



**REGULAR MEETING of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, December 11, 2017**

Peninsula Clean Energy
2075 Woodside Road, Redwood City, CA 94061
8:00 a.m.

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Anne Bartoletti, Agenda Administrator, at least 12 hours before the meeting at (650) 350-9514 and/or 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 Committee, please fill out a speaker's slip located on the tables as you enter the meeting room. If you have anything that you wish to be distributed to the Committee and included in the official record, please hand it to a member of PCEA staff who will distribute the information to the Committee members and other staff.

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda; 3) Chief Executive Officer's or Staff Report on the Regular Agenda; or 4) Committee 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 Committee 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 Committee Chair.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

This item is to set the final consent and regular agenda, and for approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.

REGULAR AGENDA

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. PCE Committees and Assignments of Board Members thereto (Discussion)
4. Finance and Audit Update (Discussion)
5. Recommend Approval of Draft Policy on Energy Supply Procurement Authority (Action)
6. Review Draft Proposal for PCE Local Energy Program Launch (Discussion)
7. Committee Members' Reports (Discussion)

CONSENT AGENDA

8. Approval of the Minutes for the November 13, 2017 Meeting (Action)

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



**PENINSULA CLEAN ENERGY
JPA Executive Committee Correspondence**

DATE: December 4, 2017
EXECUTIVE COMMITTEE MEETING DATE: December 11, 2017
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: PCE Committees and Assignments of Board Members thereto

BACKGROUND:

The Peninsula Clean Energy (PCE) Board of Directors includes a Chair and Vice Chair, and assignments to two standing committees – the Executive Committee and the Audit and Finance Committee. This agenda item is for a discussion on how the board wishes to rotate participation on the standing committees as well as the selection of the Chair and Vice Chair of the Board of Directors.

The Executive Committee is a subset of the Board of the Directors, and currently has 8 members. This committee is responsible for providing administrative oversight for Peninsula Clean Energy. This committee meets on the second Monday of every month at 8:00 am.

The Audit and Finance Committee is a standing committee of Peninsula Clean Energy. This committee:

- Advises and works with staff on matters relating to audit, finance and budget.
- Worked with staff to retain an audit firm to complete the first annual audit.
- Reviews the completed audit report for clarity, soundness, and to ask any detailed questions that might surface prior to the Board review.
- Is available to review the proposed budget or any financial transactions that might require an in-depth review prior to Board approval.

This committee meets as needed and currently has 4 members.

CURRENT COMMITTEE ASSIGNMENTS:**Executive Committee:**

<i>Committee Member</i>	<i>Jurisdiction</i>
Dave Pine, Chair	San Mateo County
Jeff Aalfs, Vice Chair	Portola Valley
Carole Groom	San Mateo County
Rick DeGolia	Atherton
Gary Pollard	Foster City
Wayne Lee	Millbrae
Pradeep Gupta	South San Francisco
Vacant	

Audit and Finance Committee:

<i>Committee Member</i>	<i>Jurisdiction</i>
Donna Colson, Chair	Burlingame
Lori Liu	Brisbane
Carlos Romero	East Palo Alto
Laurence May	Hillsborough



**PENINSULA CLEAN ENERGY
JPA Executive Committee Correspondence**

DATE: December 5, 2017
EXECUTIVE COMMITTEE MEETING DATE: December 11, 2017
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: Policy on Energy Supply Procurement Authority

RECOMMENDATION:

Recommend Approval of Draft Policy on Energy Supply Procurement Authority

BACKGROUND:

Energy procurement, conducted by PCE staff and CEO under the guidance of the Board of Directors, includes analyzing resource need to meet PCE goals and procuring various energy products at various term lengths. PCE procures the following energy products:

- Resource Adequacy;
- System Energy;
- GHG-Free Energy;
- PCC 1 Eligible Renewable Energy; and
- PCC 2 Eligible Renewable Energy.

Term lengths for these products can range from less than one month to 25 years.

Currently, the Board of Directors has authorized the Chief Executive Officer to approve any agreement if the total amount payable under an agreement is less than \$100,000 in any fiscal year, as stated in the PCE Joint Powers Agreement, section 3.4. This policy ensures that the Board of Directors can oversee contracts that will have a substantial fiscal impact.

DISCUSSION:

The current delegation of authority policy limits the ability of PCE to act quickly to take advantage of energy procurement opportunities that may arise. Recently PCE missed the opportunity to procure some short-term resources at a favorable price due to the current delegation of authority limits. In reviewing the policies that other CCAs are using, it seems prudent to modify PCE's current energy supply procurement authority policy to allow PCE to be nimble in certain energy procurement opportunities, provided such procurement is within the approved budget for the organization.

Operating CCA's have a variety of Energy Procurement Authority policies. The following table summarizes the details of their policies.

CCA	Length Authority Restrictions	Amount Authority Restrictions
Peninsula Clean Energy	None	Contracts at least \$100,000 in a fiscal year require Board approval.
Lancaster Choice Energy	<ul style="list-style-type: none"> • City Manager can procure for under one (1) year. • City Manager and General Counsel can procure for under five (5) years. • Board approval required for contracts over five (5) years. 	None
Silicon Valley Clean Energy	Board approval only needed for first-time contracts with counterparty. Once SVCE has entered into contract with counterparty, no further contracts need to be approved by the Board.	
East Bay Community Energy	None	Contracts over \$100,000 require Board approval.
Clean Power San Francisco	Working on Policies	
MCE Clean Energy	<ul style="list-style-type: none"> • CEO can procure for under one (1) year. • Discussion with Technical Committee or Ad Hoc Committee for contracts under five (5) years; Technical Committee Chair or CEO can approve after discussion. • Technical Committee or Board approval required for contracts over five (5) years. 	None
Sonoma Clean Power	Board Chair and Vice Chair approval required for contracts over 10 years.	<ul style="list-style-type: none"> • No Board approval needed if <ul style="list-style-type: none"> ○ the contract cost is less than \$5MM/year. or <ul style="list-style-type: none"> ○ The contract cost is less than \$250MM in notional value .

<p>Redwood Coast Energy Authority (RCEA)</p>	<ul style="list-style-type: none"> • TEA (The Energy Authority) can procure up to 250,000 MWh (for energy), up to 12 months term, and \$500K limit (for RA or RECs) • ED (Executive Director) can procure up to 375,000 MWh (for energy), up to 18 months term, and \$1 million limit (for RA or RECs) • Risk Management Team can procure up to 500,000 MWh (for energy), up to 24 months term, and \$2 million (for RA or RECs) • Larger transactions require Board approval 	<ul style="list-style-type: none"> • Risk Management Team is 4 RCEA staff, one TEA rep, and one independent outside rep • Volume limit applies only to energy • Value limit applies only to RA, GHG-free price premiums, or RECs
---	---	---

PCE recommends changing the current amount-based Energy Supply Procurement Authority to the following term length-based policies which aligns with the policies other CCAs have adopted. A term length-based policy aligns with PCE’s diversity metrics and actual procurement activity. It will also allow PCE the mobility to enter into opportune energy contracts, while preserving the Board’s oversight authority.

- 1) **Short-Term Agreements:** Chief Executive Officer has authority to approve energy 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 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 contracts with terms greater than five (5) years.

FISCAL IMPACT:
No fiscal impact

ATTACHMENTS
A. Energy Supply Procurement Authority Policy



Policy Number: 16
Adoption Date:
December 14, 2017

Subject: 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 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 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 contracts with terms greater than five (5) years.



**PENINSULA CLEAN ENERGY
JPA Executive Committee Correspondence**

DATE: December 4, 2017
EXECUTIVE COMMITTEE MEETING DATE: December 11, 2017
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
SUBJECT: Review Draft Proposal for PCE Local Energy Program Launch

BACKGROUND:

The development of local energy programs that will benefit the residents and businesses of San Mateo County is an important role for Peninsula Clean Energy. There is high interest from the community and the board about what types of programs PCE will develop and when these will be launched.

One of PCE's strategic goals is to: "Implement programs to further reduce greenhouse gas emissions by investing in programs such as local clean power production, electric vehicles, energy efficiency, and demand response, and partnering effectively with local business, schools, and nonprofit organizations."

Peninsula Clean Energy staff has developed a set of criteria for evaluating local energy program proposals and reviewed those with the Citizens Advisory Committee and the Board of Directors. Those criteria are:

1. GHG emissions reductions
2. Cost effectiveness
3. Number of customers served
4. Geographic diversity in San Mateo County communities served
5. Supports PCE's workforce policy
6. Helps PCE match supply to load
7. PCE Implementation Requirements (for example, staff time and funding needed)
8. Contributes to procurements goals: creating 20 MW of new local power by 2025, 100% GHG-free power by 2021, 100% renewable energy by 2025

9. Benefits disadvantaged communities
10. Innovative, scalable, and replicable
11. Supports community resilience
12. Fills a gap in current utility offerings

The Board of Directors asked that PCE staff provide a draft proposal for the next steps in implementing local energy programs for PCE.

DISCUSSION:

There is a lot of excitement and interest in developing local programs for the benefit of PCE customers in San Mateo County. This suggests a path of next steps for implementing these programs.

- 1) Hire Energy Program lead – January 2018
- 2) Solicit proposals from the community, staff, and board for local programs – pilot programs and full programs:
 - Develop and post online application on PCE website – February 2018
 - Accept applications – March 1 to March 31, 2018
- 3) PCE staff conduct initial evaluation and select top 5 proposals – April 2018
- 4) CAC provide input to PCE staff on top 5 proposals – May 2018
- 5) PCE staff present recommendation to Board – June 2018
- 6) Implementation – July 2018 and beyond



**REGULAR MEETING of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, November 13, 2017
MINUTES**

8:00 a.m.

Peninsula Clean Energy
2075 Woodside Road, Redwood City, CA 94061

CALL TO ORDER

Meeting was called to order at 8:12 a.m.

ROLL CALL

Present: Dave Pine, County of San Mateo, *Chair*
Carole Groom, County of San Mateo
Jeff Aalfs, Town of Portola Valley, *Vice Chair*
Rick DeGolia, Town of Atherton
Pradeep Gupta, City of South San Francisco

Absent: Gary Pollard, City of Foster City
Wayne Lee, City of Millbrae

Staff: Jan Pepper, CEO
Jay Modi, Director of Finance and Administration
Siobhan Doherty, Director of Power Resources
Dan Lieberman, Director of Marketing and Public Affairs
Leslie Brown, Manager of Customer Care
David Silberman, General Counsel
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

A quorum was established.

PUBLIC COMMENT

James Tuleya, Home Energy Analytics

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: DeGolia / Groom

Motion passed unanimously 5-0 (Absent: Pollard, Lee)

REGULAR AGENDA

1. CHAIR REPORT

Dave Pine—Chair—welcomed the Executive Committee members and audience.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—reported that Peninsula Clean Energy (PCE) has three new positions open for a Key Accounts Executive, a Power Resources Manager, and a part-time Creative Content Designer (contract position). She reported that the Senior Regulatory Analyst position was not filled and will be reposted, and that the next positions to be posted will be an Energy Programs Manager or Director, and a Legislative Analyst.

Jan reported that she and Joe Wiedman will meet with Senator Jerry Hill on Friday to discuss upcoming legislation, and that PCE staff are working on creating an online application for local programs and projects.

PUBLIC COMMENT

James Tuleya, Home Energy Analytics

3. UPDATE ON NEW RATES

Leslie Brown—Manager of Customer Care—outlined PG&E’s rate filing process that precedes their annual rate change, but she reported that the actual breakdown by rate class won’t be made public until the new rates become effective on January 1. She reported that PCE and Pacific Energy Advisors (PEA) analyzed PG&E’s filings from June through November to project an estimate of what PG&E’s rates will be on January 1.

Leslie reported that PCE staff are preparing to make a proposal to the Board that it make a pre-emptive adjustment before January in order to minimize the impact of PG&E’s rate change and to ensure that PCE’s rates remain at 5% less than PG&E’s generation rates. In addition, she reported that PCE plans to review PG&E’s new rates after January 1 and make any necessary adjustments to maintain PCE’s 5% savings compared to PG&E’s generation rates.

4. INTEGRATED RESOURCE PLAN (IRP) UPDATE

Siobhan Doherty—Director of Power Resources—reported that PCE staff are continuing a systematic analysis of risks to develop guidelines for procurement, including outlining guidelines for location, ownership, technology, term length, and project size.

5. CONSIDER ENDORSING CITIZEN CLIMATE LOBBY

Dave Pine reported that the Citizen Climate Lobby (CCL) is a national group advocating for carbon fees and consumer dividends, and that they presented to the County of San Mateo Board of Supervisors. Jan Pepper reported that PCE staff are considering presenting a recommendation to the Board that it endorse the proposal. Jan announced that Gary White from CCL will present to the Board at its next meeting.

6. DELEGATION OF AUTHORITY POLICY

Jan Pepper reported that the Delegation of Authority Policy would be used internally to delegate authority to Jay Modi—Director of Finance and Administration—to approve expenditures under \$10,000.

7. PCE CHANGING BANKS

Jay Modi reported that he completed an in-depth analysis of PCE's current bank compared to six other banks and credit unions regarding fees and investment options. He reported that First Republic Bank would be the best choice for PCE.

8. EARLY REPAYMENT OF COUNTY OF SAN MATEO LOANS

Jay Modi announced that PCE plans to repay the loans from the County of San Mateo by the end of this year, which is ahead of schedule.

9. EARLY REPAYMENT OF BARCLAYS LOAN

Jan Pepper announced that PCE plans to pay back the loan from Barclays Bank by the end of this year, which is ahead of schedule. PCE will likely continue to keep a line of credit open with Barclays.

10. APPROVAL OF RECOMMENDATION OF 2018 EXECUTIVE COMMITTEE MEETING DATES AND 2018 BOARD OF DIRECTORS MEETING DATES

Anne Bartoletti—Board Clerk and Executive Assistant to the CEO—reported that staff reviewed potential 2018 meeting dates for the Executive Committee and Board of Directors, and would like the Executive Committee’s feedback on and approval of the recommended dates. The Executive Committee reached a consensus on changing the October Executive Committee meeting to the 15th, and changing the September Board of Directors meeting to the 22nd from 8:00 a.m. until 12:00 p.m. to accommodate the Board Retreat.

Motion Made / Seconded: Aalfs / DeGolia

Motion passed unanimously 5-0 (Absent: Pollard, Lee)

11. COMMITTEE MEMBERS’ REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 9:38 a.m.