Call to order / Roll call

Public Comment

Action to set the agenda and approve consent items
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.
2. RECONVENE OPEN SESSION AND REPORT OUT OF CLOSED SESSION
3. Chair Report (Discussion)
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
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
• 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 tcarte@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
5. Citizens Advisory Committee Report (Discussion)
6. Audit and Finance Committee Report (Discussion)
7. Approve Fiscal Year 2017-2018 Audited Financial Statements (Action)
Report to the Board of Directors by Pisenti & Brinker LLP
October 25, 2018
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
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
8. Approve Investment Policy (Action)
9. Approve Recommended Community Pilot Projects (Action)
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 outside of Pilots
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
<table>
<thead>
<tr>
<th>1. ARCA Recycling, Inc.</th>
<th>Appliance Recycling Program Proposal</th>
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</thead>
<tbody>
<tr>
<td>2. Ardenna Energy, LLC</td>
<td>Peninsula Climate Comfort Pilot Project</td>
</tr>
<tr>
<td>3. Build It Green</td>
<td>Healthy Home Connect</td>
</tr>
<tr>
<td>5. Envoy Technologies Inc.</td>
<td>Disadvantaged Community Car Sharing Pilot</td>
</tr>
<tr>
<td>6. SMC Office of Sustainability</td>
<td>A Roadmap for Municipal Green Fleets</td>
</tr>
</tbody>
</table>
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
**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
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
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

<table>
<thead>
<tr>
<th>Submitter</th>
<th>GHG and Renewables</th>
<th>Community Benefits: Low Income; Workforce; Geographically Dispersed</th>
<th>Resilience; Innovation</th>
<th>Scalability</th>
<th>Financially Self-Sustaining</th>
<th>Credentials and Approach</th>
<th>PCE Staff Support Level*</th>
</tr>
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<tbody>
<tr>
<td>ARCA Recycling</td>
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<tr>
<td>Ardenna Energy</td>
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<tr>
<td>Build It Green</td>
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<tr>
<td>CA Interfaith P&amp;L</td>
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<tr>
<td>Envoy Technologies</td>
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<tr>
<td>SMC Office of Sustainability</td>
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*In the case of PCE staff support level, high indicates more support is required while low indicates less is required (preferable).
10. Approve the Inclusive and Sustainable Workforce Policy and adopt it as a replacement for the previously adopted Sustainable Workforce Policy (Action)
11. PCIA (Power Charge Indifference Adjustment) Update (Discussion)
12. Increasing Awareness of California Alternate Rates for Energy Program (CARE) (Discussion)
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

<table>
<thead>
<tr>
<th>Number of people in household</th>
<th>CARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2</td>
<td>$32,920 or less</td>
</tr>
<tr>
<td>3</td>
<td>$41,560 or less</td>
</tr>
<tr>
<td>4</td>
<td>$50,200 or less</td>
</tr>
<tr>
<td>5</td>
<td>$58,840 or less</td>
</tr>
<tr>
<td>6</td>
<td>$67,480 or less</td>
</tr>
<tr>
<td>7</td>
<td>$76,120 or less</td>
</tr>
<tr>
<td>8</td>
<td>$84,760 or less</td>
</tr>
<tr>
<td>Each additional person, add</td>
<td>$8,640</td>
</tr>
</tbody>
</table>
### CARE Potential in San Mateo County

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