AND ANCILLARY DOCUMENTS FOR RENEWABLE SUPPLY WITH HYDRO PARTNERS, A CALIFORNIA GENERAL PARTNERSHIP (CLOVER) – CLOVER CREEK HYDROELECTRIC PROJECT. CONTRACT TERM: 15 YEARS. NOT TO EXCEED: $3,000,000.

Siobhan Doherty reported that the Clover project is an existing hydroelectric project owned by the same owner as the projects in item 11 above that are currently under contract, and that this agreement would help PCE to meet renewable energy goals, provide pricing stability, and provide diversity to PCE's portfolio.

Motion Made / Seconded: Bonilla / Davis

Motion passed unanimously 16-0 (Absent: County of San Mateo, Daly City, Foster City, Half Moon Bay, Menlo Park, Woodside.)

13. ADOPT POLICY ON THE SELECTION OF THE CHAIR AND VICE CHAIR AND APPOINTMENT TO THE EXECUTIVE COMMITTEE AND OTHER STANDING BOARD COMMITTEES

Dave Pine reviewed the policy on the selection of the Board Chair and Vice Chair, and appointments to the Executive Committee and other standing Board committees, and reported on the policy's recommendations on term limits and the membership of committees.

Motion Made / Seconded: Lee / DeGolia

Motion passed unanimously 16-0 (Absent: County of San Mateo, Daly City, Foster City, Half Moon Bay, Menlo Park, Woodside.)

Dave Pine asked for volunteers for an Ad Hoc Nominating Committee. The following Board members volunteered and were appointed: Wayne Lee, Ian Bain, Marty Medina, and Donna Colson. Wayne Lee was designated as the point person, with a goal of taking action at the February meeting.

14. BOARD MEMBERS' REPORTS

Jeff Aalfs reported that he attended a conference of a Los Angeles coalition that included the California Energy Commission (CEC).

Pradeep Gupta reported that Kim Springer from the San Mateo County Office of Sustainability and C/CAG (City/County Association of Governments of San Mateo County) attended tonight's Board meeting.

Donna Colson reported that, during the Audit and Finance Committee meeting, they received an overview of PCE's Directors and Officers Insurance and Errors and Omissions Insurance from Scott Johnson, Risk Manager for County of San Mateo. She reported that Scott will review and make recommendations on other protections for Board members.

ADJOURNMENT

Meeting was adjourned at 8:40 p.m.