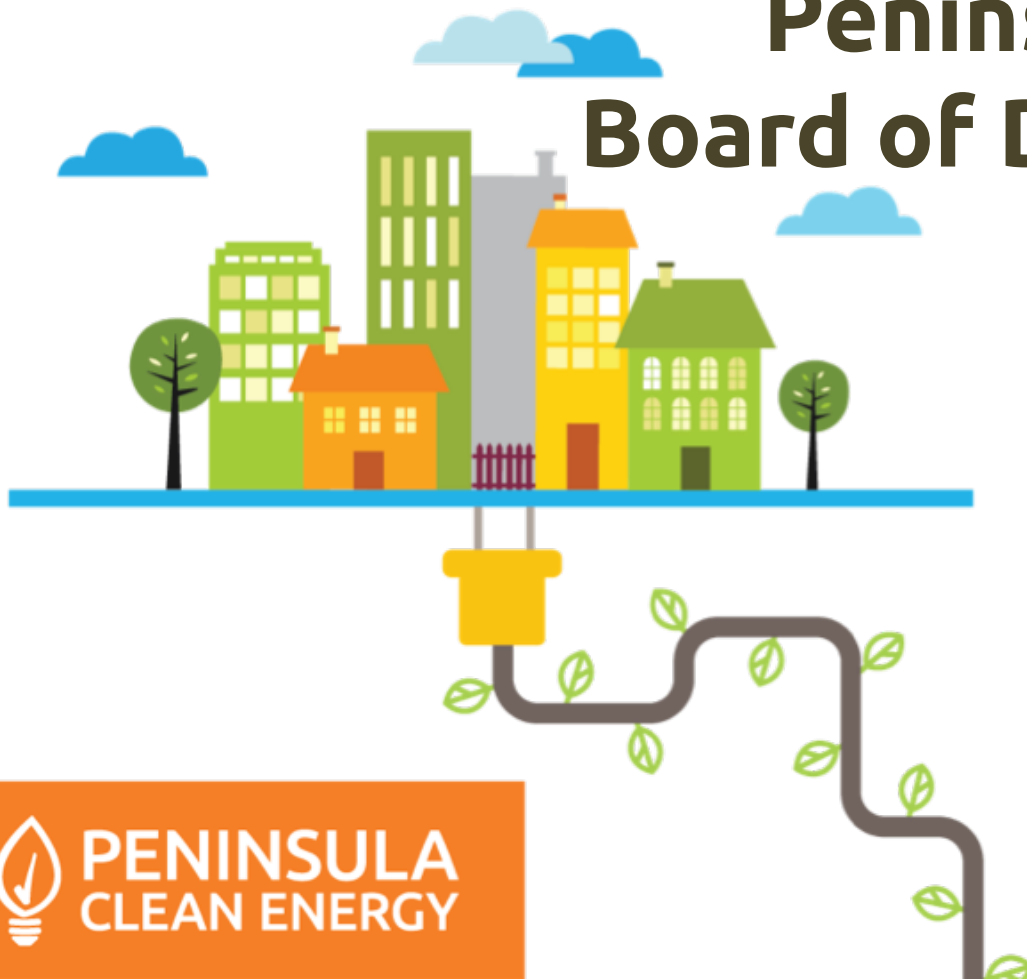


Peninsula Clean Energy Board of Directors Meeting

January 25, 2018



**PENINSULA
CLEAN ENERGY**

Agenda

Call to order / Roll call

Public Comment

**Action to set the agenda and approve
consent items**

Closed Session

1. PUBLIC EMPLOYEE PERFORMANCE REVIEW

Title: Chief Executive Officer

Closed Session

2. RECONVENE OPEN SESSION AND REPORT OUT OF CLOSED SESSION

Regular Agenda

3. Chair Report (Discussion)

Regular Agenda

4. CEO Report (Discussion)

Personnel Update

- Two New Employees:
 - Jeremy Waen – Sr. Regulatory Analyst started 1/16/18
 - Michael Totah – Key Accounts Executive started 1/22/18
- In process of reviewing resumes and setting up initial interviews for:
 - Power Resources Manager
 - Legislative Analyst
 - Energy Programs Manager/Director

Regulatory Highlights

- PCIA Workshop on January 16 and 17
- CPUC Resolution 4907 – delays starts of new CCAs – CalCCA filed comments/protest
- Rally at CPUC at 8:30 am on Thursday, Feb 8 before CPUC voting meeting
 - Dave Pine to speak at rally
 - Board members encouraged to attend and speak at commission voting meeting
- More details to be provided in the Leg/Reg report

Meeting Updates

Regulatory:

- Met with CPUC Commissioner Rechtschaffen on January 16, 2018
- Met with CPUC Commissioner Peterman on January 24, 2018

Legislative:

- Met with Assemblymembers Mullin and Ting, and Senator Wiener in December
- Joe Wiedman representing PCE at CalCCA meetings in Sacramento Jan 24 and 25

Rate Issues

- PCIA rates to be published in mid-Feb (as part of ERRRA proceeding)
- PG&E generation rate changes on March 1
- PG&E's TOU-C rollout
 - No one in San Mateo County, whether they are a PCE customer or not, is supposed to be in this
 - We are continuing to confirm this with PG&E

PCE's 2018 Renewables and Storage RFO - Schedule

Date	Event
Friday, January 12, 2018	PCE launches RFO; publishes RFO instructions, pro form PPA and other RFO documents
Friday, January 19, 2018	Deadline for Webinar question submittal
Wednesday, January 24, 2018, 10:00 am PPT	PCE hosts RFO webinar
Friday, February 2, 2018	Deadline for pre-registration and additional question submittal
Wednesday, February 7, 2018	PCE posts responses to questions
Friday, February 9, 2018, 12:00 pm PPT	Deadline for offer submittal
Friday, March 9, 2018	Anticipated date PCE will notify each participant regarding short-list status
Friday, March 23, 2018	Anticipated deadline for short-listed participants to submit deposits, PPA redlines and additional documents

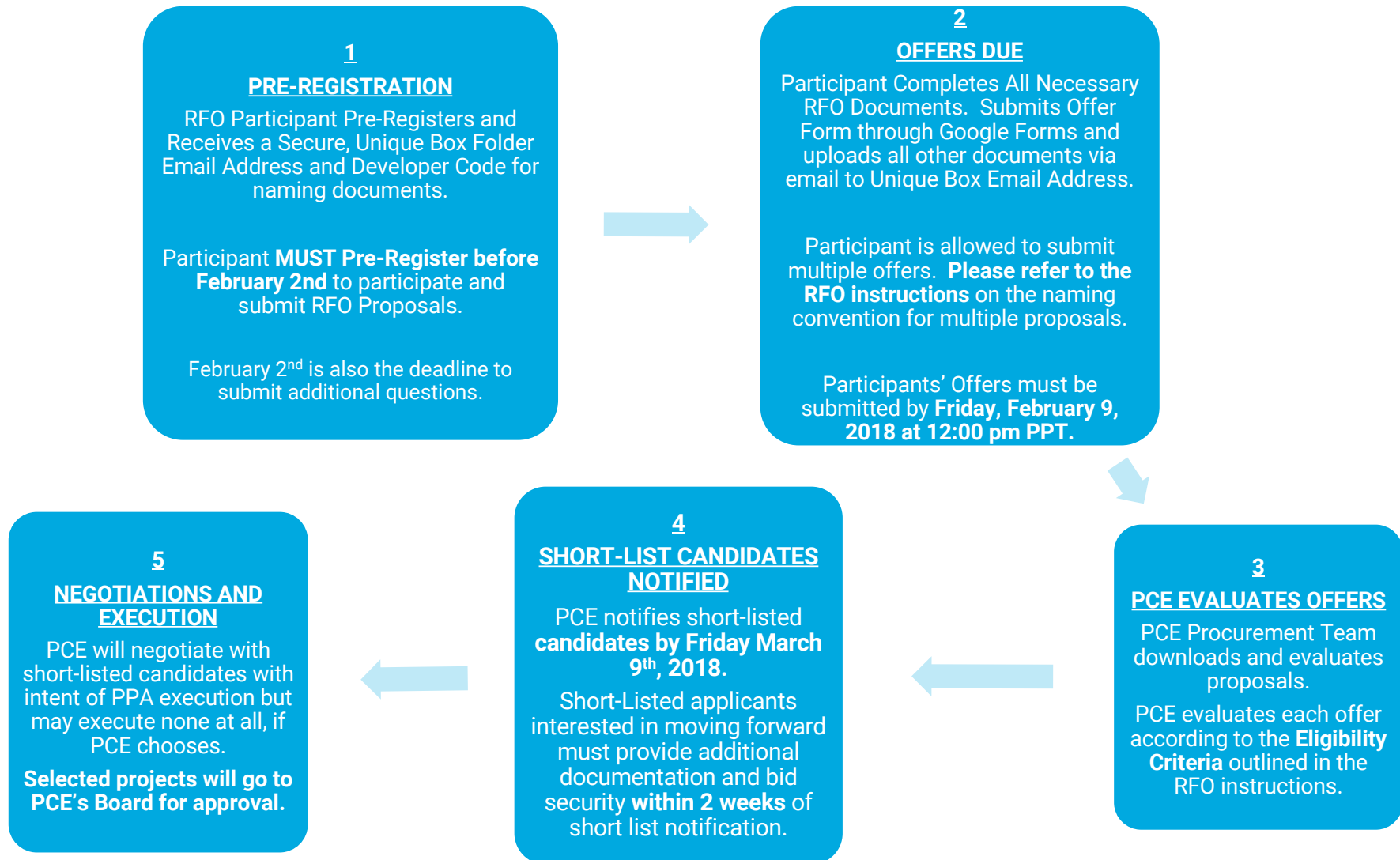
PCE's 2018 Renewables and Storage RFO

- PCE is particularly interested in products that help meet the following open positions:
 - PCC 1: 1-2 year contracts covering 2018-2019;
 - PCC 2: 1-2 year contracts covering 2019-2020;
 - Fixed price contracts to fill in the open hours identified in the following slides:
 - Medium (5-10 years) and long-term (10+ years) contracts; and
 - Renewables with or without storage;
- PCE is interested in the following types of projects
 - In-state and out-of-state wind projects; and
 - New or existing projects.

PCE's 2018 Renewables and Storage RFO – Evaluation Criteria

Quantitative	Qualitative
Market forward prices	Project viability including status of interconnection, site control, and permits
Value of capacity	Technology viability
Value of energy storage	Location
Proposed contract price	Project team experience
	Financing plan and financial stability of owner/developer
	Consistency with PCE's mission statement and Integrated Resource Plan
	Consistency with PCE's Workforce Policy
	Consistency with PCE's Sustainable Vendor Policy
	Environmental impacts and related mitigation requirements

PCE's 2018 Renewables and Storage RFO - Evaluation Process



Other . . .

- Thank you to Pradeep for his “Deeper Dive” on technical issues of 100% renewable resources on the grid, on January 12, 2018
- FRB bank account moved to Silicon Valley offices
- PCE finally has a corporate credit card!

Regular Agenda

5. Citizens Advisory Committee Report (Discussion)

Regular Agenda

6. Audit and Finance Committee Report (Discussion)

Regular Agenda

7. Marketing and Outreach Report (Discussion)

2017 Communications in Review

Strategy	Impact
<i>Direct Mail</i>	5 - 6 mailers sent to all 300,000 accounts
<i>Advertising</i>	11 million impressions in fall ad campaign alone, major spring campaign was completed as well
<i>Outreach</i>	Worked 118 events, spoke with 5,000 people
<i>Media</i>	7 press releases, mentioned in at least 37 articles and op-eds , local coverage in English, Chinese, and Tagalog
<i>Social Media</i>	3 million Facebook, 150K Twitter impressions
<i>City/County Communications</i>	Disseminated 4 city outreach kits , official communications sent in all 20 cities and in County

Selected 2017 Press Coverage

- "Mission-Driven Sustainability", Harvard Business Review, December 4, 2017
- "How we're saving \$17 million and avoiding 680 million pounds of carbon emissions", The Almanac, November 8, 2017
- "City of Burlingame Opts for 100% Renewable Electricity", July 5, 2017
- "The San Mateo County Harbor District is Going Green!", July 5, 2017
- "How clean energy helps Pacifica", Pacifica Tribune, April 2017
- "Providing cleaner, greener, and cheaper energy in San Mateo County", Balitang America, April 2017
- "OP-ED: Peninsula Clean Energy now serving entire county", Daily Journal, April 2017
- "KHMB Featured Story of the Week", KHMB, April 2017



- "We can help combat climate change with new energy program", The Almanac March 2017
- "SamTrans, Caltrain to Use 100 Percent Renewable Electricity from Community Choice Energy Programs", Mass Transit Magazine, March 2017
- "Peninsula Clean Energy finalizes 20-year solar deal", Half Moon Bay Review, February 2017
- "Calif. Public Energy Provider Signs Up For 200 MW Of Solar", Solar Industry Magazine, February 2017
- "Peninsula Clean Energy Inks Deal for 200 MW of New Solar", Bay Voice, February 2017
- "Peninsula Clean Energy prepares for next phase of renewables", Half Moon Bay Review, January 2017

View or listen to all articles on the PCE website, <https://www.peninsulacleanenergy.com/resources/news-media/>

Fall 2017 Ad Campaign Overview

- Goal: increase awareness of brand, benefits, and automatic enrollment
- Main messages:
 - You have PCE, and it's great
 - Cleaner energy at lower rates
- Theme: **You Have Great Energy**
- Special emphasis: cities with higher opt-outs, Spanish and Chinese speakers



Sample PCE fall Facebook ad

Fall 2017 Ad Campaign Results

- Number of website sessions nearly doubled compared to the six weeks prior to the campaign start date
- 66% of website sessions were from new visitors

Advertising Platform	Impressions
Print & Digital	763,500
Outdoor	7,161,192
Community	16,000
Radio	889,663
Mobile	1,643,671
Facebook	570,756
Total Overall Impressions	11,044,782

Local Print and Digital Media Ads

Media Channel	Circulation
Half Moon Bay Review	7,500
Pacifica Magazine	5,000
Half Moon Bay Magazine	5,000
San Mateo Daily Journal	33,200, 220,000 Web visitors/month
EPA Today	
Philippines Today	30,000
The Spectrum Magazine	12,500
News for Chinese	30,000
El Tecolote (Spanish)	30,000
The Pilot	5,800
The Almanac	15,000
The Asian Journal	32,000
Foster City Islander	40,000
Pacifica Tribune	3,500
ImpreMedia	294,000



Upfront FX rates when you send money to bank accounts with Western Union

Outdoor and Community Ads

Media Channel	Target Location	Impressions
Lucky Grocery Store	San Bruno	100,000
99 Ranch Market	Daly City (Chinese audience)	100,000
SamTrans Onboard Buses	Countywide (Spanish, English, Chinese)	1,930,000
SamTrans Bus Shelters	Countywide (Spanish, English, Chinese)	3,507,192
BART Stations	San Bruno, South San Francisco, Daly City	1,524,000
Classic Bowling Center	Daly City	16,000
San Mateo on Ice	San Mateo	

Sample Fall 2017 Outdoor Ads

Examples from SamTrans shelters, BART stations, and San Mateo ice rink



Radio: Audio and Digital Ads

Media Channel	Target Location	Digital Ads	Impressions
Half Moon Bay Radio	Countywide	(8) spots/day	30,000 area population
FilAm Radio	Countywide (Filipino Audience)	(12) spots/day on Facebook Live Broadcast	6,200 Followers
Sound of Hope Radio*	Countywide (Chinese Audience)	(36) spots, Web Banner, Google Ads	200,000
Pandora	Countywide (English and Spanish Audience)	Banner Ad	English – 459,838; Spanish – 193,625

Mobile and Social Media Ads

Media Channel	Target Location	Impressions
Reach Local	Countywide (English, Spanish, Chinese)	943,993 (English), 232,631 (Spanish), 267,375 Chinese Total: 1,443,999
Bay Area News Group	Countywide	199,672
Facebook		570,756

2018 Communications Strategy

- Proactively reach customers at risk of opting out with message of lower rates, cleaner energy
- Prioritize customers who:
 - Receive paper bills: more likely to see PCE
 - Are price sensitive
 - Are sensitive to change (seniors)
 - May be more interested in rates than clean energy
 - May be concerned about losing discounts

How Cities Can Help

1. Place PCE ads in Spring Parks and Rec mailers
2. Connect us with senior centers for outreach
3. PCE updates in city newsletters, website
4. Invite PCE to update your Council

Thank You!



Regular Agenda

8. Market Research Results (Discussion)

Market Research Survey Results

January 25, 2018



**PENINSULA
CLEAN ENERGY**

Background and Objectives

The research study was conducted to inform PCE's marketing strategy with insight into customer and opt-out awareness and understanding of Peninsula Clean Energy.

Background and Objectives

- Objectives included:
 - Assess the unaided and aided awareness as well as favorability of opinion for the Peninsula Clean Energy Brand
 - Measure what customers think of and know about Peninsula Clean Energy
 - Understand reasons for opting out
 - Identify preferred and used sources for information
 - Identify any differences by demographics including geographic location

Methodology

A survey of approximately 8 minutes duration was conducted among PCE customers and Opt-outs

- Via telephone
- Conducted in English as well as 4 in Spanish
- From a detailed database of customers and opt-outs provided by PCE
- During the period of November 28th through December 13, 2017

Methodology

The questionnaire was developed by Nichols Research in collaboration with the PCE staff, interviews were completed as follows:

- Customers of PCEN=600
- Opt-outs from PCE N= 50

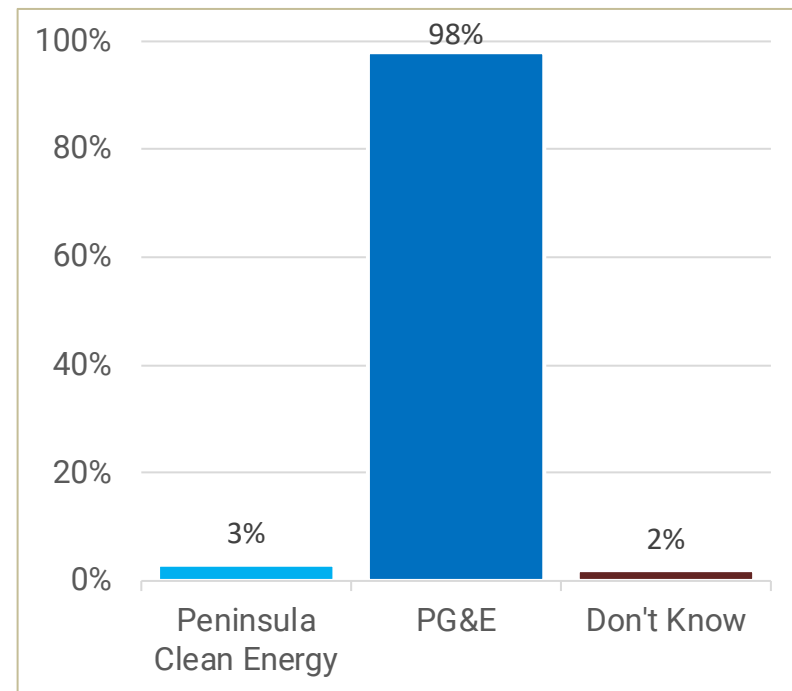
Data was tabulated across various demographic and behavioral variables

Q1. When you think of energy companies from whom you could purchase electricity in your area, which companies come to mind?

As a new entity, PCE lags behind PG&E in customer “top of mind” (unaided) awareness

- Customers who self-identify as white are more likely to name PCE than are other ethnicities
- Customers who are Seniors (65+) are more likely to say “don’t know” than are most other age groups.

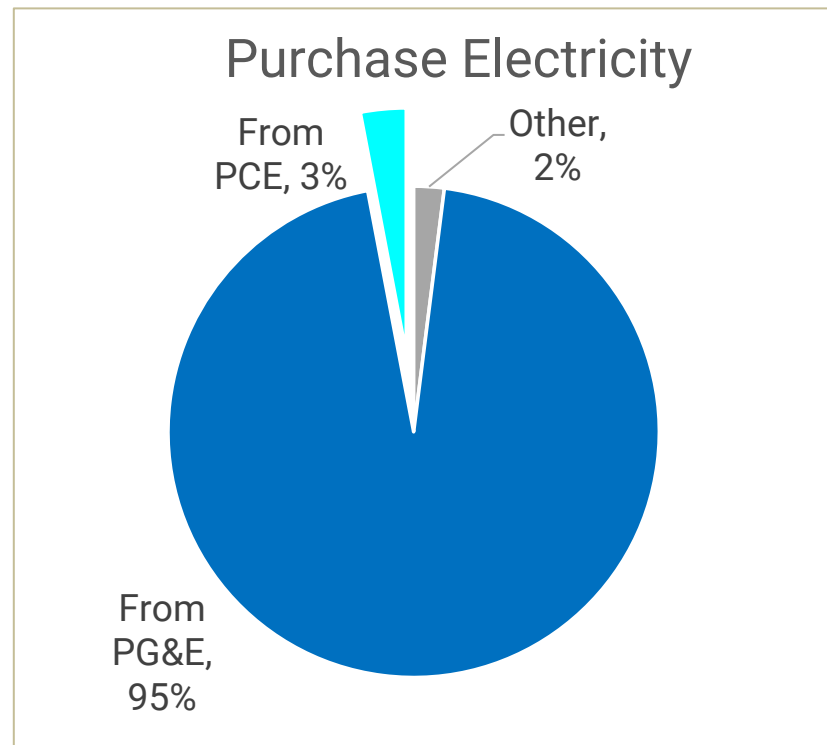
Unaided Awareness of Electricity Companies



N = 600

Q2. From whom do you currently purchase electricity?

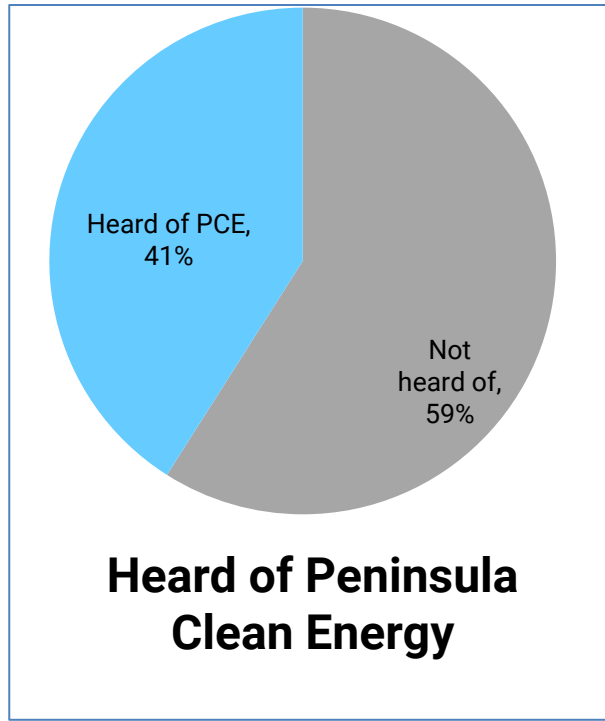
95% of current customers believe that they are purchasing electricity from PG&E; only 3% know they purchase from PCE



N = 600

Q4. Had you heard of Peninsula Clean Energy before I mentioned it just now?

4 in 10 customers had heard of Peninsula Clean Energy before it was mentioned in the survey (“aided awareness”)



N=600

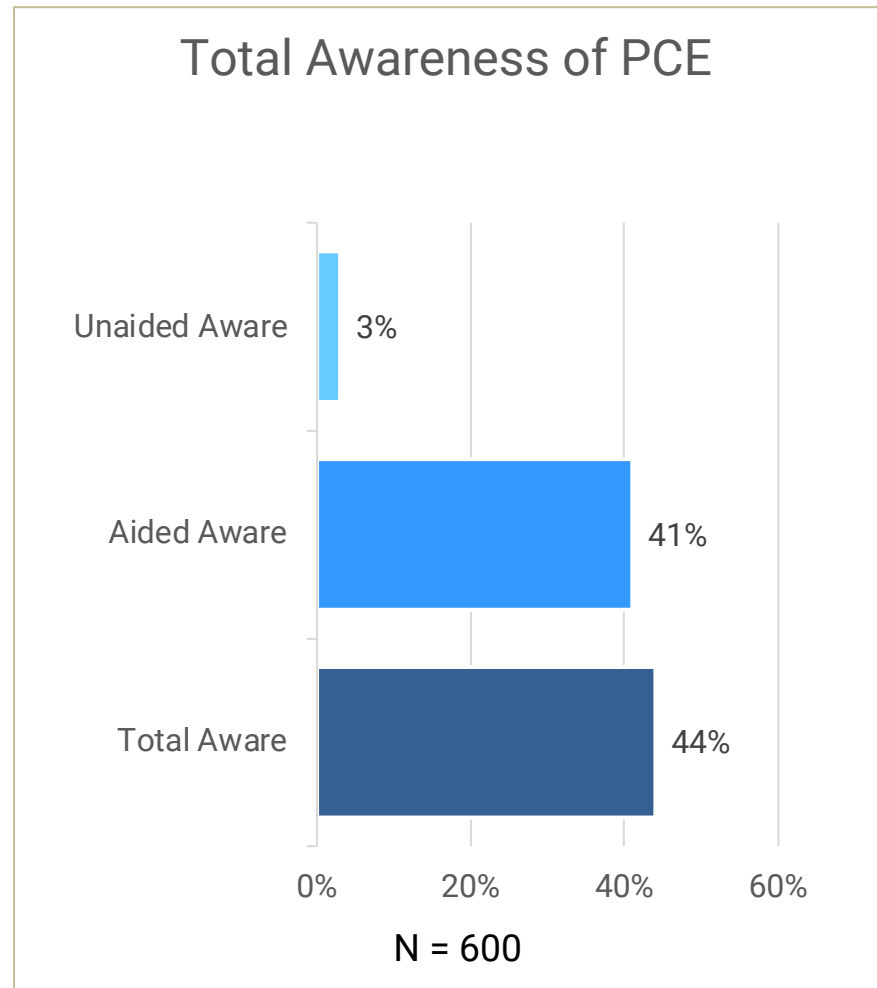
Those customers who had heard of PCE prior to this survey tended to be:

- Significantly older with 51% age 65 or more;
- Significantly more likely to identify as White or Asian-American
- With no significant differences by region or city or by income

Q1. plus Q4. = Total Aware

As would be expected for a new entity, Total Awareness of PCE is low (44%) among existing customers

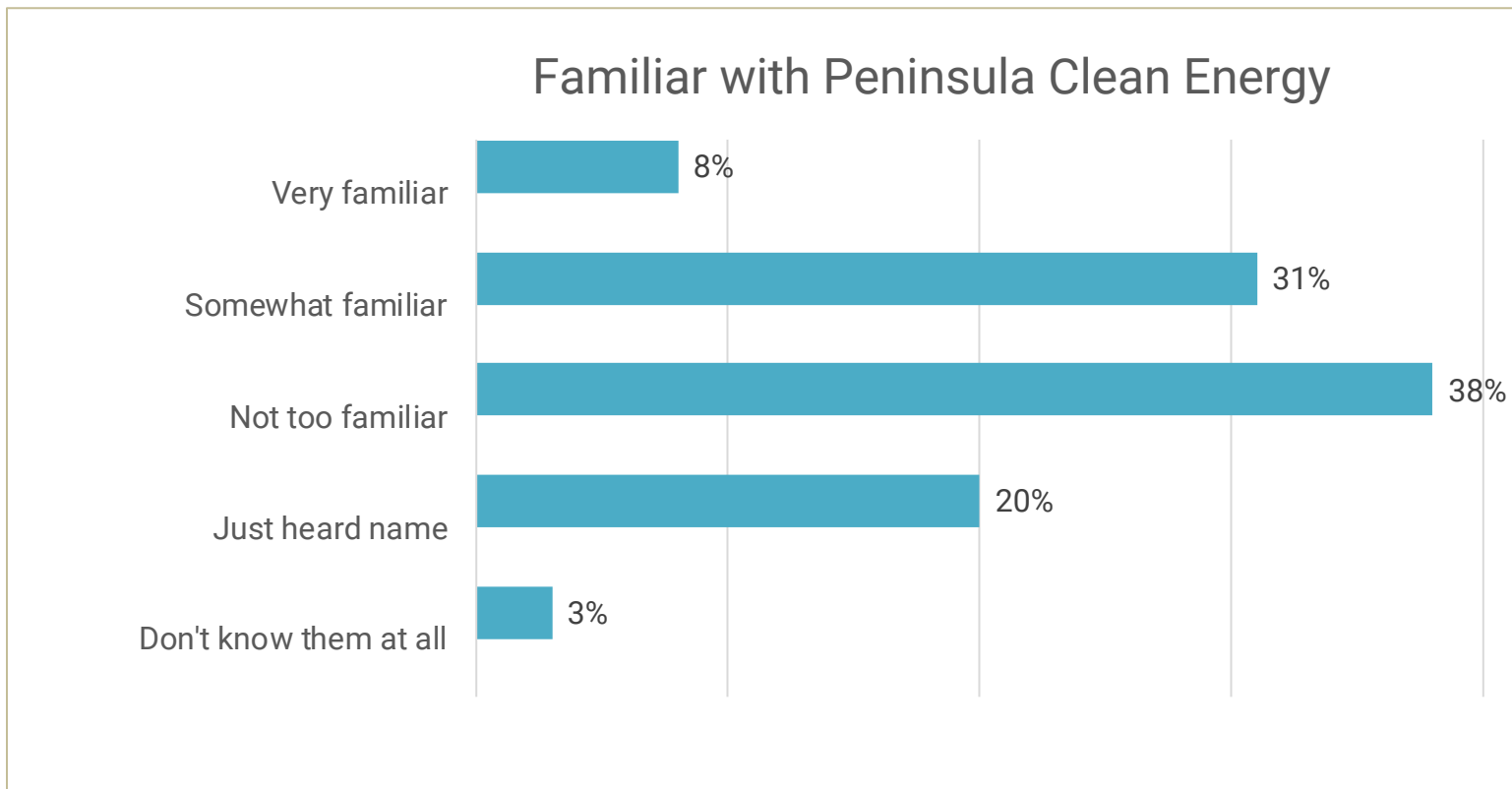
- Cumulating “top of mind” (unaided) awareness together with aided awareness yields “total awareness” of 43% among customers
- Less than half of customers are aware
- Aware customers are more likely to:
 - Be over age 40 and significantly more likely to be age 65 or more
 - Identify as White or Asian-American
 - With little difference by income;
 - But significantly more likely to be from the Coast/Unincorporated region than from the North region



Q5. How familiar are you with Peninsula Clean Energy?

Only about 8% of customers are Very Familiar with PCE;
most (70%) are somewhat or not too familiar

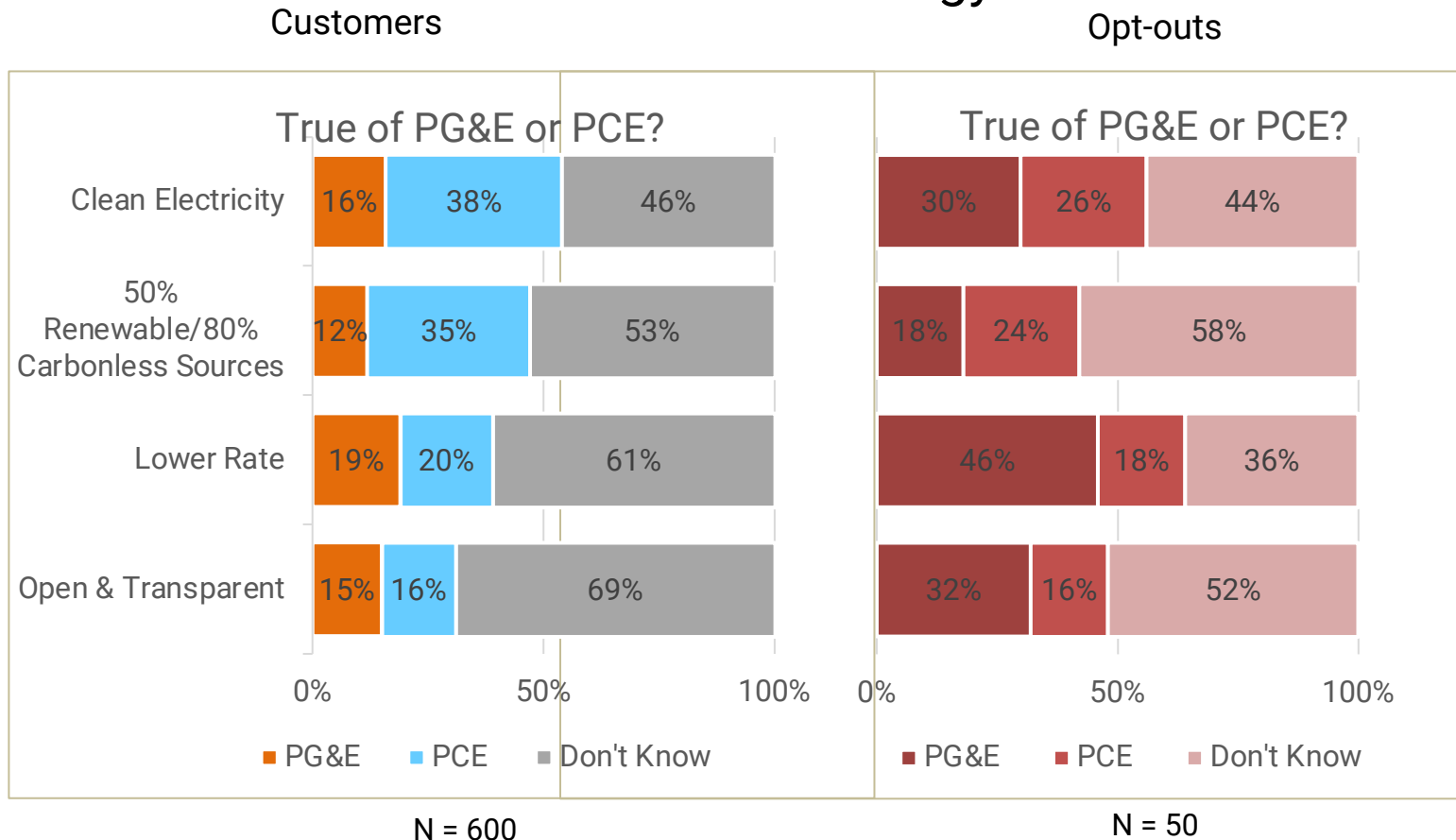
No significant differences in familiarity by demographic characteristics



(N= 235 those who had heard of PCE)

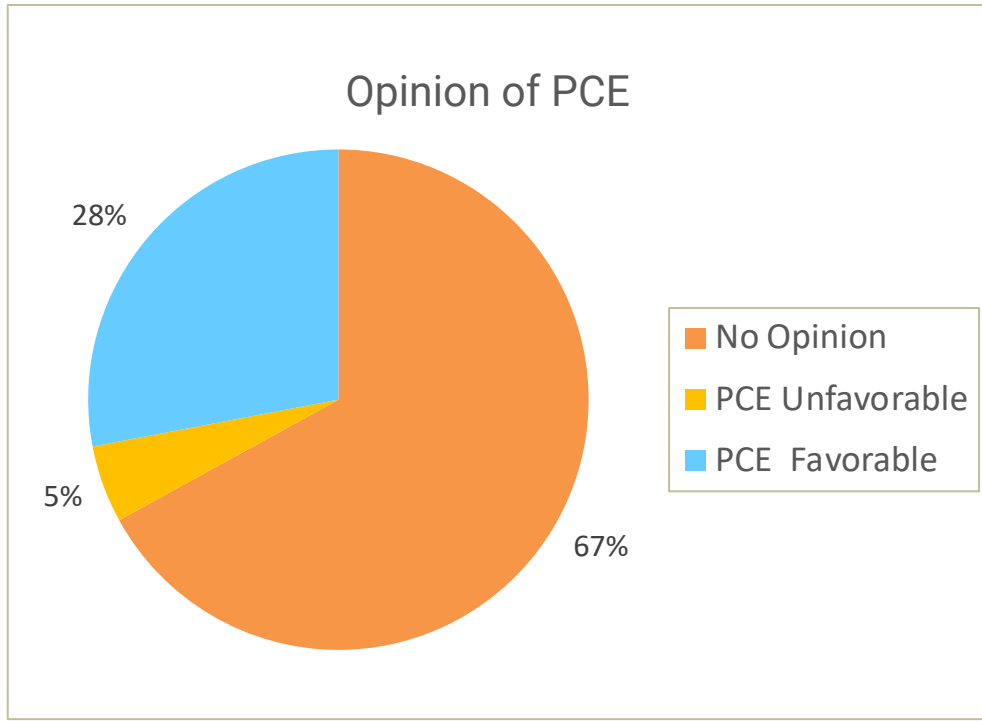
Q6. For each of the following statements tell me if it best describes PG&E or Peninsula Clean Energy?

True of PG&E vs PCE? High % of customers don't know;
Opt-outs more likely to think PG&E has lower rates, is transparent,
and offers clean energy



Q7. Do you have a very favorable, somewhat favorable, somewhat unfavorable or very unfavorable opinion of Peninsula Clean Energy?

Good news! Almost 3 in 10 customers already have favorable view of Peninsula Clean Energy



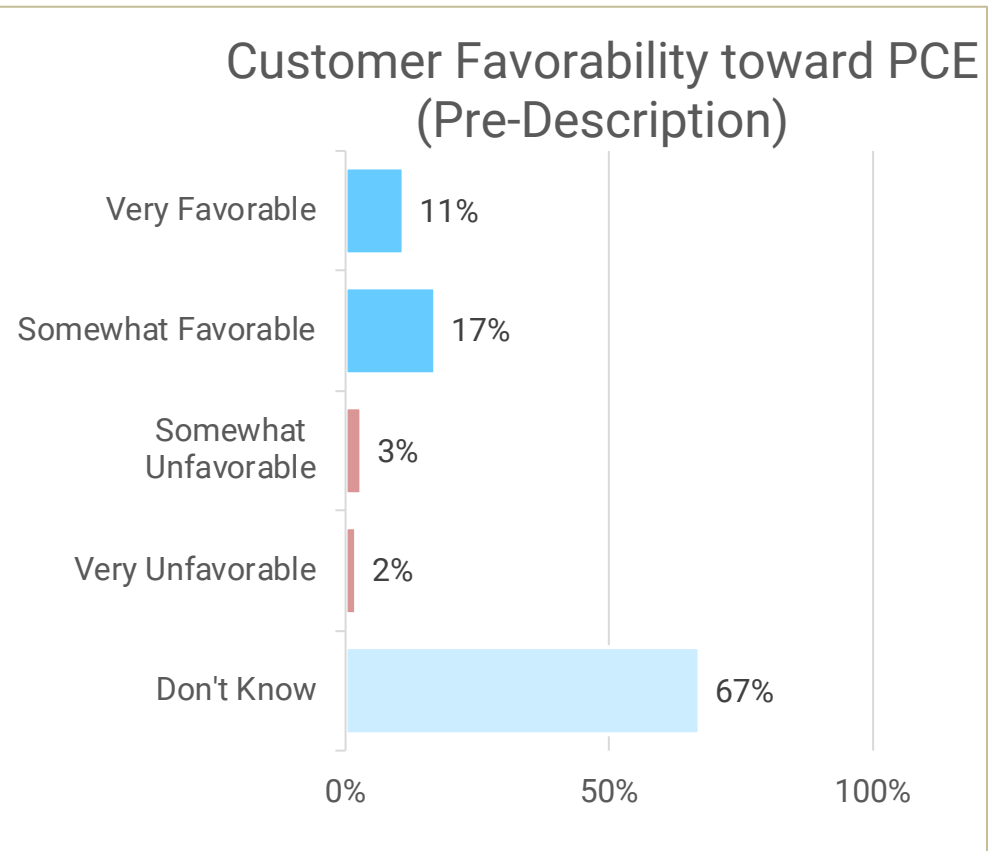
(N= 600))

- Customers with a favorable opinion of PCE are more likely to be seniors (age 65+) than other age groups
- They are more likely to self-identify as white than other ethnicities

Q7. Do you have a very favorable, somewhat favorable, somewhat unfavorable or very unfavorable opinion of Peninsula Clean Energy?

More than 1 in 10 customers have a very favorable view of PCE prior to being provided a description of Peninsula Clean Energy

- Seniors (age 65+) are significantly more likely to say “very favorable” in than are those ages 40 to 64
- Those living coast/unincorporated or in Redwood City are more likely to say “somewhat favorable” than those living in other regions or cities
- There are no significant demographic differences among those saying “very” or “somewhat unfavorable” toward PCE



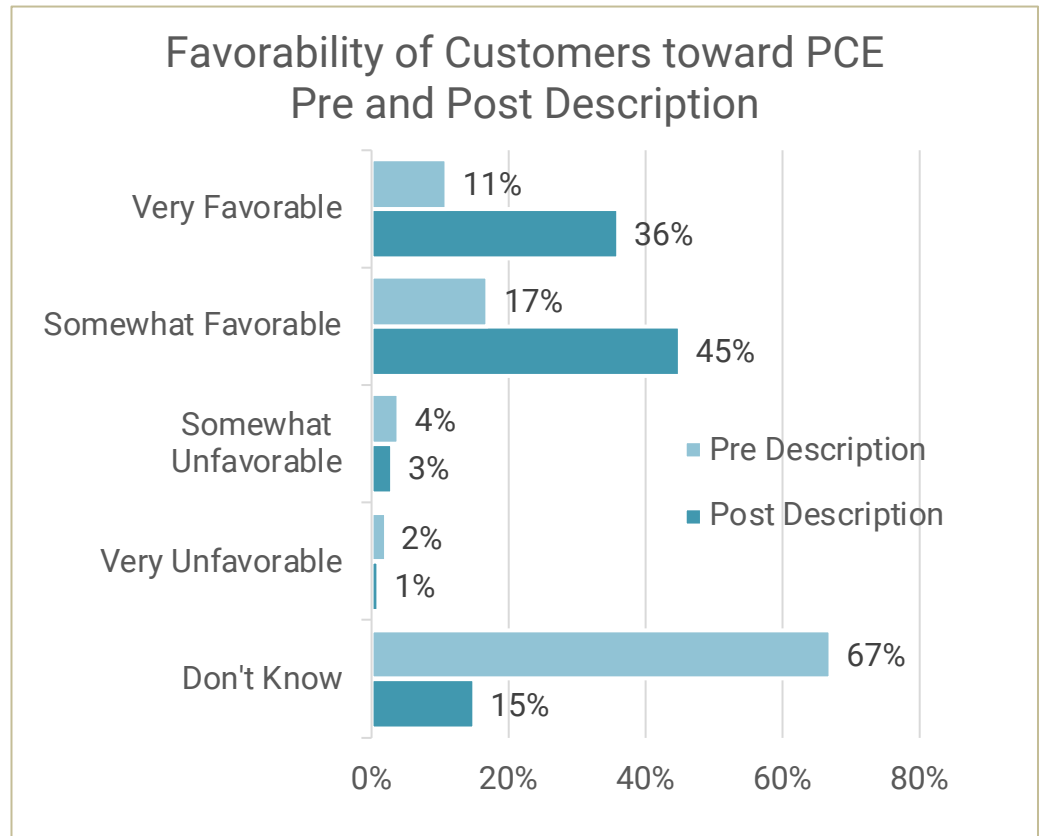
Q8. Would you now say you have a very favorable, somewhat favorable, somewhat unfavorable or very unfavorable opinion of Peninsula Clean Energy?

Favorability increases among customers once description of PCE is provided

Description provided:

Peninsula Clean Energy is a public agency. Peninsula Clean Energy was launched jointly by the County of San Mateo and all twenty of its cities to take action on climate change and help the environment

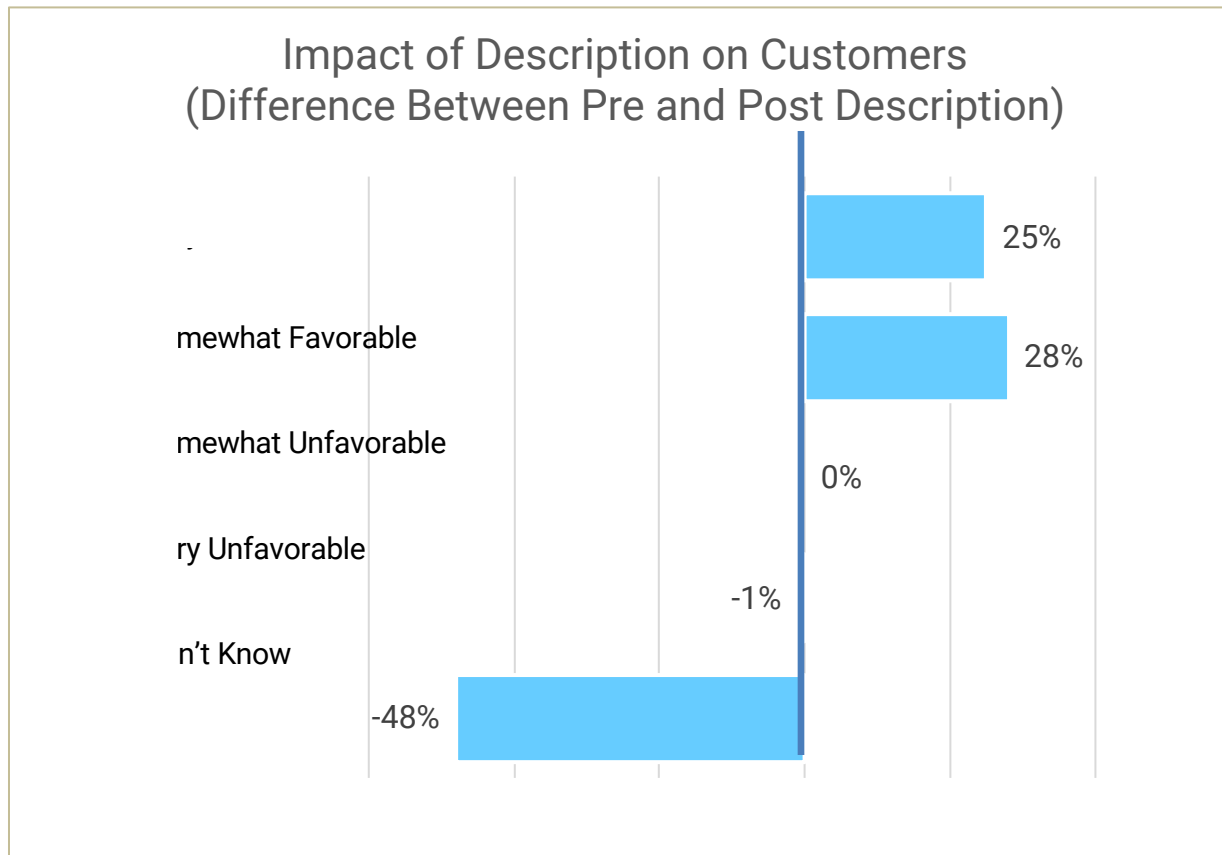
- Post description, customers ages 40 through 64 are more likely to have a favorable opinion than those age 65+
- Customers age 65+ more likely to say “don’t know” regarding favorability than are other age groups
- There appears to be a small pocket of “somewhat unfavorables” in San Bruno unlike other cities



N = 600

Q8. Do you have a very favorable, somewhat favorable, somewhat unfavorable or very unfavorable opinion of Peninsula Clean Energy?

Providing basic information about PCE moves more than half of customers to be more favorable

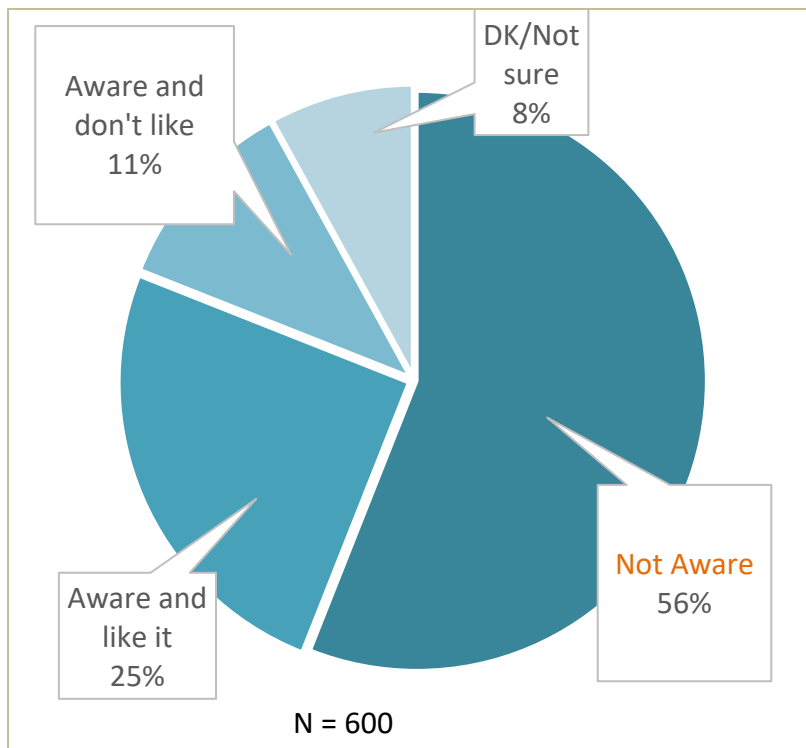


N = 600

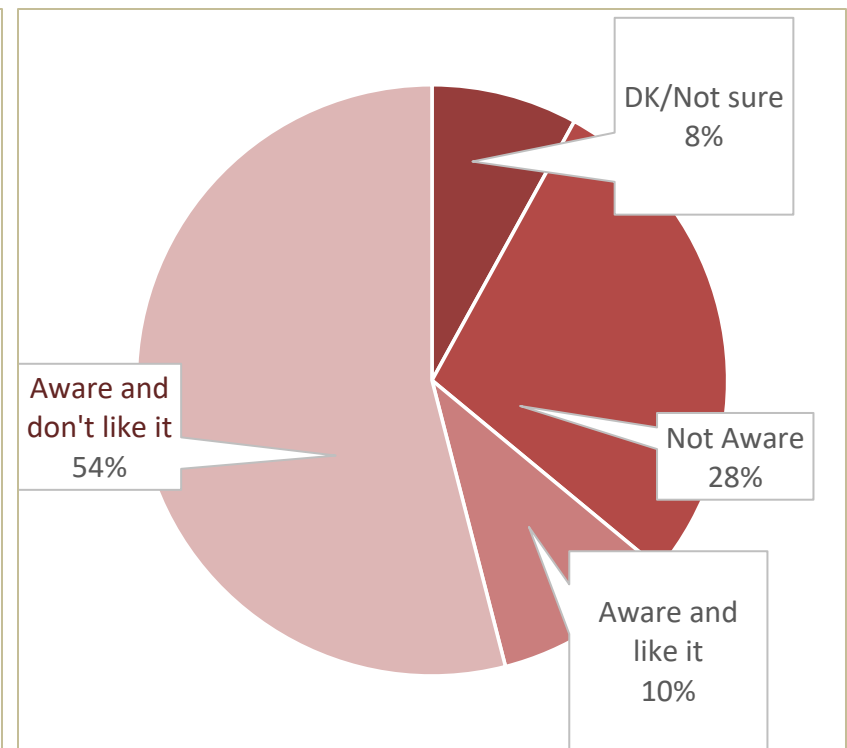
Q9. As you may know, you have been automatically enrolled to receive clean power at lower rates through Peninsula Clean Energy. This is because your local city council voted to join the program.....

Customers are less likely to be aware of automatic enrollment than are opt-outs; opt-outs are more likely not to like it

Customers



Opt-outs*

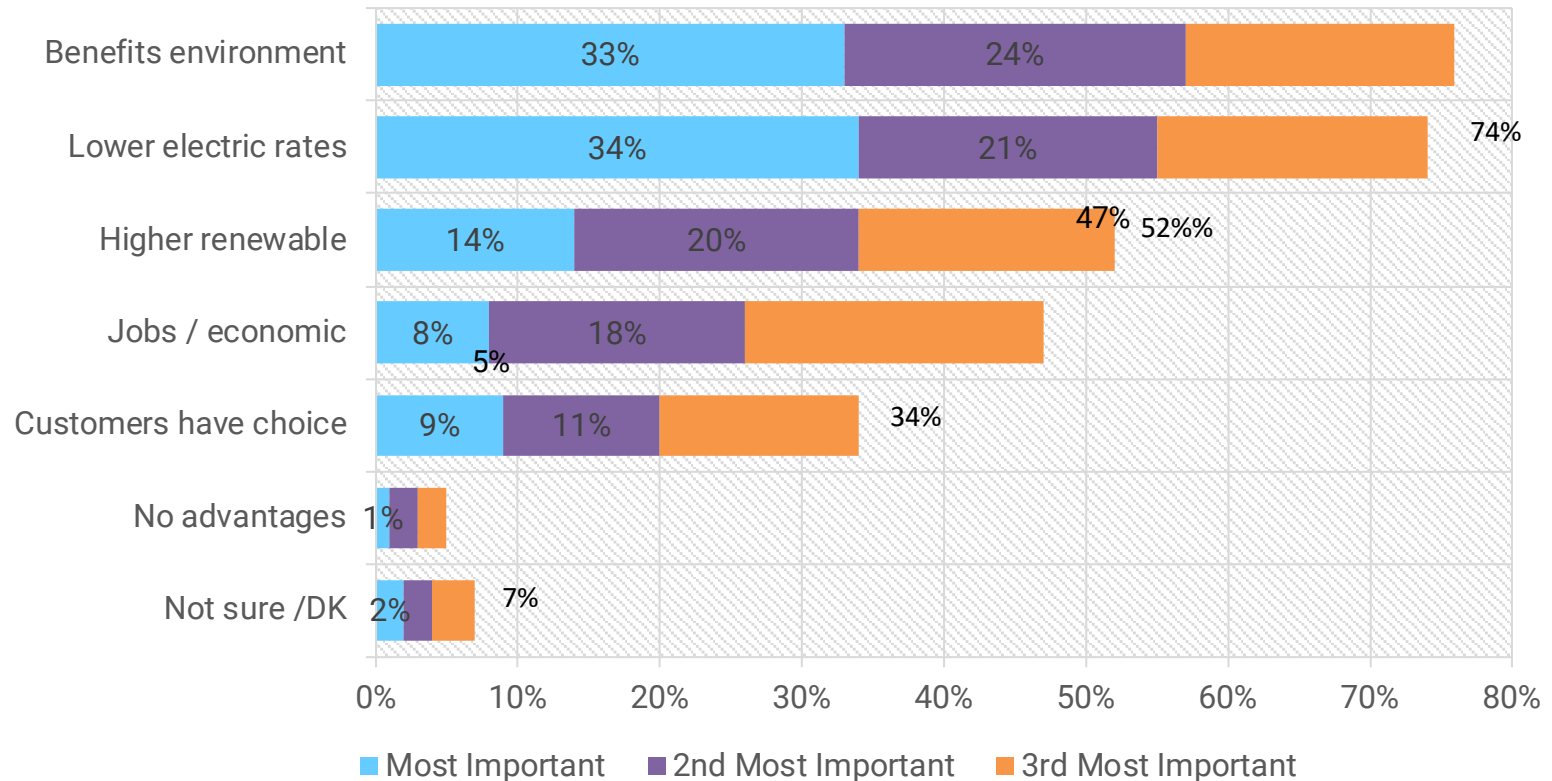


*Caution small base size

Q. 13 Peninsula Clean Energy offers several advantages. Which of the following is most important to you? Second most important? Third most important?

Customers cite “benefits to the environment” and “lower rates” as most important advantages of PCE

Advantages of Peninsula Clean Energy

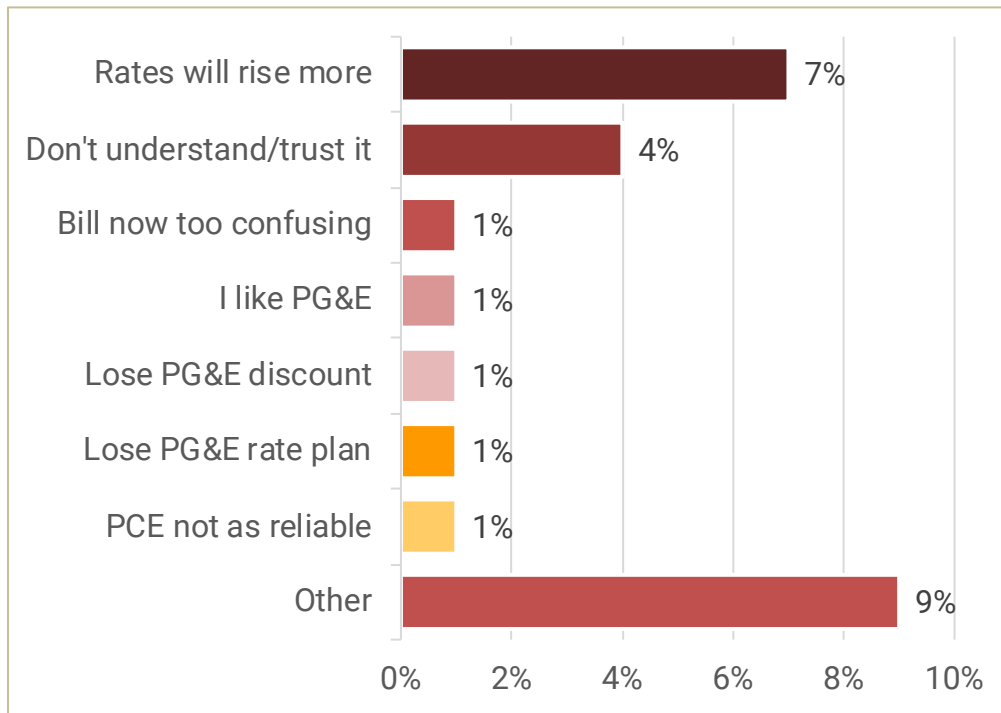


N = 600

Q.15 Do you have any concerns about Peninsula Clean Energy and being their customer?

Only 22% of customers voiced concerns about Peninsula Clean Energy or about being a PCE customer

Concerns about being PCE customer



N=132 (those with concern)

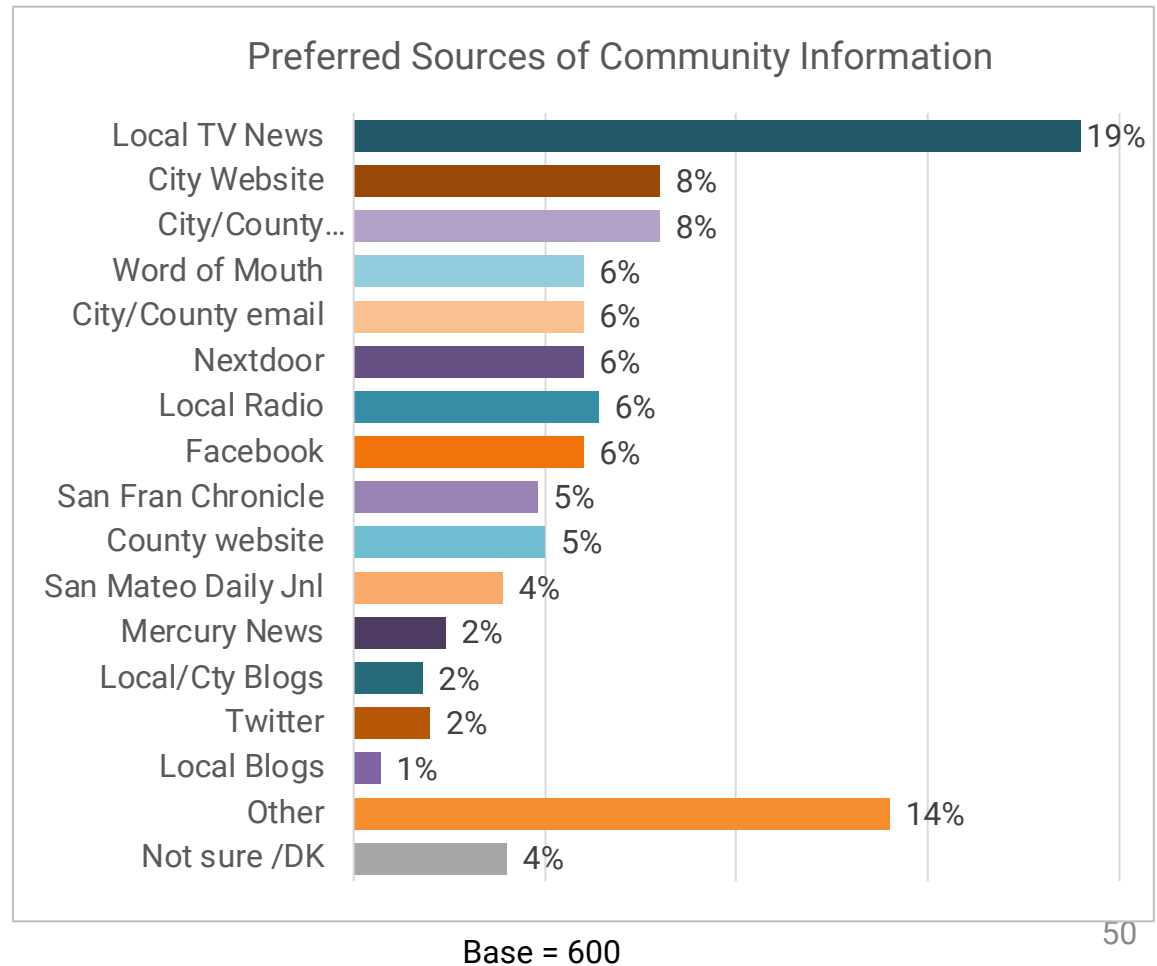
Customers with concerns are significantly more likely to be:

- Age 40+(primarily ages 40-49) than to be younger than age 40
- Whose major concern is that rates will rise more than if not a PCE customer
- More likely to refuse to disclose their income

Q. 17 What is your most preferred source of information regarding issues in your community?

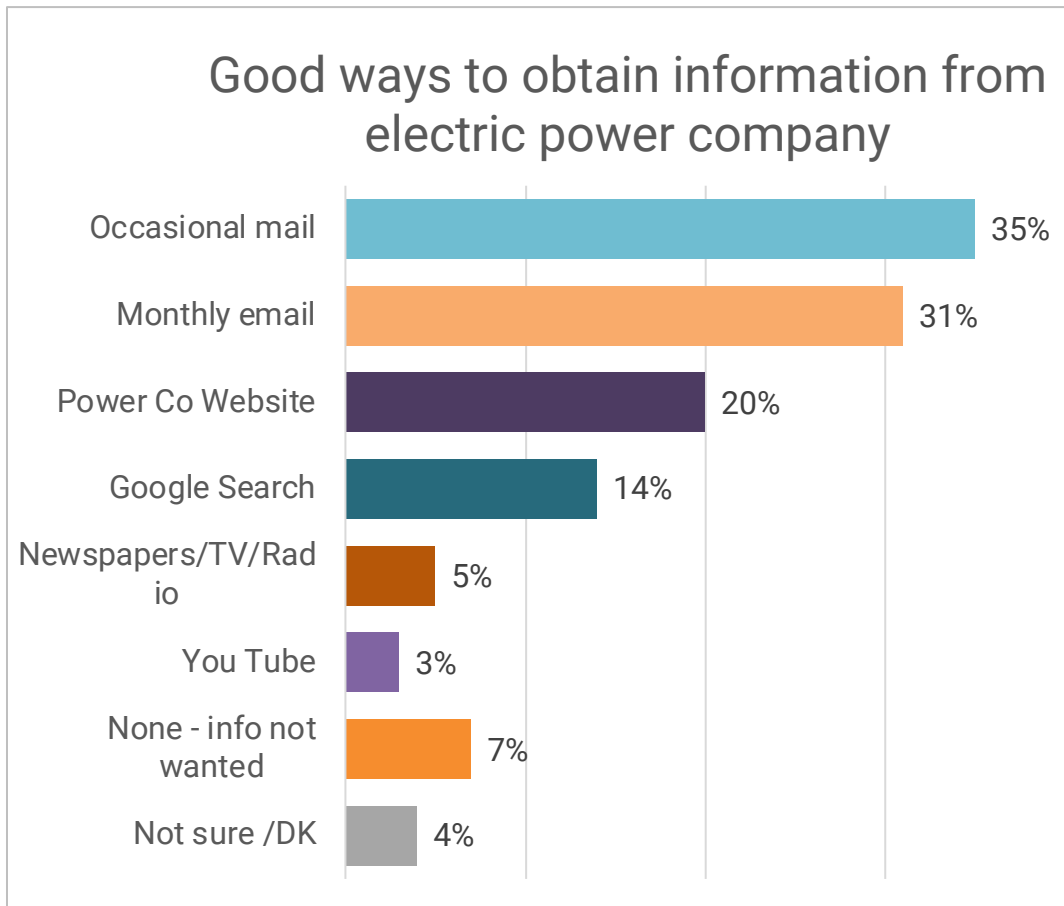
Local TV News, City Website or City/County Newsletters are top sources of information regarding issues in the community

- Customers over age 50 are more likely to prefer newsletters or newspapers (especially the San Fran Chronicle), while younger customers tend to prefer online sources
- Seniors and those with low income are more likely to prefer word of mouth from friends/ family as sources of information about the community



Q. 19 Which of the following do you find to be good ways for you to obtain information from your electric power company?

Occasional mail, monthly email or company website are cited as good ways to obtain information from electric power company



Base = 600

- Customers over age 50 are more likely to prefer occasional notices in the mail as are customers in Pacifica
- Google search is more likely to be preferred by high income customers as well as those under age 40 or those living in Redwood City and San Mateo
- Website is also more likely to be preferred by customers in Redwood City as well as those under age 40

Key Takeaways

- General Brand Awareness is low (as to be expected)
- 'Environmental Benefits' and 'Lower Rates' are most important PCE Benefits
- Customers who have an opinion of PCE generally view us favorably
- PCE still needs to continue to tell its story. There is a lot of opportunity to continue to move customers from 'un-aware' to becoming PCE champions
- Local News, City Newsletters and Websites, and trusted Friends and Neighbors are key communication outlets

Regular Agenda

9. Regulatory and Legislative Report (Discussion)

Regulatory and Legislative Report

January 25, 2018

Jan Pepper
CEO



December/January Regulatory Activities

- Filings
 - PCE filed **Opening and Reply Comments** requesting changes to the proposed decision in the CPUC's Integrated Resource Planning docket on January 17th and 22nd. PCE also supported CalCCA's comments in the docket. (R.16-02-007).
 - PCE and SCP filed **Opening and Reply Comments** on the CPUC's proposed decision largely adopting PG&E's 2018 ERRR (A.17-06-005).
 - PCE, as part of CalCCA, filed **Comments** on the CPUC's Resolution E-4909 on December 29th.
 - PCE, as part of CalCCA, filed **Opening and Reply Comments** on the CPUC's Resolution E-4907

January Regulatory Meetings/Workshops

- On January 16th, Jan Pepper, Joe Wiedman, Jeremy Waen, Jeff Aalfs, Carole Groom, John Keener, and Daniel Yost met with CPUC Commissioner Cliff Rechtschaffen for a “meet-and-greet” and provide an overview of PCE.
- On January 24th, Jan Pepper, Jeremy Waen, and Michael Brownrigg met with CPUC Commissioner Carla Peterman regarding PCE’s Integrated Resource Plan and the PCE’s comments on the CPUC’s IRP proposed decision.
- CPUC held two days of workshops regarding alternatives to the PCIA on January 16th and 17th. Both were attended by Joe Wiedman and Jeremy Waen.

December/January Legislative Activities

- On December 12th, Jan Pepper, Joe Wiedman, Rick DeGolia, Wayne Lee, and Pradeep Gupta met with **Assemblymember Kevin Mullin**, District 22, to provide the Assemblymember with an update on PCE's progress and to discuss the upcoming legislative session.
- On December 14th, Jan Pepper, Joe Wiedman, John Keener, Jeff Aalfs, and Wayne Lee met with **Assemblymember Phil Ting**, District 19, to provide the Assemblymember with an update on PCE's progress and to discuss the upcoming legislative session.
- On December 14th, Jan Pepper, Joe Wiedman, John Keener, Jeff Aalfs, Wayne Lee, and Pradeep Gupta, met with **Senator Scott Wiener**, District 11, to provide the Senator with an update on PCE's progress and to discuss the upcoming legislative session.
- On January 23 and 24, Joe Wiedman attended a number of legislative meetings in Sacramento along with other members of CalCCA.

Regular Agenda

10. Receive Mid-Year Budget Update (Discussion)

Regular Agenda

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

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

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

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

Hydro PPA & Amendments

January 25, 2018



PENINSULA
CLEAN ENERGY

Item 11

- 11. Authorize the Chief Executive Officer to execute Amendment 1 to Power Purchase Agreement, and any necessary ancillary documents, with:
 - 11.1 Mega Renewables, a California general partnership (Hatchet) – Hatchet Creek Hydroelectric Project. Contract Term: 20 years. Not to Exceed \$17,000,000. (Action)
 - 11.2 Mega Renewables, a California general partnership (Roaring) – Roaring Creek Hydroelectric Project. Contract Term: 17 years. Not to Exceed \$5,000,000. (Action)
 - 11.3 Mega Renewables, a California general partnership (Bidwell) – Bidwell Ditch Hydroelectric Project. Contract Term: 17 years. Not to Exceed \$10,000,000. (Action)

Summary of Hydro Projects

- PPAs initially signed in January 2017
- Owner approached PCE with option to extend PPAs in October 2017
- PCE negotiated amendments to PPAs throughout December and January
- Recommend authorizing CEO to execute amendments:
 - Helps PCE to meet renewable energy goals
 - Provides stability on pricing to help PCE manage energy costs and budget accurately
 - Provides diversity to PCE portfolio

Summary of Hydro Projects

Project	Hatchet	Bidwell	Roaring
COD	3/9/2017	3/9/2017	3/16/2017
Contract Capacity (MWac)	7.5	2	2
Original Delivery Term (Years)	5	2	2
Amended Delivery Term (Years)	20	17	17

Three Small Hydro Projects in Shasta County



- All three PPAs are with the same Seller: Mega Renewables, a California general partnership
 - All three PPAs are identical as to terms and conditions; only project-specific details differ
 - The three sites are close together, identified by the push pin on the map

Regular Agenda

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

Item 12

- 12. Authorize the Chief Executive Officer to execute a Power Purchase Agreement and ancillary documents for renewable supply with Hydro Partners, a California general partnership (Clover) – Clover Creek Hydroelectric project. Contract term: 15 years. Not to exceed: \$3,000,000. (Action)

Summary of Hydro Project

- Existing hydro project
- Owned by same owner as 3 currently under contract
- Located in similar location as existing projects
- Recommend authorizing CEO to execute PPA:
 - Helps PCE to meet renewable energy goals
 - Provides stability on pricing to help PCE manage energy costs and budget accurately
 - Provides diversity to PCE portfolio

Project	Clover
Expected COD	2/28/2018
Contract Capacity (MWac)	0.99
Delivery Term (Years)	15

Regular Agenda

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

Regular Agenda

14. Board Members' Reports (Discussion)

Regular Agenda

Adjourn