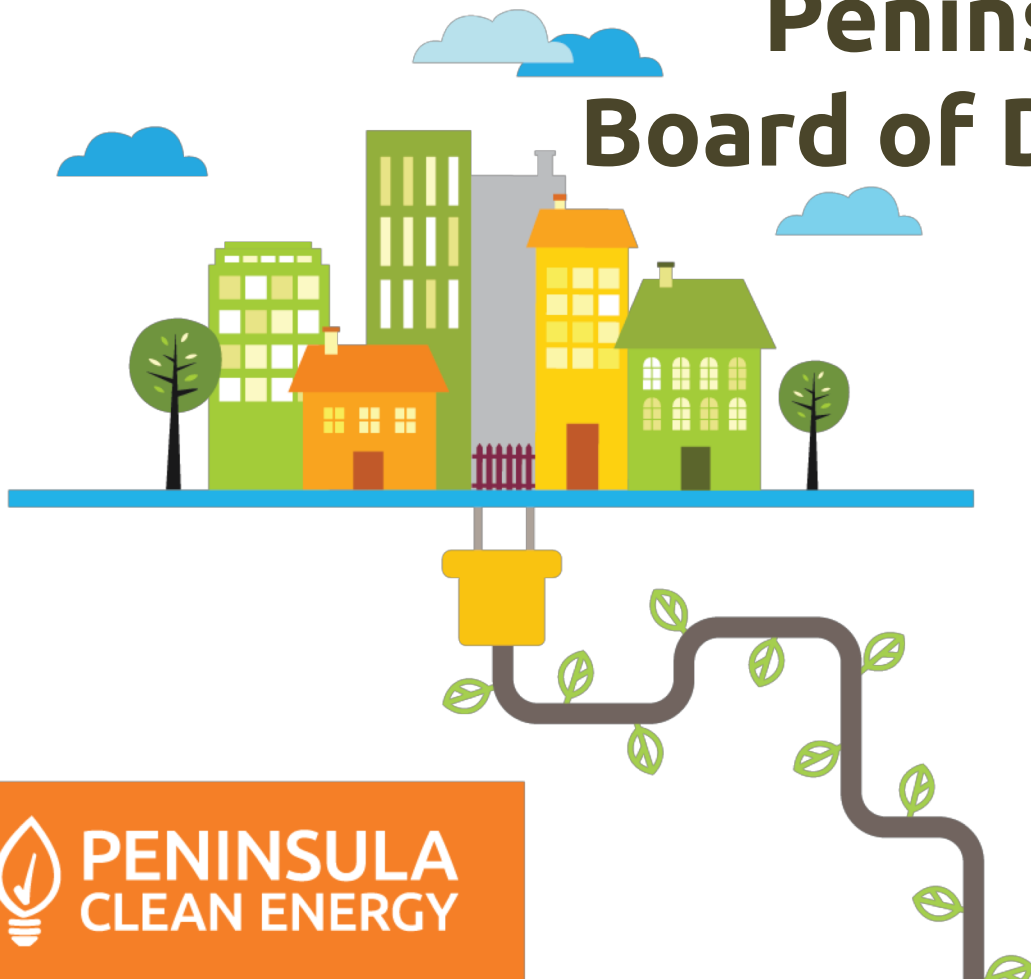


# Peninsula Clean Energy Board of Directors Meeting

November 15, 2018



**PENINSULA  
CLEAN ENERGY**

# **Agenda**

**Call to order / Roll call**

**Public Comment**

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

# Regular Agenda

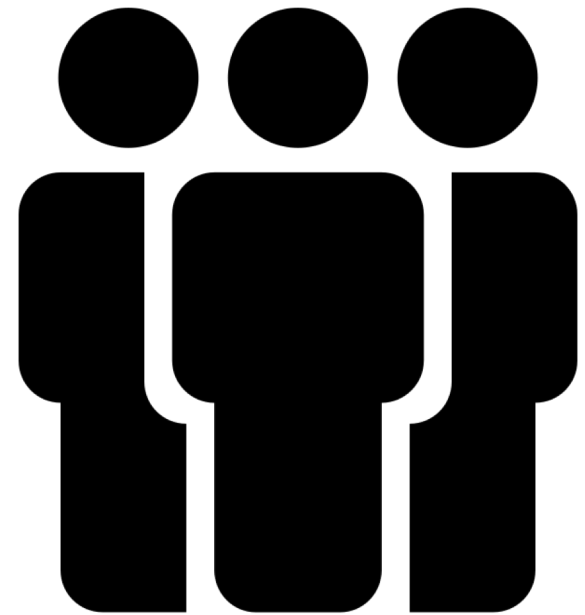
## **1. Chair Report (Discussion)**

# Regular Agenda

## **2. CEO Report (Discussion)**

# Personnel Update

- Community Outreach Associate/Coordinator:
  - Welcome Carlos Moreno who started on November 1
- Distributed Energy Resources Manager
  - Re-posting position and request for applicants



# Green Power Community/Partnership Update

- Thank you to all of the cities for designating your internal staff person
- Applications will be sent to EPA for all 21 PCE jurisdictions to receive Green Power Community status
- Applications will be sent to EPA for all ECO100 jurisdictions to receive Green Power Partnership status \*
- Will be completed before end of 2018



# EV Promotion

- Now have 3 participating dealerships:
  - Putnam Nissan in Burlingame
  - Stewart Chevrolet in Colma
  - Peter Pan BMW in San Mateo – starting Monday, Oct 29
- Added PCE customer rebate of \$1000
  - Third (and final) postcard mailer in mail this week
- Sales are increasing!

# Upcoming Regulatory/Legislative Meetings

- State Senator Jerry Hill – Monday, November 5 at 12:30pm
  - Thank you to Rick Bonilla for attending
- Assembly Member Marc Berman – Tuesday, Nov 27 at 11:00 am
- State Senator Scott Wiener – Tuesday, Nov 27 at 2:00 pm
- Assembly Member Phil Ting – Wednesday, Dec 5, 2:00 pm
- Assembly Member Kevin Mullin – Thursday, Dec 6, 1:30 pm



# CalCCA Local Elected Board Members Committee

- Purpose:
  - Get to know each other
  - Work collaboratively on legislative issues important to CCAs
- Meet quarterly with other elected board members from other CCAs
- Who is interested from PCE board?



# Looking for nominees for ...

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

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

# Regular Agenda

## **3. Citizens Advisory Committee Report (Discussion)**

# Regular Agenda

**4. Authorize an adjustment in Peninsula Clean Energy's (PCE's) rates in the first quarter of 2019 to maintain a 5% discount in generation charges compared to PG&E. (Action)**

# PCE 2019 Rate Adjustment

November 15, 2018

Leslie Brown  
Director of Customer Care



# PCE 2019 Rate Adjustment Timeline

- June 2018: PG&E files 2019 Energy Resource Recovery Account (ERRA) Application with projected revenue requirements
- August 2018: PG&E files Annual Electric True-up (AET) with projected 2019 rates based on updates to date from June data
- November 2018: PG&E files ERRA update with revenue adjustments. Preliminary analysis indicates more adjustments coming before final Gen rates will be set.

# PCE 2019 Rate Adjustment

- PCIA increasing (in flux)
- PG&E Generation rates still in flux between ERRRA updates and December AET
- Allocations between rate classes is changing
- PCE is committed to maintaining a 5% discount in 2019

# PCE 2019 Rate Adjustment

- How Does PCE Currently Calculate Rates?
  - PG&E Generation Rate x 95%
  - Subtract PCIA
  - Subtract FFS
  - Result = PCE Rate

**PCE Generation Savings = 5%**



# PCE 2019 Rate Adjustment

- Action requested tonight:
  - Authorize staff to make adjustments in PCE's rates in 2019 to maintain a 5% discount in generation charges compared to PG&E

# Regular Agenda

5 a. Authorize the Chief Executive Officer to execute an amendment to the Power Purchase Agreement (PPA) for Renewable Supply with Mustang Two Whirlaway LLC, a Delaware Limited Liability Company, and any necessary ancillary documents. (Action)

5 b. Authorize the Chief Executive Officer to execute a letter consenting to a change of control of the Power Purchase Agreement (PPA) for Renewable Supply with Mustang Two Whirlaway LLC, a Delaware Limited Liability Company, and any necessary ancillary documents. (Action)

# RE Mustang Two Section 201 Delay and Change of Control



PENINSULA  
CLEAN ENERGY

## a. Amendment for Section 201

- PPA includes a Guaranteed Construction Start Date and Guaranteed Commercial Operation Date (COD):
  - PPA allows for an extension of the Guaranteed Dates if there are tariffs imposed on solar panels under Section 201 of the Trade Act of 1974.
  - The Section 201 Tariff was signed by President Trump on January 23, 2018 placing a tariff on imported solar cells and modules for a period of four years starting February 7, 2018.
  - The tariff was initially set at 30%, and declines 5% per year. The tariff also includes 2.5 GW of exempt solar cells per year.

## a. Amendment for Section 201

- The issuance of the Section 201 Tariff has created turmoil in the solar module and cell market as manufacturers, developers, and suppliers attempt to plan and account for the shocks to pricing, supply, and demand.
- The chart below provides excerpts from a Greentech Media report\* covering the expected increased module pricing due to the Section 201 tariff.

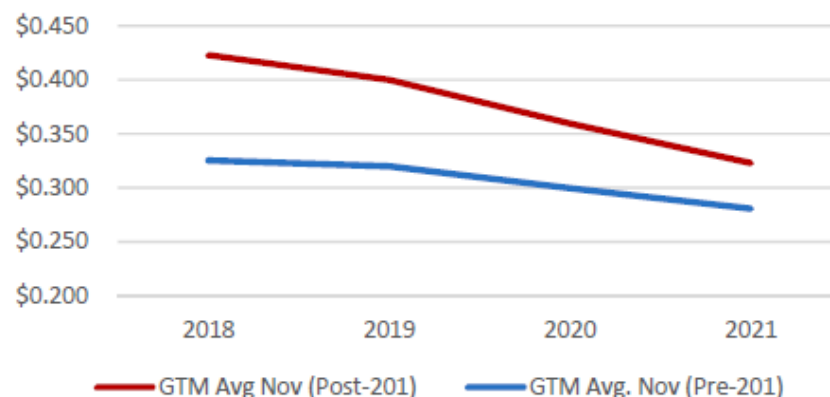
### Section 201 Tariff Impact

GreenTech Media forecasts the below post-201 average module pricing increases\*:

Year	\$/W Increase	% Increase
2018	\$0.098	30%
2019	\$0.08	25%
2020	\$0.06	20%
2021	\$0.042	15%

\*GTM Prices based on data from GTM Global PV System Pricing H2 2017 Data Report. Average prices based on: China, Philippines, Mexico, Canada, and Thailand.

Section 201 Impact to Module Pricing  
\$/W



## b. Consent to Change of Control

- Under Article 14 of the PPA, any Change of Control of Seller requires the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.
- RE Mustang Two team notified PCE that they are contemplating a sale to Solar Frontier Americas and are seeking PCE's consent.
- Solar Frontier Americas is a solar developer and IPP; it is the U.S. arm of a Japanese solar developer
  - Entered the U.S. market in 2010 and constructed 200 MW of solar in the past 36 months.
  - Their current development portfolio is 500 MW and they are looking to grow that to 1 GW.
  - End of 2017 – Decided to become an IPP and to own and operate projects over the long term

## b. Consent to Change of Control

- Solar Frontier is owned by Showa Shell Sekiyu, which is publicly traded on the Tokyo Stock Exchange
  - \$5B U.S. market cap
  - Strong credit ratings:
    - Rating and Investment Information, Inc. (R&I): A
    - Japan Credit Rating Agency (JCR): A; Outlook Stable
- Showa Shell also owns a thin film module manufacturing facility with 1 GW of capacity. Solar Frontier Americas may use these modules, but will evaluate all options.
- Generation business owns and operates 700 MW of natural gas, solar, biomass and storage assets and just announced acquisition of 1.2 GW combined cycle gas plant in Ohio, which will come online in 2020.
  - 20 solar projects in Japan totaling 70 MW
  - 12.5 MW battery storage

# Regular Agenda

## **6. Approve Revisions to PCE's Strategic Goals (Action)**

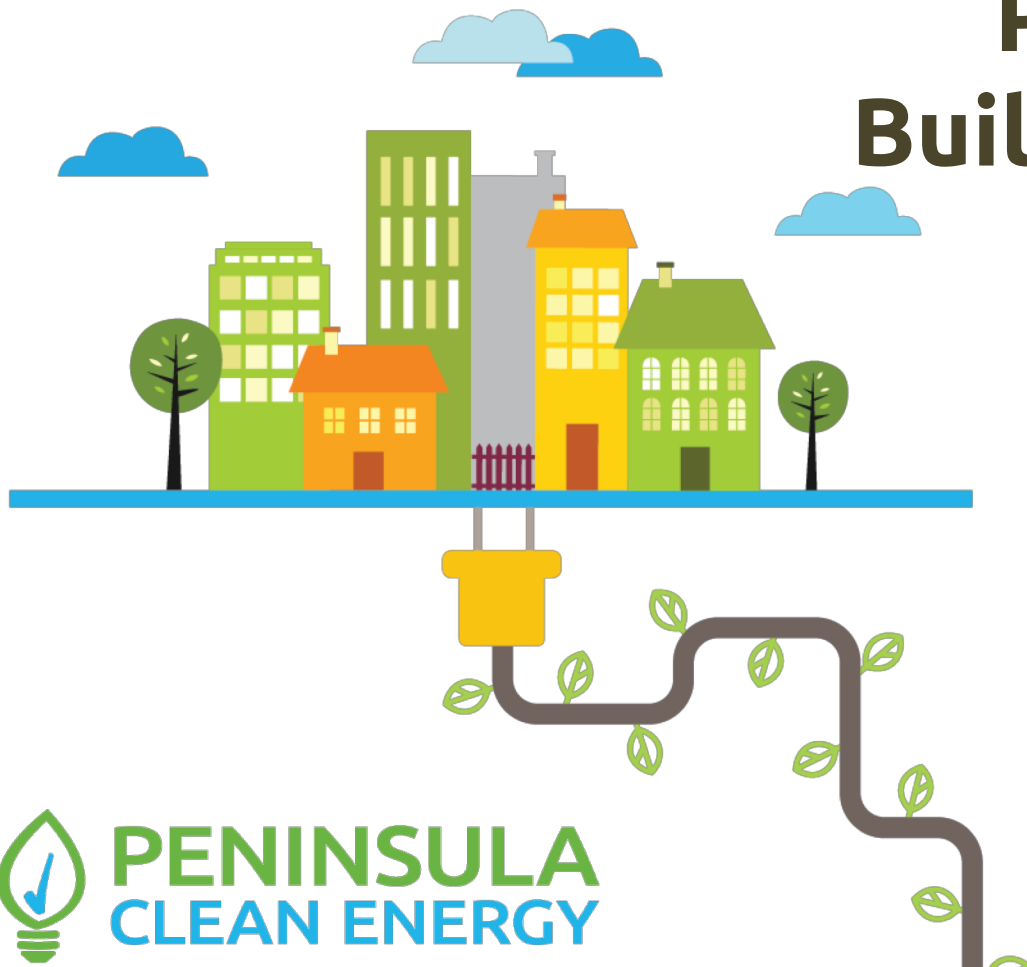


# Regular Agenda

## **7. Review EV and Building Electrification Reach Code Program (Discussion)**

# Phase 2 Programs: Building Reach Codes

November 15, 2018



# Programs & Update

## **2018: Phase 1**

- Community Pilots
- Apartment Technical Assistance
- EV Dealer Incentive Program
- EV Promotion (Ride & Drives)
- Low Income Incentive Program

## **2019: Phase 2**

- EV and Building Electrification Reach Codes
- EV Infrastructure Incentives
- EV Promotion
- Curbside & MUD Pilot (already approved)

# “Reach” Code Program Summary

**Objective:** Implement electric vehicle charging infrastructure (EVCI) and building electrification “reach” codes for new building construction in all San Mateo County cities, towns, and the county (through PCE) and similarly in Santa Clara County (through SVCE)

**Rationale:** Installation during new construction is substantially more cost effective than retrofitting

**Deadline:** “Reach” code adoption by January 2020, aligned with CA Building Code updates for all local jurisdictions

**Partners:** San Mateo cities, SMC OOS, Silicon Valley Clean Energy (SVCE), & consultant

**Budget Request:** \$500k over FY2018-2019 and FY2019-2020; SVCE will cost share ~\$100k

**Timing:** 4Q18-1Q19 Consultant Selection; 1-2Q19 Code Development; 3Q19-1Q20 Code Implementation

# Reach Code Objectives, EVCI

**Objective:** Implement electric vehicle charging infrastructure (EVCI) reach codes for new building construction (PCE focus)

Potential EVCI requirements:

- Single family home readiness for 2 EVs
- Condos: Level 2 (240v) outlet per unit
- Apts: Level 2 or Level 1 (110v) outlet per unit
- Workplace/Commercial: TBD. Fast charge, L2 & L1 under consideration



# Reach Code Objectives, Electrification

**Objective:** Implement building electrification reach codes for new building construction (SVCE focus)

Potential Building Electrification requirements:

- All electric buildings
- Dual fuel with electric preference
- Performance or prescriptive approaches



# Reach Code Partners, Budget & Timing

**Partners:** SMC Municipalities, Silicon Valley Clean Energy (SVCE), SMC Office of Sustainability (OOS) & consultant

- SMC municipalities, code recipients
- SVCE - scale & intra-county code uniformity
- OOS, county-wide code implementation experience + SMC municipality relationships
- Consultant selected via RFP - EV and building electrification code development & implementation expert

**Budget Request:** \$500k; SVCE will cost share ~\$100k

**Timing:**

4Q18-1Q19	Consultant Selection
1Q19-2Q19	Code Development
3Q19-1Q20	Code Implementation

# Regular Agenda

## **8. Board Members' Reports (Discussion)**



# Regular Agenda

**Adjourn**