



**REGULAR MEETING of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, June 11, 2018**

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. Recommend Approval of Data Management Contract (Action)
4. Review Draft Financial Reserves Policy (Discussion)
5. Review Final Draft Fiscal Year 2018-2019 Budget and 5-year Projections (Discussion)
6. Review PCE's Conflict of Interest Code (Discussion)
7. Committee Members' Reports (Discussion)

CONSENT AGENDA

8. Approval of the Minutes for the May 14, 2018 Meeting (Action)

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



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: June 7, 2018
BOARD MEETING DATE: June 11, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Leslie Brown, Director of Customer Care, Peninsula Clean Energy
SUBJECT: PCE staff recommend approval of a new 2-year agreement with Calpine Energy Solutions for Data Management and Call Center services.

RECOMMENDATION: Recommend Approval of Data Management Contract.

BACKGROUND:

In April 2016, Peninsula Clean Energy Authority contracted with what was then Noble Energy Services, now Calpine Energy Services, for data management and call center services. The term of that contract ends on July 1, 2018. PCE staff recently released an RFP for Data Management and Call Center Services starting on July 1, 2018. Responses were received from five different vendors and three were selected for formal presentations and interviews. The three finalists were Calpine Energy Solutions, GridX, and SMUD.

DISCUSSION:

While there have been new entrants into the market of CCA back-office services in the last 18 months, at the time of the RFP Calpine was still the only provider who has successfully fully enrolled, and consistently fulfilled, billing and data transfer services with PG&E for any operating CCA. After evaluating the responses and the interview process, PCE staff believes that the best course of action at this time is to continue with our current trusted provider for these services.

To date, Calpine has delivered on all of its current contract obligations and its staff often goes above and beyond core services to assist PCE in analyzing and understanding our customers' data. While some of the proposals we considered were intriguing, without a track record for delivery of core CCA billing services, we do not believe there is any advantage to disrupting operations and transitioning to a new provider at this time. Calpine has continued to enhance its CCA service offerings since PCE's launch and we look forward to taking advantage of its newly launched tools in our next phase of operation.

A final revised scope of services is still being completed, but all core services and functions remain in place. Key enhancements with this new agreement include:

- Lower monthly processing fees of \$1.05 per active account
- Extended call center service hours with dedicated PCE agents (7AM-7PM, M-F)
- Access to new data analytics and business intelligence tools through Calpine's newly launched partnership with GoodData

FISCAL IMPACT:

The new contract with Calpine will lower existing operating costs by close to 9% for Data Management & Call Center services.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: June 7, 2018

BOARD MEETING DATE: June 11, 2018

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

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

SUBJECT: Review Draft Financial Reserves Policy

RECOMMENDATION:

Review draft Financial Reserves Policy.

DISCUSSION:

Peninsula Clean Energy (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.

FISCAL IMPACT:

No fiscal impact.

ATTACHMENTS

Draft Financial Reserves Policy



Policy Number:

Adoption Date:

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.

Review of Policy: PCE staff will review the Reserve Policy annually to ensure it meets the needs of the agency.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: June 7, 2018
BOARD MEETING DATE: June 11, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Jay Modi, Director of Finance & Admin, Peninsula Clean Energy
SUBJECT: Final Draft Fiscal Year 2018-2019 Budget and 5-year Projections

RECOMMENDATION:

Review Final Draft Fiscal Year 2018-2019 Budget and 5-year Projections.

BACKGROUND:

On May 8th, 2018 and May 26th, 2018, the staff presented the draft Fiscal Year 2018-2019 budget to the Audit & Finance Committee and Board of Directors, respectively.

DISCUSSION:

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 proposed budget has been updated to reflect additional refinement of select revenue and expense categories.

ATTACHMENTS

The final draft of the Fiscal Year 2018-2019 Budget and 5-year Projections will be handed out during the meeting.



PENINSULA CLEAN ENERGY
JPA Board Correspondence
General Counsel

DATE: June 7, 2018

BOARD MEETING DATE: June 28, 2018

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

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

SUBJECT: Review a Revised Conflict of Interest Code for Peninsula Clean Energy

RECOMMENDATION:

Review 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 designed 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.

**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.

| Designated Employees | Disclosure Category |
|--|----------------------------|
| Members, Board of Directors | 1,2,3,4 |
| Chief Executive Officer | 1,2,3,4 |
| General Counsel | 1,2,3,4 |
| Associate General Counsel | 1,2,3,4 |
| Chief Financial Officer | 1,2,3,4 |
| Director of Legislative and Regulatory Affairs | 1,2,3,4 |
| Director of Energy Programs | 1,2,3,4 |
| Director of Customer Care | 1,2,3,4 |
| Director of Power Resources | 1,2,3,4 |
| Director of Finance and Administration | 1,2,3,4 |
| Manager of Communications and Outreach | 1,2,3,4 |
| Power Resources Manager | 1,2,3,4 |
| Office Manager | 1,2,3,4 |
| Renewable Energy Analyst | 1,2,3,4 |
| Consultants* | 1,2,3,4 |

*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.



**REGULAR MEETING of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, May 14, 2018
MINUTES**

8:00 a.m.

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

CALL TO ORDER

Meeting was called to order at 8:06 a.m.

ROLL CALL

Present: Dave Pine, County of San Mateo
Jeff Aalfs, Town of Portola Valley, *Chair*
Rick DeGolia, Town of Atherton, *Vice Chair*
Donna Colson, City of Burlingame
Wayne Lee, City of Millbrae
Rick Bonilla, City of San Mateo
Pradeep Gupta, City of South San Francisco

Absent: Gary Pollard, City of Foster City
Catherine Carlton, City of Menlo Park

Staff: Jan Pepper, CEO
Jay Modi, Director of Finance and Administration
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

A quorum was established.

PUBLIC COMMENT

No public comment.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: DeGolia / Pine

Motion passed unanimously 7-0 (Absent: Pollard, Carlton)

REGULAR AGENDA

1. CHAIR REPORT

Nothing to report.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—announced that an Interim CFO (Chief Financial Officer) started on May 1, 2018, and that Carlson Beck has been selected as the search firm to find a permanent CFO. She reported that an ad hoc committee of the Board is interviewing a short list of developers from the renewables RFO (request for offers), and that PCE received five proposals in response to the data management RFP (request for proposals).

Jan also reported that on May 3, 2018, the CPUC (California Public Utilities Commission) released its “Green Book”, a white paper focused on customer choice in the California electricity market.

3. FISCAL YEAR 2018-2019 BUDGET REVIEW

Jay Modi—Director of Finance and Administration—handed out a draft budget for fiscal year 2018-2019. He reported that this budget model load forecast is based on PCE’s actual 2017 data, so it should provide a more accurate prediction of load for the next fiscal year. He reported that the 2017-2018 budget had been based on projections using previous years’ data, prior to PCE forming. The Committee discussed projected revenues based on different rate scenarios, reserve funds and rate stabilization funds, and investments in energy programs.

4. REVIEW AND APPROVE 2018 EXECUTIVE COMMITTEE MEETING SCHEDULE

Committee members reviewed the current 2018 Executive Committee meeting schedule, and reviewed members’ availability on alternative dates. They came to a consensus that they should continue to meet on the 2nd Monday morning of the month.

Motion Made / Seconded: Bonilla / Lee

Motion passed unanimously 7-0 (Absent: Pollard, Carlton)

5. COMMITTEE MEMBERS' REPORTS

Pradeep Gupta reported that CalPERS (California Public Employees' Retirement System) changed its rules regarding pension funds. Committee members discussed how the CalPERS change impacts CCAs (Community Choice Aggregator).

ADJOURNMENT

Meeting was adjourned at 9:27 a.m.