



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, October 25, 2018  
6:30 pm**

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 [abartoletti@peninsulacleanenergy.com](mailto: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.*

**CALL TO ORDER / ROLL CALL**

**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.

**ACTION TO SET AGENDA and TO APPROVE CONSENT AGENDA ITEMS**

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

## **CLOSED SESSION**

(The Board will adjourn to closed session to consider the following items at the beginning of the agenda, or at any time during the meeting as time permits. At the conclusion of closed session, the Board will reconvene in open session to report on any actions taken for which a report is required by law.)

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  
The Open Session will reconvene no earlier than 7:00 p.m.

## **REGULAR AGENDA**

3. Chair Report (Discussion)
4. CEO Report (Discussion)
5. Citizens Advisory Committee Report (Discussion)
6. Audit and Finance Committee Report (Discussion)
7. Approve Fiscal Year 2017-2018 Audited Financial Statements (Action)
8. Approve Investment Policy (Action)
9. Approve Recommended Community Pilot Projects (Action)
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)
13. Board Members' Reports (Discussion)

## **CONSENT AGENDA**

14. Approval of the Minutes for the September 29, 2018 Meeting (Action)
15. Authorize an Extension to the Agreement Between the Peninsula Clean Energy Authority and Keyes & Fox LLP, and to Increase the Amount by \$300,000. (Action)
16. Authorize an Amendment and extension to the Agreement Between the Peninsula Clean Energy Authority and Davis, Wright & Tremaine, to Increase the Amount by \$300,000. (Action)

## **INFORMATION ONLY REPORTS**

17. Marketing and Outreach Report
18. Regulatory and Legislative Report
19. Local Programs Report
20. Procurement Report

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:** October 19, 2018  
**BOARD MEETING DATE:** October 25, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority (PCE) Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** CEO Report

**REPORT:**

**PCE Staffing Update**

I am excited to report that Andy Stern joined PCE this last Monday, October 15, as our permanent Chief Financial Officer. We thank Eric Hall for the good work he did serving as the Interim Chief Financial Officer. We are also welcoming Carlos Moreno as our new Community Outreach Associate starting on November 1. We are in the process of interviewing the top candidates for the Manager of Distributed Energy Resources position and hope to make a selection in early November.

**Successful Wright Solar Groundbreaking on October 11**

Thank you to all of the Board members who attended the Wright Solar Groundbreaking event in Los Banos on October 11: John Keener, Marty Medina, Rick DeGolia, Jeff Aalfs, Rick Bonilla, Pradeep Gupta, Dave Pine, Ann Schneider, and Wayne Lee. (See the attached photos.) It was an exciting and very positive event. It turned out that some of the local landowners are actually San Mateo County residents – their land will be generating the electricity that they and their neighbors will be consuming once the project is operational in late 2019. The groundbreaking also provided an excellent opportunity to educate local Merced County councilmembers and county supervisors about community choice energy.



### **Power Charge Indifference Adjustment (PCIA) Update**

At the same time PCE was dedicating the largest new renewable energy project contracted for by a CCA, the California Public Utilities Commission voted to approve the revised Alternative Proposed Decision in the PCIA proceeding, which increases the PCIA and incorporates methodologies and costs that are unjustified, per CalCCA's testimony. PCE will be actively working with CalCCA and other stakeholders to pursue fair treatment.





**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** October 15, 2018  
**BOARD MEETING DATE:** October 25, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

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

**SUBJECT:** Approve Fiscal Year 2017-2018 Audited Financial Statements

**RECOMMENDATION:**

Approve the Fiscal Year 2017-2018 Audited Financial Statements

**BACKGROUND:**

Peninsula Clean Energy's (PCE) financials for the Fiscal Year ending June 30, 2018 were audited by the independent auditors Pimenti and Brinker LLP (Auditors).

The auditors conducted the fieldwork and will be presenting their independent report and letter to management regarding PCE's financial statements for fiscal year 2017-2018.

The PCE Audit and Finance Committee reviewed the draft audited financial statements at their meeting on October 11, 2018.

**FISCAL IMPACT:**

No fiscal impact

**ATTACHMENTS**

A. Audited Financial Statements for FY 2017-2018

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION ACCEPTING THE AUDITED FINANCIALS FOR FISCAL YEAR  
ENDING 2017-2018**

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**RESOLVED**, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

**WHEREAS**, the Peninsula Clean Energy Authority (“PCEA”) was formed on February 29, 2016 as a Community Choice Aggregation program (“CCA”); and

**WHEREAS**, Piseni and Brinker, LLP, certified public accountants and advisors, were selected as independent auditors to audit PCEA’s financials for the fiscal years ending June 30, 2017 and June 30, 2018; and

**WHEREAS**, Piseni and Brinker, LLP conducted the fieldwork to audit the financials; and

**WHEREAS**, Piseni and Brinker, LLP will present their independent report to the Board; and

**WHEREAS**, the draft audited financial statements were reviewed by the Audit and Finance Committee on October 11, 2018; and



**WHEREAS**, PCEA is requesting the board to accept and approve the audited financial statements.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the Chair of the Board of Directors is hereby authorized and directed to accept said financial statements for and on behalf of the Peninsula Clean Energy Authority.

\* \* \* \* \*

[CCO-113499]



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** October 15, 2018

**BOARD MEETING DATE:** October 25, 2018

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

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

**SUBJECT:** Approve Investment Policy

**RECOMMENDATION:**

Approve Peninsula Clean Energy's Investment Policy

**BACKGROUND:**

As Peninsula Clean Energy (PCE) has been in operation for over two years, it has increased its financial net position resulting in accumulated unrestricted funds. It is financially prudent for PCE to earn a return on these funds through investment in highly liquid and low risk investment securities.

To assist PCE in drafting the investment policy statement, NFP Retirement, Inc. (formerly National Financial Partners Corp.) was hired based on the recommendation of the Audit and Finance Committee. NFP Retirement coordinated drafting of the policy statement in compliance with Government Code Sections 53600, et seq. The primary objectives of the investment activities of PCE are: financial safety, liquidity, and return.

PCE staff have reviewed the policy with the Audit and Finance Committee on multiple occasions with the most recent review occurring on September 11, 2018. The policy reflects the feedback from the Audit and Finance Committee.

**ATTACHMENTS**

Peninsula Clean Energy Investment Policy

**Subject:** Investment Policy

**Purpose:** This statement contains guidelines for the prudent investment of PCE's cash balances in accordance with Government Code sections 53600, et. seq. The overarching goal of PCE's Investment Policy is to protect PCE's pooled cash while producing a reasonable rate of return on investments.

**Scope:** The Investment Policy applies to all funds and investment activities of PCE. This does not apply to the investment of bond proceeds, which are governed by the appropriate bond documents. This does not apply to any pension or other post-employment benefit funds held in a trust, as PCE does not have any such funds at this time and has no plans to have such funds.

**Prudence:** The standard of prudence to be used by investment officials will be the "prudent investor" standard, which states that, "when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

**Objectives:** The primary objectives, in priority order, of the investment activities of PCE are

1. **SAFETY** – Preservation of principal is the foremost objective of Peninsula Clean Energy.
2. **LIQUIDITY** – PCE's portfolio will remain sufficiently liquid to enable PCE to meet its cash flow requirements. It is important that the portfolio contain investments which provide the ability of being easily sold at any time with minimal risk of loss of principal or interest.
3. **RETURN** – PCE's portfolio will be designed to attain a market rate of return through economic cycles consistent with the constraints imposed by its safety and liquidity objectives.

### Delegation of Investment Authority:

Pursuant to Government Code Section 53607, the Chief Executive Officer or the Chief Financial Officer (and his/her designee, if necessary) is authorized to invest and reinvest money of PCE, to sell or exchange securities so purchased, and to deposit such securities for safekeeping in accordance with and subject to this investment policy.

PCE may engage the support services of outside investment advisors in regard to its investment program, so long as these services are likely to produce a net financial advantage or necessary financial protection of PCE's financial resources. Outside investment advisors must be approved by the Chief Executive Officer and the Board of Directors. It is PCE's intention to use the services of outside investment advisors to manage PCE's investment program. PCE will be responsible for managing the investment advisors.

### Investment Procedures:

The Chief Financial Officer and Chief Executive Officer will recommend investment procedures for the operation of PCE's investment program for approval by PCE's Board of Directors.

### Ethics and Conflicts of Interest:

Officers and employees involved in the investment process will refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

### Authorized Financial Dealers and Institutions:

The purchase by PCE of any investment other than those purchased directly from the issuer, will be purchased either from an institution licensed by the State as a broker-dealer, as defined in Section 25004 of the Corporations Code, which is a member of the Financial Industry Regulatory Authority (FINRA), or a member of a federally regulated securities exchange, a national or state chartered bank, a federal or state association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank.

The Chief Financial Officer is responsible for the evaluation of all institutions that wish to do business with PCE, to determine if they are adequately capitalized, staffed by qualified investment professionals, and agree to abide by the conditions set forth in PCE's Investment Policy and any other guidelines that may be provided. This will be done annually by having the financial institutions:

1. Provide written notification that they have read, and will abide by, PCE's Investment Policy.
2. Submit their most recent audited Financial Statements within 120 days of the institution's fiscal year end.

If PCE has an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of PCE.

Purchase and sale of securities will be made on the basis of best execution.

### Acceptable Investment Instruments:

Where this section specifies a percentage limitation for a particular security type or issuer, that percentage is applicable only on the date of purchase and shall be calculated on the basis of market value. Credit criteria listed in this section refers to the credit rating at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the Chief Financial Officer or his/her designee will perform a timely review and decide whether to sell or hold the investment.

PCE will limit investments in any one non-government issuer, except investment pools and money market funds, to no more than 5% of market value regardless of security type.

Acceptable investments authorized for purchase on behalf of PCE are:

1. **U.S. Treasury obligations** for which the full faith and credit of the United States are pledged for the payment of principal and interest.
2. **Federal agency or United States government-sponsored enterprise obligations**, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.
3. **Obligations of the State of California or any local agency within the state**, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency, or by a department, board, agency or authority of the state or any local agency that is rated in a rating category of "A" or its equivalent or better by a nationally recognized statistical-rating organization (NRSRO). Purchases of the obligations described in this subdivision and in subdivision 4 (registered treasury notes or bonds of any of the other 49 states in addition to California) collectively may not exceed 20% of PCE's portfolio.
4. **Registered treasury notes or bonds of any of the other 49 states in addition to California**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state, or by a department, board, agency, or authority of any of these states that is rated in a rating category of "A" or its equivalent or better by an NRSRO. Purchases of the obligations described in this subdivision and in subdivision 3 (obligations of the State of California or any local agency within the state) collectively may not exceed 20% of PCE's portfolio.
5. **Commercial Paper** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the

commercial paper must meet all of the following conditions in either paragraph a or paragraph b:

- a. The entity meets the following criteria: (i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars (\$500,000,000), and (iii) has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.
- b. The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has program-wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond, and (iii) has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.

Eligible commercial paper will have a maximum maturity of 270 days or fewer. No more than 20% of PCE's portfolio may be invested in commercial paper. PCE may purchase no more than 10% of the outstanding commercial paper of any single issuer. No more than 5% of the outstanding commercial paper investments can be invested in the Energy industry/sector.

6. **Negotiable Certificates of Deposit** issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally- or state-licensed branch of a foreign bank. Eligible negotiable certificates of deposit (negotiable CDs) shall be rated in a rating category of "A" for long-term, "A-1" for short-term, their equivalents, or better by an NRSRO. No more than 20% of PCE's portfolio may be invested in negotiable CDs.
7. **Demand Deposits - Collateralized**
8. **Passbook Savings Accounts - Collateralized**
9. **Shares of beneficial interest issued by diversified management companies** that are **money market funds** registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment, money market funds must be managed with the goal of maintaining a stable net asset value (NAV) per share of \$1.00.

Further, to be eligible for investment pursuant to this subdivision these companies (money market funds) will either: (i) attain the highest ranking or the highest letter and numerical rating provided by at least two NRSROs or (ii) have retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years of experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

It is possible that a money market fund that is managed with the goal of maintaining a stable NAV per share of \$1.00 may be unable to maintain an NAV of \$1.00 per

share due to market conditions or other factors. In such instances, the Chief Financial Officer or his/her designee will perform a timely review and decide whether to sell or hold the fund(s), subject to any restraints imposed by the money market fund(s).

No more than 20% of PCE's investment portfolio may be invested in money market funds or mutual funds combined. Further, no more than 10% of PCE's investment portfolio may be invested in any one money market fund. A money market fund's holding may not include auction rate securities or other securities that are not allowed under PCE's investment policy.

10. **Repurchase Agreements.** Overnight Repurchase Agreements shall be used solely as short-term investments not to exceed 3 days.
11. **Local Agency Investment Fund (State Pool)** - An investment pool managed by the State Treasurer. PCE can invest up to the maximum amount permitted by the State Treasurer.
12. **County Investment Fund (San Mateo County Pool)** - Shares of beneficial interest issued by a joint powers authority (Local Government Investment Pools or "Pool") organized pursuant to Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions to (q) of California Government Code Section 53601, inclusive. Each share will represent an equal proportional interest in the underlying pool of securities owned by the Joint Powers Authority. The Pool will be rated in a rating category "AAA" or its equivalent by a NRSRO. To be eligible under this section, the shares will maintain a stable net asset value (NAV) and the joint powers authority issuing the shares will have retained an investment adviser that meets all of the following criteria:
  - a. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
  - b. The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q) Government Code Section 53601, inclusive.
  - c. The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

### Restriction on Investment Policies and PCE Constraints:

Section 53600 et. seq. of the State of California Government Code outlines the collateral requirements for certain types of investments and also limits the percentage of total investments which can be placed in certain classifications. Investments must meet the time schedules as indicated by the cash flow projections of PCE. Investments will be purchased with the intent to hold until maturity, however this will not preclude the sale of securities prior to maturity in order to reposition the portfolio's duration, credit quality, or enhance the rate of return.



### Investment Pools:

The State pool and San Mateo County Pool invest in additional Government Code authorized investments that are not approved for *direct* purchase by the PCE's Board of Directors. These pools shall provide a current investment policy and monthly reports for review by the Chief Financial Officer. PCE is authorized to invest in these pools provided they are in conformance with its investment policies.

### Maturity Limit:

State law requires that the maturity of any given instrument should not exceed five years unless specifically approved by PCE Board of Directors at least three months before the investment is made. Maximum Maturity for PCE's investments shall be limited to 2 years. Maximum Weighted Average Maturity is limited to 1 year.

### Internal Control:

The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to provide reasonable assurance that the assets of PCE are protected from loss, theft or misuse. The PCE Chief Financial Officer or his/her designee shall arrange for an annual audit by an external CPA firm in compliance with the requirements of state law and generally accepted accounting principles as pronounced by the GASB (Governmental Accounting Standards Board.) As part of the audit, investment transactions will be tested. The annual audit will be an integral part, but not the sole part of management's program of monitoring internal controls.

### Custody of Securities:

All securities owned by PCE except time deposits and securities used as collateral for repurchase agreements, will be kept in safekeeping by a third-party bank's trust department, acting as an agent for PCE under the terms of a custody agreement executed by the bank and PCE. All securities shall be held in PCE's name.

All securities will be received and delivered using standard delivery versus payment procedures.

### Performance Standards:

PCE's portfolio shall be structured to achieve a market-average rate of return through various economic cycles, commensurate with the investment risk constraints and the cash flow needs. Investment performance will be calculated on a gross basis before fees and expenses and tracked monthly for internal use and monitoring. The benchmark for "market-average rate" shall be the rate of return of an appropriate market-based index which has a duration or weighted average maturity similar to that of the PCE's portfolio, against which portfolio performance shall be compared on a regular basis. Performance will be benchmarked to the appropriate performance index. It is PCE's goal to meet or succeed the performance benchmark on a quarterly and annual basis. Currently, the benchmark used for comparison purposes is the Lipper 30-Day Money Market Index.

### Reporting:

The Chief Financial Officer will provide a quarterly investment report to the PCE Audit & Finance Committee showing all transactions, type of investment, issuer, purchase date, maturity date, purchase price, yield to maturity, total return, performance benchmark, and current market value for all securities. An annual investment report shall be provided to the PCE Board of Directors in the month following the end of PCE's fiscal year.

### Policy Review:

This Investment Policy will be reviewed at least annually to ensure its consistency with:

1. The California Government Code sections that regulate the investment and reporting of public funds.
2. The overall objectives of preservation of principal, sufficient liquidity, and a market return.
3. Performance of investment advisor(s) against the appropriate benchmark.

Approved by Board of Directors on \_\_\_\_\_

\_\_\_\_\_

Janis Pepper, Chief Executive Officer

\_\_\_\_\_

Andy Stern, Chief Financial Officer

## Glossary

**Asset Backed Securities (ABS)** are securities backed by loans or receivables on assets other than real estate. ABS can be secured by a variety of assets including, but not limited to credit card receivables, auto loans, and home equity loans.

**Broker-Dealer** is a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

### Certificates of Deposit

1. **Negotiable Certificates of Deposit** are large-denomination CDs. They are issued at face value and typically pay interest at maturity, if maturing in less than 12 months. CDs that mature beyond this range pay interest semi-annually. Negotiable CDs are issued by U.S. banks (domestic CDs), U.S. branches of foreign banks (Yankee CDs), and thrifts. There is an active secondary market for negotiable domestic and Yankee CDs. However, the negotiable thrift CD secondary market is limited. Yields on CDs exceed those on U.S. treasuries and agencies of similar maturities. This higher yield compensates the investor for accepting the risk of reduced liquidity and the risk that the issuing bank might fail. State law does not require the collateralization of negotiable CDs.

**Collateral** refers to securities, evidence of deposits, or other property that a borrower pledges to secure repayment of a loan. It also refers to securities pledged by a bank to secure deposits. In California, repurchase agreements, reverse repurchase agreements, and public deposits must be collateralized.

**Commercial Paper** is a short term, unsecured, promissory note issued by a corporation to raise working capital.

**Demand Deposits** are funds held that can be withdrawn at any time without advance notice to the institution holding the funds.

**Duration** is a measure of the sensitivity of the price of a security or a portfolio of securities to a change in interest rates, typically stated in years.

**Federal Agency Obligations** are issued by U.S. Government Agencies or Government Sponsored Enterprises (GSE). Although they were created or sponsored by the U.S. Government, most Agencies and GSEs are not guaranteed by the United States Government. Examples of these securities are notes, bonds, bills and discount notes issued by Fannie Mae (FNMA), Freddie Mac (FHLMC), the Federal Home Loan Bank system (FHLB), and Federal Farm Credit Bank (FFCB). The Agency market is a very large and liquid market, with billions traded every day.

**Issuer** means any corporation, governmental unit, or financial institution that borrows money through the sale of securities.

**Liquidity** refers to the ease and speed with which an asset can be converted into cash without loss of value. In the money market, a security is said to be liquid if the difference between the bid and asked prices is narrow and reasonably sized trades can be done at those quotes.

**Local Agency Investment Fund (LAIF)** is a special fund in the State Treasury that local agencies may use to deposit funds for investment. There is no minimum investment period and the minimum transaction is \$5,000, in multiples of \$1,000 above that, with a maximum of \$65 million for any California public agency. It offers high liquidity because deposits can be converted to cash in twenty-four hours and no interest is lost. All interest is distributed to those agencies participating on a proportionate share determined by the amounts deposited and the length of time they are deposited. Interest is paid quarterly via direct deposit to the agency's LAIF account. The State keeps an amount for reasonable costs of making the investments, not to exceed one-quarter of one per cent of the earnings.

**Local Government Investment Pools (LGIP)** are investment tools similar to money market funds that allow public entities to invest funds.

**Market Value** is the price at which a security is trading and could presumably be purchased or sold.

**Maturity** is the date upon which the principal or stated value of an investment becomes due and payable.

**Money Market Fund** is a type of investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders. Eligible money market funds must strive to maintain a stable net asset value (NAV) of \$1 per share.

**Net Asset Value (NAV)** is the value of an entity's assets minus the value of its liabilities, often in relation to open-end or mutual funds, since shares of such funds registered with the U.S. Securities and Exchange Commission are redeemed at their net asset value. Money Market funds that PCE is authorized to invest in are required to maintain an NAV of \$1.00 at all times.

**Par Value** is the face value of the bill, note, or bond.

**Principal** describes the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

**Repurchase Agreements** are short-term investment transactions. Banks buy temporarily idle funds from a customer by selling him U.S. Government or other securities with a contractual agreement to repurchase the same securities on a future date at an agreed upon interest rate. Repurchase Agreements are typically for one to ten days in maturity. The customer receives interest from the bank. The interest rate reflects both the

prevailing demand for Federal Funds and the maturity of the Repo. Repurchase Agreements must be collateralized.

**Total Return** is the time-weighted performance of a portfolio including interest income and any capital appreciation or depreciation as a result of interest rate movements.

**U.S. Treasury Issues** are direct obligations of the United States Government. They are highly liquid and are considered the safest investment security. U.S. Treasury issues include:

1. **Treasury Bills** which are non-interest-bearing discount securities issued by the U.S. Treasury to finance the national debt. Bills are currently issued in one, three, six, and twelve-month maturities.
2. **Treasury Notes** that have original maturities of one to ten years.
3. **Treasury Bonds** that have original maturities of greater than 10 years.

**Yield to Maturity** is the rate of income return on an investment, minus any premium above par or plus any discount with the adjustment spread over the period from the date of the purchase to the date of maturity of the bond.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** October 19, 2018

**BOARD MEETING DATE:** October 25, 2018

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

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

**SUBJECT:** Community Pilots Program: Recommended Awardees

**RECOMMENDATION**

Authorize the selection of the six recommended Community Pilot proposals with funding up to \$75,000 each for a total of approximately \$450,000.

**BACKGROUND**

In September 2017, the Board approved opening a public process to execute a Community Pilots program with a budget of \$450,000. PCE issued a Request for Proposals for Community Pilots on June 21, 2018. Individuals, organizations, and municipalities were eligible to submit a proposal for consideration for funding up to \$75,000 for pilot projects of up to eighteen months of duration.

The application deadline closed August 3, 2018. PCE received a total of thirty-seven proposals. Two were disqualified as late or incomplete. Proposals varied widely across technology area and approach. The technology area breakdown was as follows: ten generation, nine building electrification, eight electric vehicles, seven efficiency, one storage, and two others. PCE evaluated these proposals on the basis of the following criteria:

1. Accelerates GHG reductions and renewables  
Delivers clear quantifiable GHG reductions and/or renewables in a cost-effective manner.



2. 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.
3. Supports PCE's load serving needs  
Supports PCE's objective to reach 100% renewables by 2025 by matching supply and load.
4. 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.
5. Additional benefits  
Supports community resilience; is innovative, scalable and replicable; and/or addresses program gaps in the region.
6. 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.

PCE staff evaluated the remaining thirty-five proposals with input from the Community Advisory Committee (CAC). A first pass screening was completed and projects that fell into the following areas were eliminated:

- Generation/efficiency projects, including:
  - Paper studies including DER and site assessments
  - Solar-only install projects
  - Basic efficiency install projects
- Public education-only projects
- Software tools intended for broad adoption that do not have clear path to broad adoption
- Concepts duplicative of robust existing efforts
- Projects requiring significant PCE time investment

A second round of detailed evaluation of the remaining proposals was done by PCE staff to identify the top twelve proposals. With input from the CAC, nine proposals were shortlisted as possible recommended awardees. Under direction from the Executive Committee, PCE staff and two CAC members conducted phone interviews with these nine finalists.

## **RECOMMENDED AWARDEES**

Based on the phone interviews and CAC member input, staff selected the following six proposals as the Community Pilots recommended awardees. The attached table details requested funds, matched funds (if any), technology area, project impact on GHG & renewables, community benefits, load shaping, other benefits (resilience, innovation), project scalability, project financial self-sustainability, organization credentials and approach, and PCE staff effort. The project synopsis for each recommended awardee is listed below and further detail may be found in the attached matrix.

### **1. ARCA Recycling, Inc. – Appliance Recycling Program Proposal**

Old refrigerator recycling program to capture high impact GHG sources. Program offers a \$35 rebate per unit up to 350 units and disposal through turnkey service including pickup and disposal adhering to strict EPA standards.

### **2. Ardenna Energy, LLC – Peninsula Climate Comfort Pilot Project**

Pilot whole-house electrification of 5 homes. Program offers a \$2,000 rebate to participants. Project will provide in-depth technical and financial assessment as well financing strategy intended to establish a business model for home electrification.

### **3. Build It Green – Healthy Home Connect**

Upgrade 16 low-income homes in East Palo Alto and Daly City that would otherwise be disqualified from housing assistance programs. PCE gap funding enables healthy home remediations and roof repairs/replacements, allowing these formerly disqualified homes to then receive energy efficiency improvements.

### **4. CA Interfaith Power & Light – Community Resilience – Solar to Storage at Faith Institutions**

Recruit and equip 3 faith institutions to be community hubs with clean energy back up power open to all in need in the community for emergencies. PCE funds provide for recruitment, preliminary design work and securing additional resources for PV, storage and potentially EV charging.

### **5. Envoy Technologies Inc. – Disadvantaged Community Car Sharing Pilot Proposals**

Under this pilot, Envoy will deploy 3 pure electric vehicles (EVs) to be used for car sharing within a disadvantaged community apartment complex. Project evaluates potential for ongoing business model.

### **6. SMC Office of Sustainability – A Roadmap for Municipal Green Fleets**

Develop a clean fuel toolkit for local government fleets, acquire 1-3 pilot electric vehicles and scooters, and provide technical assistance to interested jurisdictions to define custom roadmaps based on vehicle use cases, budget, and climate goals.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
	Submitter Organization	Proposal Name	Synopsis	Partners	\$ Requested	\$ Matched Funds	Main Technology Area	GHG & Renewables	Community Benefits (low income, workforce, geographically dispersed )	Load Shaping	Other (resilience, innovation)	Scalability (market size)	Financially Self-Sustaining	Credentials & Approach	PCE Staff Support Level
1	ARCA Recycling, Inc.	ARCA Recycling, Inc. Appliance Recycling Program Proposal	Old refrigerator recycling program to capture high impact GHG sources. Program offers a \$35 rebate per unit up to 350 units and disposal through turnkey service including pickup and disposal adhering to strict EPA standards.	Herrera Transportation and Trucking, Promotion Management Center	\$ 74,000	N/A	Efficiency	High	Med	Low	Low	High	No	High	Low
2	Ardenna Energy, LLC	Peninsula Climate Comfort Pilot Project	Pilot whole-house electrification of 5 homes. Program offers a \$2,000 rebate to participants. Project will provide in-depth technical and financial assessment as well financing strategy intended to establish a business model for home electrification.	Build It Green, Home Energy Analytics, Tom Kabat	\$ 75,000	\$10,000 (Received)	Building Electrification	High	Low	High	High	Med	Probable	High	High
3	Build It Green	Healthy Home Connect	Upgrade 16 low-income homes in East Palo Alto and Daly City that would otherwise be disqualified from housing assistance programs. PCE gap funding enables healthy home remediations and roof repairs/replacements, allowing these formerly disqualified homes to then receive energy efficiency improvements.	EI Concilio, GRID Alternatives, Hayward Lumber, Owens Corning	\$ 75,000	\$157,800 (Received) \$78,500 (Requested)	Efficiency	Low	High	Low	Low	Med	No	High	Low
4	CA Interfaith Power & Light	Community Resiliency - Solar to Storage at Faith Institutions	Recruit and equip 3 faith institutions to be community hubs with clean energy back up power open to all in need in the community for emergencies. PCE funds provide for recruitment, preliminary design work and securing additional resources for PV, storage and potentially EV charging.	Member congregations, Acterra, Luminalt, RE-volv, American Solar, GRID Alternatives, Resilient Bayview, Greenworks Lending	\$ 75,000	\$125,000 (Estimated)	Generation	Med	High	Med	High	Med	Maybe	High	Med
5	Envoy Technologies Inc.	Disadvantaged Community Car Sharing Pilot Proposal	Under this pilot, Envoy will deploy 3 pure electric vehicles (EVs) to be used for car sharing within a disadvantaged community apartment complex. Project evaluates potential for ongoing business model.	Low-income MUDs	\$ 70,161	\$70,161 (Received)	Electric Vehicles	Med	High	Low	High	Unknown	Maybe	Med	High
6	SMC Office of Sustainability	A Roadmap for Municipal Green Fleets	Develop a clean fuel toolkit for local government fleets, acquire 1-3 pilot vehicles and scooters, and provide technical assistance to jurisdictions interested in strategic planning of their fleets to identify a custom roadmap based on vehicle use cases, budget, and climate goals	C/CAG, San Mateo County Office of Sustainability	\$ 75,000	\$4,770 (Received)	Electric Vehicles	Med	High	Med	Low	High	No	High	Low
7					\$ 444,161										
8															



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** October 16, 2018  
**BOARD MEETING DATE:** October 25, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Approve the Inclusive and Sustainable Workforce Policy and adopt it as a replacement for the previously adopted Sustainable Workforce Policy

**RECOMMENDATION:**

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

**BACKGROUND:**

On December 15, 2016, Peninsula Clean Energy adopted Policy 10, its Sustainable Workforce Policy. That policy focused primarily on efforts PCE will take in supporting local businesses, union labor and apprenticeship programs. The policy briefly covered PCE Services and Supplies and PCE Direct Hiring.

**DISCUSSION:**

The proposed policy expands the previously approved "Sustainable Workforce" policy to a "Inclusive and Sustainable Workforce Policy", through the addition of provisions on an Inclusive Workforce, focusing on PCE Staff, PCE Supply Chain, Inclusive Business Practices, and a Non-Discrimination Pledge. The provisions of the previously approved Sustainable Workforce are substantially unchanged.

The proposed Inclusive and Sustainable Workforce Policy is attached, as well as a redline showing the changes to the previously adopted Sustainable Workforce policy.

**FISCAL IMPACT:**

N/A

**ATTACHMENTS:**

Inclusive and Sustainable Workforce Policy  
Policy 10: Sustainable Workforce Policy (proposed redline changes)



Policy Number: XX

Adoption Date: DATE

**Subject:** Inclusive and Sustainable Workforce Policy

**Policy:** One of PCE's strategic goals is to "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." PCE recognizes that an inclusive and sustainable workforce helps PCE meet its core mission and goals more effectively, serve its customers in a more culturally sensitive manner, and reflect the businesses we partner with and the community we serve more comprehensively. PCE strives to have a workforce that is as inclusive as the community it serves.

### Inclusive Workforce

#### **PCE Staff**

PCE relies on its employees to provide clean, cost-effective, alternative energy to its customers. These customers live in diverse communities, and an inclusive workforce comprised of staff who reflect and are invested in these communities allows PCE to serve them more effectively. An inclusive staff also provides good jobs for people from diverse communities.

To help maintain and strengthen PCE's inclusive staff, PCE will:

- (1) Engage in broad outreach efforts in diverse communities, including disadvantaged and low-income communities, to ensure a diverse pool of candidates for open positions;
- (2) Provide fair compensation that aligns with regional market indicators for compensation levels for each position;
- (3) Be transparent about these practices and lessons learned; and
- (4) Provide contact information for staff who can answer questions about this policy.

#### **Supply Chain**

PCE's commitment to inclusion also extends to its supply chain. Where and from whom PCE purchases goods and services have important consequences for businesses, customers, and their communities. An inclusive supply chain is an

important driver for successful delivery of PCE's services to its customers, and of fair and equitable economic development generally.

To help ensure an inclusive supply chain, PCE will:

- (1) Strive to use local businesses and provide fair compensation in the purchase of services and supplies;
- (2) Proactively seek services from local businesses and from businesses that have been Green Business certified and/or are taking steps to protect the environment;
- (3) Engage in efforts to reach diverse communities to ensure an inclusive pool of potential suppliers;
- (4) Collect information from suppliers and contractors on the inclusivity of their workforce;
- (5) Include questions about supplier inclusivity in requests for proposals (RFPs) for services;
- (6) Require reporting from developers and large vendors on inclusivity in business ownership and staff;
- (7) Be transparent about these practices and lessons learned; and
- (8) Provide contact information for staff who can answer questions about this policy.

### **Inclusive Business Practices**

To fulfill its core mission to provide energy choices to the diverse residents and communities of San Mateo County, PCE must ensure that its services and information are accessible to all communities. Accordingly, PCE will:

- (1) Strive to provide information on PCE's services in the multiple languages commonly spoken in PCE's service area (including mailers, tabling materials, customer service, call center, workshops and outreach events, advertisements, and other means of customer engagement);
- (2) Conduct marketing and outreach in diverse communities (including advertising in minority-owned media, establishing partnerships with community organizations, and using various media, such as radio and television) to increase awareness of PCE's services and programs;
- (3) Strive to attend important multi-cultural community events with multi-lingual materials and speakers;

- (4) Share information about activities and initiatives that promote inclusion, access, and diverse engagement in the community.

### **Non-Discrimination Pledge**

PCE will not discriminate, and will require that its suppliers do not discriminate, on the basis of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

### **Sustainable Workforce**

Support of local businesses, union labor, and apprenticeship and pre-apprenticeship programs that create employment opportunities are important components of building and sustaining healthy and sustainable communities. It is in the interest of Peninsula Clean Energy in San Mateo County (PCE) to provide fair compensation and sustainable workforce opportunities within a framework of competitive service and the promotion of renewable energy, energy efficiency, and greenhouse gas reduction.

PCE Recognizes the importance of locally-generated renewable energy in assuring that California is provided with (1) adequate supplies of renewable energy for economic growth, (2) sustained local job opportunities and job creation, and (3) effective means to reduce the impacts of greenhouse gas emissions. PCE also recognizes the opportunities that energy efficiency programs provide for local workforce training and employment.

PCE supports fair compensation in direct hiring, renewable development projects, energy efficiency programs and in the procurement of PCE services and supplies. PCE also supports quality State of California approved apprenticeship and pre-apprenticeship training programs in construction craft occupations to foster long-term, fairly compensated employment opportunities for program graduates and believes that local apprenticeship and pre-apprenticeship programs are an efficient vehicle for delivering quality training in construction industry craft occupations.

PCE therefore desires to facilitate and accomplish the following objectives:

- (1) Support for and direct use of local businesses;
- (2) Support for and direct use of union members from multiple trades;
- (3) Support for and use of training and State of California approved apprenticeship programs, and pre-apprenticeship programs from within PCE's service territory; and
- (4) Support for and direct use of green and sustainable businesses.



“Local” is defined as 1.) San Mateo County; 2.) Nine Bay Area Counties (Alameda, Contra Costa, Marin, Napa, San Mateo, San Francisco, Santa Clara, Solano, Sonoma); 3.) Northern California; 4.) California. Preference will be give first to San Mateo County; second, to the Nine Bay Area Counties; third, to Northern California; fourth, to California.

PCE will support the objectives stated above in the following ways:

### **PCE Power Purchase Agreements with Third Parties**

PCE shall collect information from respondents to any bidding and/or RFP/RFQ process regarding past, current and/or planned efforts by project developers and their contractors to:

- Employ workers and use businesses from the PCE service territory.
- Employ properly licensed (A, B, C10, C7, C46) contractors and California Certified electricians.
- Utilize multi-trade project labor agreements on the proposed project or any prior project developments.
- Utilize local apprentices, particularly graduates of local pre-apprenticeship programs.
- Pay workers the correct prevailing wage rates for each craft, classification and type of work performed.
- Display a poster at jobsites informing workers of prevailing wage requirements.
- Provide workers compensation coverage to on-site workers.
- Support and use State of California approved apprenticeship programs.

Relevant information submitted by proposers will be used to evaluate potential workforce impacts of proposed projects with the goal of promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing wage base in local communities where contracted projects will be located.

### **PCE-Owned Generation Projects**

Any PCE-owned renewable development project shall use local businesses, union labor, and apprenticeship programs through multi-trade agreements and/or through multiple agreements for work. Each construction contractor or subcontractor performing work on any PCE-owned project shall use a combination of local labor, union labor and apprenticeship programs, and shall follow fair compensation practices including proper

assignment of work to crafts that traditionally perform the work. For each renewable energy project, PCE or its construction contractor shall require of its regular workforce that at least 50% of all “journey level” employees shall be graduates of a State of California approved apprenticeship program, and at least 20% shall be enrolled and participating in a local State of California approved apprenticeship program. Apprenticeship programs must be approved by the State Department of Apprenticeship Standards.

### **PCE Feed-In Tariff Price Projects**

PCE shall use best efforts to ensure each construction contractor or subcontractor performing work on any PCE Feed-in Tariff project utilize local businesses, union labor, multi-trade agreement, apprenticeship programs, and fair compensation practices including proper assignment of work to crafts that traditionally perform the work.

### **PCE Energy Efficiency Projects**

PCE shall use best efforts to support local businesses, union labor, and local apprenticeship programs in the implementation of its energy efficiency programs. PCE shall use best efforts to ensure each construction contractor or subcontractor performing work on any PCE energy efficiency program utilize local businesses, union labor, local apprenticeship, and fair compensation practices in program implementation including proper assignment of work to crafts that traditionally perform the work.

**Subject:** Inclusive and Sustainable Workforce Policy

**Policy:** One of PCE’s strategic goals is to “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.” PCE recognizes that an inclusive and sustainable workforce helps PCE meet its core mission and goals more effectively, serve its customers in a more culturally sensitive manner, and reflect the businesses we partner with and the community we serve more comprehensively. PCE strives to have a workforce that is as inclusive as the community it serves.

**Inclusive Workforce**

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To help maintain and strengthen PCE’s inclusive staff, PCE will:

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## Sustainable Workforce

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- Display a poster at jobsites informing workers of prevailing wage requirements.
- Provide workers compensation coverage to on-site workers.
- Support and use State of California approved apprenticeship programs.

Relevant information submitted by proposers will be used to evaluate potential workforce impacts of proposed projects with the goal of promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing wage base in local communities where contracted projects will be located.

### **PCE Owned Generation Projects**

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## **PCE Feed-In Tariff Price Projects**

PCE shall use best efforts to ensure each construction contractor or subcontractor performing work on any PCE Feed-in Tariff project utilize local businesses, union labor, multi-trade agreement, apprenticeship programs, and fair compensation practices including proper assignment of work to crafts that traditionally perform the work.

## **PCE Energy Efficiency Projects**

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**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** October 16, 2018  
**BOARD MEETING DATE:** October 25, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Leslie Brown, Director of Customer Care, Peninsula Clean Energy  
**SUBJECT:** Increasing Awareness of California Alternate Rates for Energy Program (CARE)

**RECOMMENDATION:**

Staff recommends Board members encourage their City staff to promote CARE awareness and eligibility to their respective communities.

**BACKGROUND:**

An August 1, 2018 report from PG&E estimates that there are more than 12,000 customers in San Mateo County who are eligible for discounts from PG&E's CARE program that are not currently enrolled in the program. CARE is an income qualifying program that provides everyday discounts to PG&E services as well as access to other targeted energy efficiency programs. Peninsula Clean Energy customers are entitled to full CARE benefits from PG&E which include a 20% discount on natural gas and electric delivery services. Income qualifications are reviewed and set annually by the CPUC, current income eligibility is detailed below:

**CARE Income Guidelines\***

Household Size	Income Eligibility Upper Limit
1-2	\$32,920
3	\$41,560
4	\$50,200
5	\$58,840
6	\$67,480
7	\$76,120
8	\$84,760
Each additional person add	\$8,640

*\* Effective through May 31, 2019*

**DISCUSSION:**

PCE staff uses CARE enrollment as a qualifying indicator when targeting messaging and programs specific to lower income customers. In order to ensure all qualifying customers are receiving benefits available to them PCE is encouraging Board members to work with their respective City staff to share information about the CARE program throughout their communities. PCE is working with the PG&E CARE team to get a more granular breakdown by city/zip code of where in San Mateo County the 12,000+ un-enrolled customers are located.

**FISCAL IMPACT:**

No direct fiscal impact to PCE by customers being enrolled in CARE



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Saturday, September 29, 2018  
MINUTES**

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

**CALL TO ORDER**

Meeting was called to order at 8:07 a.m.

**ROLL CALL**

**Present:** Dave Pine, County of San Mateo  
Carole Groom, County of San Mateo  
Jeff Aalfs, Town of Portola Valley, *Chair*  
Rick DeGolia, Town of Atherton, *Vice Chair*  
Donna Colson, City of Burlingame  
Carlos Romero, City of East Palo Alto  
Harvey Rarback, City of Half Moon Bay  
Laurence May, Town of Hillsborough  
Catherine Carlton, City of Menlo Park  
Wayne Lee, City of Millbrae  
John Keener, City of Pacifica  
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:** City of Belmont  
City of Brisbane  
Town of Colma  
City of Daly City  
City of Foster City  
City of Redwood City  
City of San Carlos

**Staff:** Jan Pepper, Chief Executive Officer  
Andy Stern, Chief Financial Officer

Eric Hall, Interim CFO  
Jay Modi, Director of Finance and Administration  
Siobhan Doherty, Director of Power Resources  
Chelsea Keys, Power Resources Manager  
Rafael Reyes, Director of Energy Programs  
Joseph Wiedman, Director of Legislative and Regulatory Affairs  
Leslie Brown, Director of Customer Care  
Kirsten Andrews-Schwind, Communications and Outreach Manager  
TJ Carter, Marketing Associate  
Matt Sanders, Deputy Counsel  
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO  
Shawn Marshall, LEAN Energy US, Facilitator

**A quorum was established.**

**PUBLIC COMMENT:**

None

**ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS**

Motion Made / Seconded: Lee / May

**Motion passed unanimously 12-0 (Absent: Belmont, Brisbane, Colma, Daly City, Foster City, Menlo Park, Redwood City, San Carlos, San Mateo, Woodside)**

**REGULAR AGENDA**

**MARKET OUTLOOK AND REGULATORY / LEGISLATIVE STATE OF AFFAIRS**

Jan Pepper—CEO—announced that Andy Stern, PCE’s Chief Financial Officer, has been hired and will start on October 15, 2018. Jan presented a comparison of historical natural gas prices to PG&E generation rates, including a forecast of natural gas prices. She reported that the CPUC (California Public Utilities Commission) decision on PCIA (Power Charge Indifference Adjustment) had been postponed to October 11, 2018, and that the Governor signed SB 237, which expands Direct Access statewide by 4000 GWH (gigawatt hours).

**REVIEW OF PCE’S STRATEGIC GOALS**

Jan Pepper reviewed each of PCE’s eight strategic goals and outlined the progress PCE has made toward reaching each goal. She announced that PCE’s EV (Electric Vehicle) dealer promotion begins October 1, 2018, and she reported that PCE is working toward achieving 100% RPS (Renewables Portfolio Standard) eligible renewables by 2025 on a time coincident basis. She also reported that PCE will be hiring a Distributed Energy Resources Manager, and will expand PCE’s Workforce Policy to add inclusionary provisions. Board members discussed various ways to

clarify and refine the goals, and Jan reported that revisions will be brought to the Executive Committee for review.

**PUBLIC COMMENT:**

Mark Roest, SeaWave Battery  
Gladwyn D’Souza, PCE Citizens Advisory Committee  
Michael Closson, Chair, PCE Citizens Advisory Committee  
Ted Howard

**LOCAL ENERGY PROGRAMS ROADMAP**

Rafael Reyes—Director of Energy Programs—presented the Local Energy Programs Roadmap and defined it as a communication tool to outline near-term and longer-term goals. He reported on draft timelines for targeted areas including Transportation, Renewables, Building Electrification, Load Shape, Innovation, Community Engagement, and Grants. He also reported on Energy Programs Prioritization and the projected Roadmap Budget through Fiscal Year 2020-2021.

**PUBLIC COMMENT:**

Emily Leslie, PCE Citizens Advisory Committee  
Gladwyn D’Souza, PCE Citizens Advisory Committee  
Mark Roest, SeaWave Battery

**POSSIBLE STRATEGIES TO EMPLOY PCE’S RESERVES**

Jan Pepper reviewed PCE’s current Financial Reserves Policy that was passed by the Board on June 28, 2018. She reviewed 5-Year Projected Cash Reserves with the current policy of holding 120 days’ worth of funds in reserve. She reviewed an Extended Reserves Policy that would increase reserves by 180 days’ worth of funds in reserve for Operations and fully funding the Energy Programs budget. Jan reviewed potential budget impacts of various market and industry scenarios on PCE’s reserves. PCE staff reviewed options for employing unrestricted cash including additional contributions to reserves, initiating a Load Stabilization Program, Customer Rebate Program, Local Programs, and PCE-Owned Local Generation.

Shawn Marshall—LEAN Energy US—led the Board through a prioritization exercise in which Board members were divided into groups, and were tasked with identifying their top priorities for PCE and allotting percentages of PCE’s unrestricted funds to those priorities.

**PUBLIC COMMENT:**

Janet Creech, PCE Citizens Advisory Committee  
Mark Roest, SeaWave Battery

### **PCE MARKETING STRATEGY**

Jan Pepper reviewed PCE's Strategic Marketing Goals, and possible strategies for developing PCE brand awareness. Jan asked for Board of Director volunteers to serve on an Ad Hoc Marketing Committee. Ian Bain, Carole Groom, and Catherine Carlton volunteered to serve. Jan announced plans to bring in a marketing consultant to assist with setting marketing priorities and a budget.

### **PUBLIC COMMENT:**

Mark Roest, SeaWave Battery

### **ADJOURNMENT**

Meeting was adjourned at 1:04 p.m.



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**  
**General Counsel**

**DATE:** October 10, 2018  
**BOARD MEETING DATE:** October 25, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable PCE Joint Powers Board

**FROM:** David A. Silberman, General Counsel  
Jennifer Stalzer Kraske, Associate General Counsel  
Matt Sanders, Associate General Counsel

**SUBJECT:** Authorize Agreements Between the Peninsula Clean Energy Authority and Davis Wright Tremaine LLP and Keyes & Fox LLP to Increase the Amount by \$300,000 for each firm.

**RECOMMENDATION:**

Adopt a Resolution authorizing the General Counsel to execute with the law firm of Keyes & Fox LLP and Davis Wright Tremaine LLP amendment(s) to the existing retention agreements or alternatively, additional retention agreements in substantially the same form already approved by the Board as long as the total amount of all amendments or agreements do not exceed an increase in retention of more than \$300,000 for each firm.

**BACKGROUND:**

The County Counsel's Office provides legal services to the Peninsula Clean Energy (PCE) Authority pursuant to a contract approved by the Board March 24, 2016.

Pursuant to that agreement, the County Counsel serves as General Counsel to the Board and has authority to retain services of outside counsel in an amount not to exceed \$25,000.

Certain projects important to PCE can benefit from time-to-time by the assistance of lawyers who focus primarily on those areas of law, including the litigation of complicated regulatory proceedings before the California Public Utilities Commission ("CPUC") and negotiation of complex power purchase agreements.

The PCE Board in August 2016 approved the retention of Troutman Sanders to provide assistance in negotiating PCE's first power purchase agreements and creating PCE's "multi-party lockbox". On October 27, 2016 the PCE Board approved retention agreements with Davis, Wright & Tremaine, Keyes & Fox and Winston & Strawn, each at amounts not to exceed \$100,000.

**DISCUSSION:**

Davis Wright Tremaine LLP and Keyes & Fox LLP have been providing PCE with significant assistance in numerous dockets at the California Public Utilities Commission, the California Energy Commission, the Air Resources Board and with certain legislative activities. We have been very satisfied with the assistance both firms have provided to date. The services that have been provided have eroded the existing retention amounts. Accordingly, we are asking the Board to authorize the General Counsel to execute amendment(s) to the existing retention agreement previously approved by the Board or alternatively, additional retention agreements in substantially the same form, with reasonable adjustments to payment structure and timing, already approved by the Board as long as the total amount of all amendments or agreements do not exceed increase in retention of more than \$300,000 for each firm.



**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

\* \* \* \* \*

**RESOLUTION AUTHORIZING GENERAL COUNSEL TO EXECUTE WITH THE LAW  
FIRM OF KEYES & FOX LLP AMENDMENT(S) TO THE EXISTING RETENTION  
AGREEMENTS OR ALTERNATIVELY, ADDITIONAL RETENTION AGREEMENTS IN  
SUBSTANTIALLY THE SAME FORM ALREADY APPROVED BY THE BOARD AS  
LONG AS THE TOTAL AMOUNT OF ALL AMENDMENTS OR AGREEMENTS DO  
NOT EXCEED AN INCREASE IN RETENTION OF MORE THAN \$300,000.**

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**RESOLVED**, by the Peninsula Clean Energy Authority of the County of San  
Mateo, State of California, that

**WHEREAS**, the Peninsula Clean Energy Authority ("Peninsula Clean Energy")  
was formed on February 29, 2016; and

**WHEREAS**, the JPA Agreement forming the Authority delegates to the Board the  
power to hire a General Counsel pursuant to Paragraph 3.3.2; and

**WHEREAS**, the San Mateo County Counsel's Office has been appointed  
General Counsel and has been delegated authority to retain outside legal services in  
amounts not to exceed \$25,000; and

**WHEREAS**, the General Counsel has determined it was necessary to seek outside legal services related to state regulatory oversight and policy and on October 27, 2016 this Board authorized the General Counsel to retain Keyes & Fox LLP on behalf of Peninsula Clean Energy for that purpose in an amount not to exceed \$100,000 and to execute the retention agreement then presented to the Board; and

**WHEREAS**, the Board authorized an increased the retention amount by \$300,000 on October 26, 2017; and

**WHEREAS**, Keyes & Fox LLP has been providing assistance to PCE in various capacities and the cost of its legal services will exceed the amount already authorized.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the General Counsel is authorized to execute with the law firm of Keyes & Fox LLP amendment(s) to the existing retention agreements or alternatively, additional retention agreements in substantially the same form, with reasonable adjustments to payment structure and timing, already approved by the Board as long as the total amount of all amendments or agreements do not exceed an increase in retention of more than \$300,000.

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[CCO-113499]

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF  
CALIFORNIA**

**\* \* \* \* \***

**RESOLUTION AUTHORIZING GENERAL COUNSEL TO EXECUTE WITH THE LAW  
FIRM OF DAVIS WRIGHT TREMAINE LLP AMENDMENT(S) TO THE EXISTING  
RETENTION AGREEMENTS OR ALTERNATIVELY, ADDITIONAL RETENTION  
AGREEMENTS IN SUBSTANTIALLY THE SAME FORM ALREADY APPROVED BY  
THE BOARD AS LONG AS THE TOTAL AMOUNT OF ALL AMENDMENTS OR  
AGREEMENTS DO NOT EXCEED AN INCREASE IN RETENTION OF MORE THAN  
\$300,000.**

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**RESOLVED**, by the Peninsula Clean Energy Authority of the County of San  
Mateo, State of California, that

**WHEREAS**, the Peninsula Clean Energy Authority ("Peninsula Clean Energy")  
was formed on February 29, 2016; and

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power to hire a General Counsel pursuant to Paragraph 3.3.2; and

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General Counsel and has been delegated authority to retain outside legal services in  
amounts not to exceed \$25,000; and

**WHEREAS**, the General Counsel has determined it was necessary to seek outside legal services related to state regulatory oversight and policy and on October 27, 2016 this Board authorized the General Counsel to retain Davis Wright Tremaine LLP on behalf of Peninsula Clean Energy for that purpose in an amount not to exceed \$100,000 and to execute the retention agreement then presented to the Board; and

**WHEREAS**, the Board authorized an increased the retention amount by \$300,000 on October 26, 2017; and

**WHEREAS**, Davis Wright Tremaine LLP has been providing assistance to PCE in various capacities and the cost of its legal services will exceed the amount already authorized.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the General Counsel is authorized to execute with the law firm of Davis Wright Tremaine LLP amendment(s) to the existing retention agreements or alternatively, additional retention agreements in substantially the same form, with reasonable adjustments to payment structure and timing, already approved by the Board as long as the total amount of all amendments or agreements do not exceed an increase in retention of more than \$300,000.

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[CCO-113499]



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** October 15, 2018

**BOARD MEETING DATE:** October 25, 2018

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

**FROM:** Kirsten Andrews-Schwind, Communications and Outreach Manager  
and Leslie Brown, Director of Customer Care

**SUBJECT:** Update on PCE's Marketing and Outreach Activities

**BACKGROUND:**

The Communications Team has been busy managing press coverage, public relations, local programs marketing, community outreach, PCE's online and social media presence, responding to customer requests, and preparing future campaigns.

## **DISCUSSION:**

### **Press Coverage of Wright Solar Groundbreaking**

Peninsula Clean Energy hosted 60 guests at the ground breaking of our 200 MW Wright Solar project in Merced County on October 11.

The Communications Team's coordinated press outreach for the event resulted in the following coverage:

- ["Peninsula Clean Energy Starts Construction Of 200-Megawatt Solar Facility"](https://www.apnews.com), Associated Press 10/11/18, <https://www.apnews.com>
- ["PCE Starts Construction Of 200-megawatt Solar Facility"](https://www.smdailyjournal.com), The San Mateo Daily Journal 10/12/18, <https://www.smdailyjournal.com>
- ["Need A Job? This Merced County Project Offers Hundreds."](https://www.mercedsunstar.com) Merced Sun-Star 10/10/18 Thaddeus Miller, <https://www.mercedsunstar.com>
- ["Peninsula Clean Energy Goes Big Time With 200 MW-AC Solar Project"](https://pv-magazine-usa.com), PV Magazine 10/11/18 Christian Roselund, <https://pv-magazine-usa.com>
- ["Giant Wright Solar Project To Power 100K Homes In California County"](https://solarindustrymag.com), Solar Industry 11/11/18 Betsy Lillian, <https://solarindustrymag.com>
- ["California PV Preps For The Wright Stuff"](https://renews.biz), Re News 11/12/18, <https://renews.biz>
- ["200 MW Solar Farm Is Underway"](https://insights.globalspec.com), Engineering 360 11/11/18 David Wagman, <https://insights.globalspec.com>
- "Developers Break Ground on Largest Solar Project Dedicated to Serve a CCA," California Energy Markets 11/12/18 Kali Katoski, *subscription only*

Additional notable outlets that posted our press release titled "Peninsula Clean Energy Starts Construction Of 200-Megawatt Solar Facility" directly on their websites on 11/11/18 include:

- [Sacramento Business Journal](#)
- [San Francisco Business Journal](#)
- [Silicon Valley Business Journal](#)
- [Morning Star](#)
- [Renewables Now](#)
- [Market Watch](#)
- [Power Engineering](#)
- [Everything South City](#)

Business Wire measured 214 postings of our press release on media outlet websites nationally and internationally. Local coverage was especially focused in traditionally energy-focused states such as Virginia, Texas, and Oklahoma. The news generated considerable interest on Twitter as well.

The timing of PCE's press release happened to coincide with the latest CPUC vote on the PCIA, creating an opportunity to tell a positive story of how CCAs are contributing to California's renewable energy goals in this context.

For the press release and photos of the event, go to <https://www.peninsulacleanenergy.com/news-media/>.

## **Power Content Label and Launch of Electric Vehicle Discount Program**

PCE launched marketing for our *Go Electric* EV Discount Program in late September with a featured announcement on our annual Power Content Label postcard. We took advantage of this required regulatory mailing to inform all 290,000 PCE customers of the opportunity to lease or purchase discounted electric vehicles at our participating dealers.

Other marketing for this program includes:

- Ad campaign in local print media
- Digital Google Ad campaign
- Email campaign to residential customers
- Two additional post card direct mailings
- Social media campaign
- Community outreach
- Key partnerships, for example an email to all San Mateo County employees through the Office of Sustainability

We also launched the campaign with an electric vehicle test drive event at County Center in Redwood City. See TV coverage in this event in Chinese and English: ["County Ride & Drive And Electric Vehicle Promotion"](#).

PCE's next public free test drive event will take place at the Burlingame Fall Festival on October 28 from 10:30 am to 5:30 pm, at the corner of Howard and Lorton Avenues in Burlingame.

As of 10/19/18 PCE's EV marketing push has resulted in:

- 6,000 page views of the EV promotion webpage in the past three weeks
- 4,750 unique page views of the EV promotion webpage
- 1,000 views on 9/26/18 alone as the Power Content Label was hitting mailboxes

So far direct mail has been our most effective method of driving traffic to the webpage.

We encourage you to work with your cities to get the word out about this program before discounts end on December 31, 2018. Please ask your residents to visit <https://www.peninsulacleanenergy.com/electric-vehicles>.

## Enrollment Statistics

Opt-out rates have remained consistently low during this summer and fall, ranging from 30 to an all-time low of 9 per week. Nine cities maintained their participation rate in September with “0” opt-outs: Atherton, Brisbane, Colma, Foster City, Hillsborough, Menlo Park, San Carlos, Woodside, and Portola Valley. Our overall participation rate is 97.58% of eligible accounts.

### Opt-Outs by City

CITY	Eligible Accts	Total	TOTAL OPT OUT %
PORTOLA VALLEY INC	1,676	107	6.38%
SAN BRUNO INC	16,460	611	3.71%
PACIFICA INC	15,438	526	3.41%
SO SAN FRANCISCO INC	24,861	844	3.39%
DALY CITY INC	33,973	1043	3.07%
EAST PALO ALTO INC	7,900	228	2.89%
HALF MOON BAY INC	4,970	138	2.78%
MILLBRAE INC	9,371	258	2.75%
UNINC SAN MATEO CO	24,571	664	2.70%
SAN MATEO INC	44,008	1071	2.43%
SAN CARLOS INC	14,583	345	2.37%
BELMONT INC	11,870	278	2.34%
HILLSBOROUGH INC	4,049	85	2.10%
BURLINGAME INC	15,506	317	2.04%
REDWOOD CITY INC	34,954	713	2.04%
BRISBANE INC	2,489	50	2.01%
FOSTER CITY INC	14,673	287	1.96%
WOODSIDE INC	2,290	39	1.70%
COLMA INC	687	11	1.60%
ATHERTON INC	2,697	42	1.56%
MENLO PARK INC	15,748	223	1.42%
Grand Total	302,774	7,880	2.60%
Adjusted Total	302,774	7,325	2.42%

There are now over 5,000 accounts in ECO100. In addition to the County, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of October 15, 2018, include Atherton, Belmont, Brisbane, Burlingame, Colma, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Portola Valley, Redwood City, San Carlos, San Mateo, Woodside, and the County of San Mateo.

Note that the opt-up rates below include municipal accounts, which may noticeably increase the rate in smaller jurisdictions.

### Active Accounts by City and Opt-Up Rate

City	Active	ECO100	Opt-Up %
Atherton	2,608	57	2.19%
Belmont	11,536	152	1.32%
Brisbane	2,424	80	3.30%
Burlingame	15,059	318	2.11%



Colma	667	29	4.35%
Daly City	32,811	65	0.20%
East Palo Alto	7,628	17	0.22%
Foster City	14,265	267	1.87%
Half Moon Bay	4,765	89	1.87%
Hillsborough	3,933	62	1.58%
Menlo Park	15,425	422	2.74%
Millbrae	9,097	91	1.00%
Pacifica	14,893	123	0.83%
Portola Valley	1,572	1,471	93.58%
Redwood City	33,829	624	1.84%
San Bruno	15,796	83	0.53%
San Carlos	14,034	261	1.86%
San Mateo	42,745	581	1.36%
So San Francisco	23,955	75	0.31%
Uninc San Mateo Co	23,632	463	1.96%
Woodside	2,229	49	2.20%
Unallocated			
Unallocated (cust type)	241		
<b>Grand Total</b>	<b>293,144</b>	<b>5,379</b>	



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** October 15, 2018  
**BOARD MEETING DATE:** October 25, 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 September and October Regulatory and Legislative Activities

**SUMMARY:**

The end of September and early October saw a firm pick-up in regulatory and legislative activity compared to the prior month due to activities related to 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 Thursday, October 4, 2018, Jeremy Waen attended the CPUC's Supplier Diversity En Banc in Richmond, CA. As part of the en banc, CalCCA released a Beyond Supplier Diversity Report<sup>1</sup> to continue CCA's engagement with the Commission on the topic of inclusion and diversity.

On Tuesday, October 9, 2018, Joe Wiedman attended three ex parte meetings related to the Commission's Integrated Resource Planning docket (R.16-02-007) with representatives from MCE Clean Energy and Silicon Valley Clean Energy. Meetings were held with Maria Sotero, advisor to Commissioner Guzman-Aceves; Forest Kaser, advisor to Commissioner Michael Picker; and Simi George and Sandy Goldberg, advisors to Commissioner Rechtschaffen. At the meetings, CCA representatives discussed the use of hydro resources from the Pacific

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<sup>1</sup> Available at: <https://cal-cca.org/wp-content/uploads/2018/10/CalCCA-Beyond-Supplier-Diversity-Report.pdf>

Northwest to meet greenhouse-gas free goals of certain CCAs, continuing discussions about the need for any advanced procurement of renewable energy resources to capture federal tax credits, and CCAs' ongoing activities to serve their disadvantaged communities. Mr. Wiedman discussed PCE's procurement of long-term renewable resources and our programs focused on our disadvantaged communities.

On Friday, October 12, 2018, Joe Wiedman attended a workshop in the Commission's new Disconnection Order Instituting Rulemaking (OIR), R.18-07-005. At the workshop, stakeholders discussed disconnection trends with a particular focus on utility data concerning the historic level of disconnections to present. The workshop was designed to level-set stakeholders on the topic so that all parties in the docket have a clearer understanding of the level of disconnections taking place in the state within a historical context. Data presented at the workshops showed that PG&E's disconnection level has been rising but not dramatically so. However, it was evident to various stakeholders that more work can be done to engage with customers who are having challenges in paying their bills prior to the customer being identified for disconnection including insuring customers have access to energy efficiency programs, weatherization programs and other programs that can help them reduce their overall bills. CalCCA is working with a number of CCAs to identify ways that CCAs can play a positive role in reducing disconnections given our relationships in our communities.

### Regulatory Advocacy

*Affordability Order Instituting Rulemaking (OIR)* – R.18-07-006 – On July 12, 2018, the CPUC opened a rulemaking to address affordability of utility services in a more comprehensive fashion across the range of essential services that Californians purchase from utilities – telecommunications, energy, water, and sewer services. Particular focus is being given early in the docket to development of data and metrics to assess affordability, working on a common understanding of what affordability means in the context of essential services, and also what impacts affordability of essential services in a state as diverse as California. On August 13, 2018, CalCCA filed comments in the OIR which made four general points: 1. Evaluate affordability from the customer's perspective: do not lean too heavily on CA's mild-climate and low usage; 2. Acknowledge other cost-of-living realities that customers are facing: CA may have low utility bills, but everything else is expensive; 3. Examine cost increases as well as reductions like those CalCCA proposes in the PCIA proceeding; and 4. Ensure that CARE/DAC programs are worth their corresponding rate impacts which those customers also pay. On Friday, October 12, 2018, Joe Wiedman attended a Prehearing Conference to discuss scope and schedule for the docket. The conversation focused on whether commercial and industrial customers should be included in the conversation. Telecommunications providers also argued that they should not be included in the docket because the CPUC does not regulate their rates or services. Stakeholders felt that commercial and industrial customers should not be a focus of effort due to lack of resources and the dire affordability situation for low- and moderate-income citizens. Stakeholders argued that telecommunications providers should be included in the docket as their services are essential for health, life and safety of citizens and a complete picture of affordability was needed.

*R.17-06-026 – Power Charge Indifference Adjustment (PCIA) OIR* – R.17-06-026 – PCIA – On Thursday, October 11, 2018, the CPUC voted out the alternate proposed decision on the Power Charge Indifference Adjustment (PCIA) developed by Commissioner Peterman on a 5-0 vote. The certified decision has not been released by the Commission, but staff has reviewed the redline drafts. The decision had many changes: (1) it caps the PCIA after 2019 to rise only by half a cent; (2) it allows the PCIA to go negative; (3) it revises the "true-up" to apply only to

brown power and sets up further discussion via working groups for developing true-ups of resource adequacy and renewable portfolio standard costs; and (4) establishes working groups on departing load forecasts, development of prepayment options, development of portfolio optimization and cost reduction, and development of portfolio allocation and auction mechanisms. As anticipated pre-2002 utility owned generation was retained within the PCIA and the 10-year limit on utility cost recovery of post-2002 utility owned facilities was removed. A more detailed summary produced by Braun Blasing Smith Wynne PC is attached to this Board memorandum.

*PG&E Advice Letter 5322-E* – (no docket) – On Thursday, September 20, 2018, the PUC released a Draft Resolution E-4949 approving four energy storage contracts submitted by PG&E to address reliability concerns in certain local capacity areas submitted for approval by PG&E in Advice Letter 5322-E on June 29, 2018. On Wednesday, October 10, 2018, CalCCA, Public Advocates Office, Calpine, Shell and NRG filed comments opposing the resolution. Center for Energy Efficiency and Renewable Technologies, California Energy Storage Alliance and PG&E filed comments supporting the resolution.

#### Legislative Advocacy

The legislative session ended August 31, 2018. PCE is coordinating with CalCCA on implementation strategy for SB 237 (Hertzberg) which allows for an additional 4000 GWh of direct access transactions in the state. 4000 GWh is approximately 3% of load for the large investor-owned utilities combined.

#### **FISCAL IMPACT:**

Not applicable.

Attachment 1

Thumbnail Sketch of the Revised Alternate Proposed Decision  
Power Charge Indifference Adjustment

# Braun Blaising Smith Wynne, P.C.

Attorneys at Law

## Thumbnail Sketch of the Revised Alternate Proposed Decision - Power Charge Indifference Adjustment -

On August 14, 2018, assigned Commissioner Carla Peterman authored an Alternate Proposed Decision (APD) in the Power Charge Indifference Adjustment (PCIA) proceeding ([R.17-06-026](#)). The APD received significant comments and opposition. In response, two sets of revisions to the APD were issued in the week preceding the Commission's formal vote on October 11, 2018 ([Revision 1 Redline](#); [Revision 2 Redline](#)). By a vote of 5-0, with Commissioner Rechtschaffen reserving the right to file a concurrence, the revised APD was adopted at the Commission's October 11, 2018 Business Meeting (See [Meeting Notes and Discussion](#)).

The following is a thumbnail sketch of changes to the APD and enduring elements of the APD.

### **What changed in the APD:**

1. **Cap**: The revised APD made clear that, since the 2019 PCIA was intended to correct a flawed methodology, no cap would apply in 2019. In 2020 and beyond, the PCIA may only increase by \$0.005 per kWh per year, subject to a trigger mechanism. The revised APD provided detail on expedited trigger applications that the investor-owned utilities (IOUs) are required to file once under-collections are expected to reach 10 percent of PCIA revenues, and not expected to self-correct below 7 percent by the end of the year.
2. **Floor**: This appears to be one of the positive elements of the APD. The revised APD made clear that the PCIA could go negative, even if this means providing a credit (payment) to departing customers. This differs from past exit fee decisions, which prohibited credits and only allowed negative PCIA amounts to offset future positive PCIA amounts.
3. **True-up**: The revised APD modified the true-up process such that the true-up for 2019 will just apply to brown power. True-up of Resource Adequacy (RA) and Renewables Portfolio Standard (RPS) values will be addressed in Phase 2, with a "goal" of developing a true-up process for RA and RPS values by the end of 2019. Within 60 days of the final decision (so, by mid-December 2018), the IOUs are required to file Tier 2 advice letters that (1) describe the methodology for implementation of a brown power true-up and (2) provide a proposal for how RA and RPS values could be trueed up, including details about such values and the possibility of establishing a balancing account to isolate such costs (for further discussion in Phase 2).
4. **Prepayment**: The revised APD included significant discussion from Sonoma Clean Power and CalCCA on prepayment proposals, but the revised APD did not materially change the outcome:
  - References to good faith negotiations have been removed
  - As part of Phase 2, a separate "Prepayment Working Group" will be established

- The Commission has an expectation that the Prepayment Working Group will develop consensus recommendations
  - The revised APD still requires the filing of a formal application to propose a prepayment arrangement
5. **Price Information:** The revised APD kept in place the requirement that ESPs and CCAs provide RA and REC price information, but significantly increased the amount of legal support for this requirement.
6. **Pre-2009 Vintage Issues:** The revised APD responded to a request by direct access (DA) parties and Electric Service Providers (ESPs) for a determination on the non-applicability of the PCIA to pre-2009 DA customers. The revised APD makes clear that that issue is being addressed in the so-called Consolidated ERRA docket ([A.14-05-024](#)), and that the PCIA decision will not prejudice the outcome. At issue in the Consolidated ERRA docket is whether pre-2009 vintage customers should bear responsibility for legacy utility-owned generation (UOG).
7. **Phase 2 – Working Group Process:** The revised APD spends a considerable amount of time teeing-up and managing expectations with respect to Phase 2. In many respects, the revised APD tones down expectations. The following areas will be addressed in Phase 2:
- Further guidance on and improvement to departing load forecasts
  - Development of a benchmark true-up for RA and RPS adders
  - Further details on the prepayment option and a consensus recommendation
  - Proposals for IOU portfolio optimization and cost reduction
  - Proposals for IOU portfolio allocation and auction
    - The first revision to the APD made clear that, with recent legislation on securitization for wildfire liability, it is uncertain (at best) that utility borrowing would be robust enough to support portfolio securitization
  - GHG Adder: Commissioner Rechtschaffen will likely file a concurrence seeking to have the issue of a discrete Greenhouse Gas (GHG) adder added for consideration in Phase 2

**Phase 2 Time and Structure:**

- Phase 2 is expected to start within 60 days (presumably with the scheduling of a prehearing conference).
- The Commission expects that Phase 2 (at least the working group portion) will cease by the end of October 2019.
- Phase 2 will employ a more formal “working group” concept, modeled after the Direct Access Working Group (DAWG) used to implement restructuring in the late 1990s. There will be separate working groups.

**What largely remained as-is in the APD:**

1. **Treatment of Legacy UOG:** The APD holds that pre-2002 UOG should continue to be included in the calculation of the PCIA. The APD modifies a previous Commission decision, and holds that post-2002 UOG should not be subject to a 10-year limitation for inclusion in the PCIA. Going forward, post-2002 UOG will be included in the PCIA without time limitations.
2. **Market Price Benchmarks:** The APD adopts three benchmarks, but declines to adopt a fourth benchmark relating to the GHG-free value associated with the IOUs' portfolio.
  - **Brown Power:** The brown power index will continue to be calculated as-is, namely, based on year-ahead forward prices for shaped products reflecting the IOUs' load profiles, using publicly available price information.
  - **RPS Adder:** For 2019, an RPS adder will be established using Platts index value for a "California Bundled REC (Bucket 1)" product, valued as of November 1, 2018. For 2020 and beyond, the RPS adder will be calculated using reported prices from purchases and sales of renewable energy by the IOUs, Community Choice Aggregators (CCAs) and ESPs during the year that is two years prior to the forecast year (year n-2) for delivery in the forecast year (year n).
  - **RA Adder:** For 2019, an RA adder will be established using the weighted average system and local RA prices in the most recent annual RA report. For 2020 and beyond, the RA adder will be calculated using reported purchase and sales prices from IOU, CCA, and ESP transactions made during (year n-2 and year n-1) for deliveries in (year n-1 and year n). A zero or *de minimis* price will be assigned for RA capacity expected to remain unsold.
3. **Bill Presentment:** The APD agreed with CalCCA and DA parties that the IOUs' tariffs and bills should be revised so that bundled customers are aware of the fact that all customers, including departing load customers, are contributing to the cost of the IOUs' resources. The APD adopts a process whereby a workshop in Phase 2 will specify the details for changes to the tariffs and bills, and will provide input on the deadline for implementation efforts.
4. **Rate Design:** The APD adopts the proposal offered by the IOUs to slightly revise rate design for the PCIA such that revenue allocation factors for the PCIA are consistent with factors used to allocate generation costs to the IOUs' bundled customers. It is expected that this rate design change may slightly increase the PCIA for large customers vis-à-vis residential and small customers.



5. **Rejection of Certain IOU Proposals:** The APD expressly rejects two key proposals advanced by the IOUs:

**GAM/PMM:** The APD rejects the IOUs' Green Allocation Methodology/Portfolio Monetization Mechanism (GAM/PMM) on policy grounds. The APD concludes that the Commission will not pursue a policy scheme of mandatory portfolio allocation to CCAs and ESPs in order to resolve the problem of excess resources.

**Non-Vintaging of Supposedly Public Purpose Resources:** The IOUs proposed to withdraw various resources from the PCIA, and have those resources separately valued so that the above-market costs would be applied to all departing customers, not just to those departing customers with a PCIA vintage after the resource was acquired. As proposed, the affected resources are those associated with programs that the IOUs feel are "mandated." The APD rejects the IOUs' proposal, saying that if the IOUs wish to pursue this cost-allocation approach for *future* resources, the IOUs should propose this methodology when the resource is being considered for approval.

**Upcoming Key Events:**

- Within 10 days of the final decision, the IOUs will submit a common spreadsheet for calculation of their PCIA rates.
- The IOUs have "November Updates" to submit in their respective ERRA proceedings on or about November 7 (for both SCE and PG&E). These November Updates will be the first formal opportunity parties have to see the PCIA for 2019, although parties in the proceeding have been provided rate impact tables by the IOUs for estimated PCIA associated with the Proposed Decision and APD. (See [Folder](#))
- Within 30 days from issuance of final decision (roughly, by mid-November), parties may file an application for rehearing of the final decision.
- Within 60 days of the final decision (by mid-December), IOUs will file advice letters on Portfolio Allocation Balancing Accounts (to allow for true-up of brown power, and to propose a framework for RA and RPS true-up for discussion in Phase 2).
- Although not included in the Ordering Paragraphs, the body of the decision states that Phase 2 will formally be initiated (presumably with a prehearing conference) within 60 days of the final decision (so, by mid-December).



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** October 17, 2018  
**BOARD MEETING DATE:** October 25, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

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

**SUBJECT:** Local Programs Report

**SUMMARY**

Four of the five programs approved by the Board in April are currently being executed:

- Community Pilots
- EV Ride and Drives
- EV Apartments Technical Assistance, and
- New Vehicle Dealer Promotion.

The Low-Income Vehicle Incentive is under development.

Details on the Community Pilots program are found in the separate memo on the Pilots.

**DETAIL**

The board approved five programs at the April 26, 2018 meeting. Below is the summary status of each program element except Community Pilots with additional detail further below:

Program	Status
<b>EV “Ride &amp; Drive” events:</b> Special emphasis on corporate campuses. 6 events reaching ~1,000 participants.	Events completed: Genentech (8/9), Facebook Festival (8/11), San Mateo County Center (11/3). Events confirmed: Burlingame Fall Fest (10/28), YouTube (11/16). Additional detail below.
<b>New Vehicle Promotion:</b> Competitive solicitation to dealers to deliver aggressive cost discount.	Stewart Chevrolet and Burlingame Nissan are participating. Center for Sustainable Energy selected for administrative support. Additional detail below.
<b>Easy Charge Apartments:</b> Technical assistance program for apartment building owners for EV infrastructure.	12 site visits complete. Load studies in progress. Developed detailed analysis of building stock. Program recommendations also under development.
<b>Low-Income Used EV Incentive:</b> Incentive program for used EV adoption by low-income residents. Estimated incentive level: \$4,000/vehicle.	Under development. Entering into MOU with Peninsula Family Services as formal partner. Work has focused on aligning the program with the State’s new low-income Clean Vehicle Assistance Program and local partners.

## EV Ride & Drives

PCE has completed 3 of 6 EV Ride & Drive events:

1. Genentech - August 9, 2018: The event produced a total of 184 test drives and 108 passenger rides for a total of 292 EV experiences. Chevrolet, Nissan, Tesla, BMW, Volvo and Audi models were represented. There were a total of 11 test drive vehicles and an additional 3 display vehicles, including an electric motorcycle.
2. Facebook Summer Jam Festival – August 11, 2018: The event produced a total of 158 test drives and 144 passenger rides for a total of 302 EV experiences. Chevrolet, Nissan, Tesla, Audi and BMW models were represented. There were a total of 9 test drive vehicles and an additional 3 display vehicles.
3. San Mateo County – October 3, 2018: The event produced a total of 144 test drives and 54 passenger rides for a total of 198 EV experiences. Chevrolet, Nissan, Tesla, Honda and BMW models were represented. There were a total of 6 test drive vehicles and an additional 2 display vehicles. Event photos:



Pending events include Burlingame Fall Fest (Oct. 28) and YouTube (Nov. 16). We continue to explore other site candidates for the sixth Ride and Drive.

### **New EV Promotion (Dealer Program)**

On October 1, 2018 PCE launched the new vehicle promotion program. This program is modeled at a high level on the Sonoma Clean Power DriveEV program (formerly Drive EverGreen). The program includes a competitive RFP which invites dealerships to offer competitive discounts from which PCE selected three dealerships: Stewart Chevrolet, Burlingame Nissan, and Peter Pan BMW. However, Peter Pan BMW is experiencing difficulty with contract execution at the corporate level. BMW participation may still occur. As part of the program the dealerships offer advantageous discounts and PCE provides marketing support for a three-month period.

It is important to note, the PCE program differs from the Sonoma program in that the PCE program does not offer a buyer rebate as found in the Sonoma program in prior rounds (\$2,500+ per vehicle). The rationale for not having a sizable rebate has been that unlike Sonoma County, San Mateo County is a high adopter region and a large PCE rebate would result in delivering incentives to many buyers that would have bought vehicles even without the rebates (i.e.: large “free rider” problem). The PCE program does offer a modest dealer direct incentive of \$250/vehicle. The difference may result in the Sonoma and PCE programs not being directly comparable.

PCE is investing in marketing with approximately \$100,000 across mailings (3 times to ~270,000 accounts), print ads (multiple runs across a cumulative circulation of 100,000), email (3 times to ~110,000 with 20+% open rate), online ads and social media. As of October 18, 2018 the cumulative circulation and impressions is approximately 600,000. The website has received 4,600 unique page views. The dealerships are reporting notable frequency in customers referring to the program (approximately two per day according to Burlingame Nissan).

As of October 17, 2018, sales directly associated with the program are modest: 2 vehicles at Burlingame Nissan (statistics have been requested from Stewart Chevrolet). However, this likely understates actual sales associated with the program since customers who may go to a dealership but do not mention PCE may not be identified and some customers motivated by PCE marketing may decide to shop for EVs at other dealerships (one reported case). It is likely that the program has influence which may not be directly trackable.

Staff is looking to execute a broad market survey to gauge interest and awareness as a baseline for future EV promotion assessment. This market survey will include assessing whether PCE is perceived as a “trusted messenger” on EV information, providing an additional metric of the effectiveness of the current campaign.



**PENINSULA CLEAN ENERGY**  
JPA Board Correspondence

**DATE:** October 15, 2018  
**BOARD MEETING DATE:** October 25, 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 – October 2018

**BACKGROUND:**

This memo summarizes the agreements entered into by the Chief Executive Officer since the last regular Board meeting in September 2018. 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.

<b>Execution Month</b>	<b>Purpose</b>	<b>Counterparty</b>	<b>Term</b>
September 2018	PCC1	Portland General Electric	3 months
October 2018	GHG Free	Avangrid Renewables, LLC	3 months
September 2018	Purchase of Resource Adequacy	High Desert	2 years
October 2018	Purchase of Resource Adequacy	Shell Energy North America	1 month
October 2018	Sale of Resource Adequacy Import Capability Rights	Shell Energy North America	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.