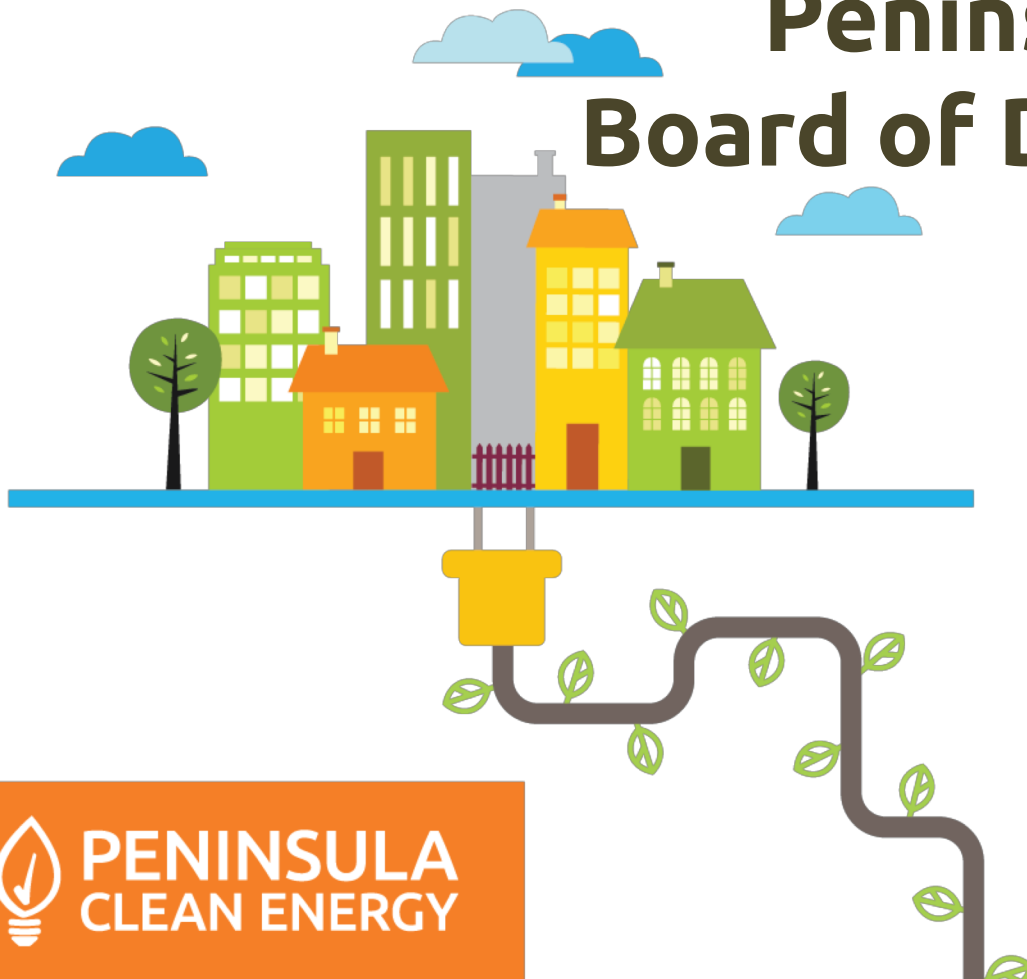


Peninsula Clean Energy Board of Directors Meeting

October 25, 2018



Agenda

Call to order / Roll call

Public Comment

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

Closed Session

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

- **Significant exposure to litigation pursuant to paragraph (2) of Subdivision (d) of California Government Code Section 54956.9 – one case.**

Closed Session

2. RECONVENE OPEN SESSION AND REPORT OUT OF CLOSED SESSION

Regular Agenda

3. Chair Report (Discussion)

Regular Agenda

4. CEO Report (Discussion)

Personnel Update

- Full-time CFO:
 - Welcome Andy Stern, who started Monday, 10/15/18
- Community Outreach Associate/Coordinator:
 - Carlos Moreno to start 11/1/18
- Distributed Energy Resources Manager
 - Final interviews are taking place

PCE Strategic Retreat on September 29

- Thank you for your active participation to make a dynamic, effective and engaging meeting
- PCE's Strategic Goals
 - Review by EC in Oct and Nov, return to board in November
- Local Programs
 - Review by EC in Nov and return to board in December
- Strategies to employ PCE's Reserves
 - Review by EC in Oct, return to board in November
- Marketing Strategy
 - Marketing Ad Hoc Committee to meet at future date: Ian Bain, Carole Groom, and Catherine Carlton

Green Power Partnership Update

- Emailed all City Managers asking them to designate a contact to work with PCE staff on application process
 - **Cities With Confirmed Participation:** Belmont, Brisbane, Burlingame, Colma, Daly City, Foster City, Millbrae, San Carlos, San Mateo, County of San Mateo
 - **Cities That Need To Confirm:** Atherton, East Palo Alto, Half Moon Bay, Hillsborough, Menlo Park, Pacifica, Portola Valley, San Bruno, South San Francisco, Redwood City, Woodside

Green Power Partnership Update

- Tomorrow we will send a follow-up email to cities we have not heard from yet.
- We would like to hear back from everyone no later than **Friday, November 2nd** to have a coordinated application process.
- Please email Tj Carter at tcarter@peninsulacleanenergy.com

Wright Solar Ground Breaking Oct. 11

- Lots of press coverage, including AP
- Thank you to board members:
 - Jeff Aalfs, Rick Bonilla, Rick DeGolia, Pradeep Gupta, John Keener, Wayne Lee, Marty Medina, Dave Pine, Ann Schneider
- Local officials:
 - Los Banos Mayor, Los Banos City Councilmember, Rep. for Sen. Cannella, Merced County Supervisor, Union Reps (Carpenters Local 152, and Millwrights 102)

EV Promotion

- Now have 3 participating dealerships:
 - Putnam Nissan in Burlingame
 - Stewart Chevrolet in Colma
 - Peter Pan BMW in San Mateo – starting Monday, Oct 29
- Adding PCE customer rebate of \$1000
 - Target date: November 3
- Burlingame Ride 'n Drive in downtown Burlingame
 - Fall Fest, October 28, 10:30 – 5:30

Upcoming Regulatory/Legislative Meetings

- CPUC Customer Choice En Banc
 - Sacramento, Monday October 29, 2018, 10am - 4pm
 - PCE Staff: Andy Stern, Joe Wiedman, Charlsie Chang, Mark Fenstermaker (PCE's lobbyist)
 - Board members attending: Rick DeGolia
 - 3 tickets still available
- State Senator Jerry Hill – Monday, November 5 at 12:30pm
 - At Senator Hill's District Office in San Mateo
 - PCE Staff attending: Jan Pepper, Joe Wiedman, Charlsie Chang
 - Board members attending: Rick Bonilla, others?
- Additional meetings with elected legislators are being scheduled

Looking for nominees for ...

- CAISO Board of Governors – Beth Vaughn and Ralph Cavanagh on nominating committee – 3 open seats
- CPUC Commissioners – 2 seats up for appointment or re-appointment (Picker and Peterman)
- SB 901 Wildfire Legislation – Utility Liability, Insurance, and Victim Compensation – 5 member commission to provide report by July 1

Please provide names of possible candidates, along with their resumes, to Jan

Regular Agenda

5. Citizens Advisory Committee Report (Discussion)

Regular Agenda

6. Audit and Finance Committee Report (Discussion)

Regular Agenda

7. Approve Fiscal Year 2017-2018 Audited Financial Statements (Action)



**PENINSULA
CLEAN ENERGY**

*Report to the
Board of Directors
by Pimenti & Brinker LLP
October 25, 2018*



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

An independently owned member
RSM US Alliance



Introduction...

- Brett Bradford, CPA
 - Audit Partner
 - 15 years in public accounting and performing audits of governmental entities
- Matt Brewer, CPA
 - Manager
 - 6 years in public accounting, audits of governments (CCAs), not-for-profits

Audits of the years ended June 30, 2018 and 2017 Financial Statements

Relative Roles & Responsibilities

- **Management** is responsible for preparing the Financial Statements and establishing a system of internal control
- **Auditor** is responsible for auditing the Financial Statements
 - Considering risks of material misstatement in the Financial Statements – Inherent risk
 - Considering internal controls relevant to the Financial Statements – Control risk
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures

Audits of the years ended June 30, 2018 & 2017 Financial Statements

- Audit is complete – we reported:
 - Unqualified opinion – Based on our audit, the financial statements are materially accurate.

Risk Assessment for the years ended June 30, 2018 & 2017

- Significant areas of focus
 - Revenue recognition
 - Accounts receivable and accrued revenue
 - Test a sample of customer billings
 - Relate total cash received during the year to revenue
 - Look at cash received subsequent to year-end and relate to A/R
 - Cut-off
 - Review revenue recognition through year-end and method for determining (accrued revenue)

Risk Assessment for the years ended June 30, 2018 & 2017

- Cash – Existence
 - Confirmation sent to banks
- Accrued cost of electricity
 - Review subsequent bills from electricity providers and cash payments
- Notes payable
 - Confirmations that debt has been paid off
- Financial Statement Note Disclosures – Complete and without bias

Required Board Communications

- The significant accounting policies adopted by PCE throughout the periods audited appeared appropriate and consistently applied.
- No alternative treatments of accounting principles for material items in the financial statements were discussed with management.

Required Board Communications

Other Required Communications with those charged with governance:

- We did not propose any adjustments to the financial statements.
- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.

Required Board Communications

- There were no disagreements with management concerning the scope of our audits, the application of accounting principles, or the basis for management's judgments on any significant matters.

Required Board Communications

- We did not encounter any difficulties in dealing with management during the performance of our audits.

Questions?

- Brett Bradford: 707-577-1582
- Matt Brewer: 707-559-7325

Regular Agenda

8. Approve Investment Policy (Action)

Regular Agenda

9. Approve Recommended Community Pilot Projects (Action)

Community Pilots Recommended Awardees

Oct. 25, 2018



PENINSULA
CLEAN ENERGY

Community Pilots Objectives & Submissions



Program Objectives

- Identify high-potential projects
- Identify partners
- Increase community engagement
- Rapid execution with low administration

\$450,000 for 6 projects

37 Submissions

Criteria

Accelerates GHG reductions and renewables

Delivers clear quantifiable GHG reductions and/or renewables in a cost-effective manner.
(included caveat that PCE is not focused on CPUC EE programs and midday EE/RE is less valuable)

Delivers community benefits

The project provides community benefits including delivering tangible benefits to low income communities, develops workforce (including aligning with PCE workforce policy), and/or serves customers across PCE's geography.

Supports PCE's load serving needs

Supports PCE's objective to reach 100% renewables by 2025 by matching supply and load.

Can be executed within PCE capacity and builds PCE capabilities

Can be managed by PCE staff without undue burden and/or creates valuable expertise or data for ongoing use.

Additional benefits

Supports community resilience; is innovative, scalable and replicable; and/or addresses program gaps in the region.

Credentials and Approach

The applicant and its partners have the demonstrated capacity to execute the proposed project, the budget is realistic and appropriate, objectives and approach are feasible, and evaluation approach is credible.

First Pass Eliminations

1. 2 disqualified as incomplete or past deadline
2. Generation/efficiency, including:
 - Paper studies including DER and site assessments
 - Solar-only install projects
 - Efficiency install projects
3. Public education-only projects
4. Software tools intended for broad adoption that do not have clear path to “critical mass”
5. Concepts duplicative of robust existing efforts
6. Projects requiring significant PCE time investment

*May review as
part of future DG
program*

*May review as part of
future
program outside of
Pilots*

Process

June: Announcement

Aug 3: Applications received

Aug 16: CAC feedback on summary

Aug 23: Board briefed on summary

Aug 29: Staff evaluation of top 12 prospects

Sept 11: Board Executive Committee reviews proposed finalists

Sept 20: CAC feedback on finalists

Oct 12: Staff and CAC member interviews of 9 finalists

Oct 15: Board Executive Committee reviews proposed 6 awardees

Oct 18: CAC reviews proposed 6 awardees

Oct 25: Board selection of awardees

Awards Recommendation

- | | |
|---------------------------------|---|
| 1. ARCA Recycling, Inc. | Appliance Recycling Program Proposal |
| 2. Ardenna Energy, LLC | Peninsula Climate Comfort Pilot Project |
| 3. Build It Green | Healthy Home Connect |
| 4. CA Interfaith Power & Light | Community Resiliency: PV-Storage at Faith Inst. |
| 5. Envoy Technologies Inc. | Disadvantaged Community Car Sharing Pilot |
| 6. SMC Office of Sustainability | A Roadmap for Municipal Green Fleets |

ARCA: Appliance Recycling Program Proposal

Project:

- Turnkey old refrigerator recycling
- Captures high impact GHG sources
- Offers a \$35 rebate per unit
- Up to 350 units
- Disposal adhering to strict EPA standards



Key Benefit: High GHG reduction

Requested: \$74,000

Partners: Herrera Transportation and Trucking, Promotion Management Center

Ardenna Energy: Peninsula Climate Comfort Pilot Project

Project:

- Whole-house electrification of 5 homes
- \$2,000 rebate to participants
- In-depth technical and financial study
- Intended to establish a business model for home electrification



Key Benefit: Innovative, informs future program

Requested: \$75,000

Matched Funds: \$10,000 (Received)

Partners: Build It Green, Home Energy Analytics, Tom Kabat

Build It Green: Healthy Home Connect

Project:

- Upgrade 16 low-income homes in East Palo Alto and Daly City
- Homes with greatest need disqualified from energy assistance programs
- PCE gap funding enables remediations and repairs allowing disqualified homes to receive energy improvements



Key Benefit: Low-income benefits

Requested: \$75,000

Matched Funds: \$157,800 (Received) + \$78,500 (Requested)

Partners: El Concilio, GRID Alternatives, Hayward Lumber, Owens Corning

CA Interfaith Power & Light: Community Resiliency - Solar to Storage at Faith Institutions

Project:

- Recruit and equip 3-5 faith institutions
- Community emergency hubs
- Clean energy back up power
- PCE funds provide for recruitment, design and securing additional resources for PV, storage and potentially EV charging

Key Benefit: Community resilience

Requested: \$75,000

Matched Funds: \$125,000 (Estimated)

Partners: Member congregations, Acterra, Luminalt, RE-volv, American Solar, GRID Alternatives, Resilient Bayview, Greenworks Lending



Envoy Technologies: Disadvantaged Community Car Sharing Pilot Proposal

Project:

- Deploy 3 pure electric vehicles (EVs) and charging
- Turnkey car sharing in low-income apartment complex
- Evaluate potential for ongoing business model



Key Benefit: Low-income benefits, innovative

Requested: \$70,161

Matched Funds: \$70,161 (Received)

Partner: Low-income apartment

SMC Office of Sustainability: A Roadmap for Municipal Green Fleets

Project:

- Develop EV fleet tools for cities
- Acquire 1-3 pilot vehicles & scooters
- Provide technical assistance



Key Benefits: Community, GHGs




Requested: \$75,000

Matched Funds: \$4,770 (Received)

Partners: C/CAG, San Mateo cities

Projects Summary

Submitter	GHG and Renewables	Community Benefits: Low Income; Workforce; Geographically Dispersed	Resilience; Innovation	Scalability	Financially Self-Sustaining	Credentials and Approach	PCE Staff Support Level*
ARCA Recycling	High	Medium	Low	High	Low	High	Low
Ardenna Energy	High	Low	High	Medium	Medium	High	High
Build It Green	Low	High	Low	Medium	Low	High	Low
CA Interfaith P&L	Medium	High	High	Medium	Medium	High	Medium
Envoy Technologies	Medium	High	High	Medium	Medium	Medium	High
SMC Office of Sustainability	Medium	High	Low	High	Low	High	Low

 High
 Medium
 Low

*In the case of PCE staff support level, high indicates more support is required while low indicates less is required (preferable).

Regular Agenda

10. Approve the Inclusive and Sustainable Workforce Policy and adopt it as a replacement for the previously adopted Sustainable Workforce Policy (Action)

Regular Agenda

11. PCIA (Power Charge Indifference Adjustment) Update (Discussion)

Regular Agenda

12. Increasing Awareness of California Alternate Rates for Energy Program (CARE) (Discussion)

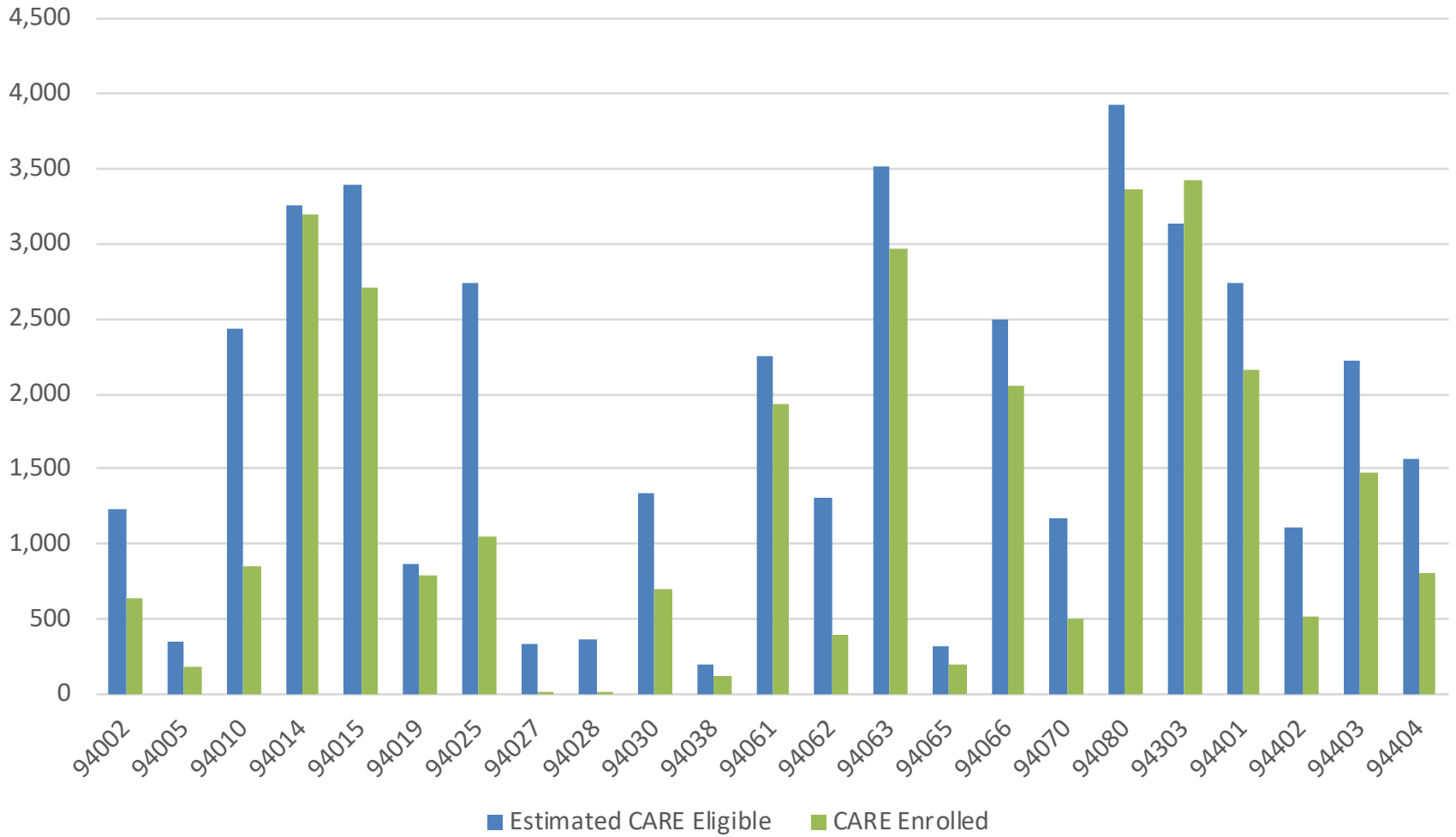
CARE (California Alternative Rates for Energy)

Recent PG&E analysis (Aug 2018) estimates that over 12,500 San Mateo County customers are eligible for CARE rate benefits but have not yet enrolled in the program.

CARE Income Guidelines

TOTAL GROSS ANNUAL HOUSEHOLD INCOME*	
Number of people in household	CARE
1-2	\$32,920 or less
3	\$41,560 or less
4	\$50,200 or less
5	\$58,840 or less
6	\$67,480 or less
7	\$76,120 or less
8	\$84,760 or less
Each additional person, add	\$8,640

CARE Potential San Mateo County



CARE Potential in San Mateo County

ZIP	Residential Households	Estimated CARE Eligible	CARE Enrolled	Penetration Rate (Enrolled/Eligible)	Enrollment Rate (Enrolled/Total Res)
94002	10,543	1,229	635	51.6%	6.0%
94005	1,883	350	185	52.8%	9.8%
94010	17,032	2,442	855	35.0%	5.0%
94014	14,348	3,263	3,189	97.7%	22.2%
94015	19,137	3,393	2,716	80.0%	14.2%
94019	5,710	872	789	90.5%	13.8%
94025	16,024	2,742	1,044	38.1%	6.5%
94027	2,529	342	23	6.7%	0.9%
94028	2,369	372	22	5.9%	0.9%
94030	8,409	1,347	697	51.7%	8.3%
94038	1,266	194	127	65.5%	10.0%
94061	13,435	2,256	1,928	85.5%	14.4%
94062	9,993	1,303	396	30.4%	4.0%
94063	10,456	3,513	2,974	84.7%	28.4%
94065	5,109	315	195	62.0%	3.8%
94066	15,858	2,502	2,054	82.1%	13.0%
94070	11,963	1,177	503	42.7%	4.2%
94080	21,092	3,926	3,360	85.6%	15.9%
94303	7,229	3,142	3,430	109.2%	47.4%
94401	12,729	2,734	2,163	79.1%	17.0%
94402	9,698	1,115	518	46.4%	5.3%
94403	16,419	2,222	1,480	66.6%	9.0%
94404	14,721	1,574	806	51.2%	5.5%

CARE Benefits

- 20% discount on both gas and electric services from PG&E
- Additional PCE benefits directed towards income qualified customers (TBD)
 - Used EV Program
 - Customer Rebate

Regular Agenda

13. Board Members' Reports (Discussion)

Regular Agenda

Adjourn