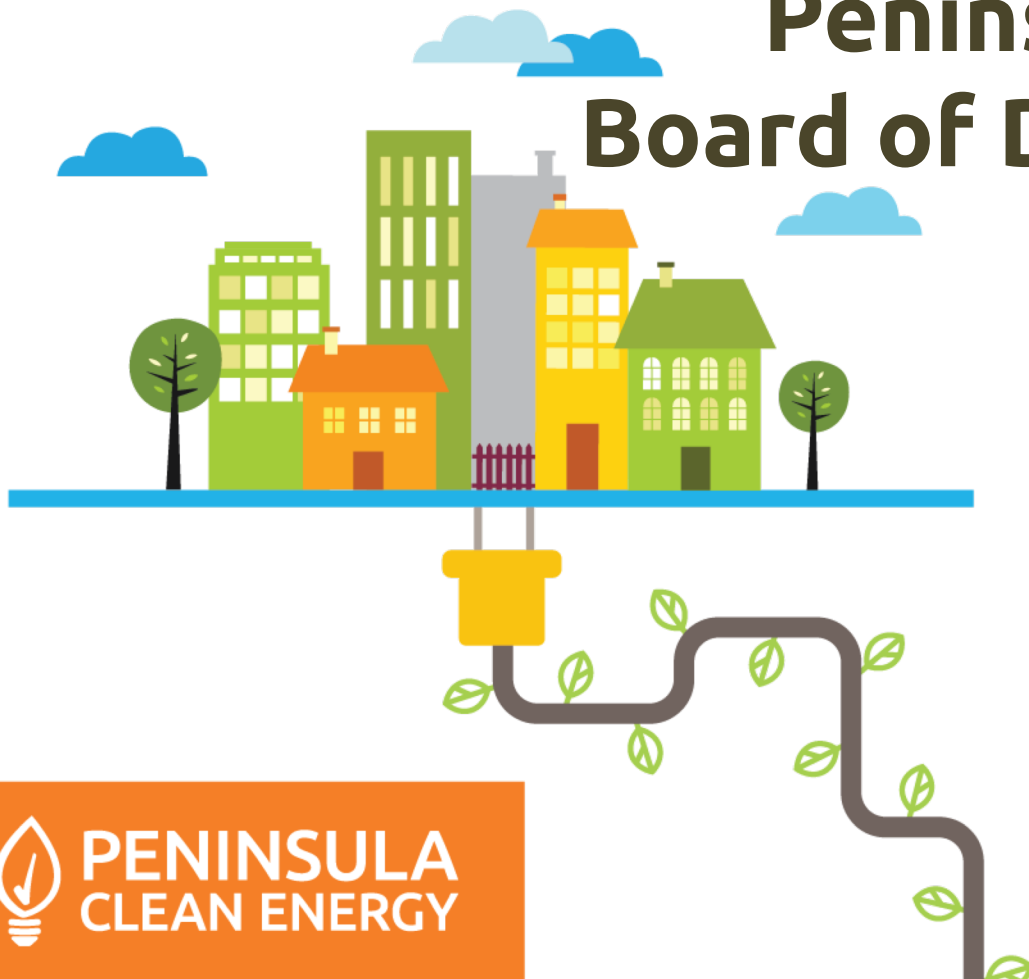


Peninsula Clean Energy Board of Directors Meeting

April 26, 2018



Agenda

Call to order / Roll call

Public Comment

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

Regular Agenda

1. Chair Report (Discussion)

Regular Agenda

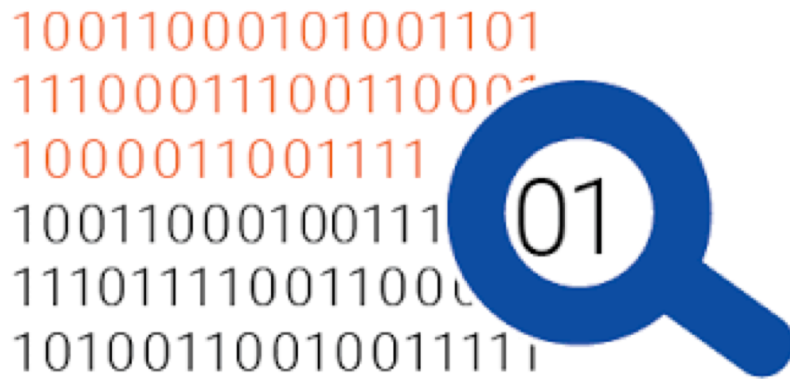
2. CEO Report (Discussion)

Personnel Update

- Interim CFO:
 - Tina Caratan starting on May 1
- Search firm hired for permanent CFO position
- New recruitments soon:
 - Energy Programs Associate
 - Distributed Energy Procurement



Data Management RFP Update



- PCE issued RFP for data management and call center services on March 30
- Proposals were due yesterday, April 25
- 5 proposals received and under review
- Recommendation to board in May or June

Public Relations Update

- Worked with Tom Mertens for Earth Day Op-ed and press releases
- Exploring additional PR assistance and expertise to help get the word out about PCE in op-ed's and press releases, and with local programs launch



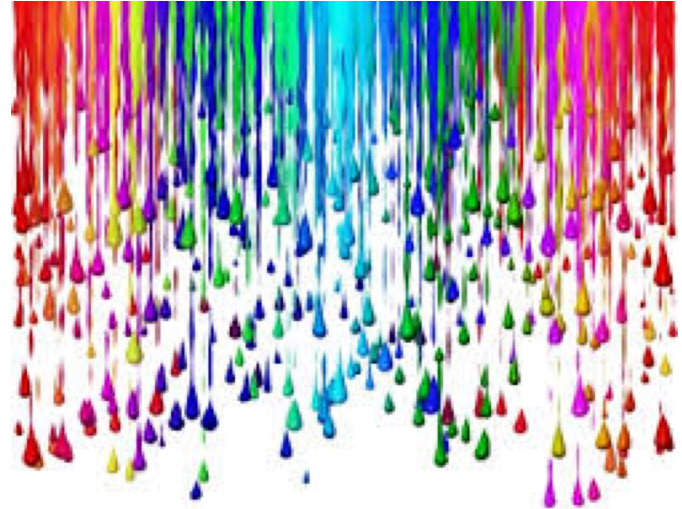
Ad Hoc Legislative Committee

- Ad hoc staff-directed committee to provide deeper dive into legislative bills / issues
- Doodle poll will go out to meet within next 2-3 weeks
- 5 board members expressed interest
- Others?



Other Highlights

- CalCCA directors at CAISO – April 16
 - Jeff Aalfs, Rick DeGolia, and Joe Wiedman attended for PCE
- Acterra’s “Party for the Planet” – April 19
 - Dave Pine honored for his leadership
 - Jeff Aalfs, Carole Groom, Rick DeGolia, Donna Colson, Pradeep Gupta, Catherine Carlton + PCE staff attended
- PCE Update to Redwood City Council – April 23
- Sustainable San Mateo Conference @ the New Living Expo – PCE presentation on April 28, 2-3 pm, San Mateo Event Center, Room 7



Upcoming Events

- SVLG's Silicon Valley Energy and Sustainability Summit - May 24, Oracle
- Business of Local Energy Symposium - June 4-5, Sacramento
- Precourt Energy Institute's Silicon Valley Energy Summit – June 21, Stanford
- CalCCA Annual Summit – Sept 5-6, Asilomar (Monterey, CA)
- PCE Board Retreat – Sept 22
- Groundbreaking for Wright Solar project – October 2018



Regular Agenda

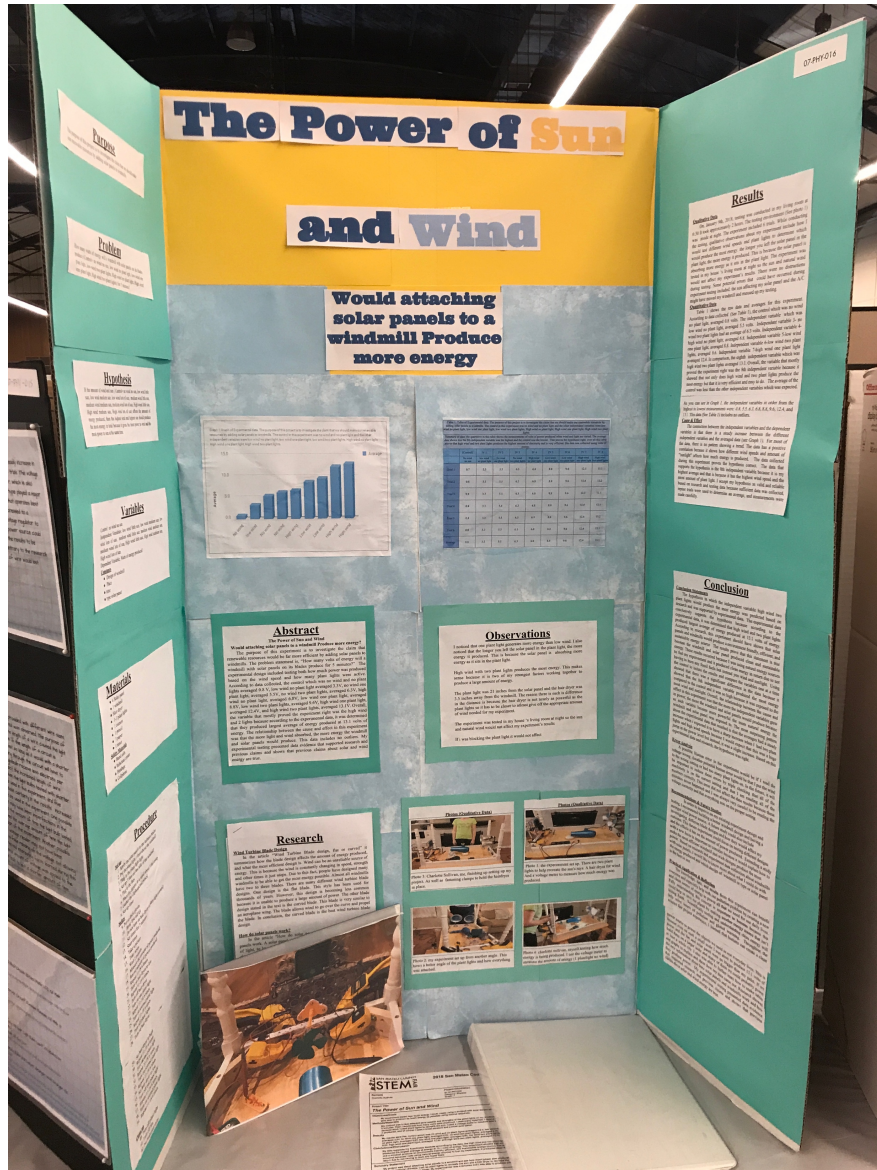
3. Presentation by STEM Science Fair Award Recipients (Discussion)

STEM Fair Award Recipients



County of San Mateo Office of
Education STEM Fair Awards
Ceremony

STEM Fair Award Recipients

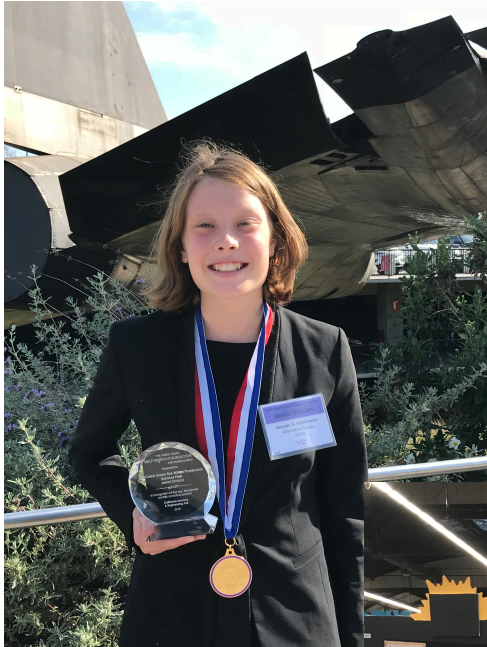


“The Power of Sun and Wind”

By Charlotte Sullivan,
7th grade, Physics

Nesbit Middle School

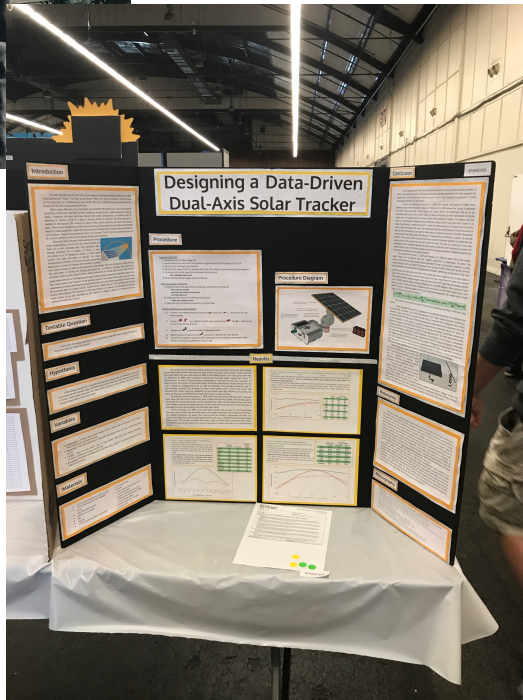
STEM Fair Award Recipients



“I’ll Follow the Sun:
Designing a Data-Driven
Dual-Axis Solar Tracker”

By Georgia Hutchinson,
7th Grade, Engineering

Woodside Middle School



Regular Agenda

4. Citizens Advisory Committee Report (Discussion)

Regular Agenda

5. Marketing and Outreach Report (Discussion)

Opt-outs by City

CITY	Eligible Accts	Total	TOTAL OPT OUT %
PORTOLA VALLEY INC	1,672	97	5.80%
SAN BRUNO INC	16,339	582	3.56%
PACIFICA INC	15,409	499	3.24%
SO SAN FRANCISCO INC	24,716	788	3.19%
DALY CITY INC	33,848	959	2.83%
MILLBRAE INC	9,341	244	2.61%
HALF MOON BAY INC	4,941	124	2.51%
EAST PALO ALTO INC	7,774	194	2.50%
UNINC SAN MATEO CO	24,399	607	2.49%
SAN MATEO INC	43,836	1000	2.28%
BELMONT INC	11,845	267	2.25%
SAN CARLOS INC	14,406	324	2.25%
BRISBANE INC	2,467	50	2.03%
HILLSBOROUGH INC	4,044	80	1.98%
REDWOOD CITY INC	34,638	663	1.91%
FOSTER CITY INC	14,562	278	1.91%
BURLINGAME INC	15,393	290	1.88%
WOODSIDE INC	2,281	37	1.62%
ATHERTON INC	2,692	42	1.56%
COLMA INC	799		1.38%
MENLO PARK INC	15,709	212	1.35%
Grand Total	301,111	7,348	2.44%

Continued Concern About Billing

1 Opt-Out Reason continues to be: *Concerns about Rates and Billing*

- Rate adjustments = slightly higher bills
- Not as high as would be with PG&E generation
- Climate credit in March/April
- Refer to video on “residential rates” page

Key message:

You have cleaner energy at lower rates.

Good time to send updates through City newsletters!
Look for language in this Friday's board newsletter from Jan.

Outreach Small Grant Awardees

Congratulations!

1. Acterra
2. El Concilio of San Mateo County
3. Pacifica Resource Center
4. Rebuilding Together Peninsula
5. Sound of Hope (Chinese language radio network)

Will be collaborating with PCE staff on outreach re: rates and billing over the next six months.

Outreach Volunteer Training

- Trained 19 new outreach volunteers
- 11 community college students



Earth Day Media

- **Op-Ed** - The Daily Journal published Op-Ed by Dave Pine and Jeff Aalfs, “Peninsula Clean Energy Creating a Greener Future”
- **Press Release**- Highlighting GHG reductions from 15 ECO100 cities and the County
- **Other Media Mentions:** SF Examiner Op-Ed, Mass Transit Magazine
- **Earth Day Newsletter** – 200 readers received it from a friend



Outreach Update

- 30 community events in April
- Complete list of events in board packet
- Tabling + presentations = 2,400+ customers reached in person in 2018



Photo: Pacifica Resource Center

Welcome VISA to ECO100!

- VISA announced global commitment to 100% renewable energy earlier in 2018
- In Earth day blog post VISA announced they are powering their Foster City campus (4 buildings) with ECO100
- PCE coordinated with a press release



Regular Agenda

6. Regulatory and Legislative Report (Discussion)

Regulatory and Legislative Report

April 26, 2018

Joseph Wiedman

Director of Regulatory and Legislative Affairs



March/April Regulatory Activities



- CalCCA Opening Testimony in PCIA docket

March/April Regulatory Outreach



- AB 1110 Implementation Workshop
- CalCCA Tour/Meet & Greet at CAISO
- Ex Parte with Nidhi Thakar on virtual net metering
- Ex Parte with Joanna Gubman on Resource Adequacy
- Outreach to ORA, CRS, CAISO & AReM/DACC on Resource Adequacy

March/April Legislative Activities

- CalCCA activity:
 - AB 2208 (Aguiar-Curry) – Oppose
 - AB 2726 (Levine) – Oppose
 - SB 1912 (Rodriquez) – Issues addressed
- PCE activity:
 - AB 1745 (Ting) – Support
 - SB 1014 (Skinner) – Support



Regular Agenda

7. RFO Renewables Update (Discussion)

2018 Renewables & Storage Request for Offers

April 26, 2018

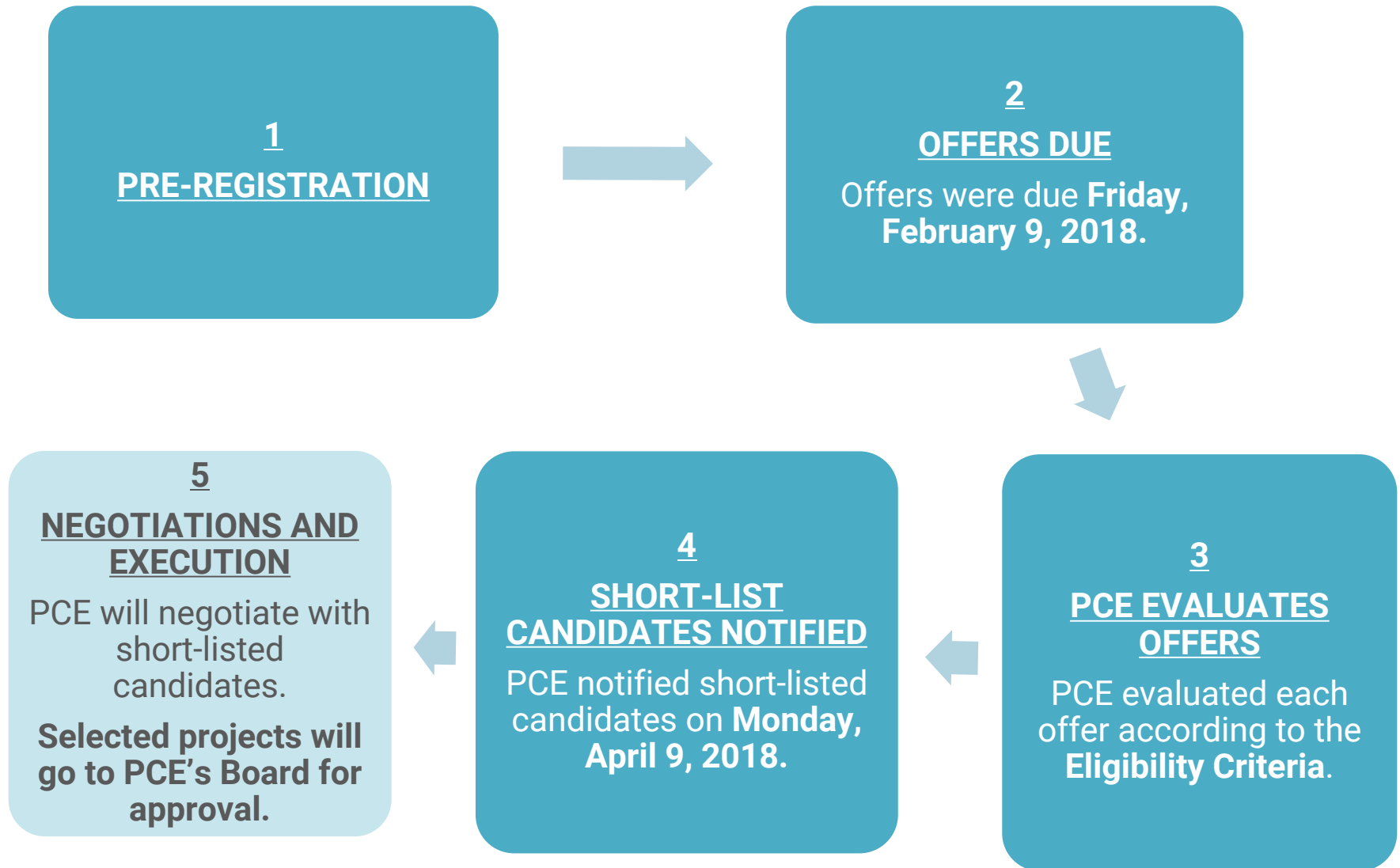


PENINSULA
CLEAN ENERGY

Agenda

- Request for Offers (RFO) Overview
- RFO Results Summary
- Shortlist
- Next Steps

RFO Overview



Evaluation Criteria

Quantitative

Market forward prices

Value of capacity

Value of energy storage, if applicable

Proposed contract price

Qualitative

Project viability

Consistency with PCE mission & IRP

Consistency with Workforce policy

Consistency with Sustainable Vendor policy

Environmental impacts and required mitigation

Summary of Offers

Solar Projects

- 113 Unique Offers¹
- Average Annual MWh: 287K = 7.6% of PCE load²

Wind Projects

- 23 Unique Offers³
- Average Annual MWh: 276K = 7.3% of PCE load²

Other Projects

- 5 Unique Offers
- Average Annual MWh: 101K = 2.7% of PCE load²

1. Includes solar + storage
2. PCE's Annual load is 3,800,000 MWh
3. Includes wind + storage

Location of Offers



SOLAR



WIND



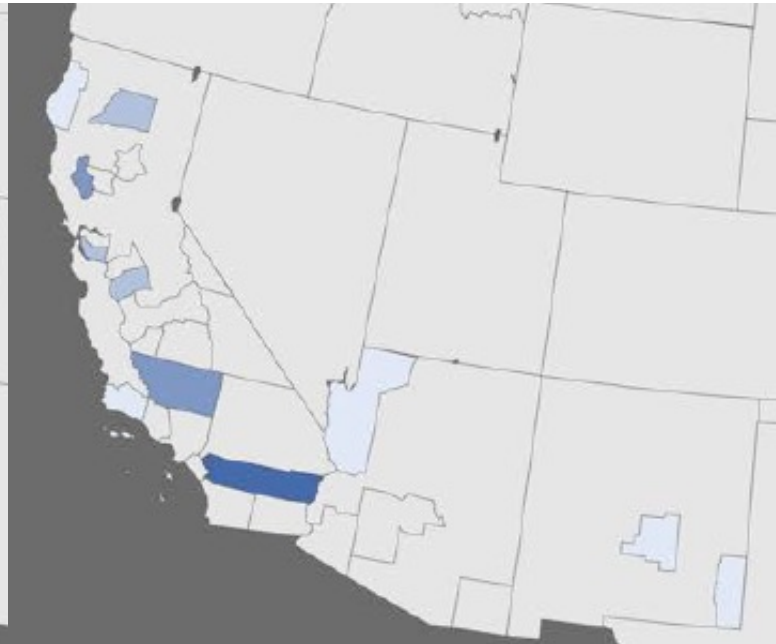
BIOMASS



GEOTHERMAL



HYDROPOWER



**A darker color indicates a higher number of offers in that county.*

**We combined biomass, geothermal and hydro because we didn't receive enough offers in those categories for separate maps.*

Shortlist Summary

Solar

- 4 Projects
- 450 MW
- New projects
- Long-term PPAs

Wind

- 2 Projects
- 180 MW
- New projects
- Long-term PPAs

Next Steps

- Shortlisted participants that were interested in moving forward with negotiations were required to submit the following items:
 - Shortlist deposit;
 - Additional, detailed information on their project; and
 - Redline of PCE's pro forma power purchase agreement (PPA)
- We are evaluating this information against the criteria we listed earlier
- PCE is scheduling presentations by the short-listed participants to members of an ad hoc committee of the board
- PCE will begin negotiating the PPA terms with short-listed participants
- Projects that are selected for execution of a PPA will come to PCE's board for review and approval

Regular Agenda

8. Local Energy Programs (Action)



Local Programs

Phase 1

April 26, 2018



PENINSULA
CLEAN ENERGY

Program Action Items & Update

- 1. Community Pilots**
- 2. Electric Vehicle Program**
- 3. Looking Ahead**

Community Pilots

Engage Community

Community Pilots

- Board Direction
- Open proposals
- Pilots & Learning
- Rapid execution
- Projects max \$75k



Community Pilots Schedule

May: Final program refinement

June: Announcement

July/Aug: Applications Due

Aug: Staff Screening and Scoring

Sept: Review by CAC and Selection by Board

Q4: Contracting and Projects Start

Electric Vehicle Program

Grow the baseline



Barriers to EV Adoption

- Transportation 57%
- GHGs
- Up-front Cost
- CA EVs 400,000 EVs
- Access to Charging
- CA total 25M
- SM county EVs ~8,000

Low Awareness

- 5% considering EV
- Long sales cycle
- Direct experience & peer-to-peer
- Ride & drive campaign



Up-Front Cost

- Price premium
- Dealer competition for new vehicles
- Modest PCE incentive



USED CARS

A photograph of a car dealership at night. A large, bright red neon sign with the words 'USED CARS' in a stylized, outlined font is mounted on the building's facade. Below the sign, several cars are parked in rows. The scene is illuminated by the neon sign and other ambient lights, creating a dark but vibrant atmosphere. The cars are mostly silver and white, with some darker models visible in the background.

Low-Income

- Do not buy new
- Charging access
- Used plug-in hybrids
- Larger rebates
- Link to used car financing
- More refinement



Access to Charging

- Half residents, no access (apts, condos)
- Complicated issues
- Technical assistance
- Groundwork
- City Codes

EV Schedule

May: Contracting Initial Partners, Outreach Plan, Refine Low-Income and Dealer Elements

June: Launch

- Ride & Drive events (Jun-Oct)
- Low-Income Incentive (12 mos)
- Apartment Technical Assistance (12 mos)

July-Aug:

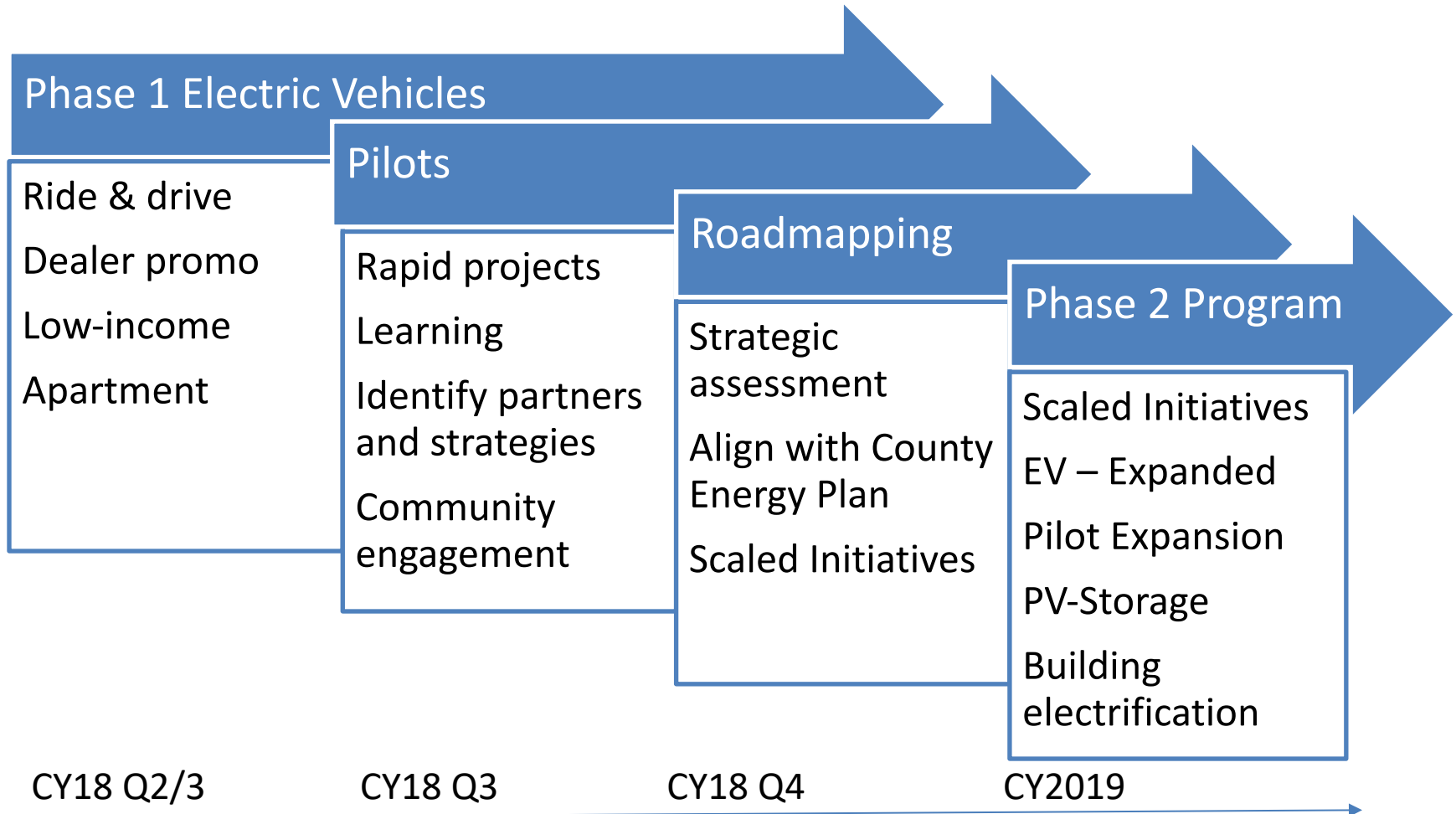
- Dealer RFP and Selection

Q4: Dealer Promotion

Looking Ahead

Preparing for Impact

Looking Ahead: Conceptual



Regular Agenda

**8.1 Authorize the first phase of the Local Energy Programs: Community Pilot Proposals, with funding up to \$450,000 for fiscal year 2018-2019.
(Action)**

Regular Agenda

**8.2 Authorize the first phase of an initial electric vehicle program for FY18-19 intended to increase EV awareness, drive sales, and begin to address key barriers with total funding of \$745,000.
(Action)**

Regular Agenda

9. Update on Power Charge Indifference Adjustment (PCIA) (Discussion)

Update on PCIA

April 26, 2018

Jeremy Waen
Senior Regulatory Analyst



What is the PCIA?

Power Charge Indifference Adjustment (PCIA)

- A mechanism for recovering the costs of energy purchases committed to by an Investor Owned Utility (IOU) on behalf of its customers prior to those customers' departure from IOU service
- Intended to recover “stranded costs” that are “unavoidable” and “attributable” to the departing load in order to preserve “ratepayer indifference”
- $PCIA\ Amount = IOU's\ Total\ Portfolio\ Costs - Market\ Value$
- $Market\ Value =$
 - Cost of Brown Power
 - + Green Adder (renewable value, if any)
 - + Capacity Adder

PCIA Rulemaking (R.17-06-026)

CPUC Proceeding Process



1) Scope

2) Fact

3) Law

4) Policy Decision

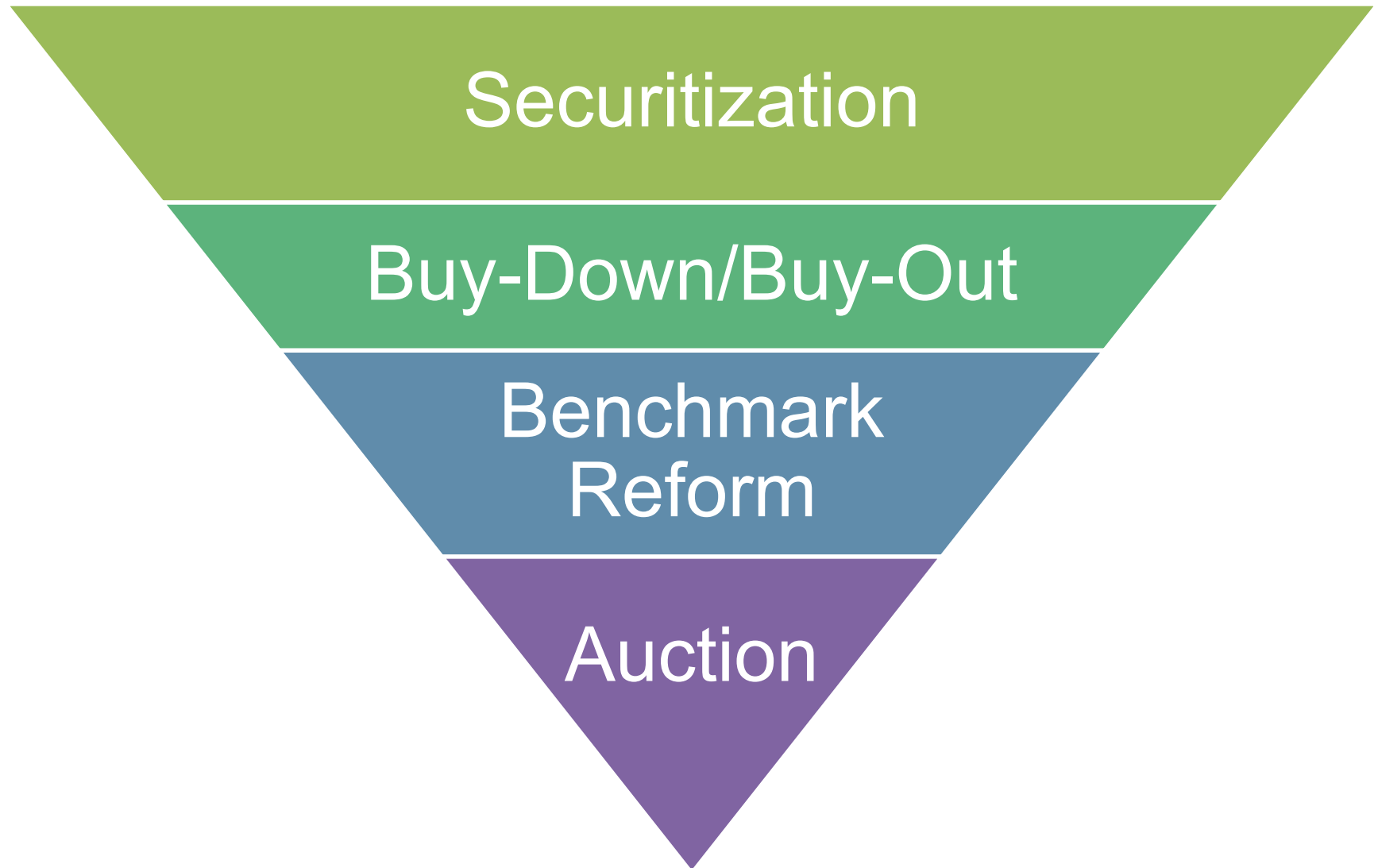
PCIA Rulemaking (R.17-06-026)



Remaining Schedule

- Fact** {
 - April 2nd – Opening Testimony
 - April 23rd – Rebuttal Testimony
 - May 7th-11th – Hearings
- Law** {
 - June 1st – Opening Briefs
 - June 15th – Reply Briefs
- Policy** {
 - Late July – Proposed Decision
 - Late August – Final Decision

CalCCA PCIA Testimony - Overview



CalCCA PCIA Testimony - Overview

1. Securitization

- Focused on Utility Owned Generation (UOG)
- ~\$1.2 B in reduced costs for all PG&E ratepayers

2. Buy-Down/Buy-Out

- Focused on existing, high-cost renewables contracts
- Further reduces costs for all ratepayers

CalCCA PCIA Testimony - Overview

3. Benchmark Reform

- Include values of:
 - i. long-term capacity,
 - ii. ancillary services, and
 - iii. greenhouse gas-free resources
- ~\$500 M reduction in PG&E's "above market" costs

4. Staggered Auction of IOU Portfolio

- Requires IOUs to sell all renewable and GHG-free resources into a quarterly auction where all Load-Serving Entities (LSEs) can bid
- Clearing prices would establish the true market value to replace need for benchmarks

CalCCA PCIA Testimony - Overview



Potential Impact on PG&E's Above Market Costs:

\$2.2 Billion -> \$512 Million

Joint IOUs' PCIA Testimony - Overview

Before...

Portfolio Allocation Mechanism (PAM)

- Forcefully allocates *costs and attributes* of IOU portfolio resources onto CCAs
- Values these attributes in short-term manner only
- Violates CCA procurement autonomy
- Fails to minimize both above-market costs and IOUs' total portfolio costs

Joint IOUs' PCIA Testimony - Overview

Now...

Green Allocation Mechanism (GAM)

- Forcefully allocates *costs and attributes* of IOUs' renewable and large hydro resources onto CCAs

Portfolio Management Mechanism (PMM)

- Forcefully allocates *costs* of gas/nuclear/energy storage IOU resources onto CCAs
- Values these attributes in short-term manner only

Next Steps



Remaining Schedule

- Fact** {
 - ~~April 2nd – Opening Testimony~~
 - ~~April 23rd – Rebuttal Testimony~~
 - **May 7th-11th – Hearings**
- Law** {
 - June 1st – Opening Briefs
 - June 15th – Reply Briefs
- Policy** {
 - Late July – Proposed Decision
 - Late August – Final Decision

Regular Agenda

10. EPA Green Power Partnership Update (Discussion)

Regular Agenda

11. Board Members' Reports (Discussion)

Regular Agenda

Adjourn