



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Saturday, September 29, 2018
8:00 am**

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 650-260-0111 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 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.

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.

REGULAR AGENDA

| | |
|-------------|--|
| 7:30 – 8:00 | Breakfast |
| 8:00 – 8:15 | Call to Order / Roll Call Public Comment Action to Set Agenda and Approve Consent Agenda Items |

| | |
|---------------|---|
| 8:15 – 8:30 | Market Outlook and Reg / Leg State of Affairs |
| 8:30 – 9:15 | Review of PCE's Strategic Goals <ul style="list-style-type: none"> • Status of Goals • Proposed updates or modifications |
| 9:15 – 10:15 | Local Energy Programs Roadmap |
| 10:15 – 10:30 | Break |
| 10:30 – 12:20 | Possible Strategies to Employ PCE's Reserves <ul style="list-style-type: none"> • Operating / Working Capital Reserves • Load Stabilization Program • Customer Rebates • Local Programs • PCE-Owned Local Generation |
| 12:20 – 12:45 | PCE Marketing Strategy <ul style="list-style-type: none"> • Current status and future strategy |
| 12:45 – 1:00 | Conclusions and Wrap-Up |

CONSENT AGENDA

1. Approval of the Minutes for the August 23, 2018 Meeting (Action)
2. Financial Reports (Information Only)
3. 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>.



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: September 20, 2018
BOARD MEETING DATE: September 29, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

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 August and September Regulatory and Legislative Activities

SUMMARY:

The end of August and early September saw a sharp pick-up in regulatory and legislative activity compared to the prior month due to the end of the legislative session on August 31, 2018 and the activities around the proposed decisions in the docket addressing the Power Charge Indifference Adjustment (PCIA). As discussed in more detail below, PCE, as part of CalCCA (California Community Choice Association), a coalition of CCAs (Community Choice Aggregators) or on its own behalf, submitted eight pleadings at the California Public Utilities Commission (CPUC). PCE's regulatory and legislative team attended six other stakeholder meetings, detailed under Regulatory Outreach and Legislative Advocacy.

DEEPER DIVE:

Regulatory Outreach

On August 22, 2018, Jan Pepper, Joseph Wiedman, Jeremy Waen, and Rick Bonilla attended an ex parte meeting with John Reynolds, advisor to Commissioner Carla Peterman to discuss the Commissioner's alternate proposed decision (APD) released August 14, 2018 in docket R.17-06-026. Ms. Pepper discussed the impacts of the APD on PCE. Mr. Wiedman and Mr. Waen discussed support in the record for adjusting benchmarks and matters before the Commission. Mr. Bonilla discussed the broader context of PCE's efforts to combat climate change and how those efforts relate to supporting and accelerating state efforts.

On August 24, 2018, Jan Pepper, Joseph Wiedman, Dave Pine, Jeff Aalfs, and Pradeep Gupta attended an ex parte meeting with David Gamson, advisor to Commissioner Martha Guzman-Aceves concerning the proposed decision (PD) and APD. Ms. Pepper discussed the impacts to PCE stemming from the APD and how the record supports a freeze on the PCIA at the current

level until the second phase of the docket is complete. Mr. Wiedman discussed support in the record for adjusting the market price benchmarks to more reasonable levels than those that are set in either the PD or APD. Mr. Waen discussed examples of energy and capacity resources that have value clearly beyond what is reflected in the proposed benchmarks. Mr. Gupta discussed how the economics underlying energy policy are shifting from utilization of natural gas facilities to utilization of renewable facilities and how this transition impacts traditional ratemaking concepts contained in the PCIA.

On September 5, 2018, PCE staff attended two ex parte meetings related to the PCIA. The first ex parte meeting was with Yuliya Shmidt, advisor to Commissioner Clifford Rechtschaffen and was attended by Jan Pepper, Joseph Wiedman, Jeremy Waen, and Jeff Aalfs. The second ex parte meeting was with Forest Kaser, advisor to President Michael Picker, and Mitchell Shapson, a staff attorney, and was attended by Jan Pepper, Joseph Wiedman and Jeremy Waen. Both meetings discussed the same topics. Ms. Pepper discussed the impacts of the APD on PCE and support in the record for maintaining the PCIA at its current level until the completion of Phase 2 in the docket. Ms. Pepper also explained the uncertainty generated by the APD's 25% collar on the PCIA. Mr. Waen discussed his experience working on PCIA-related issues during the course of his work with CCAs. Mr. Wiedman discussed support in the record for setting the benchmarks at more reasonable levels than what the PD and APD contemplate. Mr. Aalfs, during the meeting with Ms. Shmidt, discussed PCE's goals to drive decarbonization and support innovation in the energy sector and how those goals relate to the PCIA decision.

On September 5, 2018, Jeff Aalfs, Dave Pine and Pradeep Gupta met with President Picker and his advisor, James Ralph, to provide the president with an update on PCE's efforts to launch and serve its customers.

On September 6, 2018, Jan Pepper, Joseph Wiedman and Jeremy Waen attended an ex parte meeting with Joanna Gubman, advisor to Commissioner Liane Randolph, and David Gamson, advisor to Commissioner Martha Guzman-Aceves. Representatives of Sonoma Clean Power and CleanPowerSF also attended the meeting. Ms. Pepper, Mr. Wiedman and Mr. Waen made points similar to those noted above from other meetings.

On September 7, 2018, Jan Pepper, Joseph Wiedman, and Jeremy Waen attended an All-Party Meeting concerning the PCIA APD hosted by Commissioner Carla Peterman. Commissioner Guzman-Aceves, Commissioner Randolph and President Picker attended the All-Party meeting remotely. The majority of the meeting consisted of presentations by various parties in the docket about their views on the APD.

On September 11, 2018, Joseph Wiedman attended an informal workshop hosted by the Emerson Collective to discuss barriers to greater consumer access to renewable energy. Discussion was focused on ways that community solar can bridge gaps in consumer-focused offerings. Stakeholders from across the country presented on their activities. Mr. Wiedman discussed PCE's ongoing efforts to assist with implementation of the Commission's recently approved green tariffs that will serve disadvantaged communities.

Regulatory Advocacy

R.03-10-003 – CCA Bond Methodology Order Instituting Rulemaking (OIR) – On September 4, 2018, CalCCA filed a protest to the IOUs proposed revisions to their CCA tariffs based on D.18-05-022 which updated financial security requirements (FSR) for CCAs. For Pacific Gas & Electric Co. (PG&E), the relevant advice letter is advice letter no. 5354-E. CCAs protested a number of issues with the IOUs' proposed implementation including unjustified revisions to their CCA tariffs not covered by D.18-05-022, arguing that some revisions required further proceedings, and calling for a workshop to resolve remaining issues. In general the IOUs sought to impose cost responsibility on CCA customers for potential costs not covered by the FSR, made unjustified changes to provisions related to direct access eligible customers, sought to expand conditions under which the FSR could be called, and made other unreasonable requests regarding (1) standards for the FSR, (2) utilization of customer payments, (3) modifications to involuntary service termination, (4) reservation of the right to impose additional implementation costs, (5) usage of an 8 month procurement cost period despite clear direction in D.18-05-022 to utilize a 6 month procurement cost period, (5) proposed open ended reentry fee liability, and (6) requesting a security interest in interest earned on FSRs. On September 11, the IOUs, individually and jointly filed responses. The matter is now being discussed among the stakeholders and with Commission staff to try and seek resolution.

R.17-06-026 – Power Charge Indifference Adjustment (PCIA) OIR – On August 21, 2018, CalCCA filed opening comments on the proposed decision issued by Administrative Law Judge Roscow on August 1, 2018. CalCCA's opening comments explained why the judge's determinations that pre-2002 utility-owned generation should be excluded from the PCIA and the ten-year limit on cost recovery of post-2002 utility-owned generation should be retained. CalCCA's comments also focused on a number of other matters including the appropriate level for market price benchmarks based on the record, the appropriate cap and collar on the PCIA to preserve rate stability, and issues to be discussed further in Phase 2. On September 4, 2018, PCE filed opening comments on the APD focusing on the need to update the proposed capacity benchmark to reflect the value of capacity as demonstrated in the docket. CalCCA also filed comments on September 4, 2018 which generally argued the APD created illegal cost shifts by including pre-2002 utility-owned generation in the PCIA in contravention of statute and by scrapping the post-2002 ten year limit on guaranteed cost recovery. On September 13, 2018, PCE filed reply comments on both the APD and PD which provided information to the Commission on potential impacts to CCAs' current renewable energy goals, program offerings and efforts to support disadvantaged communities. CalCCA also filed reply comments on the APD and PD on September 13, 2018.

R.16-02-007 – Integrated Resource Plans (IRP) OIR – On September 12, 2018, parties filed comments on common themes emerging from their review of individual load serving entities' IRPs which were filed on August 1, 2018. Comments from California Environmental Justice Alliance & Sierra Club, TURN, and the California Wind Energy Association said positive things about PCE's IRP. There were no negative comments filed about PCE's IRP. Some parties did note general concern with other CCAs utilization of significant amounts of large hydroelectric resources from the Pacific Northwest and British Columbia to serve their loads with greenhouse gas-free energy. PCE's IRP did not identify large hydroelectric resources serving our load after 2025 so we are not covered by this concern.

R.17-09-020 – Resource Adequacy – In accordance with an e-mail ruling from the ALJ on August 31, 2018, CalCCA and other parties presented additional comments on September 14, 2018 responding to parties' proposals already presented within the record. Jeremy Waen

drafted these initial comments with edits from counsel and witnesses (to help minimize CalCCA's costs). Though the ALJ made clear in his e-mail ruling that the dates for evidentiary hearings and legal briefing on Track 2 matters are no longer valid, he did not provide guidance on when they might be rescheduled to. As such, the present schedule for the remainder of Track 2 remains a mystery to parties within the proceeding. CalCCA's additional comments addressed this issue while also stating that the present record within the proceeding is incomplete and would not support the issuance of a Proposed Decision at this time.

A.18-06-001 – PGE ERRRA Forecast – On September 7, 2018 PG&E presented its rebuttal testimony to the Joint CCAs' testimony that was submitted on August 21. PG&E opposed all of the Joint CCAs' recommendations and claims, except one. PG&E supported the CCA's recommendation to return revenues from generation resource sales on a volumetric basis across vintages, but by doing so PG&E claims the PCIA revenue requirement should increase further. The CCAs are examining PG&E's revised testimony and workpapers that were submitted in the rebuttal. PG&E is forecasting three types of sales in 2019: 1) short-term day-ahead ISO energy market sales, 2) longer-term sales of capacity, and longer-term sales of renewable energy. The revenues from each type of sale should be handled distinctly and differently. The Joint CCAs are preparing for evidentiary hearings on September 20-21, 2018 to explore this matter further. Following hearings, opening legal briefs will be due on October 2, 2018 followed by reply briefs on October 16, 2018. PG&E's "November Update" is anticipated sometime around November 7, 2018. This update will include revised forecasts for bundled generation and PCIA rates for 2019.

R.14-07-002 – Net Energy Metering OIR – On August 20, 2018, PG&E filed Advice Letter 5362-E requesting approval of tariffs to implement their disadvantaged communities (DAC) green tariffs called DAC-Green Tariff and DAC-Community pursuant to Commission Decision no. (D.) 18-06-027 which authorized two programs to serve DACs. On September 10, 2018, CCAs, including PCE, filed a protest to PG&E's advice letter requesting a workshop to discuss implementation issues including a carve-out from the authorized program size for CCAs wanting to develop their own programs and further discussion of cost recovery for CCAs. On September 17, 2018, the Energy Division suspended PG&E's advice letter for 120 days to allow time to resolve the matters raised by protesting parties.

Legislative Advocacy

The legislative session ended August 31, 2018. The following bills passed the Legislature and await action by the Governor:

[SB 237](#)¹ (Hertzberg) – SIGNED – Allows for a limited reopening (4000 GWH) of direct access over a three-year period starting in July 2019 for all nonresidential customers (except for those customers in the service territories of publicly-owned utilities). CalCCA voted to oppose the bill and is part of a broad coalition of environmental stakeholders opposing the bill including TURN, Sierra Club, Natural Resources Defense Council, and many others. The CPUC will also be required to issue a report on recommendations for expanding direct access including phase in schedule for the Legislature to consider. CalCCA will be engaging on implementation before the CPUC on both the limited expansion and the report.

¹ Available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB237

[SB 100](#)² (DeLeon) – SIGNED – Increases California’s Renewable Portfolio Standard to 60% by 2030 and require the remaining 40% of energy to be greenhouse gas free by 2045.

[SB 901](#)³ (Dodd) – Would address better development and adherence to wildfire mitigation plans for the state’s utilities and alter prospective liability for wildfires cause by electrical infrastructure by moving from a strict liability standard to a reasonableness standard that takes account of a number of factors. CalCCA continues to monitor the bill for anti-CCA provisions and has not taken a position on the bill.

[SB 700](#)⁴ (Wiener) – Would reauthorize the Self-Generation Incentive Program which currently supports the deployment of behind-the-meter energy storage systems. CalCCA has not taken a position on the bill.

[SB 1399](#)⁵ (Stern) – Would require the Commission to develop a microgrid tariff for use by customers. PCE supported the bill as a means to support innovation in the energy sector.

Ongoing Matters of Interest

CA Customer Choice Project – An En Banc has been scheduled for October 29, 2018 in Sacramento to discuss the PUC’s gap analysis and action plan.

R.03-10-003 – CCA Bond Methodology – Implementation of the updated bonding requirements for CCAs continues at the PUC with the IOUs filing advice letters seeking approval of their tariffs that govern the matter. CalCCA filed a protest to the IOUs proposed revisions to their CCA tariffs on a number of matters which CalCCA believes extend beyond the authorizations provided in D.18-05-022 along with concerns over proposals the IOUs have submitted related to the underlying form of the instruments utilized for the financial security requirement. PCE’s bond would increase from \$100,000 to \$147,000 under the new methodology so the change is currently small. However, as the bond could rise due to changes in market conditions, it is vital to get the tariffs correct.

FISCAL IMPACT:

Not applicable.

² Available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB100

³ Available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB901

⁴ Available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB700

⁵ Available at: https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1399



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: September 20, 2018
BOARD MEETING DATE: September 29, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jan Pepper, Chief Executive Officer
SUBJECT: Review PCE's Strategic Goals

RECOMMENDATION:
Review PCE's strategic goals.

BACKGROUND:

At the Peninsula Clean Energy Board Retreat held on November 12, 2016, the PCE board developed a set of eight strategic goals for the organization. These goals were reviewed with the PCE Executive Committee on September 11, 2018 to solicit additional input. The following provides an update on our status in reaching these goals and recommendations regarding changes.

1. Design a diverse power portfolio that is greenhouse gas free.
 - 100% GHG free by 2021
 - Sourced by 100% CA RPS eligible renewable energy by 2025
 - Create a minimum of 20 MWs of new local power by 2025

Status:

- PCE has been increasing our GHG free content by 5% per year to reach the 100% content by 2021: GHG-free in 2016: 75%; 2017: 80%; 2018: 85%; 2019: 90%; 2020: 95%; 2021: 100%. We are on-target to meet this goal.
- PCE is in the process of contracting for additional renewable energy in order to meet the 100% CA RPS eligible renewables by 2025. PCE has developed a strategic integrated resource plan which lays out our strategy for procurement, including the mix between short-term, medium-term, and long-term contracts. We are attempting to have this 100% renewable supply match our load on an hour-by-hour time coincident basis and will report to the board regularly about our ability to do this.

- PCE is in the process of hiring a Manager of Distributed Energy Resources who will be working on meeting the goal of 20 MW of new local power by 2025.

2. Continually strive to offer ECOplus at rates that are at parity or lower than PG&E rates.

Status:

- PCE has been delivering ECOplus to our customers at 5% below PG&E rates since our beginning. We expect to be able to continue this for the foreseeable future.
- *Does the board want to change this goal to commit to rates 5% below PG&E?*

3. Stimulate development of new renewable energy projects and clean-tech innovation in San Mateo County and California through PCE's procurement activities.

Status:

- PCE has contracted for 300 MW of new solar. The 200 MW Wright Solar Project is celebrating its groundbreaking on October 11, 2018 and should begin power deliveries before the end of 2019. The 100 MW Mustang Solar project is expected to begin power deliveries in early 2020.
- PCE has developed a short-list of additional renewable energy projects as a result of its January 2018 RFP. We are in the process of negotiating with the short-listed projects at this time.

4. Demonstrate quantifiable economic benefits to the County/region and place a priority on local hiring and workforce development practices and environmental justice.

Status:

- PCE is saving the residents and businesses of San Mateo County \$17 million annually, savings which can be re-invested into local communities. PCE's Sustainable Workforce policy is a model for the CCA movement.
- Staff will be proposing an expansion of this workforce policy to include goals for its own staff (which relates to goal #8), supply chain, and other inclusive workforce provisions. We plan to have this ready for board review in October or November.

5. 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 businesses, schools, and nonprofit organizations.

Status:

- PCE has staffed up its energy programs department in the last few months, and is launching a program to promote EV sales, incentivize ownership of EVs in the low-income communities, and explore ways to install more EV charging infrastructure in multi-unit dwellings and curbsides.
- PCE has received proposals under its first Community Pilots program to engage with organizations to develop new programs to reduce GHG emissions, develop community benefits, and assist us in matching our load to our supply, including stimulating clean-tech innovation. This is the first round of programs, of which future ones will focus more specifically on generation technologies and spurring innovation.

- PCE is partnering with the County Office of Education to develop a dashboard to help educate students about renewable energy.
- This last summer, a local high school teacher worked at PCE to develop curriculum to be used in schools to further educate students about energy and climate change.
- PCE has instituted a small grants program to work with local nonprofits organizations to expand PCE's outreach to harder-to-reach communities.

6. Maximize and maintain customer participation in PCE.

- Provide a superior customer experience.
- Develop PCE brand awareness and loyalty throughout the County.
- Actively encourage voluntary participation in its ECO100 renewable energy product.
- Actively encourage participation in other programs PCE develops.
- Achieve recognition from the EPA's Green Power Partnership for Green Power Communities for all cities with municipal accounts enrolled in ECO100 by 2018.

Status:

- PCE has the lowest opt-out rate of any CCA, approximately 2.4%.
- PCE has conducted some market research that indicates relatively low brand awareness of the PCE brand, but high approval from those who learn about PCE.
- Approximately 1.8% of customers have opted up to ECO100.
- Fifteen municipalities and the County have opted up to ECO100
- Other high profile customers have opted up to ECO100 including Facebook and VISA.
- The EPA's Green Power Partnership for Green Power Communities program is changing. The Green Power Partnership Program recognizes *organizations* that use over 1 million kWh of electricity. Some of our cities will qualify for this award. Additionally there is a Green Power Community Program that is based on a geographic location. We can apply for this recognition in terms of the geography of the county and our cities and towns. PCE staff will be working with each jurisdiction to apply for the appropriate program before the end of 2018.

7. Build a financially stable organization.

- Build sufficient reserves in a rate stabilization fund.
- Achieve an investment grade credit rating by 2021.

Status:

- As of the end of fiscal year 2018 (June 30, 2018), PCE has over \$85 million in reserves.
- PCE is pursuing an investment grade credit rating and may be able to achieve this before 2021.

8. Foster a work environment that espouses sustainable business practices and cultivates a culture of innovation, diversity, transparency, integrity, and commitment to the organization's mission and the communities it serves.

Status:

- We have developed a sustainable purchasing policy and are in the process of implementing it in order to receive a Green Business Certification in San Mateo County.
- In collaboration with staff, the Citizens Advisory Committee, and community partners, we are cultivating a culture of innovation, diversity, transparency, integrity, and commitment to PCE's mission and all of the communities we serve.



San Mateo County | Atherton | Belmont | Brisbane | Burlingame | Colma | Daly City | East Palo Alto | Foster City
Half Moon Bay | Hillsborough | Millbrae | Menlo Park | Pacifica | Portola Valley | Redwood City | San Bruno | San Carlos San
Mateo | South San Francisco | Woodside

Peninsula Clean Energy's Mission:

Peninsula Clean Energy is San Mateo County's locally-controlled electricity provider. We are reducing greenhouse gas emissions and offering customer choice at competitive rates.

Peninsula Clean Energy's Strategic Goals:

1. Design a diverse power portfolio that is greenhouse gas free.
 - 100% GHG free by 2021
 - sourced by 100% CA RPS eligible renewable energy by 2025
 - create a minimum of 20 MWs of new local power by 2025
2. Continually strive to offer ECOPlus at rates that are at parity or lower than PG&E rates.
3. Stimulate development of new renewable energy projects and clean-tech innovation in San Mateo County and California through PCE's procurement activities.
4. Demonstrate quantifiable economic benefits to the County/region and place a priority on local hiring and workforce development practices and environmental justice.
5. 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.
6. Maximize and maintain customer participation in PCE.
 - Provide a superior customer experience
 - Develop PCE brand awareness and loyalty throughout the County.
 - Actively encourage voluntary participation in its ECO100 renewable energy product
 - Actively encourage participation in other programs PCE develops
 - Achieve recognition from the EPA's Green Power Partnership for Green Power Communities for all cities with municipal accounts enrolled in ECO100 by 2018
7. Build a financially sustainable organization.
 - Build sufficient reserves in a rate stabilization fund
 - Achieve an investment grade credit rating by 2021
8. Foster a work environment that espouses sustainable business practices and cultivates a culture of innovation, diversity, transparency, integrity, and commitment to the organization's mission and the communities it serves.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: Sept. 12, 2018
BOARD MEETING DATE: Sept. 29, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board

FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
Rafael Reyes, Director of Energy Programs

SUBJECT: Local Programs – Draft Program Roadmap

SUMMARY

PCE is developing a roadmap for local programs. This is intended to provide guidance on program prioritization and sequencing. The primary objectives of the program to be delivered under the roadmap are decarbonization and delivering community benefits.

The roadmap emphasizes three major tracks: Transportation Electrification, Building Electrification, and Load/Supply Shaping. In addition, the roadmap envisions smaller tracks on Innovation (emerging technologies), Community Engagement (building community “stakeholdership”), distributed renewables, and responsive/reactive programs activity (primarily responding to grant opportunities).

The roadmap will be presented at the Board retreat on September 29, 2018 for further input. It is inherently iterative and the roadmap is recommended for review annually.

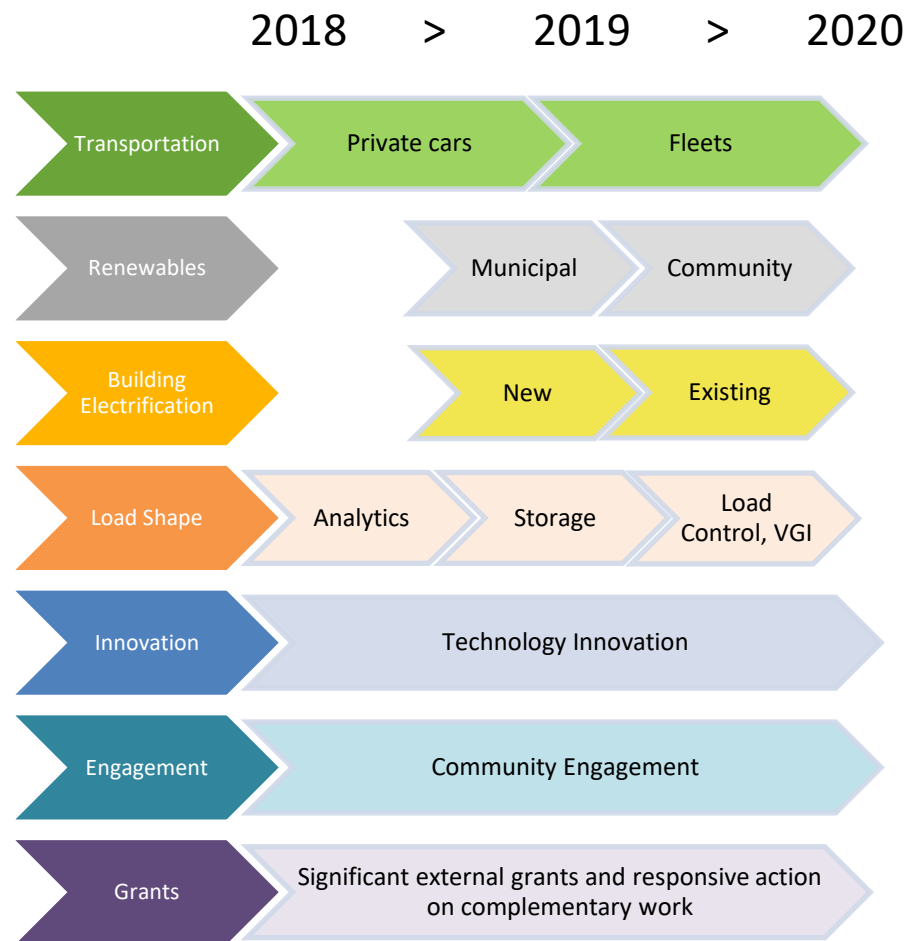
DETAIL

The program roadmap is primarily a communications tool to provide guidance for PCE’s program plans. It is intended to layout broad areas of work with approximate relationships between elements. It is iterative and currently qualitative. Over time, staff intention is to develop metrics to further inform the roadmap. The roadmap is not intended as a technical analysis, detailed project plan, nor is it intended to specify program design.

The goals driving the specifics of the roadmap include:

1. **GHG reductions:** The largest GHG sectors are targeted early, especially those where momentum can be generated for reductions. Transportation electrification provides the biggest near-term opportunity for reduction and is the principal early focus.
2. **Technical readiness and timing:** Some technologies and market segments are more apt for transformation (ex: personal automobiles) and are targeted earlier than segments that are less ready (ex: heavy duty vehicles). Similarly, some timing may be dependent on regulatory updates such as Title 24 building codes or updated rate schedules. Programs will also be geared towards advancing the state of technology through a number of means. Finally, some roadmap elements are groundwork for future work.
3. **Community benefits:** Specific opportunities for community benefits are incorporated.
4. **Start on building electrification:** Natural gas usage in buildings is a major emissions source however, transforming buildings will be a lengthy, challenging process. The roadmap envisions beginning the process next year, targeting new construction first.
5. **Innovation:** The roadmap identifies distinct “research input” tracks and highlights emerging technologies (research and pilots of key technologies) with a specific emphasis on innovation in new energy technologies that will help PCE meet its long-term goals.
6. **Community Engagement:** Engagement with key communities and customers to inform program strategies overlays all aspects of the roadmap.

A simplified view of the roadmap is as follows:



Highlights of each major track include:

1. **Transportation:** The roadmap targets heavy emphasis on transportation as our largest GHG source and the primary target where significant momentum on reductions is possible. It proposes growing the existing work on private vehicles, including especially electric vehicle infrastructure, then adding fleets.
2. **Renewables:** This track remains to be more fully developed when the DER Program Manager is on board but currently the roadmap assumes that initial work on municipal renewables with larger community renewables efforts. It is expected that storage systems will have a major role in these areas.
3. **Building Electrification:** This area is expected to be slow moving but is very important for GHG reductions, especially considering upstream natural gas fugitive emissions. Initial work is proposed for early next year to develop an overarching

strategy and to work with local governments on new building reach codes to extend the state Title 24 update going into effect in 2020. Existing building programs would follow in 2020 and 2021.

4. **Load Shaping:** This is the most complex track in the roadmap. To meet the PCE goal of 100% renewables, ultimately on a time-coincident basis, will require a number of measures including shaping generation with storage, aggressive peak shaving, load management, and energy efficiency in relevant time windows. Electric vehicle grid integration, including load management and ultimately potentially bi-directional power flows, will also play a role. Executing on the above will require significantly more advanced data systems and analytics as well as distributed energy management systems (DERMS) and implementation after the time-of-use rate schedule update targeted in April 2021 for PCE.
5. **Innovation:** The roadmap envisions a focus on innovation as PCE works to move technologies forward to achieve breakthroughs necessary to achieve our goals (such as 100% time-coincident matching of renewable energy supply with demand). These activities will ultimately be merged into the above tracks as they become part of the overall PCE program.
6. **Engagement:** This track is envisioned as an input track for all of the above. This set of activities is oriented towards strong community relationships to inform program design so as to make it relevant and attractive across the range of key stakeholders in our community.
7. **Grants & Responsive Program:** The roadmap envisions responsive activity, mainly engagement on significant and relevant grants that advance the roadmap. This may take various forms including supporting and participating grants pursued by others as well as leading proposals. It is anticipated that PCE may play a major role grant proposals if they are very significant (over \$500,000) and are clearly aligned with the roadmap. However, it is recommended that PCE partner with other organizations in a support role in most cases to manage risk and ensure staff time and attention is focused on activity of highest value.

The draft detailed roadmap is attached.

| Program Track | Associated Task List | Associated PCE or State Goal | 2018 Q3 | 2018 Q4 | 2019 H1 | 2019 H2 | 2020 | 2021 | |
|---|---------------------------------|--|-------------------------------|---------|--|---------|--------------------------|--------------------------------|--|
| Private EV Marketing | EV Promotion (light duty) | 2025: 45,544 EVs in SMCo (State, 1.5M statewide) | EV Promotion: Phase 1 | | Phase 2 EV Promotion (New, used, ride & drives, other) | | | | |
| Shared mobility | EV Promotion (light duty) | | Shared mobility | | | | | | |
| EV Cash for Clunker Swap | EV Promotion (light duty) | | EV Cash for Clunkers | | | | | | |
| Multi-unit dwellings & Workplace | EV Infrastructure | | EVI in MUD: Phase 1 | | Phase 2 MUD + Workplace | | | | |
| Public Charging (fast charging, curbside & other) | EV Infrastructure | | EV Charging | | | | | | |
| Muni Light-Duty Fleets | EV Promotion (Fleets) | 2025: 20 MW's new local RE (PCE) | | | Municipal light duty fleets | | | | |
| School & Transit Buses | EV Promotion (Fleets) | | | | | | | School & Transit Buses | |
| Municipal Aggregate Renewables (+ storage) | Local Renewables | | | | Municipal Aggregate Renewables | | | | |
| Community Renewables | Local Renewables | | | | Community Renewables | | | | |
| Electrification Strategy | Building Electrification | | | | Electrification Strategy | | | | |
| New Construction & Early Actions | Building Electrification | 2020: GHG - 1990 Level (State) | | | New Construction & Early Actions | | | | |
| Existing Buildings: Muni, Resi | Building Electrification | * 40% below 1990 Levels by 2030 | | | | | | Existing Buildings: Muni, Resi | |
| Existing Buildings: Commercial | Building Electrification | * 80% below 1990 levels by 2050 | | | | | | Existing Com Blds | |
| Tariffs for DERs Pilot | Load Shape & Peak Shaving | 2025: 100% Renewable power (PCE) | Tariffs for DERs | | | | | | |
| Analytics & Adv. Data Systems | Load Shape & Peak Shaving | | Analytics & Adv. Data Systems | | | | | | |
| (forecasting, outcomes, performance mgmt) | Load Shape & Peak Shaving | | | | | | | | |
| Dispatchable DER platform | Load Shape & Peak Shaving | | DER Platform Scoping | | Implementation | | | | |
| Local Storage | Load Shape & Peak Shaving | | Storage Study | | Local Storage | | | | |
| Microgrid & resilience | Load Shape & Peak Shaving | | | | Microgrid & Resilience | | | | |
| Vehicle-Grid Integration | Load Shape & Peak Shaving | | | | Vehicle-Grid Integration | | | | |
| Load Control Strategies (DR, Res, WWTPs, C&I) | Load Shape & Peak Shaving | | | | Load Control Strategies | | | | |
| Time dependent EE | Load Shape & Peak Shaving | | | | Time dependent EE | | | | |
| Engagement & Innovation Development | | | | | | | | | |
| Community Pilots | Community & Customer Engagement | 2025: 100% Renewable power (PCE) | Community Pilots: Phase 1 | | New rounds & ramp-up | | | | |
| Community Engagement | Community & Customer Engagement | | Stakeholdership Strategy | | Engagement Implementation | | | | |
| Innovation Program Design and Partnerships | Innovation | | Design & Partners | | | | | | |
| Innovation Pilots | Innovation | | | | Pilot Projects | | | | |
| Responsive Programs/Grants | | | | | Responsive Programs/Grants (ongoing) | | | | |
| Regulatory Dependencies | | | | | | | | | |
| Title 24 Cycles | | | | | 2020 Published | | 2020 Implemented to 2023 | | |
| Tariff Updates | | | | | | | TOUs begin | PCE Resi TOU | |



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: September 21, 2018
BOARD MEETING DATE: September 29, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Board of Directors
FROM: Eric Hall, Interim CFO, Peninsula Clean Energy
Jay Modi, Director of Finance & Admin, Peninsula Clean Energy
SUBJECT: Operating / Working Capital Reserves

RECOMMENDATION:

Review the projected cash reserves as required under the Financial Reserves Policy approved on June 11, 2018.

DISCUSSION:

The Financial Reserves Policy approved in June 2018 established a minimum cash reserve of 120 days of forecast Operating Expenses to meet the company's strategic objectives.

Operating Expense is defined as expenditures including but not limited to cost of energy, energy programs, personnel, legal, data manager, service fees, general and administrative, communications outreach, professional services, and bad debt expenses. The attached projected cash reserves illustrate the level of cash required under the approved policy.

The Board may want to consider breaking this down further in determining the total amount of reserves beyond the 120 days cash on hand (Extended Policy). If the budget is broken into three categories, it is recommended that overall cash on hand be reserved as follows:

1) Operations:
180 days of cash to meet PCE's annual operating expenses. This would include all categories described above except energy programs and cost of energy.

2) Energy Programs:

Cash reserves to meet full funding of PCE's annual program expenses.

3) Cost of Energy:

120 days of cash to meet PCEs annual energy purchases.

Reserve targets would be established based on the annual budget for the fiscal year. We recommend that the reserves be evaluated on a quarterly basis or as the annual budget is adjusted for increases or decreases in spending. Cash reserves are organic and changing as financial and economic factors change during the fiscal year.

This is intended to provide a starting point for the Board to determine the highest and best use of PCE's cash resources to meet its strategic objectives.

FISCAL IMPACT:

No fiscal impact.

ATTACHMENTS:

Projected Cash Reserves:

- Current Policy
- Extended Policy

Financial Reserves Policy

Projected Cash Reserves – Current Policy

| (\$000) | 5-YEAR PROJECTIONS | | | | |
|---------------------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | FY2018-19 | FY2019-20 | FY2020-21 | FY2021-22 | FY2022-23 |
| | Approved | Projection | Projection | Projection | Projection |
| Cost of Energy | \$ 176,148 | \$ 176,899 | \$ 169,787 | \$ 173,799 | \$ 181,015 |
| Data Manager | 3,758 | 3,871 | 3,987 | 4,107 | 4,230 |
| Service Fees - PG&E | 1,260 | 1,298 | 1,337 | 1,377 | 1,418 |
| Bad Debt Expense | 899 | 908 | 918 | 929 | 939 |
| Communications & Outreach | 1,011 | 1,041 | 1,072 | 1,104 | 1,137 |
| General and Administrative | 1,227 | 1,262 | 1,341 | 1,405 | 1,467 |
| Professional Services | 1,433 | 1,864 | 2,296 | 2,759 | 3,202 |
| Energy Programs | 3,200 | 4,800 | 6,400 | 8,000 | 9,600 |
| Legal | 1,147 | 1,198 | 1,251 | 1,307 | 1,366 |
| Personnel | 4,493 | 4,880 | 5,317 | 5,797 | 6,323 |
| TOTAL OPERATING EXPENSES | \$ 194,576 | \$ 198,021 | \$ 193,706 | \$ 200,584 | \$ 210,697 |
| PROJECTED CASH RESERVES | \$ 64,859 | \$ 66,007 | \$ 64,569 | \$ 66,861 | \$ 70,232 |
| @ 120 days | | | | | |

Projected Cash Reserves – Extended Policy

| | Target Days Cash | 5-YEAR PROJECTIONS | | | | |
|--|---------------------|--------------------|------------|------------|------------|------------|
| | | FY2018-19 | FY2019-20 | FY2020-21 | FY2021-22 | FY2022-23 |
| | | Approved | Projection | Projection | Projection | Projection |
| Operations | | | | | | |
| Budgeted Expenditures | | 15,228 | 16,322 | 17,519 | 18,785 | 20,082 |
| Projected Cash Reserves | 180 | 7,614 | 8,161 | 8,760 | 9,393 | 10,041 |
| Energy Programs | | | | | | |
| Budgeted Expenditures | | 3,200 | 4,800 | 6,400 | 8,000 | 9,600 |
| Projected Cash Reserves | Full Amount | 3,200 | 4,800 | 6,400 | 8,000 | 9,600 |
| Energy Purchases | | | | | | |
| Budgeted Expenditures | | 176,148 | 176,899 | 169,787 | 173,799 | 181,015 |
| Projected Cash Reserves | 120 | 58,716 | 58,966 | 56,596 | 57,933 | 60,338 |
| TOTAL PROJECTED CASH RESERVES - EXTENDED POLICY | | \$ 69,530 | \$ 71,927 | \$ 71,755 | \$ 75,326 | \$ 79,979 |
| TOTAL CASH RESERVES - CURRENT POLICY | | \$ 64,859 | \$ 66,007 | \$ 64,569 | \$ 66,861 | \$ 70,232 |
| INCREASE IN CASH RESERVES | | \$ 4,671 | \$ 5,920 | \$ 7,186 | \$ 8,464 | \$ 9,747 |



Policy Number: 18

Adoption Date:

June 28, 2018

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).
 - If the Rate Stabilization Reserve calculation exceeds 120 days of operating expenses, the Operating Reserve will be increased accordingly.

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
JPA Board Correspondence**

DATE: Sept 21, 2018

BOARD MEETING DATE: Sept 29, 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
Kirsten Andrews-Schwind, Communications and Outreach Manager

SUBJECT: PCE Marketing Strategy

RECOMMENDATION:

Find Board members to serve on an ad hoc committee to review PCE marketing strategy.

DISCUSSION:

Staff would like to engage the Board in assessing the strategic question:

How do we want to make our customers aware of PCE?

Key parts of this question are: 1) Should PCE engage in general marketing to increase fundamental customer understanding of who PCE is? **and/or** 2) Should PCE have customers learn about PCE through marketing of specific program offerings, such as PCE's electric car promotion?

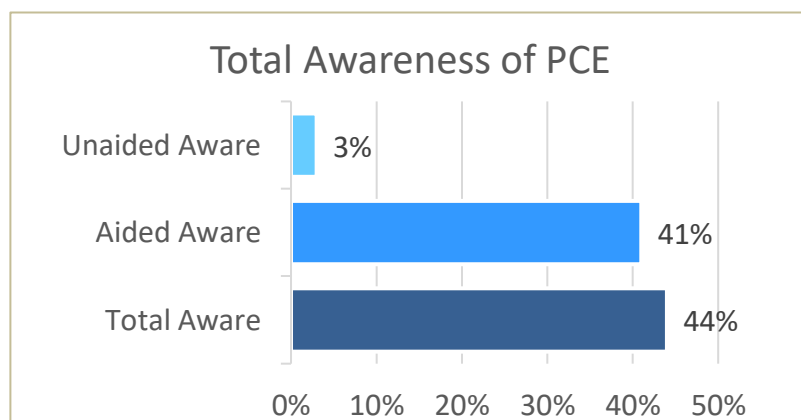
The proposed approach to this question is to hire a marketing consultant to review PCE's marketing efforts to date and to provide a long-term strategy and brand evolution advice for its customer marketing and communication functions. An ad-hoc board subcommittee would review this work and make a recommendation to the full board.

Low Customer Awareness

PCE commissioned professional market research of its customer base in November 2017. PCE staff also conducted community outreach to an estimated 14,000 customers in 2017 and 2018, including approximately 7,000 in-person conversations

that also support these findings.

Despite PCE's record low opt-out rate of 2.4% and our 97.6% market share, the market research indicated that only 3% of our customers could name PCE as an option for buying their electricity unaided. An additional 41% thought they had heard the name somewhere when it was mentioned to them. About 44% were totally unaware of PCE. The level of aided awareness may be related to PCE's widespread spring and fall 2017 brand-building advertising.



This market research also found that customers react very positively when presented with a short, straightforward description of PCE.

Other Considerations

Other important factors to consider in PCE's future marketing strategy are:

- **Probable PG&E transmission and distribution rate increases may drive more customers to look closely at their bills, resulting in ongoing confusion about PCE's rates and the 5% discount.** The PG&E bill presentation is confusing for customers as the Peninsula Clean Energy generation charge appears on page 1, and the savings from not receiving generation service from PG&E appears on page 4 of a residential customer's bill. Bill confusion may become more of an issue when PG&E transmission and distribution rates increase. In fact, PG&E just raised transmission and distribution rates in September 2018 and Governor Brown just signed a bill authorizing utilities to recoup wildfire costs from PG&E ratepayers through additional rate increases.
- **Ensuring customers understand that PCE is a mission-driven and not-for-profit organization may increase trust and enrollment in local programs.** When customers who already understand that PCE is a mission-driven organization and see PCE's local program offerings, they may be more receptive and willing to enroll in these programs than those who do not understand this context.

2018 Communications Strategic Plan

In January 2018 PCE Communications and Outreach staff developed a strategic plan to implement communications goals set by the Board of Directors:

- Maximize and maintain customer participation in PCE, and develop PCE brand awareness and loyalty throughout the County
- Provide a superior customer experience
- Actively encourage voluntary participation in ECO100
- Actively encourage participation in other programs PCE develops

The strategic plan defines targeted audiences for each goal and local program, and outlines how to reach them through each area of our communications expertise:

1. Extensive community outreach in English, Spanish, and Chinese
2. Partnering with key community organizations including Chambers of Commerce and our five nonprofit outreach grantees
3. Re-launching the PCE website with expanded content
4. Building relationships with key media and providing frequent press releases
5. Growing our organic social media reach and social media ads
6. Traditional advertising (Note that PCE communications staff initiated the CalCCA ads that ran in the SF Chronicle during the Global Climate Summit)
7. Updating call center agents to provide excellent customer care

As part of this plan PCE has developed an extensive targeted marketing campaign to launch each of our local program offerings. For example, on October 1 PCE is launching a campaign to promote dealership discounts on electric cars featuring:

- Three post cards sent to all residents
- Print ads in major print media throughout the county
- Social media and web-based ads
- Blog posts profiling local EV drivers
- Press releases
- Customer email blasts
- Outreach at electric vehicle test drive and other community events

Each local program, including many of PCE's possible pilot programs, requires development and implementation of its own marketing strategy. These programs will provide additional opportunities for PCE customers to learn about PCE.



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, August 23, 2018
MINUTES**

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

CALL TO ORDER

Meeting was called to order at 6:36 p.m.

ROLL CALL

Present: Dave Pine, County of San Mateo
Jeff Aalfs, Town of Portola Valley
Rick DeGolia, Town of Atherton, *Vice Chair*
Charles Stone, City of Belmont
Donna Colson, City of Burlingame
Rae P. Gozalez, Town of Colma
Raymond Buenaventura, City of Daly City
Carlos Romero, City of East Palo Alto
Harvey Rarback, City of Half Moon Bay
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
Rick Bonilla, City of San Mateo
Pradeep Gupta, City of South San Francisco
Daniel Yost, Town of Woodside

Absent: County of San Mateo
City of Brisbane
City of Foster City
City of Menlo Park
City of San Carlos

Staff: Jan Pepper, Chief Executive Officer
Eric Hall, Interim CFO

Siobhan Doherty, Director of Power Resources
Rafael Reyes, Director of Energy Programs
Joseph Wiedman, Director of Legislative and Regulatory Affairs
Leslie Brown, Director of Customer Care
Jay Modi, Director of Finance and Administration
Kirsten Andrews-Schwind, Communications and Outreach Manager
TJ Carter, Marketing Associate
Jennifer Stalzer Kraske, Deputy Counsel
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

A quorum was established.

PUBLIC COMMENT:

Diane Bailey, Menlo Spark

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: May / Lee

Motion passed unanimously 16-0 (Abstained to the minutes: Woodside. Absent: County of San Mateo, Brisbane, Foster City, Menlo Park, Millbrae, San Carlos)

REGULAR AGENDA

1. CHAIR REPORT

No report.

2. CEO REPORT

Jan Pepper—CEO—announced a change in the order of items on the Board meeting agenda so that Departmental Reports in written form would be listed as “Information Only”.

Jan reviewed a revised draft agenda for the Board’s Strategic Retreat on September 29, 2018. She provided a personnel update that included the announcement of a Clean Energy Programs Manager, Sven Thesen, who will start on September 24, 2018.

Jan reported on recent meetings that PCE staff and Board members attended, including meetings with Assembly Member Phil Ting, State Senator Jerry Hill’s staff member Marc Hershman, State Senator Scott Wiener, Assembly Member Marc Berman, Assembly Member Kevin Mullin, CPUC Commissioner Carla Peterman’s Advisor John Reynolds, and CPUC Commissioner Martha Guzman Aceves’ Advisor David Gamson, with more meetings being scheduled.

Jan reviewed the Fiscal Year 2017-18 tentative audit schedule, the Community Pilots Schedule, and provided highlights of recent Local Energy Program Ride & Drive events.

3. CITIZENS ADVISORY COMMITTEE REPORT

Michael Closson—Chair of the Citizens Advisor Committee (CAC)—reported on activities and discussion that took place at the last meeting. Michael reported that CAC members reviewed and discussed 35 community pilot proposals. He reported that Vice Chair, Ted Howard, resigned, and CAC member Emily Leslie was elected to be the new Vice Chair.

4. APPROVE RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO ATTEST TO THE ACCURACY OF THE INFORMATION PROVIDED IN PCE'S 2017 POWER CONTENT LABEL

Siobhan Doherty—Director of Power Resources—reported on the California Public Utilities Code requirement that all retail sellers of electricity disclose “accurate, reliable, and simple-to-understand information on the sources of energy” that were delivered to their respective customers for the previous year.

Motion Made / Seconded: Gupta / Stone

Motion passed unanimously 16-0 (Absent: County of San Mateo, Brisbane, Foster City, Menlo Park, Millbrae, San Carlos)

5. PCIA UPDATE

Joe Wiedman—Director of Legislative and Regulatory Affairs—reviewed a comparison of the Proposed Decision issued by an Administrative Law Judge, and the Alternate Proposed Decision (APD) that was released by CPUC (California Public Utilities Commission) Commissioner Carla Peterman. Joe also provided a schedule of next steps relating to the PD and APD.

PUBLIC COMMENT:

Ted Howard
Kim Springer, San Mateo County Office of Sustainability

6. BOARD MEMBERS' REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 7:39 p.m.



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: September 17, 2018
BOARD MEETING DATE: September 29, 2018
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer

SUBJECT: Energy Supply Procurement Report – September 2018

BACKGROUND:

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

DISCUSSION:

The table below summarizes the contracts that have been entered into by the CEO in accordance with the following policy since the last board meeting.

| Execution Month | Purpose | Counterparty | Term |
|------------------------|-------------------------------|---------------------------------------|---------------------|
| August 2018 | Sale of Resource Adequacy | Pioneer Community Energy | 3 months |
| August 2018 | Purchase of Resource Adequacy | Silicon Valley Clean Energy Authority | 1 month |
| August 2018 | Purchase of PCC1 | Shell Energy North America | 1 year and 4 months |
| August 2018 | Purchase of PCC1 | Terra Gen | 4 months |
| September 2018 | Purchase of PCC1 | Morgan Stanley | 4 months |
| September 2018 | Purchase of Resource Adequacy | Calpine | 1 year |
| September 2018 | Sale of Resource Adequacy | East Bay Community Energy | 1 month |
| September 2018 | Purchase of PCC1 | PG&E | 4 months |

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.