REGULAR MEETING of the Board of Directors of the Peninsula Clean Energy Authority (PCEA) 
Thursday, June 28, 2018 
6:30 pm 
Peninsula Clean Energy, 2075 Woodside Road, 
Redwood City, CA 94061

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 that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda and/or Closed Session Agenda; 3) Chief Executive Officer’s or Staff Report on the Regular Agenda; or 4) Board Members’ Reports on the Regular Agenda. Public comments on matters not listed 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 requested to complete a speaker’s slip and provide it to PCEA staff. Speakers are customarily limited to two 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 on the consent agenda. All items on the consent agenda are approved by one action.
CLOSED SESSION

(The Board will adjourn to closed session to consider the following items at the beginning of the agenda, or at any time during the meeting as time permits. At the conclusion of closed session, the Board will reconvene in open session to report on any actions taken for which a report is required by law.)

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS
   Agency Designated Representatives: Jeff Aalfs and David Silberman
   Unrepresented Employee: Chief Executive Officer

3. RECONVENE OPEN SESSION AND REPORT OUT OF CLOSED SESSION

REGULAR AGENDA

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

5. Chair Report (Discussion)

6. CEO Report (Discussion)

7. Citizens Advisory Committee Report (Discussion)

8. Audit and Finance Committee Report (Discussion)

9. Regulatory and Legislative Report (Discussion)

10. Approve Department of Energy EV Infrastructure Grant Match and/or Funding for Innovative Electric Vehicle Infrastructure Pilots (Action)

11. Approve Data Management Contract (Action)

12. Approve Fiscal Year 2018-2019 Budget and 5-year Projections (Action)


14. CPUC IRP Preview (Discussion)

15. Board Members’ Reports (Discussion)
CONSENT AGENDA

16. Approval of the Minutes for the May 24, 2018 Meeting (Action)

17. Approve Contract for Maher Accountancy (Action)

18. Approve Update to PCE’s Conflict of Interest Code (Action)

19. Marketing and Outreach Report (Information Only)

20. Receive Procurement Report (Information Only)

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.
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 May and June Regulatory and Legislative Activities

SUMMARY:
The end of May and early June were busy on a number of matters both legislative and regulatory. As discussed in more detail below, PCE, as part of CalCCA or coalitions of community choice aggregators (CCAs), submitted five pleadings at the California Public Utilities Commission (CPUC). PCE’s regulatory and legislative team attended four other stakeholder meetings.

DEEPER DIVE:
Regulatory Outreach

On Monday, June 4, 2018, Dave Pine, Jan Pepper and Joseph Wiedman met with Ken Rider, energy advisor to California Energy Commission (CEC) Commissioner David Hochschild to discuss PCE’s concerns with the CEC’s efforts to implement AB 1110. PCE’s team explained that moving greenhouse gas accounting from a source-based accounting methodology to an untested consumption-based accounting methodology would deeply impact PCE’s anticipated procurement. PCE’s team explained that it appears that the CPUC, ARB, and CEC will each have different greenhouse gas accounting methodologies which could lead to confusion among our customers and numerous stakeholders regarding PCE and California’s efforts to reduce greenhouse gases. PCE’s team noted that a careful transition would be needed to transition to any new methodology and that the methodologies among each of the relevant state agencies must align. As part of a transition, care must be taken to protect investments in renewable energy resources that have already been made. We anticipate seeing an updated proposal from the CEC at the end of June that may address some of our concerns.
On Tuesday, June 5, Jeff Aalfs, Jan Pepper, Joseph Wiedman, and Jeremy Waen met with Commissioner Hochschild to share the same concerns expressed to Mr. Rider.

On Friday, June 8, Jan Pepper, Rafael Reyes, and Joseph Wiedman met with representatives of IBEW Local 1245 to discuss PCE’s transportation electrification programs. The PCE team described current program pilots and possible areas of future focus. IBEW representatives provided feedback regarding our areas of future focus noting that charging infrastructure was lacking in the region. All participants agreed that accelerating deployment of charging infrastructure needed to be a key area of focus – particularly charging infrastructure that is easily accessible and open to the public. The group discussed the need to develop more robust workforce development and training pathways as a general area of common concern.

On Friday, June 15, along with representatives of various CCAs, Jan Pepper and Jeremy Waen joined a telephone conference with David Gamson, energy advisor to Commissioner Guzman-Aceves, to discuss necessary changes to the revised alternate proposed decision establishing program rules for serving disadvantaged communities issued on May 22.

**Regulatory Advocacy**

*R.17-06-026 – Power Charge Indifference Adjustment Order (PCIA) Instituting Rulemaking (OIR)* – On Friday, June 1, opening briefs were filed in the docket. Nineteen parties filed opening briefs. On Friday, June 15, reply briefs were filed in the docket. A proposed decision is anticipated in late August.

After the May board meeting, several PCE board members expressed interest in learning more about the “securitization” concept proposed by CalCCA within its testimony dated April 2, 2018. A complete copy of the non-confidential version of CalCCA’s testimony was provided as part of the April 2018 board meeting packet. Within Chapter 3 of that testimony, the following four exhibits address the concept of securitization in detail:

- 3-A Direct Testimony of Paul Sutherland,
- 3-B Direct Testimony of Barry Abramson,
- 3-C Direct Testimony of Joseph Fichera,
- 3-D Direct Testimony of Hyman Schoenblum

If members of the Board would like copies of these portions of the testimony separated out, PCE staff would be happy to provide them.

*R.16-02-007 – Integrated Resource Planning OIR* – On Friday, May 25 the CPUC released a ruling adopting a final methodology for accounting of greenhouse gas emissions from load-serving entities’ (LSE) portfolios submitted in the docket. The ruling adopted a modified “clean net short” proposal. The modified proposal is similar to the methodology that the CEC is proposing in so far as it moves greenhouse gas accounting from a source-based framework utilizing renewable energy credits to track compliance to a consumption-based accounting. The CPUC adjusted its methodology to address some of the concerns we raised regarding ensuring the methodology does not take the benefit of early action and shift it to LSEs who are doing the minimum.
**R.03-10-003 – CCA Bond Methodology** – On Thursday, June 7, the Commission issued D.18-05-022 establishing updated financial security requirements for CCAs. The decision results in a financial security requirement (FSR) that is the sum of administrative costs and anticipated procurement costs. If procurement costs remain negative (as they are now) and continue to entirely offset the anticipated administrative costs (which they do now), the FSR is set at a minimum of $147,000. Those funds can be in the form of a surety bond, cash or letter of credit held by a third party. This outcome is in line with what PCE staff anticipated.

**R.14-07-002 - NEM 2.0** – On May 22, Commissioner Guzman-Aceves issued a revised Alternate PD (rAPD) in the Commission’s ongoing R.14-02-007 docket. The rAPD does away with the community solar portion of the prior alternate proposed decision. PCE generally supported the opportunity to offer a community solar program using virtual net metering as a base but requested modest changes to allow CCAs to participate in the program efficiently in a manner that respected our autonomy. The rAPD instead institutes another green tariff - this time called Green Tariff Community Solar. On Monday, June 1, a coalition of CCAs, including PCE, filed opening comments generally supporting the rAPD but requested changes that would allow CCAs to offer community solar programs and access funding support. On Monday, June 18, the coalition filed reply comments providing further details on what changes to the rAPD are needed to support the ability of CCAs to offer community solar programs.

**California Community Choice Project (CCCP) – no docket** – On May 3, the CPUC issued a white paper entitled, California Customer Choice: An Evaluation of Regulatory Framework Options for an Evolving Electricity Market, which CPUC staff dubbed the “Green Book”. In general, the draft white paper discusses the history of California’s energy market and raises vague and not well supported concerns regarding the direction California’s energy markets are headed due to the rise of distributed energy resources and CCAs. PCE led development of CalCCA’s response to the draft white paper which was submitted on June 11. CalCCA’s response generally focused on the following: the ways in which California’s energy markets are fundamentally different from those that existed prior to the 2000-2001 energy crisis, the existing proceedings the Commission has open to address the concerns raised in the draft white paper, and a continuation of the discussion about the actions CCAs are taking to assist the state in maintaining reliability as we transition away from fossil-fuel fired generation.

**R.17-09-020 – Resource Adequacy** – On May 22, the CPUC issued its Proposed Decision (PD) on Track 1 matters addressing numerous issues raised during the course of the proceeding to affect Resource Adequacy (RA) requirements for the 2019 compliance year. Therein, the CPUC suggests there is need for both multi-year local RA procurement and centralized buying of local RA, but the CPUC defers to Track 2 to explore these matters more fully. The CCA Parties (including MCE, SCP, SVCE, & PCE) submitted comments on June 11 in response to these elements within the PD. On June 15 the CCA Parties convened a telephone based ex parte with Commissioner Randolph’s office (the assigned commissioner) to discuss our concerns with the Track 1 PD. Provided it is not held for further revisions, the CPUC is set to vote on this PD during their June 21 voting meeting.

Preparations for Track 2 of the RA proceeding are now underway. The first deadline therein is Intervenor Testimony to propose RA reform due July 10 (extended from June 6). CalCCA will be intervening in this proceeding starting in Track 2, rather than just the CCA Parties. Jeremy Waen has been assisting with the case management for this effort on CalCCA’s behalf, including: 1) forecasting a budget for external resource costs on CalCCA’s behalf, 2) facilitating the selection/recruitment of external technical, legal, and strategic resources to support
CalCCA’s efforts within this proceeding, 3) guiding those external resources through CalCCA’s process to bring them under contract expediently, and 4) convening, agendizing, and facilitating weekly meetings to formulate CalCCA’s proposal. The composition of CalCCA’s testimony is now well underway by the retained legal counsel and technical witnesses.

Legislative Advocacy

CalCCA legislative committee continues to review numerous bills as they move through the committee process this month. The committee is actively negotiating amendments to address our concerns with the following bills:

**SB 1088** (Dodd) – Would impact third-party ownership of distributed energy resources under the guise of safety and reliability planning efforts. CalCCA voted to oppose unless amended.

**SB 1347** (Stern) – Would require procurement of 2000 MW of energy storage facilities by the IOUs with a nonbypassable charge to other load-serving entities. CalCCA voted to oppose unless amended.

**SB 237** (Hertzberg) – Would remove the cap on direct access. CalCCA voted to oppose.

**SB 100** (De Leon) – Would require all LSEs to procure 60% of their energy from eligible renewable energy resources and 100% of their energy from zero carbon resources by 2030. CalCCA has supported the bill "in concept" as currently drafted. Any changes to the bill which would harm our local governance or procurement authority, result in an uneven playing field between LSEs, or which would harm deployment of distributed energy resources by our customers would result in opposition. SB 100 is set for hearing on July 3.

**FISCAL IMPACT:**
Not applicable.
TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: Approve Department of Energy Electronic Vehicle (EV) Infrastructure Grant Match of $1 million in funding over 3 years, and/or Funding for Innovative Electric Vehicle Infrastructure Pilots

RECOMMENDATION

Approve Department of Energy EV Infrastructure Grant Match and/or Funding for Innovative Electric Vehicle Infrastructure Pilots.

BACKGROUND

Peninsula Clean Energy’s mission is to reduce greenhouse gas (GHG) emissions in San Mateo County. The three main contributors to GHG emissions are electricity use, transportation, and natural gas use in buildings. One of the strategic goals of PCE is to further reduce GHG emissions by investing in programs such as EVs. This memo describes an EV infrastructure strategy aimed at addressing the most significant infrastructure barriers to EV adoption.

As background, in April the Board approved Phase 1 Electric Vehicle program funded at $745,000 for EV marketing, new and used vehicle incentives, and a multi-unit dwelling (MUD) technical assistance program. These measures are intended to begin to address the three major barriers to EV adoption: a) low awareness, b) high vehicle cost, and c) charging infrastructure. The new measure proposed here builds on the Phase 1 measures to address infrastructure gaps related to MUDs and other “garage limited” scenarios.
Charging access in MUDs remains a major barrier with roughly half the county population living in some form of MUD. Given that nearly 80% of MUD buildings in the County are in excess of 50 years old it is extremely likely that little excess power exists for significant numbers of charging stations. Addressing this barrier is critical for both the low-income residents and nearly half of county residents generally.

**DISCUSSION**

The PCE funds proposed here would be used for:

1. Identifying unique technology and business model innovations required for expanded EV infrastructure within MUDs and for curbside charging utilizing existing and/or upgraded streetlight circuits, including technologies to aid shaping load to match renewable supply.
2. Working with local governments and other partners to identify pilot locations, deploy pilot technologies, and assess their effectiveness.
3. Assessing the overall regional potential for successful scaled deployment within MUDs and curbside charging.
4. Working with local governments on local policy to support such infrastructure.
5. Developing rate schedules where needed and working with PG&E on complementary PG&E rate schedules.
6. Developing an incentive program for scaled deployment if appropriate.

It is noted that EV “fast charging” and workplace charging are also required components of an overall strategy and these will be addressed at a later point.

To support these objectives, PCE is developing a proposal to the DOE under the Advanced Vehicle Technologies Research area for an additional $1 million in federal funds to expand the scope of the pilot. The grant requires a 1-to-1 cost-share “match” and is due for submittal by Friday, July 13, 2018.

**FISCAL IMPACT:**

Expend $1,000,000 over the course of 3 years (Fiscal Year 2018-2019 through Fiscal Year 2020-2021).

**ATTACHMENTS:**

Resolution
RESOLUTION NO. _____________

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

* * * * * *

APPROVE DEPARTMENT OF ENERGY EV INFRASTRUCTURE GRANT MATCH AND/OR FUNDING FOR INNOVATIVE ELECTRIC VEHICLE INFRASTRUCTURE PILOTS

____________________________________________________________

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

WHEREAS, electric vehicles are an important solution to reducing climate change pollution and improving the local economy; and

WHEREAS, innovations are required to address infrastructure needs for residents in multi-unit dwellings and other residential situations.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves a budget of $1 million beginning Fiscal Year 2018-2019 through Fiscal Year 2020-2021 for electric vehicle pilot projects targeted at multi-unit dwellings, curbside charging and other innovative approaches.
TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Leslie Brown, Director Customer Care, Peninsula Clean Energy Authority

SUBJECT: Approve new contract with Calpine Energy Solutions for Data Management and Call Center Services

RECOMMENDATION: Approve a new two-year contract from July 1, 2018 through June 30, 2020, with Calpine Energy Solutions to continue providing Data Management and Call Center Services for PCE.

BACKGROUND: Earlier this year PCE staff issued an RFP for Data Management and Call Center Services. To date, Calpine Energy Solutions has been the premier provider of these services to the operating CCAs in California. Since PCE launched there have been new entrants into the field and as we approached the end of our initial agreement with Calpine, PCE staff issued an RFP for competitive proposals.

DISCUSSION: PCE received responses from five different companies to the RFP, three of which were selected as finalists and invited for presentations and interviews by staff. The three companies invited were Calpine Energy Solutions, SMUD, and GridX. All companies proposed to offer a similar selection of basic services and varying levels of enhanced services.

While both SMUD and GridX are providing backend services for some of the newest CCAs, at the time of the RFP neither of them had yet to complete a full enrollment or could provide any long term CCA billing history with PG&E. In addition Calpine is currently launching several new business intelligence and data analytics tools which will provide PCE staff significantly better insights into our customer’s energy usage and overall system load profile. Further enhancements with a new Calpine contract include extending Call Center live agent hours to 7 AM-7 PM Monday-Friday (from existing 8 AM-5 PM) and a price reduction of $.10 to $1.05 per active meter.
At this time PCE staff feels that the best course of action is to approve a new two-year agreement with Calpine Energy Solutions. Calpine has significantly enhanced their basic service offerings since the original contract was issued and has been an integral part of PCE’s success to date.

**FISCAL IMPACT:**
The new contract will be a flat $1.05 per active meter charge monthly. We are budgeting annual costs of $3,758,400 for FY 2018-2019 costs.
RESOLUTION NO. ___________

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

*[ ]*[ ]*[ ]*[ ]*[ ]*

RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER
TO EXECUTE A TWO-YEAR AGREEMENT WITH CALPINE ENERGY SOLUTIONS
TO PROVIDE BACKEND DATA MANAGEMENT AND CALL CENTER SERVICES

_____________________________________________________________

RESOLVED, by the Peninsula Clean Energy Authority of the County of San
Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, Calpine Energy Solutions is currently providing backend Data
Management and Call Center Services for PCE and its customers; and

WHEREAS, PCE issued an RFP on March 30, 2018, and received five
responses during a competitive process; and

WHEREAS, in response to the RFP, Calpine Energy Solutions submitted a
proposal to continue providing these services; and

WHEREAS, Calpine Energy Solutions was selected for their experience with full
enrollment, their long term CCA billing history with PG&E, and other offerings; and
WHEREAS, PCE staff and Calpine Energy Solutions have negotiated and agreed on the terms for a new two-year agreement from July 1, 2018 through June 30, 2020.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves the execution of an Agreement with Calpine Energy Solutions to continue providing backend Data Management and Call Center Services to PCE.

* * * * *
PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: June 18, 2018
BOARD MEETING DATE: June 28, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Board of Directors
FROM: Jay Modi, Director of Finance & Admin, Peninsula Clean Energy
SUBJECT: Approve Fiscal Year 2018-2019 Budget and 5-year Projections

RECOMMENDATION:
Approve Fiscal Year 2018-2019 Budget and 5-year Projections

DISCUSSION:
The Fiscal Year 2018-2019 (July 2018 through June 2019) budget will be provided for review. The bottoms-up approach included discussions with the department heads to develop their portions of the budget. The draft budget was first reviewed with the Board of Directors on May 24, and then the updated budget was reviewed with the Audit & Finance Committee and the Executive Committee on June 11.

Fiscal Year 2018 - 2019 Budget Overview

<table>
<thead>
<tr>
<th>Items</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>Change in $$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$ 247,950,713</td>
<td>$ 256,544,100</td>
<td>$ 8,593,387</td>
<td>3%</td>
</tr>
<tr>
<td>Cost of Energy</td>
<td>181,715,000</td>
<td>176,147,894</td>
<td>(5,567,106)</td>
<td>-3%</td>
</tr>
<tr>
<td>Other Operating Exp.</td>
<td>13,932,060</td>
<td>18,425,960</td>
<td>4,493,900</td>
<td>32%</td>
</tr>
<tr>
<td>Non-Operating Rev/Exp.</td>
<td>-</td>
<td>272,000</td>
<td>272,000</td>
<td>0%</td>
</tr>
<tr>
<td>Other Uses (Debt)</td>
<td>8,481,000</td>
<td>42,000</td>
<td>(8,439,000)</td>
<td>-100%</td>
</tr>
<tr>
<td>Change in Net Position</td>
<td>43,822,653</td>
<td>62,200,246</td>
<td>18,377,593</td>
<td>42%</td>
</tr>
</tbody>
</table>
BUDGET ANALYSIS:

Revenues: Revenues consist of sales of electricity, demand charges, and the ECO100 premium. FY 2018-19 revenue is 3% higher than FY 2017-18 due to slight increases in the rates corresponding to PG&E’s rate changes; this is offset by the lower revised load forecast based on actual 2017 energy sales by customer class. Previous load forecasts used for previous budgets were based on 2014 energy sales data, and not representative of current customer energy demand.

<table>
<thead>
<tr>
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<td>3%</td>
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</table>

Cost of Energy: Cost of energy includes various attributes of energy including PCC1, PCC2, Carbon Free (GHG), System Power, Resource Adequacy, CRR costs/revenues, scheduling coordinator charges, and CAISO charges. The forecasted cost of energy is 3% lower in FY 2018-19 vs. FY 2017-18 due to the lower energy demand based on the revised load forecast as described above.

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<td>$(5,567,106)</td>
<td>-3%</td>
</tr>
</tbody>
</table>

Data Manager: PCE’s contract with Calpine Energy Services expires on June 30, 2018 for data management services, billing services, and call center operations. The estimate for FY 2018-19 data manager costs reflects an expected reduction in costs for these services under a new contract.

<table>
<thead>
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<th>FY 2018-19</th>
<th>Change in $$$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Manager</td>
<td>$3,970,000</td>
<td>$3,758,400</td>
<td>$(211,600)</td>
<td>-5%</td>
</tr>
</tbody>
</table>

PG&E Service Fees: These fees are charged by PG&E for billing PCE’s customers. PG&E has reduced this fee, which is reflected in the lower charge for FY 2018-19 compared to FY 2017-18.

<table>
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<th>FY 2018-19</th>
<th>Change in $$$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Fees - PG&amp;E</td>
<td>$1,636,000</td>
<td>$1,260,000</td>
<td>$(376,000)</td>
<td>-23%</td>
</tr>
</tbody>
</table>

Bad Debt Expense: Based on PCE’s Bad Debt policy, the bad debt is accounted for as 0.35% of revenues. Since this moves in line with revenues, this expense is slightly higher in FY 2018-19 compared to FY 2017-18.

<table>
<thead>
<tr>
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<th>FY 2018-19</th>
<th>Change in $$$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bad Debt expense</td>
<td>$865,248</td>
<td>$897,904</td>
<td>$32,656</td>
<td>4%</td>
</tr>
</tbody>
</table>
Communications and Outreach: This includes advertising, consultants (graphic designer, videographer, and PR), grants, sponsorships and chamber memberships, website updates, promotion and branding, and new local energy programs outreach and advertising.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>Change in $$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications and Outreach</td>
<td>$1,049,000</td>
<td>$1,010,600</td>
<td>$(38,400)</td>
<td>-4%</td>
</tr>
</tbody>
</table>

General and Administrative: This includes several administrative line items including bank fees, building maintenance, professional development, industry memberships, rent, and office supplies among others. The FY 2018-19 is 54% higher than FY 2017-18 due to increasing costs for CalCCA, including membership fees and regulatory/litigation support.

<table>
<thead>
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<th>FY 2018-19</th>
<th>Change in $$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Administrative</td>
<td>$795,207</td>
<td>$1,227,200</td>
<td>$431,993</td>
<td>54%</td>
</tr>
</tbody>
</table>

Professional Services: This includes fees for the annual audit, and consulting fees for accounting, IT, power resources, energy programs, and human resources. The increase in budget for FY 2018-19 is due to consultants for local energy programs.

<table>
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<th>FY 2018-19</th>
<th>Change in $$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Services</td>
<td>$1,017,000</td>
<td>$1,432,511</td>
<td>$415,511</td>
<td>41%</td>
</tr>
</tbody>
</table>

Energy Programs: This reflects the launch of PCE’s energy programs in FY 2018-19, including the EV incentive program, the pilot local programs initiative, and other programs that will be launched throughout the fiscal year.

<table>
<thead>
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<th>FY 2018-19</th>
<th>Change in $$</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Energy Programs</td>
<td>$250,000</td>
<td>$3,200,000</td>
<td>$2,950,000</td>
<td>1180%</td>
</tr>
</tbody>
</table>

Legal: This is broken into three areas: legal support for power purchase negotiations, legal support provided by the county counsel’s office, and legal support for regulatory matters. The increase of 11% in FY 2018-19 budget is driven by an expected increase in legal support for regulatory matters.

<table>
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<tr>
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<th>FY 2018-19</th>
<th>Change in $$</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Legal</td>
<td>$1,030,000</td>
<td>$1,146,600</td>
<td>$116,600</td>
<td>11%</td>
</tr>
</tbody>
</table>

Personnel: This line captures all the personnel related costs including salaries and wages, insurance, retirement contributions, and other benefits. The increase in budgeted spend is a result of an increase in PCE’s staffing and inflation adjustment to salaries and wages.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>Change in $$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$3,319,605</td>
<td>$4,492,745</td>
<td>$1,173,140</td>
<td>35%</td>
</tr>
</tbody>
</table>
Nonoperating Revenues (Exp.): This reflects the interest income from investment of cash reserves. PCE is expected to earn $440k in FY 2018-19 from interest income. PCE paid off all of its debt in December 2017, however we still maintain a $12 million line of credit with Barclays Bank (upon which none is currently drawn). The Nonoperating Revenues (expense) includes the commitment fee ($168k) paid to Barclays for this line of credit.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>Change in $$$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonoperating Revenues (Exp.)</td>
<td>-</td>
<td>272,000</td>
<td>272,000</td>
<td>0%</td>
</tr>
</tbody>
</table>

Other Uses: This includes debt service payments, capital outlay on assets like furniture, projectors, computers, and related costs. PCE paid off all of its debt in December 2017. The budgeted amount for FY 2018-19 is for additional computers and equipment.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017-18</th>
<th>FY 2018-19</th>
<th>Change in $$$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Uses</td>
<td>$8,481,000</td>
<td>$42,000</td>
<td>$(8,439,000)</td>
<td>-100%</td>
</tr>
</tbody>
</table>

**FY 2017-2018 BUDGET VS ACTUAL:**

The attached Fiscal Year 2018-2019 Budget includes a column showing the FY 2017-2018 Approved Budget and a column showing the expected actuals for this fiscal year which includes the FY 2017-2018 Actuals, for the ten months of July 2017 through April 2018, and the forecast for the two months of May 2018 and June 2018. The Net Position at the beginning of the period for the FY 2018-2019 budget is based on the expected net position based on the FY 2017-2018 Actuals (10 months) and Forecast (2 months).

The budget also includes the metrics for calculating the days cash on hand for PCE.

**ATTACHMENTS:**
- Fiscal Year 2018-2019 Budget
- 5-year Projections
## PENINSULA CLEAN ENERGY

**Fiscal Year 2018 - 2019 Budget**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017-18 Approved Budget</th>
<th>FY 2017-18 Actual (10 mo) + Forecast (2 mo)</th>
<th>FY 2018-19 Proposed Budget</th>
<th>Change in $$</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity Sales</td>
<td>$247,213,713</td>
<td>$238,857,454</td>
<td>$254,916,736</td>
<td>$7,703,023</td>
<td>3%</td>
</tr>
<tr>
<td>ECO100 Premium</td>
<td>$737,000</td>
<td>$1,421,404</td>
<td>$1,627,364</td>
<td>$890,364</td>
<td>121%</td>
</tr>
<tr>
<td>Revenues</td>
<td>$247,950,713</td>
<td>$240,278,858</td>
<td>$256,544,100</td>
<td>$8,593,387</td>
<td>3%</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of energy</td>
<td>$181,715,000</td>
<td>$171,749,055</td>
<td>$176,147,894</td>
<td>$(5,567,106)</td>
<td>-3%</td>
</tr>
<tr>
<td>Data Manager</td>
<td>$3,970,000</td>
<td>$4,068,203</td>
<td>$3,758,400</td>
<td>$(211,600)</td>
<td>-5%</td>
</tr>
<tr>
<td>Service Fees - PG&amp;E</td>
<td>$1,636,000</td>
<td>$1,432,372</td>
<td>$1,260,000</td>
<td>$(376,000)</td>
<td>-23%</td>
</tr>
<tr>
<td>Bad Debt expense</td>
<td>$865,248</td>
<td>$836,001</td>
<td>$897,904</td>
<td>$32,656</td>
<td>4%</td>
</tr>
<tr>
<td>Communications and Outreach</td>
<td>$1,049,000</td>
<td>$944,437</td>
<td>$1,010,600</td>
<td>$(65,160)</td>
<td>-6%</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>$795,207</td>
<td>$897,848</td>
<td>$957,200</td>
<td>$60,393</td>
<td>7%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$1,017,000</td>
<td>$1,432,511</td>
<td>$1,260,000</td>
<td>$(157,511)</td>
<td>-15%</td>
</tr>
<tr>
<td>Energy Programs</td>
<td>$250,000</td>
<td>$20,000</td>
<td>$3,200,000</td>
<td>$(2,980,000)</td>
<td>-100%</td>
</tr>
<tr>
<td>Legal</td>
<td>$1,030,000</td>
<td>$1,227,273</td>
<td>$1,146,600</td>
<td>$(73,673)</td>
<td>-7%</td>
</tr>
<tr>
<td>Personnel</td>
<td>$3,319,605</td>
<td>$2,145,510</td>
<td>$4,492,745</td>
<td>$1,347,235</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$195,647,060</td>
<td>$183,331,352</td>
<td>$194,573,855</td>
<td>$(1,073,206)</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>$52,303,653</td>
<td>$56,947,506</td>
<td>$61,970,246</td>
<td>$9,666,593</td>
<td>18%</td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES (EXP.)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>-</td>
<td>113,060</td>
<td>440,000</td>
<td>440,000</td>
<td>0%</td>
</tr>
<tr>
<td>Interest and related expense</td>
<td>-</td>
<td>(262,373)</td>
<td>(168,000)</td>
<td>(168,000)</td>
<td>0%</td>
</tr>
<tr>
<td>Nonoperating Revenues (Exp.)</td>
<td>-</td>
<td>(149,313)</td>
<td>272,000</td>
<td>272,000</td>
<td>0%</td>
</tr>
<tr>
<td><strong>OTHER USES.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>484,000</td>
<td>311,280</td>
<td>42,000</td>
<td>(442,000)</td>
<td>-91%</td>
</tr>
<tr>
<td>Debt Service Principal</td>
<td>7,997,000</td>
<td>-</td>
<td>-</td>
<td>(7,997,000)</td>
<td>-100%</td>
</tr>
<tr>
<td>Other Uses</td>
<td>8,481,000</td>
<td>311,280</td>
<td>42,000</td>
<td>(8,439,000)</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Position at the beginning of period</td>
<td>21,710,529</td>
<td>21,710,529</td>
<td>78,197,442</td>
<td>56,486,913</td>
<td>260%</td>
</tr>
<tr>
<td>Increase in Net Position</td>
<td>43,822,653</td>
<td>56,486,913</td>
<td>62,200,246</td>
<td>18,377,593</td>
<td>42%</td>
</tr>
<tr>
<td>Net Position at the end of period</td>
<td>65,533,182</td>
<td>78,197,442</td>
<td>140,397,688</td>
<td>74,864,506</td>
<td>114%</td>
</tr>
<tr>
<td><strong>Approx. Cash &amp; Cash Equivalents</strong></td>
<td>$58,979,863</td>
<td>$70,377,698</td>
<td>$130,397,688</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Approx. Other Assets</strong></td>
<td>$6,553,318</td>
<td>$7,819,744</td>
<td>$10,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target Operating Reserves (Days cash on hand)</td>
<td>$64,322,321</td>
<td>$60,273,321</td>
<td>$63,969,486</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Days Cash on Hand (before LC)</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target Operating Reserves</td>
<td>$70,979,863</td>
<td>$82,377,698</td>
<td>$142,397,688</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Line of Credit</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash, Cash Equivalents &amp; LC</td>
<td>$132</td>
<td>164</td>
<td>267</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Assumptions/Notes

--Revenue: Assumes 5% discount for ECOplus compared to PG&E and no further rate changes in FY 2018-19.
--ECO100 Premium: Assumes 10% annual growth.
--Cost of Energy: Assumes 1% annual account growth for E19 and RES cust., and 0.50% consumption growth driven by increased use of EVs.
--Bad Debt: Based on 0.35% of annual sales.
--General and Admin: Includes bank fees, building maintenance, professional dev., industry memberships, rent, and office supplies among others.
--Professional Fees: Includes fees for the annual audit, and consulting fees for accounting, IT, power resources, energy programs, and HR.
--Energy Programs: Reflects the launch of PCE’s energy programs including the EV incentive, the pilot local programs, and other programs.
--Personnel: Captures salaries and wages, insurance, retirement contributions, and other benefits adjusted for inflation and additional staffing.
--Interest Income: Assumes investment of cash reserves ($40MM) in T-bills with an expected return of 1.1%.
### PENINSULA CLEAN ENERGY

#### 5-Year Projections

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electricity Sales</td>
<td>$254,916,736</td>
<td>$257,602,223</td>
<td>$260,322,438</td>
<td>$263,077,877</td>
<td>$265,869,040</td>
<td></td>
</tr>
<tr>
<td>ECO100 Premium</td>
<td>1,627,364</td>
<td>1,806,500</td>
<td>2,005,403</td>
<td>2,226,261</td>
<td>2,471,501</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>$256,544,100</td>
<td>$259,408,723</td>
<td>$262,327,841</td>
<td>$265,304,137</td>
<td>$268,340,541</td>
<td></td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of energy</td>
<td>176,147,894</td>
<td>176,898,984</td>
<td>169,786,727</td>
<td>173,799,409</td>
<td>181,015,339</td>
<td></td>
</tr>
<tr>
<td>Data Manager</td>
<td>3,758,400</td>
<td>3,871,152</td>
<td>3,987,287</td>
<td>4,106,905</td>
<td>4,230,112</td>
<td></td>
</tr>
<tr>
<td>Service Fees - PG&amp;E</td>
<td>1,260,000</td>
<td>1,297,800</td>
<td>1,336,734</td>
<td>1,376,836</td>
<td>1,418,141</td>
<td></td>
</tr>
<tr>
<td>Bad Debt expense</td>
<td>897,904</td>
<td>907,931</td>
<td>918,147</td>
<td>928,564</td>
<td>939,192</td>
<td></td>
</tr>
<tr>
<td>Communications and Outreach</td>
<td>1,012,600</td>
<td>1,040,918</td>
<td>1,072,146</td>
<td>1,104,310</td>
<td>1,137,439</td>
<td></td>
</tr>
<tr>
<td>General and Administrative</td>
<td>1,227,200</td>
<td>1,262,330</td>
<td>1,341,184</td>
<td>1,404,701</td>
<td>1,467,437</td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td>1,432,511</td>
<td>1,863,554</td>
<td>2,296,287</td>
<td>2,758,913</td>
<td>3,201,756</td>
<td></td>
</tr>
<tr>
<td>Energy Programs</td>
<td>3,200,000</td>
<td>4,800,000</td>
<td>6,400,000</td>
<td>8,000,000</td>
<td>9,600,000</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>1,146,600</td>
<td>1,197,864</td>
<td>1,251,449</td>
<td>1,307,460</td>
<td>1,366,010</td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>4,492,745</td>
<td>4,879,674</td>
<td>5,316,865</td>
<td>5,796,690</td>
<td>6,323,194</td>
<td></td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$194,573,855</td>
<td>$198,020,207</td>
<td>$193,706,824</td>
<td>$200,583,788</td>
<td>$210,698,621</td>
<td></td>
</tr>
<tr>
<td>Operating Income (Loss)</td>
<td>61,970,246</td>
<td>61,388,516</td>
<td>68,621,017</td>
<td>64,720,349</td>
<td>57,641,920</td>
<td></td>
</tr>
<tr>
<td><strong>NON-OPERATING REVENUES (EXP.)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td>440,000</td>
<td>880,000</td>
<td>1,320,000</td>
<td>1,760,000</td>
<td>2,200,000</td>
<td></td>
</tr>
<tr>
<td>Interest and related expense</td>
<td>(168,000)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenues (Exp.)</strong></td>
<td>$272,000</td>
<td>$880,000</td>
<td>$1,320,000</td>
<td>$1,760,000</td>
<td>$2,200,000</td>
<td></td>
</tr>
<tr>
<td><strong>OTHER USES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>42,000</td>
<td>46,200</td>
<td>50,820</td>
<td>55,902</td>
<td>61,492</td>
<td></td>
</tr>
<tr>
<td>Debt Service Principal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Uses</strong></td>
<td>42,000</td>
<td>46,200</td>
<td>50,820</td>
<td>55,902</td>
<td>61,492</td>
<td></td>
</tr>
<tr>
<td><strong>CHANGE IN NET POSITION</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Position at the beginning of period</td>
<td>78,197,442</td>
<td>140,397,688</td>
<td>202,620,003</td>
<td>272,510,200</td>
<td>338,934,647</td>
<td></td>
</tr>
<tr>
<td>Increase in Net Position</td>
<td>62,200,246</td>
<td>62,222,316</td>
<td>69,890,197</td>
<td>66,424,447</td>
<td>59,780,428</td>
<td></td>
</tr>
<tr>
<td>Net Position at the end of period</td>
<td>140,397,688</td>
<td>202,620,003</td>
<td>272,510,200</td>
<td>338,934,647</td>
<td>398,715,075</td>
<td></td>
</tr>
<tr>
<td>Approx. Cash &amp; Cash Equivalents</td>
<td>$130,397,688</td>
<td>$192,620,003</td>
<td>$262,510,200</td>
<td>$328,934,647</td>
<td>$388,715,075</td>
<td></td>
</tr>
<tr>
<td>Approx. Other Assets</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td>$10,000,000</td>
<td></td>
</tr>
<tr>
<td>Target Operating Reserves (Days cash on hand)</td>
<td>120</td>
<td>150</td>
<td>180</td>
<td>180</td>
<td>180</td>
<td></td>
</tr>
<tr>
<td>Days Cash on Hand (before LC)</td>
<td>245</td>
<td>355</td>
<td>485</td>
<td>599</td>
<td>673</td>
<td></td>
</tr>
<tr>
<td>Target Operating Reserves</td>
<td>$63,969,486</td>
<td>$81,378,167</td>
<td>$95,526,653</td>
<td>$98,198,033</td>
<td>$103,906,169</td>
<td></td>
</tr>
<tr>
<td>Line of Credit</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td>$12,000,000</td>
<td></td>
</tr>
<tr>
<td>Cash, Cash Equivalents &amp; LC</td>
<td>$142,397,688</td>
<td>$204,620,003</td>
<td>$274,510,200</td>
<td>$340,934,647</td>
<td>$400,715,075</td>
<td></td>
</tr>
<tr>
<td>Days Cash on Hand (after LC)</td>
<td>267</td>
<td>377</td>
<td>517</td>
<td>620</td>
<td>694</td>
<td></td>
</tr>
</tbody>
</table>

**Assumptions/Notes**

- Revenue: Assumes 5% discount for ECOplus compared to PG&E and no further rate changes for all future years.
- ECO100 Premium: Assumes 10% annual growth.
- Cost of Energy: Assumes 1% annual account growth for E19 and RES customers, and 0.50% consumption growth driven by increased use of EVs.
- Bad Debt: Based on 0.35% of annual sales.
- General and Admin: Includes bank fees, building maintenance, professional development, rent, and office supplies.
- Professional Fees: Includes fees for the annual audit, and consulting fees for accounting, IT, power resources, energy programs, and HR.
- Energy Programs: Reflects the launch of PCE’s energy programs including the EV incentive program, the pilot local programs, and other future programs.
- Personnel: Captures salaries and wages, insurance, retirement contributions, and other benefits adjusted for inflation and additional staffing.
- Interest Income: Assumes incremental annual investment of cash reserves ($40MM) in T-bills with an expected return of 1.1%. 

**6/28/2018**
PENINSULA CLEAN ENERGY
Board Correspondence

DATE: June 18, 2018
BOARD MEETING DATE: June 28, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
Jay Modi, Director of Finance & Admin, Peninsula Clean Energy

SUBJECT: Approve Financial Reserves Policy

RECOMMENDATION:
Approve Financial Reserves Policy.

BACKGROUND
Peninsula Clean Energy (PCE) staff first reviewed the Financial Reserves Policy with the Audit & Finance Committee (A&FC) on October 23, 2017 and then again on June 11, 2018. The staff took input from the Committee and updated the policy accordingly.

DISCUSSION:
PCE staff have performed research and conducted analyses regarding the appropriate level of financial reserves for the organization. This includes reviewing the reserves policies of other CCAs, reviewing the rating methodology of rating agencies, and determining reasonable reserve levels to maintain certain financial ratios. The proposed Financial Reserves Policy reflects this analysis and is intended to meet the company’s strategic objectives.

PCE staff is recommending that we maintain financial reserves equivalent to 120 days cash on hand. This would cover both unanticipated expenditures and a rate stabilization reserve. A rate stabilization contingency reserve of 15% of projected revenues is recommended to mitigate against volatility in the power markets and changes in the power charge indifference adjustment (PCIA). The 120 days cash on hand exceeds 15% of projected revenues and thus covers this reserve need.
**FISCAL IMPACT:**
No fiscal impact.

**ATTACHMENTS**
1. Financial Reserves Policy
2. Handouts (to be provided at the board meeting)
Subject: Financial Reserves Policy

Purpose: Peninsula Clean Energy (PCE) will maintain Financial Reserves as described in this policy to:
- Meet PCE’s strategic objectives
- Secure favorable commercial terms with vendors, including power producers
- Secure future stand-alone PCE credit rating
- Provide a contingency to provide rate stability for PCE customers
- Provide a source of funds for unanticipated expenditures

Policy Guidelines: PCE will maintain the reserves at the following funding levels:
- Operating / Working Capital Reserve equal to 120 days of operating expenses, including power supply expenses;
  - The Operating / Working Capital Reserve includes the Rate Stabilization/ Contingency Reserve equal to 15% of projected revenues to mitigate volatility in the power markets and the Power Charge Indifference Adjustment (PCIA).

Spending Authority: Authority to spend from the reserves must align with Board approved budgets and must be approved by the Board.

Review of Policy: PCE staff will review the Reserve Policy annually to ensure it meets the needs of the agency.
PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

DATE: June 18, 2018
BOARD MEETING DATE: June 28, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Siobhan Doherty, Director of Power Resources
SUBJECT: CPUC IRP Preview (Discussion)

BACKGROUND:
All load serving entities (LSE) in California are required to produce and submit to the California Public Utilities Commission (CPUC) an Integrated Resources Plan (IRP) by August 1, 2018. This is a different kind of document from the voluntary IRP that PCE produced and the Board approved in December 2017. This CPUC IRP was mandated by SB350 and over the past two years, the CPUC has had an ongoing proceeding to develop the requirements for the IRP. The requirements that have emerged from this CPUC proceeding are for a prescriptive technical compliance document. The main purpose of the CPUC IRP is to provide CPUC staff with the inputs from each LSE to forecast industry-wide procurement.

At July’s Board meeting, the IRP materials described below will be submitted to the Board for approval. Preparation of the IRP does not involve any new policy decisions or changes to PCE’s existing, Board-approved procurement priorities or procedures.

We are presenting the structure of the IRP as well as some initial modeling this month to provide some background for next month’s approval process.
DISCUSSION:

The CPUC-mandated IRP is part of a larger two-year cycle of IRP planning at the CPUC. The main steps of the IRP process are:

1. Statewide modeling at the CPUC to determine the aggregate transitions needed for the electricity sector to meet its 2030 GHG reduction goals under SB 350. This was completed in fall 2017 and published as the Reference System Plan. This process will continue to take place in odd years.
2. Individual Load Serving Entity (“LSE”) IRPs are submitted to the CPUC, due August 1, 2018. For future IRPs, these will be due every other year by June 1. The next IRP will be due June 1, 2020.
3. Aggregation of the individual IRPs into the Preferred System Plan, which represents the aggregate behavior of the electricity sector if all LSEs procure according to their IRPs. This is done by inputting data from the IRPs into the same statewide model used to produce the Reference System Plan.
4. Comparison between the Reference System Plan and the Preferred System Plan to determine whether sector-wide GHG mitigation targets will be met and whether corrective action is needed.

The CPUC has come up with a required structure for IRPs that fulfills this function:

1. A pair of Excel spreadsheet templates where LSEs document their existing and planned contracts;
2. An Excel GHG calculator tool LSEs use to determine their projected future GHG emissions under a CPUC-selected GHG accounting methodology; and
3. A written report documenting the goals, methodology, and assumptions behind the data in the Excel materials. The report follows a standardized outline developed by CPUC staff.

This is the first year that Integrated Resource Planning (IRP) is being implemented in California, and the compliance process is evolving weekly as CCA staff identify points of ambiguity and work with the CPUC to clarify them. PCE staff will present additional details on the IRP requirements and PCE’s strategy in a slide presentation at the June Board meeting.

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1 All materials described below are available on the CPUC’s website here: http://cpuc.ca.gov/irp/filingtemplates/
REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, May 24, 2018
MINUTES

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

Teleconference Location:
10040 East Happy Valley
Scottsdale, AZ 85255

CALL TO ORDER

Meeting was called to order at 6:37 p.m.

ROLL CALL

Present:  Dave Pine, County of San Mateo
          Jim Eggemeyer, County of San Mateo
          Jeff Aalfs, Town of Portola Valley, Chair
          Rick DeGolia, Town of Atherton, Vice Chair
          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:  City of Belmont
         City of Brisbane
         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
Leslie Brown, Director of Customer Care
Joseph Wiedman, Director of Legislative and Regulatory Affairs
Jeremy Waen, Senior Regulatory Analyst
Kirsten Andrews-Schwind, Communications and Outreach Manager
TJ Carter, Marketing Associate
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

Motion Made / Seconded: Bonilla / Gupta

Motion passed 16-0 (Absent: Belmont, Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park)

REGULAR AGENDA

1. CHAIR REPORT

Jeff Aalfs–Chair–announced that this month marks Jan Pepper’s two-year anniversary with Peninsula Clean Energy (PCE). He also reported highlights of the SVLG (Silicon Valley Leadership Group) Energy and Sustainability Summit.

2. CEO REPORT

Jan Pepper–Chief Executive Officer–announced that Nirit Eriksson—Associate General Counsel—is moving, and this will be her last PCE Board meeting. Jan presented Nirit with a certificate of appreciation for being a “Person of Conspicuous Excellence”. Board members thanked her for her guidance and support.

Jan reported on current recruitments, including positions for Energy Programs Associate, Clean Energy Programs Manager, Regulatory Analyst, and Chief Financial Officer. Jan reported on contracts recently signed for PCE’s phase 1 Local Programs, and reported on results from PCE’s Data Management RFP (Request for Proposals). Jan announced that the Board Retreat was being moved to September 29 in order to accommodate staff schedules.
3. **CITIZENS ADVISORY COMMITTEE REPORT**

Ted Howard—Vice Chair of the Citizens Advisory Committee (CAC)—reported on discussions that took place at the last CAC meeting.

4. **APPOINTMENT OF CAC MEMBERS**

Donna Colson—City of Burlingame—reported on the activities of the Citizens Advisory Committee (CAC) Recruitment ad hoc committee, which was comprised of Marty Medina, Raymond Buenaventura, and Donna. She reported that the ad hoc committee recommends renewal for three existing CAC members, and recommends appointing three new members.

Motion Made / Seconded: Bonilla / DeGolia

Motion passed 16-0 (Absent: Belmont, Brisbane, Daly City, Foster City, Half Moon Bay, Menlo Park)

5. **AUDIT AND FINANCE COMMITTEE REPORT**

Donna Colson—Chair of the Audit and Finance Committee—reported on the pro forma budget model that Jay Modi—Director of Finance and Administration—has developed and the ability to use that model to test different possible scenarios. Donna welcomed Jeff Aalfs, who recently joined the Audit and Finance Committee, and reported that Supervisor Carole Groom had also joined the Committee. Donna reported that the Committee reviewed a draft Investment Policy, and that representatives from First Republic Bank presented information on the bank’s history and PCE’s investment portfolio at the bank.

6. **MARKETING AND OUTREACH REPORT**

Kirsten Andrews-Schwind—Communications and Outreach Manager—reported on recent community outreach efforts and activities conducted with Outreach Grantees. She announced that PCE will schedule a series of Solar Net Metering Bill workshops around the county.

7. **REGULATORY AND LEGISLATIVE REPORT**

Joe Wiedman—Director of Legislative and Regulatory Affairs—reported on April and May regulatory filings, and reported on the CPUC (California Public Utilities Commission) whitepaper “Green Book” on CCAs (Community Choice Aggregator). Joe also reported on several bills in the California legislature, and reported on a CalCCA Ex Parte with Jason Houck, advisor to Commissioner Randolph.
8. UPDATE ON POWER CHARGE INDIFFERENCE ADJUSTMENT (PCIA)

Jeremy Waen—Senior Regulatory Analyst—presented background information on the Power Charge Indifference Adjustment (PCIA), and the California Public Utilities Commission’s PCIA rulemaking.

9. FISCAL YEAR 2018-2019 BUDGET REVIEW

A draft of the Fiscal Year 2018-2019 Budget and 5-Year Projections was handed out. Jay Modi—Director of Finance and Administration—reviewed the approach and financial model that was used to create the draft 2018-2019 budget and 5-year projections. He reported that the model can be used to apply different rate scenarios and stressors to gauge potential impacts to the budget. He also reported that a Financial Reserves Policy is being drafted.

10. RISKS AND HEDGING FOR POWER PURCHASES

Chelsea Keys—Power Resources Manager—presented terms and definitions relating to power purchases, and strategies that mitigate market risk. She reviewed PCE’s open positions, energy prices in 2017, and PCE’s hedging strategy.

11. BOARD MEMBERS’ REPORTS

Pradeep Gupta reported that he participated in a panel discussion hosted by ABAG (Association of Bay Area Governments), and that the ABAG Spring General Assembly will take place on May 31, 2018.

ADJOURNMENT

Meeting was adjourned at 8:52 p.m.
TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jay Modi, Director of Finance and Administration, Peninsula Clean Energy

SUBJECT: Approve Contract for Accounting Services from Maher Accountancy for Fiscal Year 2018-2019

RECOMMENDATION:
Approve a resolution authorizing an agreement between Maher Accountancy and Peninsula Clean Energy (PCE) for the provision of accounting services, in an amount not to exceed $131,400.

BACKGROUND:
In October 2016 PCE selected Maher Accountancy to provide Accounting services to PCE based on their experience with other CCA programs, expertise in bookkeeping, and the cost-effectiveness of their proposal. The contract price for Accounting Services for FY 2017-18 was $131,400.

This request is for the services to be provided from July 1, 2018 through June 30, 2019. These services include maintaining the general ledger, managing accounts payable, monitoring expenditures and budget compliance, providing monthly and year-to-date financial statements, processing payroll, and filling annual returns. The Director of Finance and Administration will work closely with Maher Accountancy to ensure the above listed duties are performed effectively and efficiently.

DISCUSSION:
We are requesting the Board to approve the attached agreement with Maher Accountancy in an amount not to exceed $131,400.

Associate General Counsel has reviewed and approved the resolution as to form.
FISCAL IMPACT:
The term of this amended agreement is July 1, 2018 through June 30, 2019 in an amount not to exceed $131,400.

ATTACHMENTS
   A. Agreement for Accounting Services – Maher Accountancy
RESOLUTION NO. ____________

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

*   *   *   *   *   *

RESOLUTION AUTHORIZING AN AGREEMENT BETWEEN MAHER ACCOUNTANCY AND THE PENINSULA CLEAN ENERGY AUTHORITY FOR THE PROVISION OF ACCOUNTING SERVICES, IN AN AMOUNT NOT TO EXCEED $131,400

______________________________________________________________

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

WHEREAS, the Peninsula Clean Energy Authority ("PCEA") was formed on February 29, 2016 as a Community Choice Aggregation program ("CCA"); and

WHEREAS, Maher Accountancy was selected to provide Accounting services to PCEA based on their experience with other CCA programs, expertise in bookkeeping, and the cost-effectiveness of their proposal; and

WHEREAS, on October 26, 2017, PCEA signed an agreement ("Agreement") with Maher Accountancy to provide these services for the term of July 1, 2017 through June 30, 2018 for an amount not to exceed $130,500; and
WHEREAS, PCEA is now seeking to sign a contract with Maher Accountancy for the term of July 1, 2018 through June 30, 2019, in an amount not to exceed $131,400; and

WHEREAS, Maher Accountancy has heretofore provided services to PCEA in a satisfactory manner; and

WHEREAS, this agreement has been provided to the Board for its review and approval, reference to which should be made for further particulars.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Chair of the Board of Directors is hereby authorized and directed to execute said agreement for and on behalf of the Peninsula Clean Energy Authority, and the Clerk of this Board shall attest the Chair’s signature thereto.

* * * * * * *

[CCO-113499]
AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND MAHER ACCOUNTANCY

This Agreement is entered into this 28 day of June, 2018, by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA" and Maher Accountancy (a California Corporation), hereinafter called "Contractor."

Whereas, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of accounting management services.

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services
Exhibit B—Payments and Rates

2. Services to be performed by Contractor

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for PCEA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed is unacceptable. In no event shall PCEA’s total fiscal obligation under this Agreement exceed One Hundred Thirty One Thousand Four Hundred Dollars ($131,400). In the event that the PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2018, through June 30, 2019.

This Agreement may be terminated by Contractor or by the Chief Executive Officer of the Peninsula Clean Energy Authority or his/her designee at any time without a requirement of good cause upon thirty (30) days’ advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such
payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or PCEA funds by providing written notice to Contractor as soon as is reasonably possible after PCEA learns of said unavailability of outside funding.

5. **Contract Materials**

At the end of this Agreement, or in the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and other written materials (collectively referred to as “contract materials”) prepared by Contractor under this Agreement shall become the property of PCEA and shall be promptly delivered to PCEA. Upon termination, Contractor may make and retain a copy of such contract materials if permitted by law.

6. **Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

7. **Hold Harmless**

   a. **General Hold Harmless**

Contractor shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Contractor under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

   (A) injuries to or death of any person, including Contractor or its employees/officers/agents;

   (B) damage to any property of any kind whatsoever and to whomsoever belonging;

   (C) any sanctions, penalties, or claims of damages resulting from Contractor’s failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

   (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Contractor’s duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. **Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of
PCEA. Any such assignment or subcontract without PCEA’s prior written consent shall give PCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice.

9. **Payment of Permits/Licenses**

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor’s own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

10. **Insurance**

   a. **General Requirements**

   Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by PCEA, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish PCEA with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days’ notice must be given, in writing, to PCEA of any pending change in the limits of liability or of any cancellation or modification of the policy.

   b. **Workers’ Compensation and Employer’s Liability Insurance**

   Contractor shall have in effect during the entire term of this Agreement workers’ compensation and employer’s liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

   c. **Liability Insurance**

   Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor’s operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

   - Comprehensive General Liability… $1,000,000  
     (Applies to all agreements)
   - Motor Vehicle Liability Insurance… $1,000,000  
     (To be checked if motor vehicle used in performing services)
PCEA and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to PCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the PCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, PCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

11. **Compliance With Laws**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

12. **Non-Discrimination and Other Requirements**

   a. **General Non-discrimination**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

   b. **Equal Employment Opportunity**

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor’s equal employment policies shall be made available to PCEA upon request.

   c. **Section 504 of the Rehabilitation Act of 1973**
Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

d. **Compliance with County’s Equal Benefits Ordinance**

With respect to the provision of benefits to its employees, Contractor shall comply with Chapter 2.84 of the County Ordinance Code, which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse. In order to meet the requirements of Chapter 2.84, Contractor must certify which of the following statements is/are accurate:

- ☒ Contractor complies with Chapter 2.84 by offering the same benefits to its employees with spouses and its employees with domestic partners.
- ☐ Contractor complies with Chapter 2.84 by offering, in the case where the same benefits are not offered to its employees with spouses and its employees with domestic partners, a cash payment to an employee with a domestic partner that is equal to Contractor’s cost of providing the benefit to an employee with a spouse.
- ☐ Contractor is exempt from having to comply with Chapter 2.84 because it has no employees or does not provide benefits to employees’ spouses.
- ☐ Contractor does not comply with Chapter 2.84, and a waiver must be sought.

e. **Discrimination Against Individuals with Disabilities**

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60–741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

f. **History of Discrimination**

Contractor must check one of the two following options, and by executing this Agreement, Contractor certifies that the option selected is accurate:

- ☒ No finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.
- ☐ Finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Contractor shall provide PCEA with a written explanation of the outcome(s) or remedy for the discrimination.

g. **Reporting; Violation of Non-discrimination Provisions**
Contractor shall report to the Chief Executive Officer of PCEA the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or Section 11, above. Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the Chief Executive Officer, including but not limited to the following:

i. termination of this Agreement;
ii. disqualification of the Contractor from being considered for or being awarded a PCEA contract for a period of up to 3 years;
iii. liquidated damages of $2,500 per violation; and/or
iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Chief Executive Officer.

To effectuate the provisions of this Section, the Chief Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and PCEA.

13. **Compliance with County Employee Jury Service Ordinance**

Contractor shall comply with Chapter 2.85 of the County’s Ordinance Code, which states that Contractor shall have and adhere to a written policy providing that its employees, to the extent they are full-time employees and live in San Mateo County, shall receive from the Contractor, on an annual basis, no fewer than five days of regular pay for jury service in San Mateo County, with jury pay being provided only for each day of actual jury service. The policy may provide that such employees deposit any fees received for such jury service with Contractor or that the Contractor may deduct from an employee’s regular pay the fees received for jury service in San Mateo County. By signing this Agreement, Contractor certifies that it has and adheres to a policy consistent with Chapter 2.85. For purposes of this Section, if Contractor has no employees in San Mateo County, it is sufficient for Contractor to provide the following written statement to County: "For purposes of San Mateo County’s jury service ordinance, Contractor certifies that it has no full-time employees who live in San Mateo County. To the extent that it hires any such employees during the term of its Agreement with San Mateo County, Contractor shall adopt a policy that complies with Chapter 2.85 of the County’s Ordinance Code." The requirements of Chapter 2.85 do not apply if this Agreement’s total value listed Section 2, above, is less than one-hundred thousand dollars ($100,000), but Contractor acknowledges that Chapter 2.85’s requirements will apply if this Agreement is amended such that its total value meets or exceeds that threshold amount.

14. **Retention of Records; Right to Monitor and Audit**

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.
(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Contractor agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA’s authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

15. **Merger Clause; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document’s date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

16. **Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

17. **Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

- **Name/Title:** Jan Pepper, Chief Executive Officer
- **Address:** 2075 Woodside Road, Redwood City, CA 94061
- **Telephone:** 650-260-0100
- **Email:** jpepper@peninsulacleanenergy.com

In the case of Contractor, to:

- **Name/Title:** Michael Maher, Vice President
- **Address:** 1101 Fifth Ave, Ste 200, San Rafael, CA 94901
18. **Electronic Signature**

If both PCEA and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law, both boxes below must be checked. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

- For PCEA: ☒ If this box is checked by PCEA, PCEA consents to the use of electronic signatures in relation to this Agreement.
- For Contractor: ☒ If this box is checked by Contractor, Contractor consents to the use of electronic signatures in relation to this Agreement.

19. **No Recourse Against PCEA’s Member Agencies**

Contractor acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Contractor waives any recourse against PCEA’s member agencies.

* * *
In witness of and in agreement with this Agreement’s terms, the parties, by their duly authorized representatives, affix their respective signatures:

    PENINSULA CLEAN ENERGY AUTHORITY

By:

Chair, Board of Directors, Peninsula Clean Energy Authority

Date:

ATTEST:

By:

Clerk of Said Board

Michael Maher, Vice President

Contractor’s Signature

Date:
Exhibit A

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

The proposed contract term covers July 1, 2018 through June 30, 2019. In no event will the cost to PCE during the contract term exceed the maximum sum of $131,400.

Operational Assistance:

1. Assist in review of operating budget in collaboration with management and technical consultants.
2. Maintain the general ledger by:
   a. Posting billings, accrued revenue, cash receipts, accounts payable, cash disbursements, payroll, accrued expenses, etc.
   b. Prepare or maintain the following monthly analyses regarding general ledger account balances:
      i. Reconciling to statements from PCE’s financial institution for cash activity and balances,
      ii. Reconcile customer data manager reports of customer activity and AR,
      iii. Estimated user fees earned but not billed as of the end of the reporting period,
      iv. Schedule of depreciation of capital assets,
      v. Aged schedule of accounts payable and
      vi. Schedules of details regarding all remaining balance sheet accounts.
3. Manage accounts payable: Maher Accountancy utilizes a cloud-based accounts payable document management system to provide for documentation of management review, proper segregation of duties, and access to source data. We ensure that required authorization is documented and that account coding is correct. Your staff then authorizes the release of payment by an independent payment service in order to provide an additional safeguard.
4. Assist with compliance with fiscal provisions of service vendor contracts: Before submitting vendor invoices for management approval, Maher Accountancy verifies that a vendor invoice with contract provisions regarding time periods, rates and financial limits.
5. Monitor expenditure budget compliance: Before submitting vendor invoices for management approval, Maher Accountancy verifies that there is budget available and will make timely suggestions for any necessary budget amendments.
6. Provide periodic and year-to-date accrual basis financial statements with comparison to projections.
7. Provide modified accrual basis financial statements with comparison to budget. (Government agencies are accustomed to budgeting inflows and outflows of capital and debt items not included in accrual basis operating statements.)
8. Process payroll, including managing and reporting payroll taxes.
9. Filing annual informational returns (Forms 1099/1096).
10. Assist in the presentation of financial information to Finance Committee and answer questions from time to time, as needed.
11. Assist the treasury function.
12. Provide services to meet the requirements of applicable laws and regulations relating to the provisions of accounting services for PCE.
13. File various compliance reports for state and local agencies, such as user taxes, energy surcharges, and state controller reports.
Exhibit B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Contractor based on the following fee schedule and terms:

<table>
<thead>
<tr>
<th>Description of Service</th>
<th>Frequency</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Operational Assistance</td>
<td>Monthly</td>
<td>$10,200</td>
</tr>
<tr>
<td>B. Assist with annual financial statement preparation as needed, including correspondence with independent auditor</td>
<td>Annual</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

Reimbursable Expenses:

Administrative, overhead, secretarial time or overtime, word processing, photocopying, in house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses.

Bill payment fees for the cloud-based accounts payable system will be borne by the Authority with no additional mark-up. The fees related to this should not exceed Five Thousand Dollars ($5,000).
TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: David A. Silberman, Chief Deputy County Counsel/General Counsel

SUBJECT: Approve Update to Revised Conflict of Interest Code for Peninsula Clean Energy

RECOMMENDATION:
Approve Update to PCE’s Conflict of Interest Code

BACKGROUND:
The Political Reform Act (Act) prohibits a public official from using his or her official position to influence a governmental decision in which he or she has a financial interest. Every state and local agency must adopt a conflict of interest code that identifies all officials and employees within the agency who make governmental decisions based on the positions they hold. The individuals in the designated positions must disclose their financial interests as specified in the agency’s conflict of interest code.

To help identify potential conflicts of interest, the law requires public officials and employees in designated positions in a conflict of interest code to report their financial interests on a form called Statement of Economic Interests (Form 700). The conflict of interest codes and the Form 700s are fundamental tools in ensuring that officials are acting in the public’s best interest and not their own.

The PCE Board approved its first Conflict of Interest Code in March 2016.
DISCUSSION:
The FPPC has instructed that a conflict of interest code must:

1. Provide reasonable assurance that all foreseeable potential conflict of interest situations will be disclosed or prevented;

2. Provide to each affected person a clear and specific statement of his or her duties under the conflict of interest code; and

3. Adequately differentiate between designated employees with different powers and responsibilities.

The Three Components of a Conflict of Interest Code

1. Incorporation Section (Terms of the Code) - This section designates where the Form 700s are filed and retained (i.e., the agency or the FPPC). This section also must reference Regulation 18730, which provides the rules for disqualification procedures, reporting financial interests, and references the current gift limit.

2. List of Designated Positions - The code must list all agency positions that involve the making or participation in making of decisions that “may foreseeably have a material effect on any financial interest.” This covers agency members, officers and employees, and it may include volunteers on a committee if the members make or participate in making government decisions.

3. Detailed Disclosure Categories - A disclosure category is a description of the types of financial interests officials in one or more job classifications must disclose on their Form 700s. The categories must be tailored to the financial interests affected, and must not require public officials to disclose private financial information that does not relate to their public employment.

General Counsel has drafted the Conflict of Interest Code, attached hereto as Exhibit A, to comply with these requirements. This is a revision of the Conflict of Interest Code adopted by the Board approved in March 2016. The revision simply adds new positions. The PCE Executive Committee reviewed this revised Conflict of Interest Code on June 11, 2018.
Conflict of Interest Code of
PENINSULA CLEAN ENERGY
A Joint Powers Authority

County of San Mateo
State of California

The Political Reform Act (Government Code Section 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 California Code of Regulations Section 18730) that contains the terms of a standard conflict of interest code, which can be incorporated by reference in an agency’s code. After public notice and hearing, the standard code may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Appendix, designating positions and establishing disclosure categories, shall constitute the conflict of interest code of Peninsula Clean Energy.

As directed by Government Code Section 82011, the code reviewing body is the Board of Supervisors for the County of San Mateo. Pursuant to 2 Cal. Code of Regs. Section 18227 and Government Code Section 87500, the County Clerk for the County of San Mateo shall be the official responsible for reviewing and retaining statements of economic interests and making the statements available for public inspection and reproduction.

Individuals holding designated positions shall file their statements of economic interests with Peninsula Clean Energy, which will make the statements available for public inspection and reproduction (Gov. Code Sec. 81008). Upon receipt of the statements, Peninsula Clean Energy shall make and retain copies and forward the originals to the County Clerk.
Peninsula Clean Energy
Conflict of Interest Code

List of Designated Positions for Peninsula Clean Energy and Financial Disclosure Categories

Each person holding any position listed below must file statements disclosing the kinds of financial interest shown for the designated employee’s position. Statements must be filed at the times and on the forms prescribed by law. Failure to file statements on time may result in penalties including but not limited to late fines.

<table>
<thead>
<tr>
<th>Designated Employees</th>
<th>Disclosure Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members, Board of Directors</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>General Counsel</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Associate General Counsel</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Director of Legislative and Regulatory Affairs</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Director of Energy Programs</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Director of Customer Care</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Director of Power Resources</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Director of Finance and Administration</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Manager of Communications and Outreach</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Power Resources Manager</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Office Manager</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Renewable Energy Analyst</td>
<td>1,2,3,4</td>
</tr>
<tr>
<td>Consultants*</td>
<td>1,2,3,4</td>
</tr>
</tbody>
</table>

*The Chief Executive Officer, after consultation with the County Counsel, shall review the duties and authority of all consultants retained by Peninsula Clean Energy. Those consultants who, within the meaning of 2 Cal. Code of Regs. Section 18700, et seq. are required to file statements of economic interests, shall do so. During each calendar year, Peninsula Clean Energy shall maintain a list of such consultants for public inspection in the same manner and location as this Conflict of Interest Code. Nothing herein excuses any consultant from any other provision of the Conflict of Interest Code, specifically those dealing with disqualification.
Peninsula Clean Energy
Description of Disclosure Categories

Category 1
A designated person assigned to Category 1 is required to disclose investments which may foreseeably be materially affected by any decision made or participated in by the designated employee.

Category 2
A designated person assigned to Category 2 is required to disclose interests in real property which may be materially affected by a decision made or participated in by the designated employee.

Category 3
A designated person assigned to Category 3 is required to disclose income which may be materially affected by any decision made or participated in by the designated employee.

Category 4
A designated person assigned to Category 4 is required to disclose any business entity in which the designated employee is a director, officer, partner, trustee, or holds any position of management which may be materially affected by any decision made or participated in by the designated employee.
TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

FROM: Kirsten Andrews-Schwind, Communications and Outreach Manger, and Leslie Brown, Director 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:

Recent and Upcoming Outreach Events

PCE continues conducting direct outreach at local community events, as well as organizing our own workshops for community members:

2-Jun  North Fair Oaks Clean up event
2-Jun  Table at Foster City CityFEST
3-Jun  Table at San Mateo Sunrise Rotary 5k Color Run
3-Jun  Table at Foster City CityFEST
3-Jun  Table at San Bruno Posy Parade and Community Day
12-Jun  Senior Day at the County Fair
13-Jun  Joint Mixer with San Carlos Chamber of Commerce
15-Jun  Senior Day on the Redwood City Square
20-Jun  Solar Net Energy Metering (NEM) Workshop
25-Jun  Solar Workshop with PG&E in Pacifica
30-Jun  San Mateo Coyote Point Kite Festival
10-Jul  Easy Charge Program Workshop: Free Services for Apartment Buildings
11-Jul  Solar Net Energy Metering (NEM) Workshop
21-Jul  Burlingame Family Fun Day*
1-Aug  Solar Net Energy Metering (NEM) Workshop
7-Aug  National Night Out in SSF*
11-Aug  Facebook Festival: SummerJam
18-Aug  Burlingame on the Avenue
19-Aug  Burlingame on the Avenue
29-30-Sep  Pacifica Fog Fest, with Pacifica Resource Center

*Registration pending

Easy Charge Apartments Workshop

As part of PCE’s energy program emphasis on electric vehicles, PCE is offering a free workshop for owners of apartment buildings interested in technical assistance in installing more electric vehicle (EV) chargers on their properties. The workshop will take place on Tuesday, July 10th from 10-11:30 am at the PCE office. Attendees should RSVP to https://PCEEVChargingMadeEasy.eventbrite.com.

PCE is working with city contacts to help get information about this workshop to local apartment owners. Please help us spread the word.

Contact programs@peninsulacleanenergy.com with any questions on this program.
Net Energy Metering Workshop Series

PCE will be hosting its first Net Energy Metering (NEM) Workshop on Wednesday, June 20\textsuperscript{th} from 6:30p-8:00p. The goal of the workshop is to teach NEM customers about PCE’s Net Energy Metering program, its advantages, and how it relates to their PG&E bill. Due to extremely high interest in the NEM Workshop, PCE has added additional NEM Workshop dates on July 11\textsuperscript{th} and August 1\textsuperscript{st}. Response has been enthusiastic, and each of these workshops are now full.

PCE and PG&E are also co-presenting a similar solar workshop in Pacifica on June 25th, sponsored by the Pacifica Climate Committee. This workshop is oriented both toward existing NEM customers as well as those who are thinking of installing solar on their roofs, and still has availability. Event details for this workshop are listed on the PCE calendar at [https://www.peninsulacleanenergy.com/events/solar-workshop](https://www.peninsulacleanenergy.com/events/solar-workshop).

PCE Hosts Summer Teacher Fellow

PCE is excited to host a summer fellow this year through the *Ignited* program, which places teachers with local organizations and companies to keep learning in the classroom relevant. Andre Tan, a math teacher at Summit Preparatory Charter High School in Redwood City, will be with PCE for the next eight weeks serving as Education & Local Programs Specialist. Andre is supporting our local programs staff and working on lesson plans about renewable energy and climate change integrating PCE. These lesson plans and materials will be shared with interested teachers throughout San Mateo County, as well as on the PCE website. Andre is coordinating with the County Office of Sustainability, the County Office of Education, and members of the PCE Citizens Advisory Committee on this project.

PCE Hosted RICAPS Meeting

PCE is hosting the County of San Mateo Office of Sustainability’s June 26\textsuperscript{th} Regionally Integrated Climate Action Planning Suite (RICAPS) meeting. Attendees include key city sustainability staff, local non-profit staff, and several PCE Citizen Advisory Committee members. Topics include an overview of PCE’s new local programs and opportunities for partnerships with attendees.

Enrollment Statistics

Five cities maintained their participation rate in May with “0” opt-out: Atherton, Brisbane, Colma, Hillsborough and Woodside. Our overall participation rate is approximately 97.6% of eligible accounts.
There are now over 5,000 accounts in ECO100, with a total number of ECO100 cities at 15 (plus the County). The ECO100 towns and cities as of June 18 include Atherton, Belmont, Brisbane, Burlingame, Colma, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Portola Valley, Redwood City, San Carlos, San Mateo, Woodside, and the County of San Mateo.
<table>
<thead>
<tr>
<th>CITY</th>
<th>Eligible Accts</th>
<th>June '18</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Full Territory</td>
<td>RES ACT</td>
<td>COM ACT</td>
<td>ACTIVE</td>
<td>ECO100</td>
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<td>Atheron Inc</td>
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<td>2,391</td>
<td>223</td>
<td>2,614</td>
<td>54</td>
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<tr>
<td>Belmont Inc</td>
<td>11,887</td>
<td>10,481</td>
<td>930</td>
<td>11,411</td>
<td>146</td>
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<td>Brisbane Inc</td>
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<td>506</td>
<td>2,410</td>
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<td>1,954</td>
<td>14,908</td>
<td>313</td>
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<td>Colma Inc</td>
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<td>497</td>
<td>274</td>
<td>771</td>
<td>28</td>
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<td>Daly City Inc</td>
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<td>30,703</td>
<td>1,958</td>
<td>32,661</td>
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<tr>
<td>East Palo Alto Inc</td>
<td>7,872</td>
<td>7,140</td>
<td>441</td>
<td>7,581</td>
<td>16</td>
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<tr>
<td>Foster City Inc</td>
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<td>13,254</td>
<td>812</td>
<td>14,066</td>
<td>113</td>
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<tr>
<td>Half Moon Bay Inc</td>
<td>4,963</td>
<td>4,157</td>
<td>579</td>
<td>4,736</td>
<td>82</td>
<td></td>
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<tr>
<td>Hillsborough Inc</td>
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<td>3,778</td>
<td>145</td>
<td>3,923</td>
<td>60</td>
<td></td>
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<tr>
<td>Menlo Park Inc</td>
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<td>13,582</td>
<td>1,706</td>
<td>15,288</td>
<td>413</td>
<td></td>
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<tr>
<td>Millbrae Inc</td>
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<td>8,379</td>
<td>658</td>
<td>9,037</td>
<td>87</td>
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<td>Pacifica Inc</td>
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<td>860</td>
<td>14,807</td>
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<tr>
<td>Portola Valley Inc</td>
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<td>140</td>
<td>1,577</td>
<td>1,471</td>
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<tr>
<td>Redwood City Inc</td>
<td>34,729</td>
<td>30,173</td>
<td>3,360</td>
<td>33,533</td>
<td>615</td>
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<tr>
<td>San Bruno Inc</td>
<td>16,422</td>
<td>14,551</td>
<td>1,103</td>
<td>15,654</td>
<td>81</td>
<td></td>
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<tr>
<td>San Carlos Inc</td>
<td>14,437</td>
<td>11,816</td>
<td>2,130</td>
<td>13,946</td>
<td>242</td>
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<tr>
<td>San Mateo Inc</td>
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<td>38,490</td>
<td>3,899</td>
<td>42,389</td>
<td>568</td>
<td></td>
</tr>
<tr>
<td>So San Francisco Inc</td>
<td>24,755</td>
<td>20,581</td>
<td>3,221</td>
<td>23,802</td>
<td>72</td>
<td></td>
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<tr>
<td>Uninc San Mateo Co</td>
<td>24,555</td>
<td>20,551</td>
<td>2,854</td>
<td>23,405</td>
<td>446</td>
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<tr>
<td>Woodside Inc</td>
<td>2,288</td>
<td>2,002</td>
<td>278</td>
<td>2,220</td>
<td>47</td>
<td></td>
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<tr>
<td>Unallocated</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated (cust type)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>241</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>301,855</td>
<td>262,768</td>
<td>27,971</td>
<td>290,980</td>
<td>5,104</td>
<td></td>
</tr>
</tbody>
</table>
TO: Honorable Peninsula Clean Energy Authority Board of Directors  
FROM: Jan Pepper, Chief Executive Officer  
SUBJECT: Energy Supply Procurement Report – June 2018  

This memo summarizes agreements entered into by the Chief Executive Officer since the last regular Board meeting in May. This summary is provided to the Board for information purposes only.

<table>
<thead>
<tr>
<th>Execution Month</th>
<th>Purpose</th>
<th>Counterparty</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 2018</td>
<td>Purchase of Resource Adequacy</td>
<td>Wellhead Power Exchange, LLC</td>
<td>CY 2019</td>
</tr>
<tr>
<td>May 2018</td>
<td>Sale of Resource Adequacy</td>
<td>East Bay Community Energy Authority</td>
<td>2 months</td>
</tr>
<tr>
<td>May 2018</td>
<td>Purchase of Resource Adequacy</td>
<td>NRG Energy, Inc.</td>
<td>CY 2019</td>
</tr>
<tr>
<td>May 2018</td>
<td>Purchase of Resource Adequacy</td>
<td>Pacific Gas and Electric Company</td>
<td>CY 2019 -2021</td>
</tr>
<tr>
<td>June 2018</td>
<td>Purchase of Resource Adequacy</td>
<td>City of Santa Clara dba Silicon Valley Power</td>
<td>1 month</td>
</tr>
<tr>
<td>June 2018</td>
<td>Purchase of Resource Adequacy</td>
<td>CalPeak Power, LLC</td>
<td>CY 2019 -2020</td>
</tr>
<tr>
<td>June 2018</td>
<td>Purchase of Resource Adequacy</td>
<td>Malaga Power, LLC</td>
<td>CY 2019</td>
</tr>
</tbody>
</table>

In December 2017, the Board approved the following Policy Number 15 – Energy Supply Procurement Authority.
Policy: “Energy Procurement” shall mean all contracting for energy and energy-related products for PCE, including but not limited to products related to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage. In Energy Procurement, Peninsula Clean Energy Authority will procure according to the following guidelines:

1) **Short-Term Agreements:** Chief Executive Officer has authority to approve energy procurement contracts with terms of twelve (12) months or less. The CEO shall report all such agreements to the PCE board monthly.

2) **Medium-Term Agreements:** Chief Executive Officer, in consultation with the General Counsel, has the authority to approve energy procurement contracts with terms greater than twelve (12) months but not more than five (5) years. The CEO shall report all such agreements to the PCE board monthly.

3) **Intermediate and Long-Term Agreements:** Approval by the PCE Board is required before the CEO enters into energy procurement contracts with terms greater than five (5) years.