



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, December 20, 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. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: Chief Executive Officer
2. CONFERENCE WITH LABOR NEGOTIATORS  
Agency Designated Representatives: Jeff Aalfs and Matthew Sanders  
Unrepresented Employee: Chief Executive Officer
3. RECONVENE OPEN SESSION AND REPORT ANY ACTION(S) TAKEN DURING  
CLOSED SESSION

## **REGULAR AGENDA**

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Citizens Advisory Committee Report (Discussion)
4. Recognition of Retiring Board Members (Discussion)
5. Approve four new PCE policies designed to satisfy data-privacy and security requirements of the California Public Utilities Commission: (Action)
  - a. AMI Data-Privacy and Security Policy
  - b. Privacy Notice
  - c. Information Technology Security Policy
  - d. Records Retention Policy
6. Approve 2019 Board of Directors Meeting Schedule (Action)
7. Approve the proposed PCE four-year \$16 million Electric Vehicle Infrastructure Incentive Program (Action)
8. Review 2019 Electronic Vehicle Ride & Drive Marketing Program expending up to \$750,000 over the course of 3 years (Fiscal Year 2019-2020 through Fiscal Year 2022-2023) (Discussion)
9. Approve Revisions to PCE's Strategic Goals (Action)

10. 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)
11. Board Members' Reports (Discussion)

### **CONSENT AGENDA**

12. Approval of the Minutes for the October 25, 2018 Meeting (Action)
13. Approval of the Minutes for the November 26, 2018 Special Meeting (Action)
14. Approve Employee Handbook (Action)
15. Authorize the Chief Executive Officer to execute an amendment to the Power Purchase Agreement for Renewable Supply with Shiloh 1 Wind Project LLC, an Oregon Limited Liability Company, and any necessary ancillary documents. (Action)
16. Authorize an Amendment to the Agreement with Pacific Energy Advisors (PEA) to provide professional services through December 31, 2019, increasing the amount by \$100,000 (Action)
17. Approve Appointment of Andrew Stern as Treasurer (Action)
18. Approve Revised Investment Policy previously approved by the Board on October 25, 2018 (Action)
19. Approve Resolution for Fiscal Year 2017-2018 Audited Financial Statements approved by the Board on October 25, 2018 (Action)
20. Approve Resolution for Recommended Community Pilot Projects approved by the Board on October 25, 2018 (Action)
21. Approve Resolution for the Inclusive and Sustainable Workforce Policy that was approved by the Board on October 25, 2018, and was adopted as a replacement for the previously adopted Sustainable Workforce Policy (Action)

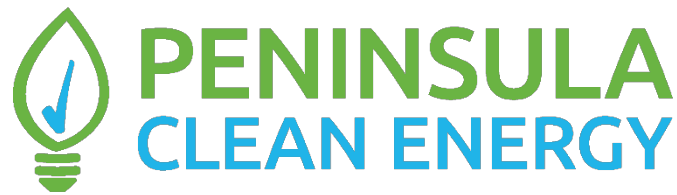
### **INFORMATION ONLY REPORTS**

22. Marketing and Outreach Report
23. Regulatory and Legislative Report
24. Local Programs Report
25. 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:** December 12, 2018  
**BOARD MEETING DATE:** December 20, 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**

We decided to continue to recruit for the Manager of Distributed Energy Resources and have modified the job description and changed the position title to Manager of Distributed Energy Resources Strategy. We have also been recruiting for a Regulatory Analyst/Senior Regulatory Analyst. Both positions are posted on PCE's website.

**CalCCA Update**

PCE hosted the CalCCA board meeting at our offices in Redwood City on December 13. Main items of discussion included regulatory and legislative advocacy, including the PCIA and ERRA decisions and impacts on CCAs.

**Meetings with Local Legislators**

Thank you to our board members who participated in meetings with our local legislators:

- \* Meeting with Assemblymember Marc Berman on November 27: Jeff Aalfs and Cat Carlton
- \* Meeting with Senator Scott Wiener on November 27: Jeff Aalfs, Rick Bonilla, and Cat Carlton
- \* Meeting with Assemblymember Phil Ting on December 6: Rick DeGolia and Daniel Yost
- \* Meeting with Assemblymember Kevin Mullin's staff on December 6: Jeff Aalfs, Rick Bonilla, and Daniel Yost



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** Dec. 5, 2018  
**BOARD MEETING DATE:** Dec. 20, 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

**SUBJECT:** New PCE Advanced Metering Infrastructure (AMI) Data-Privacy and Security Policy, IT-Security Policy, Privacy Notice, and Records Retention Policy

**RECOMMENDATION**

Approve PCE's new Advanced Metering Infrastructure (AMI) Data-Privacy and Security Policy, IT-Security Policy, Privacy Notice, and Records Retention Policy.

**BACKGROUND**

In 2012, the Public Utilities Commission (PUC) issued Decision 12-08-045 (Decision), which extended certain requirements for protecting the privacy of Advanced Metering Infrastructure (AMI) data (i.e., customer energy usage data) to Community Choice Aggregators. The PUC's Decision requires that PCE, as a CCA:

1. Provide, at particular points in time, a notice to PCE's customers regarding how PCE handles their energy usage data; and
2. Adopt policies to ensure that PCE protects the privacy of customer energy usage data, including policies around customer access and control, disclosure and storage, security, and accountability and auditing.

The Decision also requires PCE to conduct an audit every three years to evaluate its compliance with the Decision's requirements. PCE must submit its first audit report to the PUC by April 30, 2019, for the period January 1, 2016 through December 31, 2018.

To meet these requirements, the San Mateo Office of County Counsel, with input from PCE staff, has drafted four policies recommended for Board approval:

1. AMI Data Privacy and Security Policy;
2. Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information (Privacy Notice)
3. IT Security Policy
4. Records Retention Policy

The Privacy Notice is not technically a policy, but by adopting it as one, PCE can more easily manage and update it. Also, while only portions of the Records Retention Policy are required by the PUC's Decision, it makes sense to use this opportunity to adopt a comprehensive retention policy.

Once the Board approves these policies, PCE staff will implement them, including by (a) adding the Privacy Notice to PCE's website and customer correspondence, and (b) taking other actions required by the PUC's Decision, beyond those that PCE has already implemented. In addition, in December 2018, the County Counsel's Office will provide training to PCE staff regarding how to implement these policies and comply with the Decision. Finally, PCE is in the process of hiring an auditor, both to conduct the required audit and to identify how PCE can improve its ongoing implementation of the Decision's requirements and these new policies.



**PENINSULA  
CLEAN ENERGY**

Policy Number: **XX**

Adoption Date: **DATE**

**Subject:** Advance Metering Infrastructure (AMI) Data Privacy and Security Policy

**Policy:** Decision 12-08-045, issued by the California Public Utilities Commission (Commission) on August 31, 2012, requires certain privacy protections for the energy usage data of customers of Community Choice Aggregators, including PCE. This policy provides those protections.

## 1. General

- a. PCE will implement reasonable administrative, technical, and physical safeguards to protect “covered information”<sup>1</sup> from unauthorized access, destruction, use, modification, or disclosure.
- b. PCE will provide reasonable training to all employees and contractors who use, store, or process covered information.
- c. PCE will collect, store, use, and disclose only as much covered information, and for as long, as is reasonably necessary or as authorized by the Commission, to accomplish (1) a specific primary purpose or (2) a specific secondary purpose authorized by a customer.<sup>2</sup>
- d. PCE will ensure that the covered information it collects, stores, uses, and discloses is reasonably accurate and complete or otherwise compliant with applicable rules and tariffs regarding the quality of energy usage data.

---

<sup>1</sup> “Covered information” means “any usage information obtained through the use of the capabilities of Advanced Metering Infrastructure when associated with any information that can reasonably be used to identify an individual, family, household, residence, or non-residential customer, except that covered information does not include usage information from which identifying information has been removed” or “information provided to the Commission pursuant to its oversight responsibilities.” Decision (D.) 12-08-045, at B1-B2.

<sup>2</sup> “Primary purposes” include: (1) providing or billing for electrical power or gas; (2) providing for system, grid, or operational needs; (3) providing services required by law or the Commission; and (4) planning, implementing, or evaluating “demand response, energy management, or energy efficiency programs” under a contract with CCAs or the PUC, “or as part of a PUC-authorized program conducted by a governmental entity under the supervision of the” Commission. “Secondary purposes” include “any purpose that is not a primary purpose.” D.12-08-045, at B2.

- e. PCE will use covered information only for the purpose(s) it specifies in its Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information (see Section 2(b)).

## **2. Transparency and notification**

- a. PCE will provide customers with meaningful, clear, accurate, specific, and comprehensive notice regarding the accessing, collection, storage, use, and disclosure of covered information. However, when PCE uses covered information solely for a primary purpose on behalf of and under contract with a utility, PCE is not required to provide notice separate from that provided by the utility.
- b. PCE will provide written notice when confirming a new customer account and at least once a year. The notice will: (1) inform customers how they may obtain a copy of PCE's notice regarding the accessing, collection, storage, use, and disclosure of covered information; (2) provide a conspicuous link to the notice on the home page of PCE's website; and (3) include a link to PCE's notice in all electronic correspondence to customers.
  - i. The notice will be labeled "Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information," written in easily understandable language, and be no longer than is necessary to convey the requisite information.
  - ii. The notice and the posted privacy policy will state clearly: (1) the identity of PCE; (2) the effective date of the notice or posted privacy policy; (3) PCE's process for altering the notice or posted privacy policy, including how the customer will be informed of any alterations; (4) where prior versions will be made available to customers; and (5) the title and contact information, including email address, postal address, and telephone number, of an official at PCE who can assist the customer with privacy questions, concerns, or complaints regarding the collection, storage, use, or distribution of covered information.
  - iii. The notice will provide an explicit description of: (1) each category of covered information collected, used, stored or disclosed, and for each category of covered information, the reasonably specific purposes for which it will be collected, stored, used, or disclosed; (2) each category of covered information that is disclosed to third parties, and, for each such category, a description of the means by which customers may view, inquire about, or dispute their covered information; and (3) the means, if any, by which customers may limit the collection, use, storage or disclosure of covered information and the consequences to customers if they exercise such limits.

- c. PCE will provide to customers upon request convenient and secure access to their covered information, in an easily readable format that is at a level no less detailed than that at which PCE discloses the data to third parties.

### **3. Use, disclosure, and customer authorization**

- a. PCE may disclose covered information without customer consent to a third party acting under contract with the Commission for the purpose of providing services authorized pursuant to an order or resolution of the Commission, or to a governmental entity for the purpose of providing energy efficiency or energy-efficiency evaluation services pursuant to an order or resolution of the Commission.
- b. PCE may disclose covered information to a third party without customer consent when explicitly ordered to do so by the Commission, or for a primary purpose being carried out under contract with and on behalf of PCE, provided that PCE requires, by contract, the third party to agree to access, collect, store, use, and disclose the covered information under policies, practices and notification requirements no less protective than those under which PCE itself operates.
- c. Any entity that receives covered information derived initially from PCE may disclose such covered information to another entity without customer consent for a primary purpose, provided that the entity disclosing the covered information shall, by contract, require the entity receiving the covered information to use the covered information only for such primary purpose and to agree to store, use, and disclose the covered information under policies, practices and notification requirements no less protective than those under which the covered entity from which the covered information was initially derived operates.
- d. When PCE discloses covered information to a third party under this subsection it will specify by contract, unless otherwise ordered by the Commission, that it shall be considered a material breach if the third party engages in a pattern or practice of accessing, storing, using or disclosing the covered information in violation of the third party's contractual obligations to handle the covered information under policies no less protective than those under which the covered information was initially derived.
- e. If PCE finds that a third-party contractor to which it disclosed covered information is engaged in a pattern or practice of accessing, storing, using or disclosing covered information in violation of the third party's contractual obligations related to handling covered information, PCE will promptly cease disclosing covered information to such third party.
- f. Separate authorization by each customer will be obtained for all disclosures of covered information except as otherwise provided for

herein.

- g.** PCE will permit customers to cancel authorization for any secondary purpose of their covered information by the same mechanism initially used to grant authorization.
- h.** PCE will permit the use of aggregated usage data that is removed of all personally-identifiable information to be used for analysis, reporting or program management provided that the release of that data does not disclose or reveal specific customer information because of the size of the group, rate classification, or nature of the information.

**4. Disclosures pursuant to a legal process**

- a.** When PCE receives a subpoena for covered information:

  - i.** The recipient must immediately inform, via email, the Director of Customer Care, Director of Regulatory Affairs, Chief Executive Officer, Office Manager, and General and Deputy Counsels (at the San Mateo County Counsel's Office).
  - ii.** Working with counsel, the Director of Customer Care and Office Manager must: (1) calendar the subpoena next steps and requirements; (2) create designated electronic and paper folders; (3) save the subpoena and all related documents in the designated folders; (4) add the subpoena to the tracking spreadsheet for inclusion in any following compliance report; and (5) within 7 days of receipt, inform the affected customer(s) of the potential disclosure (see D.12-08-045, Att. B., § 4(c)(2)).
  - iii.** Counsel will evaluate the subpoena for specificity and ensure customer contact and information (see D.12-08-045, Att. B., § 4(c)(1)-(2)).

- b.** In addition, in processing a subpoena for covered information, PCE will meet the requirements in Section 4(c) of Attachment B to D.12-08-045, which provide as follows:

(1) Except as otherwise provided in this rule or expressly authorized by state or federal law or by order of the Commission, a covered entity shall not disclose covered information except pursuant to a warrant or other court order naming with specificity the customers whose information is sought. Unless otherwise directed by a court, law, or order of the Commission, covered entities shall treat requests for real-time access to covered information as wiretaps, requiring approval under the federal or state wiretap law as necessary.

(2) Unless otherwise prohibited by court order, law, or order of the Commission, a covered entity, upon receipt of a subpoena for disclosure

of covered information pursuant to legal process, shall, prior to complying, notify the customer in writing and allow the customer 7 days to appear and contest the claim of the person or entity seeking disclosure.

(3) Nothing in this rule prevents a person or entity seeking covered information from demanding such information from the customer under any applicable legal procedure or authority.

(4) Nothing in this section prohibits a covered entity from disclosing covered information with the consent of the customer, where the consent is express, in written form, and specific to the purpose and to the person or entity seeking the information.

(5) Nothing in this rule prevents a covered entity from disclosing, in response to a subpoena, the name, address and other contact information regarding a customer.

(6) On an annual basis, covered entities shall report to the Commission the number of demands received for disclosure of customer data pursuant to legal process or pursuant to situations of imminent threat to life or property and the number of customers whose records were disclosed. Upon request of the Commission, covered entities shall report additional information to the Commission on such disclosures. The Commission may make such reports publicly available without identifying the affected customers, unless making such reports public is prohibited by state or federal law or by order of the Commission.

## **5. Data security**

a. PCE will follow the procedures outlined below to prevent, identify, report, and respond to security breaches of covered information. Such breaches may be unauthorized access, destruction, use, modification, or disclosure to third parties for secondary purposes.

b. Procedures:

i. All PCE employees who handle or have access to covered information must protect that information from unauthorized access, destruction, use, modification, or disclosure to non-covered entities for secondary purposes.

ii. PCE's Director of Customer Care (or CEO) will review and approve any request by third parties for access to PCE's customer usage data to ensure that there is no inadvertent release of covered information.

iii. All authorized releases of covered information to third parties will be logged and reported to PCE's Director of Customer Care and Director of Regulatory Affairs for PCE's reporting purposes.



- iv. Any discovery by a third party of a security breach of covered information must be reported by the third party to PCE within one week of detection.
- v. The discovering party, after receiving complaint/notification from a third party or having discovered any security breach of covered information, must immediately contact PCE's Director of Customer Care and Chief Executive Officer.
- vi. PCE's Director of Customer Care will then quantify and validate the type and extent of the security breach(es).
- vii. PCE will report any single security breach of covered information affecting 1,000 or more PCE customers to the California Public Utilities Commission's Executive Director. PCE will make such report within two weeks of detecting the breach or within one week of notification of a breach by a third party.
- viii. PCE will report any security breaches of covered information to the Commission's Executive Director when ordered to do so by the Commission.
- ix. Within sixty (60) days of the end of a calendar year, PCE's Director of Customer Care will review all annual discoveries of security breaches of covered information and prepare a summary report to PCE's Chief Executive Officer and Director of Regulatory Affairs.
- x. By April 30 of each year, PCE will file an annual report with the Commission identifying all breaches of covered information during the prior calendar year. The report must include, for the prior calendar year: (1) the number of authorized third parties accessing covered information, and (2) the number of non-compliances with the Commission's security-breach requirements or with contractual provisions required by those requirements, and the number of customers affected by each non-compliance and a detailed description of each non-compliance.
- xi. At least annually, PCE's Director of Customer Care will review this policy and PCE's Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information to update them based on their implementation over the prior year. Any changes to this policy or the aforementioned Notice will be reviewed by PCE's Director of Regulatory Affairs, Chief Executive Office, and counsel, and then approved by PCE's Board of Directors.

## **6. Accountability and auditing**

- a. PCE will submit to the Commission on an annual basis the data breach report described in Section 5(x) above.

- b.** PCE will cause to be conducted an independent audit of PCE's data privacy and security measures every three years, to be submitted to the Commission by April 30 of the year following the three-year period.
- c.** PCE will provide its customers a process for reasonable access to covered information, for correction of inaccurate covered information, and for addressing customer complaints regarding covered information.
- d.** PCE will provide reasonable training to all employees and contractors who use, store or process covered information;
- e.** PCE will make available to the Commission, upon request:
  - i.** PCE's privacy notices, including its Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information;
  - ii.** PCE's internal privacy and data-security policies;
  - iii.** The categories of agents, contractors and other third parties to which PCE discloses covered information for a primary purpose, the identities of agents, contractors and other third parties to which PCE discloses covered information for a secondary purpose, and the purposes for which all such information is disclosed, indicating for each category of disclosure whether it is for a primary purpose or a secondary purpose (PCE will also retain and make available to the Commission upon request information concerning who has received covered information from PCE); and
  - iv.** Copies of any secondary-use authorization forms by which PCE secures customer authorization for secondary uses of covered data.

DRAFT

---



**PENINSULA**  
**CLEAN ENERGY**

Policy Number: **XX**

Adoption Date: **DATE**

**Subject:** Notice of Accessing, Collecting, Storing, Using and Disclosing Energy Usage Information (Privacy Notice)

**Policy:** Consistent with all legal and regulatory requirements, PCE treats all customer information as confidential and employs a combination of technology and standard practices to ensure that customer information is safeguarded from unauthorized access or exposure. This notice, as well as PCE's companion Customer Confidentiality Policy and Advance Metering Infrastructure (AMI) Data Privacy and Security Policy, apply to PCE, its employees, agents, contractors, and affiliates.

To standardize some of the rules regarding customer privacy, the California Public Utilities Commission (Commission) has issued "Rules Regarding Privacy and Security Protections for Energy Usage Data." These rules prohibit PCE and other load-serving entities from releasing information that can reasonably be used to identify an individual customer (or a customer's family, household, or residence) to a third party without the customer's written consent, except as is necessary for PCE to:

- Provide or bill for electrical power services;
- Provide services required by state or federal law or as specifically authorized by an order of the Commission;
- Plan, implement or evaluate energy management, demand response or energy efficiency programs under contract with PCE or under contract with the Commission;
- Provide personal information pursuant to a lawful warrant or court or law enforcement order, after prior notice to you unless such notice is prohibited by law; or
- Provide personal information to emergency responders in situations involving an imminent threat to life or property.

//

//

## Privacy Policy and Website Security FAQs

### 1. What kind of information does PCE collect?

We collect customer information, such as your electric usage, name, address, and account information, based on your use of electric services and your decision to participate in programs we offer, such as those related to energy efficiency.

### 2. How is the information collected?

PG&E provides customer information to PCE. When you use electricity service, usage data is collected via PG&E's metering systems (including the SmartMeter system).

In order to provide greater security for you on PCE's website, you may be asked to submit personal information such as your PCE account number, PG&E account number, name, address, phone number, and email address. You may also be asked to submit additional personal information or financial information in order to use certain services. Our goal is to protect all information you provide us on the website, as set forth in this Privacy Notice. To that end, the Secure Socket Layer (SSL) certificate installed via SimpleSSL is a Lets Encrypt SSL certificate, using Sha 256 and RSA Encryption so that traffic is encrypted at 256 bit when using HTTPS.

You are responsible for your use of PCE's website. Accordingly, please use your own good judgment when choosing to share your user name or password with anyone who could use it to access your personal information without your permission. We encourage you to protect the confidentiality of your user name and password and other personally identifiable information that you access on PCE's website.

### 3. How is the information used?

We use customer information to administer your account and inform you about your energy usage, as well as to manage, provide, and improve our services and business operations, including data management and customer service.

We use this information to generate the PCE charges on your customer billing statement and to communicate with you about specific programs or opportunities offered by PCE that may help you to lower your energy usage or realize other benefits. We may also aggregate data about your electric usage with other users in various formats so that the data becomes anonymous and cannot be identified directly with you.

For instance, aggregated data could be a summary of total energy usage for all homes and businesses in a certain geographic area or climate. Aggregated data is not subject to privacy restrictions, and we use it to manage, provide, and improve our services and business operations.

We ask you to provide personal information when you access customer services offered on our website, and that information enables us to provide you with better service. We may use this information to contact you to respond to an inquiry that you send to PCE or to keep you informed about PCE and its services. If you choose email as an approved method for communicating with us, then we will generally use your email to communicate with you.

To provide you the services offered on our website, or to complete transactions requested by you on the website, we may transfer you to outside services provided by third-party operators. In certain instances, the third-party content may be shown in such a way that it appears that you are still on PCE's website. In such cases, we will have agreements with those third parties where they agree to maintain the confidentiality of your personal information and to use it only to help us serve you.

Other than for the exceptions noted in the above section, it is PCE's policy to not release personal information about you to any other person or business entity without your prior written consent. We may obtain your consent electronically. When we have obtained your consent to disclose data for certain purposes, you may revoke your consent (via the same means through which you provided it).

Your visits to PCE's website. We collect information about our website, such as the number of visitors to the website and the number of users who click on certain links or use certain services. For some applications, such as rate analysis, we may link usage information with the customer visiting the website. We use industry standard software to create summary statistics of the usage data we collect, which we may then use to highlight what our visitors find interesting, improve the website design and usability, identify system performance issues, or for other internal purposes.

Our use of your IP address. An Internet Protocol (IP) address is a number automatically assigned to your computer every time you browse the Internet. When you visit the website, our servers log your current IP address. We may use your IP address to help diagnose problems with our servers and to administer the website. Your IP address is not tied to your personal information, and we do not use it to identify you when logging IP address data except to provide content to you.

Our use of cookies. When you visit the website, our server may create cookies, which are small files placed on your computer, making it easier for you to use the website by verifying when you travel from page to page. The data we collect on website usage from cookies is not tied to your personal information, and we use it only in a collective form. We do not sell or transfer the data we obtain from cookies for any purpose other than to evaluate website usage or provide utility services to you, or to contact you to offer programs and/or services that you may be interested in.

Installed plug-ins: PCE has installed WP DoNotTrack. This stops plugins and themes from adding third-party tracking code and cookies, thereby protecting visitors' privacy and security and offering performance gains (by limiting requests executed in the browser to render your pages). Additionally, the Third Party Eraser Tool removes all the occurrences of third-party embed inside posts, pages, and

widgets. These programs stop images or javascript from being loaded if these are added using document.write, and set a2a\_config.no\_3p to true for add-to-any NOT to execute the third-party tracking.

Links. While browsing the website, you may encounter and choose to access other third-party operated websites or online services through hypertext links. These third-party websites may send their own cookies to you, log your IP address, and otherwise collect data or personal information about you and your online activities. PCE does not control and is not responsible for what third parties do in connection with their websites or online services, or for how they handle your personal information. Please use caution and consult the privacy policies posted on each third-party website for further information.

Security. Once you login to PCE's online services, any account information you enter (or that is displayed on our website in your browser window) is secured using SSL, an industry standard security technology. By using SSL, we attempt to protect the confidentiality of your personal and financial information. Your browser must be capable of supporting SSL. Please check with your browser manufacturer for details.

#### **4. Does PCE disclose my information to third parties?**

PCE may share customer data with contractors and vendors for purposes of providing you services and operating our programs. In these cases, we require that the contractors or vendors agree to use customer data only for program operational purposes and to protect it under the same confidentiality and privacy standards that we apply to our own employees and operations. PCE does not release personal customer information for any other reason without your prior written consent, except as described below. PCE does not sell or provide personal customer information to third parties for their commercial benefit. PCE may release personal information without your prior written consent as follows:

- To law enforcement officers, pursuant to legal process (such as a warrant or subpoena approved by a judge);
- To contractors providing utility-related services on behalf of PCE—but only to the extent necessary to render the service and subject to confidentiality and security obligations;
- To the California Public Utilities Commission (or other governmental agencies with jurisdiction over PCE) when they require such information;
- To others as required by court order or by applicable laws, rules, or regulations governing PCE;
- To credit reporting agencies and collection agencies if your account is assigned for collection; and

- To emergency responders in situations of imminent threat to life or property.

**5. How long does PCE keep customer information?**

PCE maintains customer-specific energy usage and billing information only as long as reasonably necessary, typically not more than five years unless otherwise necessitated by law or regulation. As a general policy, we collect and retain personal information in minimal quantities and for limited periods of time such that are reasonably necessary to provide electric services to you.

**6. How will I know about changes to this Privacy Policy, and how can I obtain prior versions?**

We will notify you annually with an on-bill message to guide you to the most updated version of this Privacy Policy, which is also available on our website. Between these notification periods, we will also notify you of any changes to this Privacy Policy through communications on our website, [www.peninsulacleanenergy.com](http://www.peninsulacleanenergy.com), including how to obtain prior versions of this Privacy Policy upon request.

**7. Whom should I contact if I have privacy questions or concerns?**

If you have privacy-related questions or concerns, or would like to view your disclosed information, please contact PCE's Director of Customer Care:

[info@peninsulacleanenergy.com](mailto:info@peninsulacleanenergy.com)  
(650) 260-0005

Peninsula Clean Energy  
2075 Woodside Road  
Redwood City, CA 94061

**8. What measures does PCE take to protect children's privacy online?**

We have areas of our website intended for the use of children containing information about energy and safety. We also provide free classroom materials for teachers on energy awareness and safety. We do not monitor the age of users of the website. However, if you are under the age of 18, you should not submit personal information on the website or any websites without the consent of your parent or guardian.





Policy Number: XX  
Adoption Date: DATE

**Subject:** Information Technology Security Policy

**Purpose:** The purpose of this policy is to ensure proper management of information technology (IT or Information) as required to support regulatory compliance, minimize legal liability, reduce the risk of criminal activity, and sustain stakeholder and customer satisfaction. The IT of Peninsula Clean Energy (PCE) is a critical asset that will be managed to ensure that it remains complete, accurate, confidential, and available for authorized business activities.

## **1. Data protection requirements**

Data is a valuable asset of PCE, and some data must be protected with a higher level of attention and caution. The level of protection is based on the method defined after evaluating the type and sensitivity of the data in question.

## **2. Information Access and Controls**

PCE will make information technology accessible only to authorized employees or designated vendors as needed and such information shall only be used for authorized PCE purposes. To ensure protection of information technology, operational guidelines will be in place for employees and designated vendors to follow which adhere to the principles below:

- Access to specific information technology is to be assigned to PCE employees or designated vendors with the minimum level of access necessary to perform respective responsibilities.
- Access to information technology will be made available only to the extent necessary to support authorized business functions.
- Security systems are to be structured with multiple layers of security, including physical, network, host, and personnel security measures.
- The degree of information security protection is to be commensurate with the impact of inadvertent or intentional misuse, improper disclosure, damage or loss.
- Adequate controls will ensure effective segregation of duties to provide checks and balances that help insure operational guidelines are followed. Some of the key operational practices PCE follows include; system encryption, using only the

authorized cloud management platform to store documents, and setting-up two-factor authentication.

- Security is not an optional component of operations. All PCE staff and designated vendors are required to protect information. All staff and designated vendors that use or have access to PCE information technology are personally responsible for exercising the proper control over information according to the operational guidelines provided to them.
- Operational guidelines for treatment of information technology are subject to change as needed to protect PCE based on any changes in systems, threats, and practices.
- PCE will retain customer energy usage data only for as long as reasonably necessary or as authorized by the California Public Utilities Commission to accomplish a specific authorized purpose.

### 3. **Specific roles and responsibilities**

- a. **Finance Department:** PCE's Finance Department is responsible to define and implement key IT policies, ensure compliance with the policies, and perform periodic assessment to make sure policies are updated as needed.
- b. **Data user:** The data user is the individual, automated application or process that is authorized to create, enter, edit, and access data, in accordance with the policies and procedures. Data users have a responsibility to:
  - Maintain the security of passwords, personal identification numbers (PINs), and authentication tokens and certificates, and will be held accountable for any activities linked to their accounts;
  - Use the data only for the purpose specified by the Finance Department;
  - Comply with controls established by the Finance Department;
  - Prevent disclosure of confidential or sensitive data; and
  - Report suspected security incidents that may have breached the confidentiality of data.
- c. **Individuals using personally owned computers and other network devices:** Staff and consultants should use personally owned systems or devices only when absolutely necessary. Staff and consultants who use personally owned systems or devices to access PCE resources are responsible for the security of those systems and devices and are subject to (1) the provisions of this IT Security Policy and the standards, procedures, and guidelines established by the Finance Department for PCE computing

and network facilities, and (2) all other laws, regulations, or policies directed at the individual user.

- d. **Third-party vendors:** Third-party vendors providing hosted services and vendors providing support, whether on site or from a remote location, are subject to PCE security policies and may be required to acknowledge this fact in the contractual agreements.
- e. **Other registered entities:** Any entity that is a registered user and connected to PCE's network is responsible for the security of its computers and network devices and is subject to the following:
  - The provisions of this IT Security Policy and the standards, procedures, and guidelines established by the Finance Department for PCE computing and network facilities.
  - All other laws, regulations, or policies directed at the organization and its individual users.

#### 4. Reporting of security incidents

A critical component of security is to address security breaches promptly and with the appropriate level of action. All individuals are responsible for reporting incidents in which they suspect data, computer or network security may have been compromised. All such suspected or actual incidents should be reported to the Finance Department.



Policy Number: **XX**  
Adoption Date: **DATE**

**Subject:** Records Retention Policy

**Policy:** PCE will retain its records for set periods of time in order to ensure adequate and manageable recordkeeping. Records outside the specified retention periods may be discarded according to the procedures in this policy. Records may be kept in electronic or paper format (or both).

**1. Retention periods**

<u>Record Type</u>	<u>Retention Period</u>	<u>Sample Descriptions</u>
Executed contracts	10 years after termination	Power supply contracts, contracts with vendors or consultants
Vendor invoices	2 years after contract completion	Vendor invoices for payment
Non-disclosure agreements	In perpetuity	NDA with vendor, employee, Board member or advisor
Board-approved decisions	In perpetuity	Resolutions, meeting minutes, and other items approved at regular or special Board meetings
Board and committee meeting materials	In perpetuity	Agendas, staff reports, and other material provided to Board members for meetings
Board-approved budgets	In perpetuity	Final, approved budgets
Document drafts	30 days after final version is approved	Draft of contracts, programs, RFPs, etc.
General electronic correspondence	2 years	Relevant email correspondence at staff discretion
Customer-specific usage information and data	2 to 10 years, but no longer than reasonably necessary	Electronic information and reporting from Director of Customer Care, customer bill analyses, customer consent for third-party disclosures
Marketing material	2 years after public distribution	Flyers, brochures, electronic ads
General educational or informational material	2 years	Brochures, reports, electronic information
Personnel information	5 to 10 years after employee end date	Offer letter, resume, evaluations

## **2. Procedures for discarding records**

- a.** When records are no longer required to be kept under the requirements above, they may be discarded.
- b.** PCE will undertake a record purge at least every five years, identifying those records that may be discarded. The Office Manager will oversee the purge, in consultation with PCE's legal counsel.
- c.** Records with confidential or sensitive information will be discarded in a secure manner, such that the confidential or sensitive information is no longer viewable or accessible after being discarded.

DRAFT



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** December 10, 2018  
**COMMITTEE MEETING DATE:** December 20, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Approval of 2019 Board of Directors Meeting Schedule

**RECOMMENDATION:**

Approve 2019 Board of Directors meeting schedule.

**BACKGROUND:**

The Board of Directors is required to approve and post for public viewing its 2019 meeting schedule by December 31, 2018.

**ATTACHMENT:**

Proposed meeting schedule.

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

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

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

**RESOLUTION APPROVING 2019 BOARD OF DIRECTORS MEETING SCHEDULE  
DATED DECEMBER 20, 2018**

---

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

**WHEREAS**, the Board of Directors of the Peninsula Clean Energy Authority is required to set its 2019 annual meeting schedule by December 31, 2018.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Directors approves its 2019 meeting schedule dated December 20, 2018.

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



## Board of Directors Meeting Schedule 2019

**Location:** Peninsula Clean Energy, 2075 Woodside Road, Redwood City, CA 94061

---

Meeting Date:	Time:	Location:
January 24, 2019	6:30 pm	Lobby
February 28, 2019	6:30 pm	Lobby
March 28, 2019	6:30 pm	Lobby
April 25, 2019	6:30 pm	Lobby
May 23, 2019	6:30 pm	Lobby
June 27, 2019	6:30 pm	Lobby
July 25, 2019	6:30 pm	Lobby
August 22, 2019	6:30 pm	Lobby
September 28, 2019	8:00 am – 1:00 pm	Lobby
October 24, 2019	6:30 pm	Lobby
November 21, 2019	6:30 pm	Lobby
December 19, 2019	6:30 pm	Lobby





**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** Dec. 11, 2018  
**BOARD MEETING DATE:** Dec. 20, 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:** Electric Vehicle Infrastructure Incentive Program

**RECOMMENDATION**

Recommend approval by the Board on the proposed Peninsula Clean Energy (PCE) four-year \$16 million electric vehicle (EV) infrastructure incentive program.

**BACKGROUND**

Part of PCE's mission is to reduce greenhouse gas (GHG) emissions in San Mateo County. The three main contributors to GHG emissions are electricity use, transportation, and natural gas use in buildings. One of PCE's strategic goals is to further reduce GHG emissions by investing in programs such as EVs. This memo proposes a program aimed at addressing one of the most significant infrastructure barriers to EV adoption.

As background, in April 2018 the Board approved Phase 1 Electric Vehicle program funded at \$745,000 for EV marketing, new and used vehicle incentives, and a multi-unit dwelling (MUD) technical assistance program. The Board also approved in June 2018 a MUD and Curbside Pilot. These measures are intended to begin to address the three major barriers to EV adoption: a) low awareness, b) high vehicle cost, and c) charging infrastructure. As per the Program Roadmap approved by the Board in September, staff is bringing forward a series of Phase 2 programs for 2019 focused primarily on Transportation. These include New Construction Reach Codes, EV Ride & Drive Marketing, and EV Infrastructure Incentives.

The new EV Infrastructure Incentive Program proposed here builds on the Phase 1 measures to address infrastructure gaps related to MUDs and other “garage limited” scenarios. Charging access in MUDs remains a major barrier with roughly half the county population living in some form of MUD. Addressing this barrier is critical, especially for low-income residents. The program is intended to open the EV market via charging access and provide an extended term to support scaled planning and execution. MCE launched a similar program earlier this year.

Multiple sources of complementary funding can be secured including from the California Energy Commission (CEC), Pacific Gas & Electric (PG&E EV Charge Network program), Bay Area Air Quality Management District (BAAQMD), and Electrify America (VW Settlement). Some programs are “first-come, first-served” (PG&E) and others are on cyclical adoption cycles (CEC, VW). The CEC is anticipated to determine its 2020 allocations in early 2019. However, securing complementary funding is contingent on PCE timely adopting a program to demonstrate “shovel readiness”.

## **DISCUSSION**

The PCE program is intended to help deploy at least 3,500 charge ports across target segments in alignment with State targets. The funds proposed here would be used for (all funds approximate):

1. \$12 million: Incentives to property owners for installation of EV charging infrastructure (multi-unit dwellings, workplace, curbside, fast charging).
2. \$2.0 million: Outreach, education and technical assistance to secure locations and assist with site technical needs.
3. \$1.0 million: Workforce training including reaching underserved communities.
4. \$1.0 million: Program administration needs including incentive verification and disbursement, contractor management, and data systems.

The program is anticipated to leverage at least \$28 million in complementary funding across multiple sources including site host cost share, PG&E, BAAQMD, CEC, and Electrify America. Detailed program design would follow board approval aiming at a launch mid-2019.

Specific incentive levels will be developed and are anticipated to be generally consistent with other similar programs. Typically these range from \$1,000 to \$5,000 per charge port. The incentive levels would vary based on market segment and anticipated reasonable cost-share, whether property owners participate in the PG&E EV Charge Network program (which provides significant assistance for qualifying projects), and whether the project supports low-income residents. Incentives may also change over time based on the success of the program. Prior to formal program roll-out PCE may pilot incentives with select partners to ensure the program meets site and customer needs.

A limited number of fast chargers would be included targeting a market gap for upgrades of existing fast chargers and higher power fast chargers (100 kW, non-proprietary and

projects that are not legally mandated settlements). Fast chargers would include higher per port incentives.

Approximate ports anticipated to be installed during the program term:

<b>Segment</b>	<b>Port Count</b>
Schools and community colleges	900
Workplace, including municipal	900
Multi-unit dwellings	1,600
Fast charging	100
<b>TOTAL</b>	<b>3,500</b>

Actual number of ports installed will vary due to a number of market factors including property owner interest, identified need, costs and other factors. To aid program adoption, the program includes both an option for a) any property owner to proactively propose projects, as well as b) targeted “channel” outreach by PCE to large property owners and low-income targets. School districts, apartment companies with a large number of units, and low-income housing organizations are all proposed as initial priority outreach channels. These market segments are currently significantly underserved. Workplace charging will also be a high priority to encourage alignment of charging with available solar power as will implementation of controls to manage the charging to reduce grid impacts. In addition, separate from this program, staff is investigating storage solutions and aims to pilot storage strategies as part of the Curbside and MUD Pilot project.

For workforce development, use of installers from the building trades would be required to receive the incentives and funding would be applied to support a variety of workforce development programs. Workforce development programs could include apprenticeship programs, programs reaching communities with challenges for entering the workforce, and youth programs. All would be aimed at developing skills for the rapidly emerging electrified transportation and integrated distributed energy resources market.

#### **FISCAL IMPACT:**

Expend \$16,000,000 over the course of 4 years (Fiscal Year 2019-2020 through Fiscal Year 2023-2024). This level of expenditure has been included in the 5-year projection under Energy Programs provided to the Board in June 2018.

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

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

\* \* \* \* \*

**RESOLUTION APPROVING ELECTRIC VEHICLE INFRASTRUCTURE INCENTIVE  
PROGRAM BUDGET DATED DECEMBER 20, 2018**

---

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

**WHEREAS**, electric vehicles are an important mechanism for reducing climate change pollution and improving the local economy; and

**WHEREAS**, electric vehicle charging infrastructure is necessary for the adoption of electric vehicles; and

**WHEREAS**, the Board of the Peninsula Clean Energy Authority approved a program roadmap that includes an electric vehicle infrastructure program to address that need.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves allocation of \$16 million over four years for an electric vehicle infrastructure incentive program on December 20, 2018.

\* \* \* \* \*



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** Dec. 11, 2018  
**BOARD MEETING DATE:** Dec. 20, 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:** 2019 Electric Vehicle Ride & Drive Marketing Program

**BACKGROUND**

Part of Peninsula Clean Energy's (PCE's) mission is to reduce greenhouse gas (GHG) emissions in San Mateo County. The three main contributors to GHG emissions are electricity use, transportation, and natural gas use in buildings. One of PCE's strategic goals is to further reduce GHG emissions by investing in programs such as EVs. This memo describes an EV Ride & Drive Marketing program to promote EV adoption.

As background, in April 2018 the Board approved Phase 1 Electric Vehicle program funded at \$745,000 for EV marketing, new and used vehicle incentives, and a multi-unit dwelling (MUD) technical assistance program. The Board also approved in June 2018 an MUD and Curbside Pilot. These measures are intended to begin to address the three major barriers to EV adoption: a) low awareness, b) high vehicle cost, and c) charging infrastructure.

As per the Program Roadmap approved by the Board in September, staff is bringing forward a series of Phase 2 programs for 2019 focused primarily on Transportation. These include New Construction Reach Codes, EV Ride & Drive Marketing, and EV Infrastructure Incentives. To address low awareness, research indicates that direct experience with EVs is one of the most effective means of increasing interest in EVs<sup>1</sup>.

---

<sup>1</sup> Recent Navigant research indicates that among consumers stating they would be likely to acquire an EV as their next vehicle, over 50% had ridden or driven one. For those who stated they were unlikely to acquire an EV, only 15% had ridden or driven one. UC Davis ITS concludes that one of the most important strategies for promoting EV adoption is to "Create real PEV experience: Ride and drive events

The new 2019 EV Ride & Drive Marketing Program builds on the Phase 1 Ride & Drive program that is in the closing stages in 2018. The 2018 program is delivering 6 events with a target of 1,000 EV experiences. Five events have been completed at Genentech, Facebook, San Mateo County Center, the Burlingame Fall Fest and YouTube resulting in approximately 650 drives with an additional 400 passengers for a total to-date of over 1,000 experiences. Once more event is being scheduled and is anticipated to occur in January. The 2018 Ride and Drive program is funded at \$70,000. Surveys from the events consistently indicate substantial increases in improved opinion of EVs (86%) and likeliness to acquire in the future (82%) as a result of the experience of driving an EV.

## **DISCUSSION**

The 2019 PCE program is intended to scale up the 2018 program in a number of ways:

- Increase the number of participants
- Engage a broader community
- Maximize visibility of EVs and adopters

To achieve these goals, the proposed 2019 program would solicit proposals for a consultant who can both execute events and bring creative ideas for increasing the number of events, creating greater visibility, and engaging more community organizations. The RFP was released December 10<sup>th</sup> and requires a minimum number of events (10) that PCE can assist in identifying and that the number could increase based on strategies the consultant may propose as long as the consultant provides for a minimum of 120 test drives per event. Strategies could include increased visibility through social media, earned media and other low-cost outreach strategies.

The contract is proposed to be structured as a 1-year contract with the option to renew the term at the end of each year for up to two additional years contingent on successful execution. The maximum budget for one year would not exceed \$250,000. If the consultant delivers the minimum number of events (10) per year the cost is anticipated to be approximately \$100,000 year. If a consultant brings forward credible strategies for increasing the number of events the budget will be increased proportionally based on the number of events. This approach is intended to allow for multi-year planning while retaining points of evaluation of the selected consultant.

The RFP for the 2019 program has been released and a contract is anticipated to be brought to the Board for approval in February.

## **FISCAL IMPACT:**

Expend up to \$750,000 over the course of 3 years (Fiscal Year 2019-2020 through Fiscal Year 2022-2023). This level of expenditure has been included in the 5-year projection under Energy Programs provided to the Board in June 2018.

---

and the use of PEVs in shared mobility and vehicle rental applications.” In keeping with this recommendation, numerous ride and drive event surveys following ride-and-drive events indicate that roughly 12% acquire an EV within a year following an event.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** November 7, 2018  
**BOARD MEETING DATE:** December 20, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Approve Revisions to PCE's Strategic Goals (Action)

**RECOMMENDATION:**

Approve revisions to PCE's strategic goals.

**BACKGROUND:**

At the Peninsula Clean Energy Board Retreat held on November 12, 2016, the PCE board developed a set of eight strategic goals for the organization. These goals were reviewed with the PCE Executive Committee on September 11, 2018 to solicit input. The status of the goals was reviewed with the entire PCE Board at the annual retreat on September 29, 2018. Proposed revisions to the goals were reviewed at the October 15 and November 5 PCE Executive Committee meetings. The following attachments include the final proposed revisions to PCE's Strategic Goals, in clean and redline versions.

## **Peninsula Clean Energy**

### **Strategic Goals**

#### **Proposed Updates – For December 20, 2018 Board approval**

1. Design a diverse power portfolio that is greenhouse gas free.
  - 100% GHG free by 2021
  - sourced by 100% CA RPS eligible renewable energy by 2025 on a time coincident basis, provided it is economically viable
  - create a minimum of 20 MWs of new local power by 2025
2. Continually strive to offer ECOPlus at rates that are lower than PG&E rates provided it is economically viable.
3. Stimulate development of new renewable energy generation and storage projects in San Mateo County and California through PCE's procurement activities.
4. Demonstrate quantifiable economic and environmental justice benefits to the County/region by placing a priority on local hiring and inclusionary workforce development practices with a goal of increasing diversity.
5. Implement programs to further reduce greenhouse gas emissions and support the county's community-wide efforts to be completely GHG-free by 2045 by investing in electric transportation, energy efficiency and demand response, and partnering effectively with municipalities, business, schools, and nonprofit/faith organizations.
6. Maximize and maintain customer participation in PCE.
  - Provide a superior customer experience
  - Develop PCE brand awareness and loyalty throughout the County.
  - Actively encourage voluntary participation in its ECO100 renewable energy product
  - Actively encourage participation in other programs PCE develops
  - Achieve recognition as an EPA Green Power Community for all cities and towns in San Mateo County and EPA Green Power Partnership for all cities with municipal accounts enrolled in ECO100 by 2018
7. Build a financially sustainable organization.
  - Build sufficient reserves in a rate stabilization fund
  - Achieve an investment grade credit rating by 2021
8. Foster a work environment that espouses sustainable business practices and cultivates a culture of innovation, diversity, transparency, integrity, and commitment to the organization's mission and the communities it serves.
9. Leverage Peninsula Clean Energy/Silicon Valley expertise and relationships to support innovation across all of PCE's programs and activities.
10. Assist in setting up CCAs in other areas of the state, including where PCE has utility scale generation.



Peninsula Clean Energy  
Strategic Goals  
December 2016

Proposed Updates – December 20, 2018 – For Board approval

Deleted: November 15

1. Design a diverse power portfolio that is greenhouse gas free.
  - 100% GHG free by 2021
  - sourced by 100% CA RPS eligible renewable energy by 2025 on a time coincident basis, provided it is economically viable
  - create a minimum of 20 MWs of new local power by 2025
2. Continually strive to offer ECOPlus at rates that are lower than PG&E rates provided it is economically viable.
3. Stimulate development of new renewable energy generation and storage projects in San Mateo County and California through PCE's procurement activities.
4. Demonstrate quantifiable economic and environmental justice benefits to the County/region by placing a priority on local hiring and inclusionary workforce development practices, with a goal of increasing additional diversity.
5. Implement programs to further reduce greenhouse gas emissions and support the county's community-wide efforts to be completely GHG-free by 2045 by investing in electric transportation, energy efficiency, and demand response, and partnering effectively with municipalities, local business, schools, and nonprofit/faith organizations.
6. Maximize and maintain customer participation in PCE.
  - Provide a superior customer experience
  - Develop PCE brand awareness and loyalty throughout the County.
  - Actively encourage voluntary participation in its ECO100 renewable energy product
  - Actively encourage participation in other programs PCE develops
  - Achieve recognition as an EPA Green Power Community for all cities and towns in San Mateo County and EPA Green Power Partnership for all cities with municipal accounts enrolled in ECO100 by 2018
7. Build a financially sustainable organization.
  - Build sufficient reserves in a rate stabilization fund
  - Achieve an investment grade credit rating by 2021
8. Foster a work environment that espouses sustainable business practices and cultivates a culture of innovation, diversity, transparency, integrity, and commitment to the organization's mission and the communities it serves.
9. Leverage Peninsula Clean Energy/Silicon Valley expertise and relationships to support innovation in generation, storage, reliability, and analytics across all of PCE's programs and activities.
10. Assist in setting up CCAs in the inland part other areas of the state, including and where we have PCE has utility scale generation.

Deleted: at parity or

Formatted: Highlight

Deleted: s.

Deleted: and clean-tech innovation

Formatted: Highlight

Deleted: and place

Formatted: Highlight

Formatted: Highlight

Formatted: Strikethrough, Highlight

Formatted: Highlight

Formatted: Highlight

Deleted: local clean power production,

Formatted: Highlight

Deleted: ,

Formatted: Highlight

Formatted: Strikethrough, Highlight

Formatted: Strikethrough

Formatted: Highlight

Deleted: .

Deleted: from the

Deleted: 's

Deleted: for Green Power Communities

Formatted: Indent: Left: 0.5", No bullets or numbering

Formatted: Highlight

Formatted: Strikethrough, Highlight

Formatted: Highlight

Formatted: Indent: Left: 0.5", No bullets or numbering

Formatted: Strikethrough, Highlight

Formatted: Highlight

Formatted: Highlight

Formatted: Strikethrough, Highlight

Formatted: Strikethrough

Formatted: Strikethrough, Highlight

Formatted: Highlight



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** November 5, 2018  
**BOARD MEETING DATE:** December 20, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

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

**FROM:** Leslie Brown, Director of Customer Care

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

**RECOMMENDATION:**

Staff recommends that the Board authorize the CEO to implement rate adjustments to all applicable PCE rate schedules as needed after PG&E rates are announced sometime after January 1, 2019 to maintain the 5% Generation discount for PCE's ECOplus option.

**BACKGROUND:**

As discussed previously, PG&E's actual rate adjustments will not be publicly known until they are in effect sometime after January 1, 2019. Changes to the PCIA and PG&E's Generation rates are expected to impact all current rate schedules. Accordingly, adjustments to PCE's Generation rate will likely be required across all rates to align with our stated goal of maintaining a 5% net discount on the ECOplus product.

**DISCUSSION:**

Staff will be working closely with Calpine to ensure that the new rates are calculated and implemented in a timely manner as soon as PG&E's actual rates are public. The intention is to have all rates programmed, tested and implemented prior to February 1, 2019 to minimize billing confusion.

**FISCAL IMPACT:**

This action will ensure that PCE is able to continue the 5% value proposition of ECOplus to our customer base while also maintaining appropriate revenue requirements for operations. Overall, it is expected that customers will see higher electric rates in 2019 vs 2018 as there will be increases to Transmission and Distribution rates. It is also expected that PG&E's Generation rates will increase. PCE's rates will be adjusted in line with PG&E's Generation rate changes, and then reduced to reflect the increase in the PCIA. A full reporting of the financial impact will be brought to the Board in January after the necessary rate adjustments are implemented.



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, October 25, 2018  
MINUTES**

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

**CALL TO ORDER**

Meeting was called to order at 6:33 p.m.

**ROLL CALL**

**Present:** Dave Pine, County of San Mateo  
Jim Eggemeyer, County of San Mateo  
Jeff Aalfs, Town of Portola Valley, *Chair*  
Rick DeGolia, Town of Atherton, *Vice Chair*  
Madison Davis, City of Brisbane  
Carlos Romero, City of East Palo Alto  
Catherine Mahanpour, City of Foster City  
Harvey Rarback, City of Half Moon Bay  
Elizabeth Cullinan, Town of Hillsborough  
Ann Schneider, City of Millbrae  
John Keener, City of Pacifica  
Ian Bain, City of Redwood City  
Marty Medina, City of San Bruno  
Cameron Johnson, City of San Carlos  
Rick Bonilla, City of San Mateo  
Pradeep Gupta, City of South San Francisco  
Daniel Yost, Town of Woodside

**Absent:** City of Belmont  
City of Burlingame  
Town of Colma  
City of Daly City  
City of Menlo Park

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

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

**A quorum was established.**

**PUBLIC COMMENT:**

None

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

Jeff Aalfs—Chair—pulled the minutes from the Consent Agenda. Motion to set the agenda and approve items 15 and 16.

Motion Made / Seconded: Yost / DeGolia

**Motion passed unanimously 15-0 (Absent: County of San Mateo, Belmont, Burlingame, Colma, Daly City, East Palo Alto, Menlo Park)**

Jeff Aalfs announced a correction to the minutes for the September 29, 2018 meeting, reporting that Andy Stern, PCE's new Chief Financial Officer, did not attend. Motion to approve the minutes for the September 29, 2018 meeting with the correction noted.

Motion Made / Seconded: Bonilla / Gupta

**Motion passed unanimously 13-0 (Abstained: Foster City, Millbrae, Redwood City. Absent: Belmont, Burlingame, Colma, Daly City, East Palo Alto, Menlo Park)**

**CLOSED SESSION**

**1. CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION**

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

**2. RECONVENE OPEN SESSION AND REPORT OUT OF CLOSED SESSION**

No reportable action taken

## **REGULAR AGENDA**

### **3. CHAIR REPORT**

Jeff Aalfs—Chair—reported on the success of the Wright Solar groundbreaking event on October 11, 2018.

### **4. CEO REPORT**

Chief Executive Officer Jan Pepper—introduced Andy Stern, PCE’s new Chief Executive Officer, and announced that the new Community Outreach Associate, Carlos Morena, will start on November 1, 2018.

Jan provided a summary of the Board Retreat that took place on September 29, 2018, and reported that City Managers have been contacted to work with PCE staff on the Green Power Partnership application process.

Jan reported on the success of the Wright Solar groundbreaking event received on October 11, 2018, and announced upcoming Regulatory and Legislative meetings, including a CPUC (California Public Utilities Commission) Customer Choice En Banc on October 29, 2018, and a meeting with Senator Jerry Hill on November 5, 2018.

### **5. CITIZENS ADVISORY COMMITTEE REPORT**

Emily Leslie—Vice Chair of the Citizens Advisor Committee (CAC)—reported on discussions that took place at the last meeting, including a review of PCE’s EV (Electric Vehicle) promotion, Community Pilot Program finalists, and the committee’s desire for more meaningful involvement and utilization.

### **6. AUDIT AND FINANCE COMMITTEE REPORT**

Carlos Romero reported that the Audit and Finance Committee met with the auditors to review a draft of the audit.

### **7. APPROVE FISCAL YEAR 2017-2018 AUDITED FINANCIAL STATEMENTS**

Brett Bradford and Matt Brewer with Pimenti & Brinker—reported on the audit of the fiscal years ending on June 30, 2018 and June 30, 2017, respectively. They reported that the audit is complete, that the financial statements are materially accurate, and they did not propose any adjustments to the financial statements.

## **PUBLIC COMMENT:**

None

Motion Made / Seconded: DeGolia / Bonilla

**Motion passed unanimously 17-0 (Absent: Belmont, Burlingame, Colma, Daly City, Menlo Park)**

**8. APPROVE INVESTMENT POLICY**

Paul Hackleman, Senior Plan Consultant with NFP—reviewed the Investment Policy Statement. He reported that applicable California Code was reviewed, and the policy was drafted in consultation with the Audit and Finance Committee. He reported that passing this policy establishes clear objectives and parameters for staff, contractors and/or investment managers. He recommends that the policy be reviewed annually.

**PUBLIC COMMENT:**

None

Motion Made / Seconded: Bain / Schneider

**Motion passed unanimously 17-0 (Absent: Belmont, Burlingame, Colma, Daly City, Menlo Park)**

**9. APPROVE RECOMMENDED COMMUNITY PILOT PROJECTS**

Rafael Reyes—Director of Energy Programs—reviewed the process and criteria that were used to evaluate the 37 community pilot submissions that PCE received, and he reviewed each of the final six projects that were recommended for approval by the Board:

- ARCA Recycling, Inc.: Appliance Recycling Program Proposal
- Ardenna Energy, LLC: Peninsula Climate Comfort Pilot Project
- Build It Green: Healthy Home Connect
- California Interfaith Power & Light: Community Resiliency, PV-Storage at Faith Institutions
- Envoy Technologies Inc.: Disadvantaged Community Car Sharing Pilot
- San Mateo County Office of Sustainability: A Roadmap for Municipal Green Fleets

**PUBLIC COMMENT:**

Diane Bailey, Menlo Spark  
Liore Milgrom-Gartner, California Interfaith Power & Light

Motion Made / Seconded: Yost / Bonilla

**Motion passed unanimously 16-0 (Abstain: Jim Eggemeyer, County of San Mateo. Absent: Belmont, Burlingame, Colma, Daly City, Menlo Park)**

**10. APPROVE THE INCLUSIVE AND SUSTAINABLE WORKFORCE POLICY AND ADOPT IT AS A REPLACEMENT FOR THE PREVIOUSLY ADOPTED SUSTAINABLE WORKFORCE POLICY**

Jan Pepper reported that the workforce policy has been expanded with additional provisions.

**PUBLIC COMMENT:**

James Ruigomez, San Mateo County Building & Construction Trades Council

Motion Made / Seconded: DeGolia / Schneider

**Motion passed unanimously 17-0 (Absent: Belmont, Burlingame, Colma, Daly City, Menlo Park)**

**11. PCIA (POWER CHARGE INDIFFERENCE ADJUSTMENT) UPDATE**

Joseph Wiedman—Director of Legislative and Regulatory Affairs—reported that existing CCAs (Community Choice Aggregator) are moving forward and new CCAs continue to be formed after the CPUC's (California Public Utilities Commission) PCIA decision on October 11, 2018.

**12. INCREASING AWARENESS OF CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAM**

Leslie Brown—Director of Customer Care—reported that recent PG&E analysis from August 2018 estimated that over 12,500 San Mateo County customers are eligible for CARE rate benefits but have not yet enrolled in the program. Leslie reviewed CARE income guidelines and benefits to consumers, and asked Board members to work with their cities and reach out to community organizations to increase awareness of the program and encourage enrollment.

**13. BOARD MEMBERS' REPORTS**

None.

**ADJOURNMENT**

Meeting was adjourned at 8:36 p.m.





**SPECIAL MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, November 26, 2018  
MINUTES**

Peninsula Clean Energy  
2075 Woodside Road, Redwood City, CA 94061  
12:00 p.m.

**CALL TO ORDER**

Meeting was called to order at 12:04 p.m.

**ROLL CALL**

**Present:** Dave Pine, County of San Mateo  
Jeff Aalfs, Town of Portola Valley, *Chair*  
Bill Widmer, Town of Atherton  
Charles Stone, City of Belmont  
Madison Davis, City of Brisbane  
Donna Colson, City of Burlingame  
Raymond Buenaventura, City of Daly City  
Carlos Romero, City of East Palo Alto  
Catherine Mahanpour, City of Foster City  
Harvey Rarback, City of Half Moon Bay  
Elizabeth Cullinan, Town of Hillsborough  
Catherine Carlton, City of Menlo Park  
Wayne Lee, City of Millbrae  
John Keener, City of Pacifica  
Pradeep Gupta, City of South San Francisco

**Absent:** County of San Mateo  
Town of Colma  
City of Redwood City  
City of San Bruno  
City of San Carlos  
City of San Mateo  
Town of Woodside

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

Siobhan Doherty, Director of Power Resources  
TJ Carter, Marketing Associate  
David Silberman, General Counsel  
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

**A quorum was established.**

**PUBLIC COMMENT:**

None

**ACTION TO SET THE AGENDA**

Motion Made / Seconded: Stone / Lee

**Motion passed unanimously 13-0 (Absent: Dave Pine-County of San Mateo, Carole Groom-County of San Mateo, Colma, East Palo Alto, Redwood City, San Bruno, San Carlos, San Mateo, Woodside)**

**SPECIAL MEETING AGENDA**

1. 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.**

Siobhan Doherty—Director of Power Resources—reported that the PPA with Mustang Two Whirlaway LLC 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. She reported that 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 developer is asking for an extension of the Guaranteed Dates.

Siobhan announced that, under Article 14 of the PPA, any Change of Control of the Seller requires the prior written consent of the Buyer. She announced that the Mustang Two team notified PCE that they are seeking PCE's consent on a sale to Solar Frontier Americas. She reported that Solar Frontier Americas is an IPP (Independent Power Producer) and is the U.S. arm of Japanese solar developer Showa Shell Sekiyu.

**PUBLIC COMMENT:**

None

Motion Made / Seconded: Lee / Stone

**Motion passed unanimously 15-0 (Absent: County of San Mateo, Colma, Redwood City, San Bruno, San Carlos, San Mateo, Woodside)**

**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.**

**PUBLIC COMMENT:**

None

Motion Made / Seconded: Stone / Lee

**Motion passed unanimously 15-0 (Absent: County of San Mateo, Colma, Redwood City, San Bruno, San Carlos, San Mateo, Woodside)**

Prior to adjourning, Board members thanked John Keener and Pradeep Gupta for their tremendous contribution to the formation and success of Peninsula Clean Energy. The entire Board and PCE staff gave them a standing ovation.

**ADJOURNMENT**

Meeting was adjourned at 12:38 p.m.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** November 1, 2018  
**BOARD MEETING DATE:** December 20, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Approval of Employee Handbook

**RECOMMENDATION:**

Approve the Peninsula Clean Energy (PCE) Employee Handbook.

**BACKGROUND:**

PCE staff have developed the attached Employee Handbook to provide an overview of the company to all PCE staff and provide human-resources policies and guidance in areas such as Employment, Employee Conduct, Working Conditions, Benefits, Payroll, Leaves of Absences, and so on.

Significant effort has been expended to develop this Handbook, including receiving earlier review from the PCE Executive Committee and input from PCE staff. The Handbook has been reviewed by PCE's legal counsel. Upon approval of this Handbook by the Board, PCE will distribute it for use by all PCE employees.

**ATTACHMENT:**

PCE Employee Handbook - Issue Date (Version 1): November 1, 2018

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

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

\* \* \* \* \*

**RESOLUTION APPROVING THE PENINSULA CLEAN ENERGY EMPLOYEE  
HANDBOOK DATED NOVEMBER 1, 2018**

---

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

**WHEREAS**, the Peninsula Clean Energy Authority aims to foster a work environment that cultivates a culture of innovation, diversity, transparency, integrity, and commitment to PCE's mission and the communities it serves; and

**WHEREAS**, the Peninsula Clean Energy Authority desires to have a clear set of employment-related policies and guidance; and

**WHEREAS**, these goals will be served by adopting and providing to PCE's employees a comprehensive handbook of PCE's employee benefits, working conditions, employment policies, and other employee-related issues.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the PCE Employee Handbook dated November 1, 2018.

\* \* \* \* \*



## **EMPLOYEE HANDBOOK**

Issue Date (Version 1): November 1, 2018

Peninsula Clean Energy  
2075 Woodside Road,  
Redwood City, CA 94061

## Table of Contents

SECTION 1: INTRODUCTION TO PENINSULA CLEAN ENERGY .....	6
1.101 Welcome to Peninsula Clean Energy! .....	7
1.102 Agency Structure.....	8
1.103 Peninsula Clean Energy History .....	8
1.104 Mission Statement .....	9
1.105 Strategic Goals .....	9
1.106 About this Handbook .....	9
1.107 New Employee Onboarding .....	9
SECTION 2: EMPLOYMENT .....	10
2.101 Nature of Employment .....	11
2.102 Job Postings.....	12
2.103 Employee Relations Philosophy .....	12
2.104 Equal Opportunity Employer .....	13
2.105 Nepotism Prohibited .....	13
2.106 Immigration Reform and Control Act .....	14
2.107 Supplemental Employment .....	14
2.108 Americans with Disabilities Act.....	15
2.109 Access to Personnel Files .....	15
2.110 Employment Reference Checks .....	16
2.111 Changes in Personal Data .....	16
2.112 Termination of Employment.....	16
2.113 Social Security Number Privacy .....	17
SECTION 3: EMPLOYEE CONDUCT.....	18
3.101 Conflict of Interest/Code of Ethics.....	19
3.101 Standards of Conduct.....	20
3.103 No Harassment .....	21
3.104 Protecting PCE Information .....	24
3.105 Use of Personal Devices, including PCE Issued Devices .....	25
3.106 Smoking in the Workplace .....	26
3.107 Drug and Alcohol Use.....	26
3.108 Drug Testing .....	27

3.109 [Not Used] .....	29
3.110 Attendance and Punctuality .....	29
3.111 Personal Appearance .....	30
3.112 Non-Solicitation .....	30
3.113 Distribution .....	30
3.114 Acceptable Use of Electronic Communications/Workplace Monitoring .....	31
3.115 Company Document Management.....	33
3.116 Social Media .....	33
3.118 [Not used] .....	35
3.119 Contact with PCE.....	35
3.120 Customer and Public Relations .....	35
SECTION 4: WORKING CONDITIONS .....	36
4.101 Expectation of Privacy.....	37
4.102 Performance Reviews .....	37
4.103 Coaching, Counseling, and Progressive Discipline .....	37
4.104 Talk to Us.....	38
4.105 Safety .....	38
4.106 Visitors .....	39
4.107 Workplace Violence .....	39
4.108 [Not used] .....	40
4.109 [Not used] .....	40
4.110 PCE [Not used] .....	40
4.111 Travel/Expense Accounts.....	40
SECTION 5: BENEFITS .....	42
5.101 Employee Benefits .....	43
5.101(a) Medical Insurance .....	43
5.101(b) Dental Insurance.....	44
5.101(c) Vision Care Plan .....	44
5.101(d) Social Security and Unemployment Insurance.....	45
5.101(e) Life Insurance.....	45
5.101(f) Section 125 Plans .....	45
5.101(g) Retirement Plan.....	46
5.101(h) State Disability Insurance .....	47



5.102 Workers' Compensation .....	47
5.103 Injury and Illness Prevention Program (IIPP) .....	47
A. Purpose .....	47
B. Responsibility .....	48
C. Compliance .....	48
D. Communication .....	48
E. Hazard Assessment .....	49
F. Accident/Exposure Investigations .....	49
G. Hazard Correction .....	49
H. Training and Instruction .....	50
5.106 Lactation Breaks .....	51
5.107 No Pets in the Workplace .....	51
5.108 COBRA .....	52
SECTION 6: PAYROLL .....	53
6.101 Categories of Employment .....	54
6.101(a) Anniversary Date .....	54
6.102 Licensing Requirements .....	54
6.103 Payday .....	55
6.104 Pay Advances .....	55
6.105 Timekeeping .....	55
6.106 Overtime (Non-Exempt Only) .....	56
6.107 Meal, Rest, and Recovery Time (Non-Exempt Only) .....	57
6.108 [Not used] .....	58
6.109 [Not used] .....	59
6.110 Paycheck Deductions and Set-Offs .....	59
6.111 Work Schedules .....	59
6.112 Garnishment/Child Support .....	59
SECTION 7: LEAVE OF ABSENCE .....	60
7.101 Vacation/Management Leave/Comp Time .....	61
7.102 Paid Sick Leave .....	63
7.103 Bereavement Leave .....	64
7.104 Disability Leave/FMLA Leave .....	65
7.105 Holidays .....	66

7.106 Voting Leave.....	67
7.107 Jury Duty .....	67
7.108 Military Leave and Civil Air Patrol .....	68
7.109 Pregnancy Accommodation .....	69
7.110 Pregnancy Disability Leave.....	70
7.111 Family Leave Insurance .....	71
7.112 [Not Used].....	72
7.113 [Not Used].....	72
7.114 Bone Marrow and Organ Donation Leave .....	72
7.115 Rehabilitation Leave.....	72
7.116 Domestic Violence Leave .....	73
7.117 Victims of Felony Crimes Leave .....	73
7.118 Time Off for School-Related Activities .....	73
Receipt of Employee Handbook and Employment-At-Will Statement.....	75

**Attachments (Employee link to Attachments [here](#))**

- A. PCE Request to Engage in Supplemental Employment Form
- B. Conflict of Interest Code of PCE
- C. PCE Guidelines on Political Activity
- D. PCE Employee Confidentiality Agreement
- E. PCE Policy 2: Community Choice Aggregator Non-Disclosure Agreement
- F. PCE Acceptable Use of Electronic Communications Policy
- G. PCE Document Retention and Destruction Policy (Forthcoming)
- H. Social Media Policy (Forthcoming)
- I. IT Security Policy (Forthcoming)

## **SECTION 1: INTRODUCTION TO PENINSULA CLEAN ENERGY**

## 1.101 Welcome to Peninsula Clean Energy!

Dear Staff,

On behalf of everyone at Peninsula Clean Energy (PCE), welcome to the team! You are joining PCE at a very exciting time, for PCE, the industry, and our state. Community Choice Aggregators are challenging communities, states, and countries to make clean, renewable, greenhouse gas-free energy the standard. We are proud to be part of this wave of progress.

Starting a new job is exciting, but at times can be overwhelming. This Employee Handbook has been developed to help you become acquainted with PCE and answer many of your initial questions.

As an employee of Peninsula Clean Energy, you are very important. Your contribution cannot be overstated. We are a mission driven organization, and your role is an important part of achieving our mission – to reduce greenhouse gas emissions in San Mateo County. We first do that by providing cleaner and greener electricity at lower rates than PG&E. Next, we are offering energy related programs that use PCE's clean electricity to reduce greenhouse gas emissions by moving to electric transportation methods. And finally, we will offer electrification programs to reduce GHG emissions in buildings by converting from natural gas use to PCE's clean electricity. We hope the success we have in San Mateo County provides a model for other parts of the state, country, and world to also move toward a clean electric economy!

You are an important part of this process and your work directly influences PCE's reputation.

We are glad you have joined us, and we hope you will find your work to be both challenging and rewarding.

Sincerely,

Jan Pepper  
Chief Executive Officer

## 1.102 Agency Structure

Peninsula Clean Energy (“PCE”) is a public agency – a local government joint powers authority (JPA) that is governed by a Board of Directors consisting of 22 Directors. Twenty of these are appointed by each of the municipalities in San Mateo County: Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, Woodside. Additionally, the Board has two (2) directors appointed by the County of San Mateo. The Executive Committee (currently consisting of nine (9) members) of the Peninsula Clean Energy Authority Board of Directors is responsible for providing administrative oversight for the overall organization. The Audit & Finance Committee (currently consisting of five (5) members) of the PCE Board of Directors is responsible for financial oversight of the organization.

The Chief Executive Officer (CEO) is responsible to the Board of Directors.

## 1.103 Peninsula Clean Energy History

In 2014, San Mateo County began to explore the feasibility of starting a Community Choice Energy (“CCE”) (also known as “Community Choice Aggregation” or “CCA”) program in the County and interested cities located therein. A CCE program allows cities to aggregate their energy demand and purchase power from sources other than Pacific Gas & Electric (“PG&E”). PG&E will still deliver the power, maintain the lines, and bill customers, but the power will be purchased by the CCE program (branded “Peninsula Clean Energy” in San Mateo County). The County hired the consulting firm Pacific Energy Advisors to study the environmental, economic, and technical potential for a CCE program in San Mateo County. All twenty cities and the County’s unincorporated areas participated in the study. The “Draft Peninsula Clean Energy CCA Technical Study” (Technical Study) was completed in September 2015.

Following years of careful study and development, Peninsula Clean Energy (“PCE”) was created in February 2016 when all 20 cities in San Mateo County, plus the County of San Mateo, voted unanimously to form a Joint Powers Authority to administer the program. PCE began serving its initial group of customers on October 1, 2016. This initial enrollment was comprised of 20% of the residential customer base and all of the small and medium commercial base in San Mateo County as part of Phase 1. PCE launched Phase 2 in April 2017, when PCE began serving the remaining 80% of the residential customer base, plus the large commercial and agricultural customers in San Mateo County.

## **1.104 Mission Statement**

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

## **1.105 Strategic Goals**

The PCE Board of Directors has adopted a set of strategic goals for the organization. These can be viewed on the PCE website.

## **1.106 About this Handbook**

This Employee Handbook contains information about the employment policies and practices of PCE. We expect each employee to read, understand, and comply with all provisions of this Employee Handbook. It describes many of your responsibilities as an employee and outlines the programs developed by PCE to benefit you as an employee. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

As noted above, PCE is a JPA, an independent California public agency that was created separate from any other public agency. The employment laws that apply in the public sector are sometimes different from those in the private sector. If you have previously worked for a for-profit or not-for-profit organization, you may notice some differences.

PCE complies with federal and state law which is in part reflected in this handbook. PCE also complies with any applicable local laws, even though there may not be an express written policy contained in the handbook.

Violations of the policies and procedures outlined in the handbook, as well as violations of any applicable state and/or federal law, may be grounds for discipline up to and including immediate termination.

## **1.107 New Employee Onboarding**

Upon joining PCE, you were given an e-copy of our Employee Handbook. After reading this Employee Handbook please sign the receipt page and return it to the Executive

Assistant to the CEO. You will be asked to complete personnel, payroll and if applicable, benefit forms which will need to be provided to the Chief Financial Officer.

PCE is a small Agency and our doors are always open here. The operations of your department are the responsibility of your supervisor. (S)he is a good source of information about PCE and your job. However, feel free to speak to the CEO if you have questions about PCE or your position.

## **SECTION 2: EMPLOYMENT**

## 2.101 Nature of Employment

Except for the policy of at-will employment, PCE reserves the right to revise, delete, and add to the provisions of this Employee Handbook at any time without notice. All such revisions, deletions or additions to the Employee Handbook must be in writing and must be signed by the Chief Executive Officer of PCE. No oral statements or representations can change the provisions of this Employee Handbook.

The provisions of this Employee Handbook are not intended to create contractual obligations with respect to any matters it covers nor is this Employee Handbook intended to create a contract guaranteeing that you will be employed for any specific period of time. Any agreement of employment for a specified time period shall be put into writing and signed by the Chief Executive Officer.

Nothing in this Employee Handbook is intended to unlawfully restrict an employee's right to engage in any of the rights guaranteed them by Section 7 of the National Labor Relations Act, including but not limited to, the right to engage in concerted protected activity for the purposes of their mutual aid and/or protection. Nothing in this Employee Handbook will be interpreted, applied or enforced to interfere with, restrain or coerce employees in the exercise of Section 7 rights.

PCE IS AN AT-WILL EMPLOYER. THIS MEANS THAT REGARDLESS OF ANY PROVISION IN THIS EMPLOYEE HANDBOOK, EITHER YOU OR PCE MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE OR NOTICE. NOTHING IN THIS EMPLOYEE HANDBOOK OR IN ANY DOCUMENT OR STATEMENT, WRITTEN OR ORAL, SHALL LIMIT THE RIGHT TO TERMINATE EMPLOYMENT AT-WILL. NO OFFICER, EMPLOYEE OR REPRESENTATIVE OF PCE IS AUTHORIZED TO ENTER INTO AN AGREEMENT—EXPRESS OR IMPLIED—WITH ANY EMPLOYEE FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME UNLESS SUCH AN AGREEMENT IS IN A WRITTEN CONTRACT SIGNED BY THE CHIEF EXECUTIVE OFFICER OF PCE.

This Employee Handbook refers to current benefit plans maintained by PCE. Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plan. Those documents are controlling.

Likewise, if a written employment contract is inconsistent with the Employee Handbook, the written contract is controlling.



## **2.102 Job Postings**

PCE maintains a job description for each position in PCE. The job description outlines the essential duties and responsibilities of the position. When the duties and/or responsibilities of a position change, the job description will be revised to reflect those changes. If you have any questions or wish to obtain a copy of your position's job description, please see your supervisor.

PCE provides employees an opportunity to indicate their interest in open positions and advance within PCE according to their skills and experience. In general, notices of all regular, full-time job openings are posted, although PCE reserve its sole discretionary right not to post a particular opening.

Posted job openings will be added to PCE's website and the County of San Mateo website and normally remain open for two to three weeks but will stay open until filled. Each job posting notice will include the dates of the posting period, job title, job summary, essential duties and qualifications.

To be eligible to apply for a posted job, employees must have performed competently in their current position. PCE reserves the right not to accept applications for open positions from an employee who is currently on any type of disciplinary action.

To apply for an open position, employees should submit a cover letter and resume as directed on the job posting, listing job-related skills and accomplishments. Materials should also describe how current experience with PCE and prior work experience and/or education qualifies them for the position.

Job posting is a way to inform employees of openings and to identify qualified and interested applicants whose interest might not otherwise be known to PCE. Other recruiting sources may also be used to fill open positions in the best interest of PCE.

## **2.103 Employee Relations Philosophy**

We are committed to providing the best possible climate for maximum development and goal achievement for all employees. Our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork; individuals working together to attain a common goal.

To maintain an atmosphere where these goals can be accomplished, we provide a comfortable and progressive workplace. Most importantly, we have a workplace where communication is open, and problems can be discussed and resolved in a mutually

respectful atmosphere. We consider individual circumstances and the individual employee.

**We firmly believe that with direct communication, we can continue to resolve any difficulties that may arise and develop a mutually beneficial relationship.**

## **2.104 Equal Opportunity Employer**

PCE is committed to equal employment opportunity. We will not discriminate against employees or applicants for employment on any legally recognized basis ["protected class"] including, but not limited to: race; color; religion; genetic information; national origin; sex; pregnancy, childbirth, or related medical conditions; age; disability; citizenship status; uniform servicemember status; or any other protected class under federal, state, or local law.

In California, the following also are a protected class: race; religious creed; color; national origin; ancestry; physical disability; mental disability; medical condition, including genetic characteristics; genetic information; marital status; sex; pregnancy, childbirth or related medical conditions or breast feeding; perceived pregnancy; actual or perceived gender; gender identity or expression (including transgender); sexual orientation; civil air patrol membership; service in the military forces of the State of California or of the United States; military and veteran status; lawful conduct occurring during nonworking hours away from PCE premises; age [40 or over]; and citizenship status. Included in the definition of each protected category is the perception of membership in a protected category and an individual's association with an actual or perceived member of a protected category.

You may discuss equal employment opportunity related questions with your supervisor or any other designated member of management.

## **2.105 Nepotism Prohibited**

It is the policy of PCE to recruit, hire, and assign all employees on the basis of merit and performance. Nepotism, the employment of relatives within an organization, may cause serious conflicts and problems with favoritism and employee morale. Nepotism is expressly prohibited at PCE because it is antithetical to PCE's merit-based hiring process.

For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with an employee is like that of persons who are related by blood or marriage, such as those who are living together.

This policy applies to all employees regardless of gender or sexual orientation.

## 2.106 Immigration Reform and Control Act

In compliance with the federal Immigration Reform and Control Act of 1986 (IRCA), as amended, and any state law requirements, if applicable, PCE is committed to employing only individuals who are authorized to work in the United States.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired may also be required to re-complete the form.

If an employee is authorized to work in this country for a limited period of time, the individual will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by PCE.

## 2.107 Supplemental Employment

Employees may hold supplemental jobs as long as they meet the performance standards of their job with PCE. All employees will be judged by the same performance standards and will be subject to PCE's scheduling demands, regardless of any existing supplemental work requirements.

If PCE determines that an employee's supplemental work interferes with performance or the ability to meet the requirements of PCE as they are modified from time to time, the employee may be asked to terminate the supplemental employment if he or she wishes to remain employed by PCE.

An employee who wishes to engage in supplemental employment must complete the [Request to Engage in Supplemental Employment Form](https://peninsulacleanenergy.box.com/s/l9n2hy7z7tquhibnn33ei6c6cg2vrnsn) (<https://peninsulacleanenergy.box.com/s/l9n2hy7z7tquhibnn33ei6c6cg2vrnsn>). The form must be signed by the employee's supervisor and the CEO.

**Supplemental employment that constitutes a conflict of interest is strictly prohibited. If you have a concern regarding a potential or actual conflict, please discuss it with the CEO.**

## **2.108 Americans with Disabilities Act**

PCE is committed to complying fully with the Americans with Disabilities Act (“ADA”) and the California Fair Employment and Housing Act (“FEHA”) and ensuring equal employment opportunities to qualified individuals with disabilities. This may include providing reasonable accommodation where appropriate for an otherwise qualified individual to perform the essential functions of the job. All employment practices and activities are conducted on a non-discriminatory basis. Hiring procedures are designed to provide persons with disabilities meaningful employment opportunities. Post-offer pre-employment inquiries are made only regarding an applicant’s ability to perform the duties of the position.

It is your responsibility to notify your supervisor of the need for accommodation. Upon doing so, your supervisor may ask you for your input or the type of accommodation you believe may be necessary or the functional limitations caused by your disability. Also, when appropriate, we may need your permission to obtain additional information from your physician or other medical or rehabilitation professionals. PCE will not seek genetic information in connection with requests for accommodation. All medical information received by PCE in connection with a request for accommodation will be treated as confidential.

Reasonable accommodations for qualified individuals with known disabilities will be made unless doing so would be an undue hardship. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

## **2.109 Access to Personnel Files**

PCE maintains a personnel file on each employee. Such files include: employee’s job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of PCE and access to the information they contain is restricted. Generally, only management-level personnel of PCE and your supervisor who have a legitimate reason to review information in a file are permitted to do so.

Upon request, current and former employees may inspect their own personnel files at a mutually agreeable time, on PCE premises in the presence of an authorized PCE management team member. You will be permitted to see any records regarding your qualification for employment, promotion, wage increases, earnings and deductions, or discipline. Additionally, PCE will provide copies of payroll records within fifteen (15) days after a written request has been received. Exceptions include records regarding

criminal investigation and any letters of reference maintained by PCE. You will be allowed to have a copy of any document that relates to your performance or any grievance that concerns you. PCE complies with state law record retention requirements for current and former employees.

For more information, contact the Chief Financial Officer.

## **2.110 Employment Reference Checks**

To ensure that individuals who join PCE are well qualified and have a strong potential to be productive and successful, it is the policy of PCE to check the employment references of all applicants.

Regarding current or former PCE employees, PCE will respond in writing or verbally only to those reference check inquiries that are submitted in writing. Responses to such inquiries will confirm only dates of employment and position(s) held. NO other employment data will be released without a written authorization and release signed by the individual who is the subject of the inquiry. Currently, only the CEO is authorized to respond to reference check inquiries. The CEO has the authority to delegate this responsibility as appropriate.

## **2.111 Changes in Personal Data**

To aid you and/or your family in matters of personal emergency, we need to maintain up to date information. It is the responsibility of each employee to promptly notify PCE of any changes in personal data. Personal mailing addresses, telephone numbers, number and names of dependents who are enrolled in benefit plan(s) or are beneficiaries of benefit plan(s), individuals to be contacted in the event of an emergency, educational accomplishments or credentials, and other such status reports should be accurate and current. If any personal data has changed, please notify your supervisor and the Chief Financial Officer in writing.

Changes that would impact your paycheck or annual reporting documents should be given to the Chief Financial Officer promptly.

## **2.112 Termination of Employment**

Should you decide to leave your employment with us, we ask that you provide your immediate supervisor with at least two weeks' advance written notice. Your thoughtfulness is appreciated and will be noted favorably should you ever wish to reapply for employment with PCE.

All voluntary terminating employees should complete a brief exit interview prior to leaving. All terminating employees, either voluntary or involuntary, will be provided information about employee benefits, conversion privileges, repayment of outstanding debts to PCE, and return of PCE-owned property.

A final paycheck will be provided in accordance with any applicable California law.

### **2.113 Social Security Number Privacy**

Officers and employees are permitted to access and use certain personal information, such as Social Security Numbers, only as necessary and appropriate for such persons to carry out their assigned tasks for PCE and in accordance with PCE's policy.

The unauthorized access, viewing, use, disclosure, or the intentionally public display of such information and the unauthorized removal of documents from PCE's premises that contain social security number information is prohibited.

If you come into contact with Social Security Numbers or other sensitive personal information without authorization from PCE or under circumstances outside of your job duties/assigned tasks, you may not use or disclose the information further, but must contact your supervisor and turn over to him/her all copies of the information in whatever form.

When necessary, documents containing social security information will be properly destroyed through shredding or other means prior to disposal to ensure confidential social security information is not disclosed.

### **SECTION 3: EMPLOYEE CONDUCT**

### 3.101 Conflict of Interest/Code of Ethics

A company's reputation for integrity is its most valuable asset and is directly related to the conduct of its officers and other employees. Therefore, employees must never use their positions with PCE, or any of its customers, for private financial gain, to advance personal financial interests, to obtain favors or benefits for themselves, members of their families or any other individuals, corporations or business entities, or engage in activities, investments or associations that compete with PCE, interferes with an employee's business judgment concerning PCE's best interests, or exploits an employee's position with PCE for personal gain.

PCE adheres to the highest legal and ethical standards applicable in our business. PCE's business is conducted in strict observance of both the letter and spirit of all applicable laws and the integrity of each employee is of utmost importance. All employees of PCE have an obligation to conduct business within the guidelines that prevent actual or potential conflicts of interest and to comply with [PCE's Conflict of Interest Code](#)

(<https://peninsulacleanenergy.box.com/s/ru4qa5eowllh6yvwh1g4wrx30zncvn7b>).

Employees of PCE shall conduct their personal affairs such that their duties and responsibilities to PCE are not jeopardized and/or legal questions do not arise with respect to their association or work with PCE.

**POLITICAL ACTIVITY** – PCE employees are public employees because PCE is a JPA under California Government Code Section 6500 et seq. The governing body, the Board of Directors, is comprised of publicly elected representatives of its member jurisdictions. While California law prohibits public employers from barring its officers and employees from participation in political activities, the law permits PCE to develop guidelines prohibiting officers and employees from engaging in political activity during work hours, on agency premises, or using agency property to do so, including email. For more information, please see [Guidelines for Employee Political Activity](#) (<https://peninsulacleanenergy.box.com/s/srua0e2f6ddyujpzf5vyu87moivzjju>).

This policy does not prevent employees from discussing their wages or other terms of employment.



### 3.101 Standards of Conduct

Each employee has an obligation to observe and follow PCE's policies and to maintain proper standards of conduct at all times. Failure to adhere to PCE's policies will result in corrective disciplinary measures.

Disciplinary action may include a verbal warning, written warning, suspension with or without pay, and/or termination of employment. The appropriate disciplinary action imposed will be determined by PCE. PCE does not guarantee that one form of action will necessarily precede another.

Among other things, the following may result in disciplinary action, up to and including termination of employment: [some of the specific items listed below are referenced to sections that follow]

- Violation of PCE's policies or safety rules;
- Failing to work in a cooperative manner with management, co-workers, customers and others who do business with PCE;
- Unauthorized or illegal possession, use, or sale of alcohol or controlled substances on work premises or during working hours, while engaged in company activities; [Section 3.107]
- Unauthorized possession, use, or sale of weapons, firearms, or explosives on work premises;
- Theft or dishonesty;
- Inappropriate or violent physical contact;
- Harassment; [Section 3.103]
- Discrimination or retaliation in violation of PCE's EEO and No Harassment policies; [Section 3.103]
- Performing outside work or use of company property, equipment, or facilities in connection with outside work while on company time;
- Engaging in unethical or illegal conduct;
- Unauthorized disclosure of business "secrets" or confidential proprietary information; [Section 3.104]
- Poor attendance or poor performance.

These examples are not exhaustive. We emphasize that termination of employment decisions will be based on an assessment of all relevant factors.

Nothing in this policy is designed to limit an employee's rights under Section 7 of the National Labor Relations Act.

Nothing in this policy is designed to modify PCE's employment-at-will policy.

### 3.103 No Harassment

We are committed to providing a work environment that is free of unlawful harassment, discrimination and retaliation. In furtherance of this commitment, PCE strictly prohibits all forms of unlawful discrimination and harassment, including: discrimination or harassment on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, protected medical condition (including genetic characteristic), genetic information, marital status, sex (including pregnancy, childbirth or related medical condition, or breast feeding), gender, gender identity or expression (including transgender), age for individuals over forty years of age, military or veteran status, sexual orientation, citizenship status, or any other category protected by applicable state or federal law.

PCE's policy against unlawful harassment, discrimination and retaliation applies to all employees, including supervisors and managers, as well as to all unpaid interns and volunteers. PCE prohibits managers, supervisors and employees from harassing co-workers as well as PCE's customers, vendors, suppliers, independent contractors, and others doing business with PCE. Any such harassment will subject an employee to disciplinary action up to and including immediate termination. PCE likewise prohibits its customers, vendors, suppliers, independent contractors and others doing business with PCE from harassing, discriminating, or retaliating against our managers, supervisors and employees.

**Examples of Prohibited Sexual Harassment:** Sexual harassment includes a broad spectrum of conduct including harassment based on sex, gender, gender identity or expression, and sexual orientation. By way of illustration only, and not limitation, some examples of unlawful and unacceptable behavior include:

- Unwanted sexual advances;
- Offering an employment benefit (such as a raise, promotion or career advancement) in exchange for sexual favors, or threatening an employment detriment (such as termination or demotion) for an employee's failure to engage in sexual activity;
- Visual conduct, such as leering, making sexual gestures, and displaying or posting sexually suggestive and/or derogatory objects or pictures, drawings, cartoons or posters;
- Verbal sexual advances, propositions, requests or comments;
- Sending or posting sexually-related messages, videos or messages via text, instant messaging, or social media;
- Verbal abuse of a sexual nature, graphic verbal comments about an individual's body, sexually degrading words used to describe an individual, and suggestive or obscene letter, notes or invitations;

- Physical conduct, such as touching, groping, assault, or blocking movement;
- Physical or verbal abuse concerning an individual's gender, gender identity or gender expression; and
- Verbal abuse concerning a person's characteristics such as pitch of voice, facial hair or the size or shape of a person's body, including remarks that a male is too feminine, or a woman is too masculine.

**Other Examples of What Constitutes Prohibited Harassment:** In addition to the above listed conduct, PCE strictly prohibits harassment concerning any other protected characteristic. By way of illustration only, and not limitation, such prohibited harassment includes:

- Racial or ethnic slurs, epithets, derogatory comments and any other offensive remarks;
- Jokes, whether written, verbal, or electronic;
- Threats, intimidation, and other menacing behavior;
- Assault, impeding or blocking movement, or any physical interference with normal work or movement;
- Inappropriate verbal, graphic, or physical conduct;
- Sending or posting harassing messages, videos or messages via text, instant messaging, or social media; and
- Other harassing conduct based on one or more of the protected categories identified in this policy.

If you have any questions about what constitutes harassing behavior, ask your supervisor or another member of management.

**Prohibition Against Retaliation:** PCE is committed to prohibiting retaliation against those who themselves or whose family members report, oppose, or participate in an investigation of alleged unlawful harassment, discrimination, or other wrongdoing in the workplace. By way of example only, participating in such an investigation includes, but is not limited to:

- Making or filing an internal complaint with PCE regarding alleged unlawful activity;
- Providing notice to PCE regarding alleged unlawful activity;
- Filing a complaint with a federal or state enforcement or administrative agency;
- Participating in or cooperating with a federal or state enforcement agency conducting an investigation of PCE regarding alleged unlawful activity;
- Testifying as a party, witness, or accused regarding alleged unlawful activity; and
- Assisting another employee who is engaged in any of these activities.

PCE is further committed to prohibiting retaliation against qualified employees who request a reasonable accommodation for any known physical or mental disability and employees who request a reasonable accommodation of their religious beliefs and observances.

**What You Should Do If You Feel You Are Being or Have Been Harassed, Discriminated Against or Retaliated Against** – If you feel that you are being or have been harassed, discriminated against or retaliated against in violation of this policy by another employee, supervisor, manager or third party doing business with PCE, you should immediately contact the Chief Executive Officer. In addition, if you observe harassment by another employee, supervisor, manager or non-employee, please report the incident immediately to the CEO. If the CEO is alleged to be involved in the harassment, the Chair of the PCE Board must be notified.

Supervisors who receive any complaint of harassment, discrimination or retaliation must promptly report such complaint to the Chief Executive Officer so that PCE may resolve the complaint internally. As noted above, if the complaint is against the CEO, the Chair of the PCE board should be notified.

Your notification of the problem is essential to us. We cannot help to resolve a harassment problem unless we know about it. Therefore, it is your responsibility to bring your concerns and/or problems to our attention, so we can take whatever steps are necessary to address the situation. PCE takes all complaints of unlawful harassment seriously and will not penalize you or retaliate against you in any way for reporting a harassment problem in good faith.

All complaints of unlawful discrimination, harassment, or retaliation which are reported to the Chief Executive Officer or the Chair of the PCE Board, as applicable, will receive a timely response and will be thoroughly investigated in a fair and prompt manner by impartial and qualified personnel. Investigations will be conducted in a manner which provides all parties with appropriate due process, reaches a reasonable conclusion based on evidence collected and ensures timely closure. In addition, PCE will ensure that the investigation is properly documented and tracked for reasonable progress. Upon conclusion of such investigation, appropriate remedial and corrective action will be taken where warranted, including disciplinary action, up to and including immediate termination. PCE prohibits employees, supervisors, and managers from hindering internal investigations and the internal complaint procedure. All complaints of unlawful misconduct reported to the CEO (or the Chair of the PCE Board) will be treated as confidentially as possible, consistent with PCE's need to conduct an adequate and thorough investigation.

Violation of this policy will subject an employee to disciplinary action, up to and including immediate termination. Moreover, any employee, supervisor or manager who condones

or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including termination. Additionally, under California law, employees may be held personally liable for harassing conduct that violates the California Fair Employment and Housing Act.

Pursuant to California law, PCE as a public employer requires that all supervisory employees take at least two hours of sexual harassment training every two years. Employees promoted to a supervisory position are required to take their first training within six (6) months of promotion. The Chief Financial Officer will monitor and maintain records of all required trainings. PCE will provide the training through an on-line course.

### **3.104 Protecting PCE Information**

Protecting PCE's information is the responsibility of every employee. You are not to discuss PCE's confidential business or proprietary business matters, or share confidential, personal employee information (such as social security numbers, personal banking or medical information) with anyone who does not work for us such as friends, family members, members of the media, or other business entities.

Upon commencement of employment, each PCE employee must sign the [PCE Confidentiality Agreement](#)

(<https://peninsulacleanenergy.box.com/s/30e7lahyg17uzmxdibsqdupp9u525z06>). The protection of confidential business information and trade secrets is vital to the interest and success of PCE. Such confidential information includes, but is not limited to, the following examples:

- Computer programs and codes
- Customer lists and information
- Customer preferences
- Financial information
- Power supply information
- Marketing strategies
- Pending projects and proposals
- Research and development strategies

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment, even if they do not actually benefit from the use or disclosure.

As a public agency, PCE is subject to the California Public Records Act and the open meeting requirements of the Brown Act. Disclosures of information in compliance with these or any other open government requirement is not a violation of this policy.

However, employees with access to PCE information are required to follow applicable policies, procedures, and supervisory direction when disclosing information to the public so that PCE may assure that the information released is complete, accurate and properly presented. For more information please see PCE's [Customer Confidentiality Policy](https://www.peninsulacleanenergy.com/wp-content/uploads/2017/01/PCE-Policy-2-final.pdf) (<https://www.peninsulacleanenergy.com/wp-content/uploads/2017/01/PCE-Policy-2-final.pdf>).

Confidential information does not include information pertaining to the terms and conditions of an employee's employment, including wages. Nothing in this policy is designed to limit an employee's rights under Section 7 of the National Labor Relations Act.

### **3.105 Use of Personal Devices, including PCE Issued Devices**

Upon employment with PCE you will be issued a PCE encrypted laptop. Due to the confidential nature of information at PCE, it is PCE's policy that you are not to utilize any other laptop or similar device (including but not limited to tablets, laptops, or computers) to conduct PCE business. Employees must physically secure their PCE issued devices against theft, loss or unauthorized use, including the use of password protection. This is especially critical if your job duties require you to use your PCE device outside the office. All PCE issued devices will be provided with a temporary password which you will be able to change upon your first log in. If any PCE device is lost or stolen, you must immediately contact your immediate supervisor who will notify the appropriate level of management so that your laptop is completely deactivated.

PCE's IT security policy provides that all PCE work product be stored on the cloud storage system, BOX. Work product, even temporary in process files, must all be file saved to BOX. Since BOX is a cloud storage system and your PCE issued laptops are encrypted, you would be able to access files while not in the office in a protected fashion.

Modern means of communication includes the frequent use of cell/smart phones. PCE does not provide PCE issued cell/smart phones. As a result, you will be required to use your personal cell/smart phone for PCE business. PCE related business usage of your cell/smart phone will be dependent upon your job position and description. A taxable phone allowance will be provided to all employees to compensate them for the use of their personal device for PCE business.

Non-exempt employees may not use their personal devices for work purposes outside of their normal work schedule without authorization in advance from their immediate supervisor. This includes but is not limited to reviewing, sending, and responding to e-mails or text messages, and responding to or making calls. Time spent by non-exempt employees using their own devices to perform work outside of regular working hours must be included on their time sheet.

Employees are expected to exercise the same discretion in using their personal devices while working as is required for using PCE owned devices. This includes, but is not limited to, compliance with PCE policies pertaining to harassment, discrimination, retaliation, trade secrets, proprietary business and confidential information, electronic communications, and ethics. Employees must also comply with all applicable state, federal and local laws governing the use of such electronic devices. Failure to follow policies, procedures and/or applicable laws may result in disciplinary action up to and including termination of employment.

### **3.106 Smoking in the Workplace**

PCE is committed to providing a safe and healthy environment for employees and visitors. Smoking, including the use of e-cigarettes, is not permitted. In addition, local ordinances and provisions of our office lease regarding smoking must be adhered to. Violations of this policy may result in disciplinary action, up to and including termination of employment.

### **3.107 Drug and Alcohol Use**

It is PCE's desire to provide a drug-free, alcohol-free, healthful, and safe workplace. To comply with the federal Drug-Free Workplace Act of 1988, PCE requires that an employee not report to work if his or her ability to perform his or her job duties is impaired due to alcohol or drug use. Further, PCE employees shall not use alcohol or illegal drugs and/or prescription drugs without a prescription during work hours, breaks, or at any time while on paid status and/or on work premises. Exceptions to the use of alcohol on work premises for special events may be made at the sole discretion of the CEO of PCE.

No employee shall directly or through others sell or provide illegal or illegally obtained drugs while in a paid status.

An employee who is convicted of a criminal drug violation occurring in the workplace must notify his or her supervisor as soon as possible.

PCE will attempt to reasonably accommodate an employee with chemical dependencies (alcohol or drugs), if the employee voluntarily wishes to seek treatment and/or rehabilitation before being found in violation of this policy. Employees desiring that assistance should request an unpaid treatment or rehabilitation leave of absence. For more information, see Section 7.115 – Rehabilitation Leave.



PCE support for treatment and rehabilitation does not obligate PCE to employ any person who violates the PCE drug and alcohol abuse policy or whose job performance is impaired because of substance abuse. PCE is also not obligated to continue to employ any person who has participated in treatment or rehabilitation if that person's job performance remains impaired as a result of alcohol or drug dependency.

Your employment or continued employment with PCE is conditioned upon your full compliance with the foregoing policy. Any violation of this policy may result in disciplinary action, up to and including termination of employment. Further, any employee who violates this policy who is subject to termination of employment, may be permitted in lieu of termination of employment, at PCE's sole discretion, to participate in and successfully complete an appropriate treatment, counseling or rehabilitation program as recommended by a substance abuse professional as a condition of continued employment and in accordance with applicable federal, state, and local laws.

Various federal, state, and local laws protect the rights of individual with disabilities and others with regard to the confidentiality of medial information, medical treatment, and the use of prescription drugs and substances taken under medical supervision. Nothing contained in this policy is intended to violate such regulations or interfere with individual rights thereunder.

### **3.108 Drug Testing**

PCE is committed to providing a safe, efficient, and productive work environment for all employees. In support of this commitment, PCE seeks to provide a workplace that is free from the harmful effects of drug and alcohol abuse. To further its interest in service to the community, avoiding accidents, promoting and maintaining a safe and productive workplace and protecting PCE property, equipment, and operation, PCE may conduct drug and alcohol testing, as provided in this policy. This policy is intended to apply to all employees, regardless of appointment type or time basis, including, without limitation, full-time, part-time, regular, temporary and management employees.

Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. It is also a violation of PCE policy. Please see the policy on Drug and Alcohol Use in Section 3.107 above. To help ensure a safe and healthful working environment, job applicants and employees may be subject to drug and alcohol testing and may be asked to provide body substance samples (such as urine) to determine the use of drugs or alcohol in violation of PCE policies under the following circumstances:

- **Pre-employment/promotional testing:** Employees being hired or promoted may be required to pass a drug test as a condition of the offer or promotion. An



employee will only be asked to complete testing after a conditional offer of employment or promotion is made. Such an offer is contingent on passing the drug test.

- **Reasonable suspicion testing:** Employees will be subject to testing where there is reasonable suspicion that the employee has violated this policy or the policy on Drug and Alcohol Use. Reasonable suspicion is the good faith belief based on specific articulable perception and reasonable inferences drawn from such perceptions that an employee may have violated this policy and that testing may reveal facts and evidence related to that perceived violation. Perceptions or reasonable inferences supporting reasonable suspicion may include, but are not limited to, an employee's manner, disposition, muscular movement, appearance, unusual behavior, speech or breath odor; information provided by an employee, law enforcement official or other person believed to be reliable; or other surrounding circumstances. For purposes of ordering testing, reasonable suspicion will only exist where the CEO and another member of PCE's executive leadership team has reviewed circumstances in a particular case and concurs in the finding of reasonable suspicion.
- **Follow up testing:** An employee who has been found to be in violation of this policy or the Drug and Alcohol policy may be required to submit to periodic, unannounced testing for one year, starting on a date established by the CEO.

For testing, the applicant or employee will be referred to an independent Substance Abuse and Mental Health Services Administration (SAMHSA) certified medical clinic or laboratory, which will administer the test. PCE will pay the cost of the test and reasonable transportation cost to the testing facility. The applicant or employee will have an opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that she or he has taken that may affect the outcome of the test. Positive results from initial screening will be confirmed by a second testing method and will not be reported as positive without confirmation. In the event of a reported positive test, the applicant or employee may have the same sample retested at a laboratory of the employee's choice at the employee's expense.

Testing or drug testing under this policy may include amphetamines and methamphetamines, cocaine, marijuana/cannabinoids (THC), opiates (narcotics), phencyclidine (PCP), barbiturates, benzodiazepines, methaqualone, and alcohol. Cut-off levels for determining a positive test will be those established in the SAMHSA Mandatory Guidelines for Federal Drug Testing Programs. The cut-off level for a positive alcohol test (both initial and confirmation) will be 0.02 percent (0.02 gm/210 liters of breath or 0.02 gm/deciliter of blood or 0.02 mg/ml of urine). Testing will normally be performed by urinalysis or, for alcohol testing, may also include breath testing. The substances for which drug and alcohol tests are performed and cut-off levels may be modified from time-to-time with prior written notice from the Chief Executive Officer or amendment of this policy.

If an applicant or employee who is subject to testing refuses to cooperate with the administration of the test, the refusal will be considered a positive test result. A refusal to cooperate includes, but is not limited to, refusing to appear for a test; unreasonably failing to submit a sample for testing; tampering with, substituting, adulterating, masking or water-loading a sample; or obstructing or not fully cooperating with testing procedures.

All records of the circumstances and results of substance testing under this policy will remain confidential applicant or personnel records. Laboratory reports and test results will be maintained in a file separate from an employee's personnel file. Information may only be released to the employee who was tested or other individuals designated in writing by the employee; to a medical review officer; to the extent necessary to properly supervise or assign the employee; as necessary to determine what action should be taken in response to the test results and for use in responding to appeals, litigation or administrative proceedings arising from or related to the test or related actions.

Questions concerning this policy or its administration should be directed to the CEO.

### **3.109 [Not Used]**

### **3.110 Attendance and Punctuality**

Attendance and punctuality are important factors for your success within PCE. We work as a team and this requires that each person be in the right place at the right time.

If you are going to be late for work or absent, notify your supervisor as far in advance as is feasible under the circumstances, but before the start of your workday. If you are absent for three days without notifying PCE, it is assumed that you have voluntarily abandoned your position with PCE, and you will be removed from the payroll. [Refer to Section 2.112]

While the management of PCE recognizes that at times employees may need to work remotely due to circumstances out of their control, e.g., a sick child or parent, PCE does not advocate a policy of "telecommuting". At all times, employees are expected to conduct their official PCE duties at PCE's office or, as applicable, at a vendor's place of business or other site location. In the event an employee does need to telecommute, such accommodation must be approved by your supervisor. We would anticipate that such accommodations would only be necessary if there is a mandatory deadline of some work project/product that cannot be extended. Absent such extenuating

circumstances, the employee may be required to take a compensated absence. Exceptions to this policy require approval by the CEO.

### **3.111 Personal Appearance**

Employees are expected to maintain high standards of personal cleanliness and present a neat and professional appearance.

Our customers' satisfaction represents the most important and challenging aspect of our business. Whether or not your job responsibilities place you in direct customer contact, you represent PCE with your appearance as well as your actions. The properly-attired individual helps to create a favorable image for PCE, to the public and fellow employees. PCE maintains a business casual environment. All employees should use discretion in wearing attire that is appropriate for their job.

### **3.112 Non-Solicitation**

PCE believes employees should have a work environment free from interruptions of a non-work-related nature, as work time is for work. When working you should focus on your duties and not engage in activities that would interfere with your own work or the work of others. For purposes of this policy, solicitation includes, but is not limited to, collection of any debt or obligation, raffles of any kind or chance taking, or the sale of merchandise or business services, the attempt to sell any product or service (e.g., selling or collecting for Tupperware®, Avon® products, churches, schools, Girl Scout cookies, etc.). Such interruptions can be both detrimental to the quality of work and efficiency and may not be respectful of others job responsibilities.

Employees may not engage in solicitation for any purpose during his/her work time, which includes the working time of the employee who seeks to solicit and the employee who is being solicited. Although solicitation is not encouraged, it is permitted if it is limited to the employee's break and lunch time and kept out of active working areas. Nothing in this policy is intended to restrict an employee's statutory rights, including discussing terms and conditions of employment.

### **3.113 Distribution**

Distribution of any type (materials, goods, paper) by employees is prohibited in work areas at any time, whether or not the employees are on working time. Electronic distribution is subject to [PCE's Acceptable Use of Electronic Communications Policy](https://peninsulacleanenergy.box.com/s/0dhpgnigh1q3xqgfrqznm2yp0zcdortz) (<https://peninsulacleanenergy.box.com/s/0dhpgnigh1q3xqgfrqznm2yp0zcdortz>) and may

not occur during the employee's working time. Non-employees are prohibited from distributing materials to employees on PCE premises at any time. Literature that violates PCE's EEO and No Harassment policies, including threats of violence, or that is knowingly and recklessly false is never permitted. Nothing in this policy is intended to restrict an employee's statutory rights, including discussing terms and conditions of employment.

### **3.114 Acceptable Use of Electronic Communications/Workplace Monitoring**

This policy contains guidelines for electronic communications created, sent, received, used, transmitted, or stored using PCE's communication systems or equipment and employee provided systems or equipment used either in the workplace, during working time or to accomplish work tasks. "Electronic communications" include, among other things, messages, images, text data or any other information used in e-mail, instant messages, text messages, voice mail, fax machines, computers, personal digital assistants (including tablets or similar devices), pagers, telephones, cellular and mobile phones including those with cameras, Intranet, Internet, back-up storage, information on a memory or flash key or card, jump or zip drive or any other type of internal or external removable storage drives. In the remainder of this policy, all these communication devices are collectively referred to as "systems."

**Acceptable Uses of Our Systems:** Employees may use our systems to communicate internally with co-workers or externally with customers and other business acquaintances for business purposes.

**PCE Control of Systems and Electronic Communications:** All electronic communications contained in PCE systems are PCE records and/or property. Although an employee may have an individual password to access our systems, the systems and communications belong to PCE. The systems and electronic communications are accessible to PCE at all times, including periodic unannounced inspections. Our systems and electronic communications are subject to use, access, monitoring, review, recording and disclosure without further notice. Employee communications on our system are not confidential or private.

PCE's maintains the right to access, monitor, record, use, and disclose electronic communications sent on PCE systems without further notice to the employee.

**Personal Use of Our Systems:** Personal communications in our systems are treated the same as all other electronic communications and will be used, accessed, recorded, monitored, and disclosed by PCE at any time without further notice. Since all electronic communications and systems can be accessed without advance notice, employees

should not use our systems for communication or information that employees would not want revealed to third parties.

**Proprietary Business Information:** Proprietary business information means confidential and proprietary information related to PCE's trade secrets, business models, business services, sales agreements, pricing information, customer lists, inventions, vendor agreements, strategic business or marketing plans, expansion plans, contracts, non-public financial performance information and other information that derives economic value by being protected from public consumption or competitors, and may only be used on PCE systems. Proprietary business information **may not** be downloaded, saved, or sent to a personal laptop, personal storage device, or personal email account under any circumstances. Proprietary business information does not restrict employee rights to discuss their wages, hours or other terms of employment.

**Prohibited Uses of Our Systems:** Employees may not use PCE systems in a manner that is unlawful, wasteful of PCE resources, or unreasonably compromises employee productivity or the overall integrity or stability of PCE's systems. These tools are provided to assist employees with the execution of their job duties and should not be abused. Examples of prohibited uses include, among other things, sexually explicit messages, images, cartoons, or jokes; propositions or love letters; ethnic or racial slurs; or any other message or image that may be in violation of company policies.

In addition, employees may not use PCE systems:

- To download, save, send or access any discriminatory, obscene, or malicious or knowingly false material;
- To download, save, send or access any music, audio or video file unless business related;
- To download anything from the internet (including shareware or free software);
- To download, save, send or access any site or content that PCE might deem "adult entertainment;"
- To attempt or to gain unauthorized or unlawful access to computers, equipment, networks, or systems of PCE or any other person or entity;
- In connection with any infringement of intellectual property rights, including but not limited to copyrights;
- In connection with the violation or attempted violation of any law; and
- To improperly transmit proprietary business information or client material such as pricing information or trade secrets.

**Electronic Forgery:** An employee may not misrepresent, disguise, or conceal his or her identity or another's identity in any way while using electronic communications; make changes to electronic communications without clearly indicating such changes; or use

another person's account, mail box, password, etc. without prior written approval of the account owner and without identifying the actual author.

**Intellectual Property Rights:** Employees must always respect intellectual property rights, including copyrights and trademarks.

**System Integrity, Security, and Encryption:** PCE contracts with an IT service provider – All Covered – to provide various IT support, including security. PCE encrypts all computers to maintain system integrity and security. All systems passwords and encryption keys must be available and known to PCE's IT service provider. Employees may not install password or encryption programs. Employees may not use the passwords and encryption keys belonging to others.

**Applicable Laws:** Numerous state and federal laws apply to electronic communications. PCE complies with applicable laws. Employees also must comply with applicable laws and should recognize that an employee could be personally liable and/or subject to fine and imprisonment for violation of applicable laws.

**Consequences of Policy Violations:** Violations of this policy may result in disciplinary action up to and including immediate termination of an employee's employment as well as possible civil liabilities or criminal prosecution. Where appropriate, PCE may advise legal officials or appropriate third parties of policy violations and cooperate with official investigations. We will not, of course, retaliate against anyone who reports possible policy violations or assists with investigations.

If you have questions about the acceptable use of our systems or the content of electronic communications, ask the Chief Executive Officer for clarification.

### **3.115 Company Document Management**

PCE uses the cloud-based platform BOX ([www.box.com](http://www.box.com)) as a document management system. All employees are required to save all PCE related documents on BOX without exception. This will allow PCE to access the documents in the event of lost laptop/Mac and maintain the security of PCE documents.

### **3.116 Social Media**

"Social media" includes all means of communicating or posting information or content of any sort on the Internet, including an employee's own or someone else's web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or chat room, whether or not the platform is associated or affiliated with PCE.

In general, all official PCE social media postings will be managed by the Communication and Outreach department.

To protect PCE's interests, employees must adhere to the following rules:

- Other than for PCE business purposes, employees may not post on a personal blog or personal social networking site during their work hours or at any time using PCE equipment or property. PCE's electronic communication systems are for business use only.
- If an employee identifies himself or herself as an employee of PCE on any social networking site for purposes other than PCE-authorized business purposes, the communication must include a disclaimer that the views expressed do not necessarily reflect the view of the PCE management.
- All rules regarding confidential business information apply to blogs and social networking sites. Any information that cannot be disclosed through a conversation, a written note, or an e-mail also cannot be disclosed on a blog or social networking site. The transmission of confidential or proprietary information without the permission of PCE is prohibited.
- If an employee mentions PCE in a blog or elsewhere on social media, or it is reasonably clear that the employee is referring to PCE or a position taken by PCE, and also expresses a political opinion or an opinion regarding PCE's position, action, or products, the post must specifically disclose the employee's relationship with PCE and note that the opinion expressed is a personal opinion and not PCE's position.
- Any conduct which is impermissible under law if expressed in any other form or forum is impermissible if expressed through a social networking site. For example, posted material that is discriminatory, defamatory, libelous, or malicious is forbidden. PCE's policies, including but not limited to the Equal Employment Opportunity, Sexual Harassment, Harassment and Workplace Violence policies apply equally to employee comments on social networking sites even if done on nonworking time.

Nothing in this policy is designed to limit an employee's right under Section 7 of the National Labor Relations Act, including discussing wages or other terms of employment. If you have questions or need further guidance, please contact the Communications and Outreach Manager.

### **3.118 [Not used]**

### **3.119 Contact with PCE**

The whereabouts of PCE employees during business hours should be known to his or her supervisor as well as the Executive Assistant to the CEO. All PCE employees shall keep an updated electronic calendar reflecting his or her whereabouts during work hours.

### **3.120 Customer and Public Relations**

PCE's reputation is built on excellent service and quality work. To maintain this reputation requires the active participation of every employee.

The opinions and attitudes that customers (and vendors) have toward PCE may be influenced by the actions of one employee for a long period of time. It is sometimes easy to take a customer for granted, but when this occurs, we run the risk of losing not only that customer, but his or her associates, friends, or family who may also be customers or prospective customers. Each employee must be sensitive to the importance of providing courteous treatment in all working relationships.



## **SECTION 4: WORKING CONDITIONS**

#### **4.101 Expectation of Privacy**

PCE reserves the right to search, without employee consent, all areas over which PCE maintains control or joint control with the employee. Therefore, employees should have no expectation of privacy at PCE or joint controlled workplace areas which include, but are not limited to, offices, cubicles, work locations, employer provided or designated parking areas, desk, computers (including electronic files), voicemail, e-mail, PCE issued cell phones, or rest or eating areas.

Desks, file cabinets, and other storage devices, including electronic storage, may be provided for the convenience of employees but remain the sole property of PCE. Accordingly, they, as well as any articles found within them, can be inspected by any supervisor or other authorized representative of PCE at any time, with or without prior notice.

#### **4.102 Performance Reviews**

Your performance is important to PCE. Once each year, on or about your anniversary date, your supervisor will review your job progress within PCE and help you set new job performance plans.

New employees will generally be reviewed at the end of their introductory period. (Refer to 6.101 for definition)

Our performance review program provides the basis for better understanding between you and your supervisor, with respect to your job performance, potential and development within PCE.

The Executive Assistant to the CEO will monitor the timely completion of the annual performance reviews.

#### **4.103 Coaching, Counseling, and Progressive Discipline**

Notwithstanding 4.102, your employment at PCE is at-will and as such may be terminated without advance notice, with or without reason or cause, and without right of appeal. PCE in its sole discretion as an at-will employer maintains the right to provide coaching, counseling, and progressive discipline to employees. Such coaching, counseling, and/or progressive discipline will be provided if, in the opinion of management, it would be of mutual benefit to PCE and the employee.

While performance reviews are generally thought of as being a positive, skill-building process, coaching, counseling, and progressive discipline will be employed, when

considered necessary so that employee issues can be corrected at early stage, assist the employee to correct the problem, prevent reoccurrence, and prepare the employee for satisfactory performance in the future.

If disciplinary action is deemed warranted, it may call for any of five steps – verbal warning, written warning, suspension with or without pay, demotion, or termination of employment.

If a supervisory employee believes an employee needs to be coached, counseled, or disciplined, such conversations will take place with two management/supervisory employees present. Prior to any discussions, the matter should be discussed with the CEO to ensure that the actions being contemplated are appropriate.

#### **4.104 Talk to Us**

We encourage you to bring your questions, suggestions and complaints to our attention. We will carefully consider each of these in our continuing effort to improve operations.

If you believe you have a problem, present the situation to your supervisor so that the problem can be settled by examination and discussion of the facts. We hope that your supervisor will be able to satisfactorily resolve most matters.

If you still have questions after meeting with your supervisor or if you would like further clarification on the matter, request a meeting with the Chief Executive Officer. (S)he will review the issues and meet with you to discuss possible solutions.

Your suggestions and comments on any subject are important, and we encourage you to take every opportunity to discuss them with us. If at any time you do not feel comfortable speaking with your supervisor or the next level of management, you may discuss your concern with any other member of management with whom you feel comfortable.

#### **4.105 Safety**

Safety can only be achieved through teamwork at PCE. Each employee, supervisor and manager must practice safety awareness by thinking defensively, anticipating unsafe situations, and reporting unsafe conditions immediately.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must comply with all occupational safety and health standards and regulations established by the Occupational Safety and Health Act and state and local regulations. To this end, please observe the following precautions:

1. Notify your supervisor of any emergency situation. If you are injured or become sick at work inform your supervisor immediately. An employee fails to do so, receipt of workers' compensation benefits may be impacted.
2. Report all workplace injuries as soon as reasonably possible to your supervisor even if no medical treatment is required.
3. The use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on PCE's property is forbidden, unless at a work-related or special function. Reference should be made to Section 3.107.
4. Use, adjust, and/or repair machines and equipment only if you are trained and qualified.
5. Know the proper lifting procedures. Get help when lifting or pushing heavy objects.
6. Understand your job fully and follow instructions. If you are not sure of the safe procedure, do not guess; inquire with your supervisor.
7. Know the locations, contents and use of first aid and fire-fighting equipment.
8. Comply with applicable OSHA standards and/or applicable job safety and health standards as posted.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, or with another supervisor or manager. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of retaliation.

A violation of a safety precaution is an unsafe act. A violation may lead to disciplinary action, up to and including termination of employment.

#### **4.106 Visitors**

If you are expecting a visitor, please notify your supervisor. All visitors must first check in at the reception area. Visitors are not allowed in any locked and/or secured area of the building without being accompanied by an authorized employee. Under no circumstances will visitors be allowed in confidential and/or unauthorized areas.

#### **4.107 Workplace Violence**

Violence by an employee or anyone else against an employee, supervisor or member of management will not be tolerated. The purpose of this policy is to minimize the potential risk of personal injuries to employees at work and to reduce the possibility of damage to

PCE property in the event someone, for whatever reason, may be unhappy with a PCE decision or action by an employee or member of management.

If you receive or overhear any threatening communications from an employee or outside third party, report it to the Chief Executive Officer at once. Do not engage in either physical or verbal confrontation with a potentially violent individual. If you encounter an individual who is threatening immediate harm to an employee or visitor to our premises, contact an emergency agency (such as 911) immediately.

All reports of work-related threats will be kept confidential to the extent possible, investigated and documented. Employees are expected to report and participate in an investigation of any suspected or actual cases of workplace violence and will not be subjected to disciplinary consequences for such reports or cooperation. Violations of this policy, including your failure to report or fully cooperate in PCE's investigation, may result in disciplinary action, up to and including termination of employment.

Possession, use, or sale of weapons, firearms or explosives on work premises, while operating PCE equipment or vehicles for work-related purposes or while engaged in PCE business off premises is forbidden except where expressly authorized by PCE and permitted by state and local laws. This policy applies to all employees, including but not limited to, those who have a valid permit to carry a firearm.

If you are aware of violations or threats of violations of this policy, you are required to report such violations or threats of violations to the Chief Executive Officer immediately.

Violations of this policy will result in disciplinary action, up to and including termination of employment.

#### **4.108 [Not used]**

#### **4.109 [Not used]**

#### **4.110 PCE [Not used]**

#### **4.111 Travel/Expense Accounts**

PCE will reimburse employees for reasonable expenses incurred through pre-approved business travel or business entertainment. All cash advances must be accounted for and expense receipts are required.

If you are an employee NOT subject to the taxable auto allowance, the following business expenses will be reimbursed, subject to pre-approval:

- Travel Expense, including cab or peer-to-peer ride sharing services
- Automobile/Mileage (rate per mile will be reimbursed at the prevailing IRS rate. As of January 1, 2018, the rate is \$.545/mile)

All employees will have the following business expenses reimbursed, subject to pre-approval:

- Airfare or train travel in coach or economy class, or equivalent if personal car is used
- Car rental fees, only for compact or mid-sized cars
- Lodging
- Tips and incidental expenditures
- Cost of meals, no more lavish than would be eaten at the employee's own expense (any alcohol expenses excluded)

This list is not all-inclusive. See the Chief Financial Officer or Chief Operating Officer regarding additional reimbursable business expenses.

Certain employees, Directors and Managers, will be provided a taxable auto allowance monthly which is paid in lieu of submitting for reimbursements for miles driven for PCE business.

## **SECTION 5: BENEFITS**

## 5.101 Employee Benefits

PCE has developed a comprehensive set of employee benefit programs to supplement our employees' regular wages. Several of the programs (e.g., Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by prevailing law.

This Employee Handbook describes the benefit plans maintained by PCE as of the date of publication of the handbook. Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the most up to date benefit plan.

PCE reserves the right to modify and/or terminate its benefits at any time. We will keep you informed of any changes. Employee access to Summary Plan Descriptions can be found at this link [here](#).

### 5.101(a) Medical Insurance

Eligible full-time employees may enroll in an employee only, an employee plus dependents, an employee plus spouse, or a family contract effective as of the first day of the month following employment start date. If employment starts on the first day of the month, coverage will be effective on employment start date. Eligibility may be defined by state law and/or by the insurance contract. Participating employees or dependents are also covered under our medical insurance plan's prescription drug program.

To assist you with the cost of this insurance, PCE will pay up to \$1,000 per month towards the cost of the monthly insurance premium for the employee-only coverage. You are responsible for the full cost of such insurance premium cost for any dependents. The employee is responsible for payment through payroll deduction of any premium cost in excess of PCE's payment amount.

Information regarding eligibility of continuation of coverage following employment termination can be found at Section 5.108.

Refer to the actual plan document and summary plan description (link located at Section 5.101) if you have specific questions regarding your eligibility for coverage or other aspects of this benefit plan. Those documents are controlling.

Enrollment forms and a booklet containing the details of the plan and eligibility requirements are contained in your on-boarding materials. Completed forms should be returned to the Chief Financial Officer.



## **5.101(b) Dental Insurance**

Eligible full-time employees may enroll in an employee only, an employee plus dependents, an employee plus spouse, or a family contract effective as of the first day of the month following employment start date. If employment starts on the first day of the month, coverage will be effective on employment start date. Eligibility may be defined by state law and/or by the insurance contract.

To assist you with the cost of this insurance, PCE will pay the full cost of the monthly insurance premium for the employee-only coverage. In addition, PCE will pay for the cost of up to \$300 per year of insurance premium for each dependent added to the plan. The employee is responsible for payment through payroll deduction of any premium cost in excess of PCE's payment amount.

Information regarding eligibility of continuation of coverage following employment termination can be found at Section 5.108.

Refer to the actual plan document and summary plan description (link located at Section 5.101) if you have specific questions regarding your eligibility for coverage or other aspects of this benefit plan. Those documents are controlling.

Enrollment forms and a booklet containing the details of the plan and eligibility requirements are contained in your on-boarding materials. Completed forms should be returned to the Chief Financial Officer.

## **5.101(c) Vision Care Plan**

Eligible full-time employees may enroll in an employee only, an employee plus dependents, an employee plus spouse, or a family contract effective as of the first day of the month following employment start date. If employment starts on the first day of the month, coverage will be effective on employment start date. Eligibility may be defined by state law and/or by the insurance contract.

To assist you with the cost of this insurance, PCE will pay the full cost of the monthly insurance premium for the employee and all eligible dependents.

Information regarding eligibility of continuation of coverage following employment termination can be found at Section 5.108.

Refer to the actual plan document and summary plan description (link located at Section 5.101) if you have specific questions regarding your eligibility for coverage or other aspects of this benefit plan. Those documents are controlling.

Enrollment forms and a booklet containing the details of the plan and eligibility requirements are contained in your on-boarding materials. Completed forms should be returned to the Chief Financial Officer.

### **5.101(d) Social Security and Unemployment Insurance**

During your employment, you and PCE both contribute funds to the federal government to support the Social Security program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

**Unemployment Insurance** - Upon separation from employment from PCE, you may be entitled to state and federal unemployment insurance benefits. In the event of employment termination, required documents regarding eligibility will be shared with you. Please direct questions to the Chief Financial Officer and/or the Chief Executive Officer.

### **5.101(e) Life Insurance**

Eligible full-time employees may enroll in a plan to provide life insurance coverage of \$50,000 effective as of the first day of the month following employment start date. If employment starts on the first day of the month, coverage will be effective on employment start date. Eligibility may be defined by state law and/or by the insurance contract. You must complete an insurance form and designate your beneficiary.

PCE will pay the full cost of the monthly insurance premium.

Refer to the actual plan document and summary plan description (link located at Section 5.101) if you have specific questions regarding your eligibility for coverage or other aspects of this benefit plan. Those documents are controlling.

Enrollment forms and a booklet containing the details of the plan and eligibility requirements are contained in your on-boarding materials. Completed forms should be returned to the Chief Financial Officer.

### **5.101(f) Section 125 Plan**

PCE offers a pretax contribution option for employees to participate in a Section 125 plan that allows you to make contributions toward health insurance premiums and out-of-pocket medical expenses and/or dependent care expenses on a “pre- tax”, rather than an “after tax” basis. Eligible full-time employees may enroll in the plan effective on the first day of the month following thirty days of employment, although pre-tax payroll deductions for health insurance premiums will start upon the enrollment date of those plans.

Your premium contributions and qualified expenses are deducted from your gross pay before income taxes and Social Security is calculated. If you wish to participate in this plan, enrollment forms are contained in your on-boarding materials. Completed forms should be returned to the Chief Financial Officer.

You cannot make any changes to your pretax contributions until the next open enrollment period unless your family status changes or you become eligible for a special enrollment period due to a loss of coverage. We will notify you in advance of any open enrollment period. Family status changes include: marriage, divorce, death of a spouse or child, birth or adoption of a child or termination of employment of your spouse. A change in election due to a change in family status shall be effective the next pay period.

## **5.101(g) Retirement Plans**

PCE provides eligible employees with a defined contribution plan administered by the County of San Mateo. This plan is made up of two parts: A 401(a) retirement plan where PCE’s contributions are made, and a 457(b) deferred compensation plan where voluntary employee contributions are made. The combined plan is intended to be used in combination with your Social Security benefits and personal resources to provide you with supplemental income upon retirement. Summary details of the combined plan are as follows:

- a) PCE provides a contribution of 6% of salary in a 401(a) retirement plan. PCE also provides up to an additional 4% contribution to the 401(a) retirement plan as a match of employee contributions to a 457(b) deferred compensation plan described below. All PCE contributions vest in equal annual amounts over four (4) years based on your first day of employment.
- b) Employee can voluntarily contribute to a 457(b) deferred compensation plan according to IRS limits (\$18,500 in 2018 and \$19,000 in 2019; an additional \$6,000 is permitted if over 50 years old). All contributions to this plan are eligible for the additional 4% employer match to the 401(a) retirement plan described above.

The Summary Plan Description link is above in Section 5.101. In the event of any conflict in the description of any plan, the official plan documents, which are available for your review, shall govern. If you have any questions regarding this plan, please contact the plan administrator.

### **5.101(h) State Disability Insurance**

All employees are eligible for disability insurance benefits when an illness, injury, or pregnancy-related disability prevents them from working and they meet all the eligibility requirements. The benefits are calculated as a percentage of your salary up to a weekly maximum, as specified by law, for up to fifty-two (52) weeks.

An employee who apply for this benefit must provide written notice of disability, including a doctor's certificate stating the nature of the disability and your expected date of return to work. An applying employee is responsible for filing a claim and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from the Employment Development Department by telephone, letter, or in person. The cost of this insurance is fully paid by the employee. See also Section 7.104 of this handbook regarding Disability/FMLA Leave.

### **5.102 Workers' Compensation**

On the job injuries are covered by our Workers' Compensation insurance policy. This insurance is provided at no cost to you. If you are injured on the job, no matter how slightly, report the incident to your immediate supervisor as soon as reasonably possible. Consistent with applicable state law, failure to report an injury within a reasonable time period could jeopardize your claim. We ask for your assistance in alerting management to any condition that could lead to or contribute to an employee accident.

### **5.103 Injury and Illness Prevention Program (IIPP)**

The following is PCE's IIPP as required by CalOSHA. Questions regarding this policy should be directed to the Executive Assistant to the CEO. The Executive Assistant is also charged with maintaining all the administrative information required under this policy.

#### **A. Purpose**

PCE is dedicated to providing a safe and healthy work environment for its employees. The IIPP is part of this effort and involves the participation by all PCE employees in assisting in the effort to ensure a work environment where employees can work in a safe and healthy manner.

**B. Responsibility**

All managers and supervisors are responsible for implementing and maintaining the IIPP in their work areas and for answering worker questions about the IIPP or directing them to the Chief Executive Officer or his/her designee.

**C. Compliance**

Management is responsible for ensuring that all safety and health policies and procedures are clearly communicated and understood by all employees. Managers are expected to enforce the rules fairly and uniformly.

All employees are responsible for using safe work practices, for following all directives, policies and procedures, and for assisting in maintaining a safe work environment. PCE's procedures to ensure that all employees comply with the rules and maintain a safe work environment include:

- a. Informing workers of the provisions of the IIPP;
- b. Recognizing employees who perform safe and healthful work practices;
- c. Providing training to workers whose safety performance is deficient; and
- d. Counseling workers for failure to comply with safe and healthful work and taking progressive disciplinary steps if warranted. Note that PCE is an at-will employer and any employee may be terminated with or without cause or notice and without the right of appeal.

**D. Communication**

PCE recognizes that open, two-way communication between management and staff on health and safety issues is essential to an injury-free, productive workplace. The following system of communication is designed to facilitate a continuous flow of safety and health information between management and staff in a form that is readily understandable and consists of the following:

- a. New employee orientation including a discussion of safety and health policies and procedures;
- b. Review and updating of the IIPP as needed;
- c. Scheduling of workplace safety and health training programs, as needed;
- d. Effective communication of safety and health concerns between employees and supervisors, including translation where appropriate;
- e. Posted or distributed safety information; and

- f. A system for workers to anonymously inform management about workplace hazards.

#### E. Hazard Assessment

Inspection to identify and evaluate workplace hazards are performed by the Chief Executive Officer or his/her designee.

Periodic inspections are performed according to the following schedule:

- a. On or around the date that the IIPP is established (September 2018)
- b. Twice per year, beginning six (6) months after the program is established;
- c. When new substances, processes, procedures or equipment which present potential new hazards are introduced into the workplace;
- d. When new, previously unidentified hazards are recognized;
- e. When occupational injuries and illnesses occur; and
- f. Whenever workplace conditions warrant an inspection, such as a change in location or reconfigurations of work space.

Periodic inspection consists of identification and evaluation of workplace hazards, utilizing applicable sections of the [Hazard Assessment Checklist](https://www.dir.ca.gov/dosh/etools/09-031/HazAssessCheck.pdf) (<https://www.dir.ca.gov/dosh/etools/09-031/HazAssessCheck.pdf>) and any other effective methods to identify and evaluate workplace hazards, such as reports from employees.

#### F. Accident/Exposure Investigations

Procedures for investigating workplace accidents and hazardous substance exposures include:

- a. Visiting/assessing the accident scene as soon as possible;
- b. Interviewing injured workers and witnesses;
- c. Examining the workplace for factors associated with the accident/exposure;
- d. Determining the cause of the accident/exposure;
- e. Taking corrective action to prevent the accident/exposure/incident from reoccurring; and
- f. Recording the finding and corrective actions taken.

#### G. Hazard Correction

Unsafe or unhealthy work conditions, practices, or procedures shall be addressed and corrected in a timely manner based on the severity of the hazards. Hazards shall be corrected according to the following procedures:

- a. When observed or discovered;
- b. When an imminent hazard exists which cannot be immediately abated without endangering employees and/or property, all exposed employees will be removed from the area; and
- c. All such actions taken and dates they are completed shall be documented on the appropriate forms.

#### H. Training and Instruction

All workers, including managers and supervisors, shall have training and instruction on general and job-specific safety and health practices. Training and instruction shall be provided as follows:

- a. When the IIPP is first established;
- b. To all new workers;
- c. To all workers given new job assignments for which training has not previously been provided (including employees who will be staffing events and meeting outside of the PCE office);
- d. Whenever new processes, procedures, equipment or substances are introduced to the workplace and may represent a hazard;
- e. Whenever PCE is made aware of a new or previously unrecognized hazard;
- f. To supervisors/managers to familiarize them with the safety and health hazards to which workers under their immediate direction and control may be exposed; and
- g. To all workers with respect to hazards specific to each employee's job assignment.

Some of the workplace safety and health practices PCE employees will be trained on include, but are not limited to:

- a. Explanation of the IIPP, emergency action and fire prevention plans, and measures for reporting any unsafe conditions, work practices, injuries and when additional instruction is needed;
- b. Public health hazards, such as exposure to and preventing communicable illnesses;
- c. Reacting to and reporting threats of personal safety when working off-site;
- d. Information about chemical hazards to which employees could be exposed and other hazard communication program information;
- e. Provision for medical services and first aid including emergency procedures;
- f. Safe procedures for lifting, cleaning, and adjusting equipment and furniture;
- g. Safe access to working areas;

- h. Protection from falls;
- i. Electrical hazards, with particular awareness of working around wet locations;
- j. Driver safety, including hands-free driving;
- k. Slips, falls, and back injuries;
- l. Ergonomic hazards, including proper lifting techniques and working on ladders or in a stooped posture for prolonged period at one time;
- m. Hazardous chemical exposures;
- n. Safety communication; and
- o. Physical hazards, such as heat/cold stress, noise, and non-ionizing radiation (such as microwaves).

In addition, PCE provides specific instructions to all workers regarding hazards unique to their job assignment, to the extent that such information was not already covered in other training.

### **5.106 Lactation Breaks**

PCE will provide a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's child. The break time should, if possible, be taken concurrently with other break periods already provided. Non-exempt employees should clock out for any time taken that does not run concurrently with normally scheduled rest periods, and such time generally will be unpaid, in accordance with state law.

PCE will also make a reasonable effort to provide employees with the use of a room or other location in close proximity to the employee's work area, not to include a toilet stall, for the employee to express milk in private.

No provision of this policy applies or is enforced if it conflicts with or is superseded by any requirement or prohibition contained in a federal, state, or local law or regulation. If you have knowledge of such a conflict or a potential conflict you should contact your immediate supervisor.

### **5.107 No Pets in the Workplace**

PCE is responsible for assuring the health and safety of all employees. In keeping with this objective, PCE does not permit employees to bring pets to work. Animals may pose a threat of infection and may cause allergic reactions in other employees. The only exception to this is if an employee or visitor requires a qualified service dog, as defined



by the Americans with Disabilities Act (ADA), California state law, or other relevant statute.

## **5.108 COBRA**

You and/or your covered dependents will have the opportunity to continue medical and/or dental and vision benefits for a period of up to 36 months under the provisions of the Consolidated Omnibus Budget Reconciliation Act ("COBRA") when group medical and/or dental and vision coverage for you and/or your covered dependents would otherwise end due to your death or because:

- your employment terminates, for a reason other than gross misconduct; or
- your employment status changes due to a reduction in hours; or
- your child ceases to be a "dependent child" under the terms of the medical and/or dental and vision plan; or
- you become divorced or legally separated; or
- you become entitled to Medicare.

In the event of divorce, legal separation, or a child's loss of dependent status, you or a family member must notify the plan administrator within sixty (60) days of the occurrence of the event. The plan administrator will notify the individuals eligible for continuation coverage of their right to elect COBRA continuation coverage. For more information regarding COBRA, you may contact the Chief Financial Officer.

## SECTION 6: PAYROLL

## 6.101 Categories of Employment

In most cases, PCE employees will be regularly scheduled to work at least a 40-hour workweek. However, for purposes of this handbook, FULL TIME EMPLOYEES are defined as those who are scheduled to regularly work at least a 32-hour workweek. Any schedule that is less than a standard 40-hour workweek would require approval of PCE's Chief Executive Officer. Working time does not include lunch periods or any other periods in which employees are not in paid status.

PART TIME EMPLOYEES are scheduled to regularly work less than 32 hours each week.

In addition to the preceding categories, employees are also categorized as "exempt" or "non-exempt."

NON-EXEMPT EMPLOYEES are entitled to overtime pay as required by applicable law.

EXEMPT EMPLOYEES are not entitled to overtime pay and may also be exempt from minimum wage requirements pursuant to applicable federal and state laws. Managers and directors, who are, by definition, exempt, have defined job responsibilities that may require additional time over and above the standard work week, including attendance at evening meetings or on weekends. Reference should be made to 7.101.

Upon hire, PCE will notify you of your employment classification.

### 6.101(a) Anniversary Date

The first day you report to work will be recorded in PCE's records as your anniversary date. This date is used to calculate the many different benefits PCE offers. If you have any questions regarding your anniversary date, please see your supervisor.

## 6.102 Licensing Requirements

**Driver's License/Driving Record** – Employees holding positions where the operation of a motor vehicle is an essential duty of the position must present and maintain a valid driver's license and acceptable driving record. PCE will be responsible for providing such information to our insurer. Changes to your driving record must be reported to your supervisor immediately. Violations of this policy may result in immediate termination of your employment. Please provide a copy of your driver's license to the Executive Assistant to the CEO annually.

**Certification, Licensing and Other Requirements** – You will be informed by your supervisor if there are any licensing, certification, or testing requirements for your job. Failure to qualify or to maintain a certification or license may be sufficient cause for termination of employment.

### **6.103 Payday**

You will be paid semimonthly on the fifth and the twentieth of the month for the periods that have ended on the last day of the previous month and the fifteenth of the month, respectively.

PCE provides for direct deposit of your paycheck. If you desire to have your paycheck deposited directly into an account of your choosing, please complete the necessary paperwork (contained in your on-boarding packet) and return it to the Chief Financial Officer. Depending on your date of hire and when you return the necessary paperwork, direct deposit may not take effect for your first paycheck.

When a payday falls on a holiday, you will be paid (or your bank account will be credited) on the first working day after the holiday. If the payday is a Saturday or Sunday, you will be paid (or your bank account will be credited) on the preceding Friday.

Please review your paycheck/paystub for errors at each pay period. If you find a mistake, please report it to the Chief Financial Officer immediately. Corrections, as necessary, will be processed through the next pay period's pay check.

### **6.104 Pay Advances**

PCE does not provide for pay advances on unearned wages to employees.

### **6.105 Timekeeping**

As noted under 6.101, each employee at PCE will be designated either non-exempt or exempt according to certain aspects of federal and state wage and hour laws. As a public agency, some California wage and hour provisions may not apply to PCE.

Non-exempt employees must record hours worked in addition to time off on your electronic timecard (i.e. Paychex or other as specified by management). The timecard must be submitted to your supervisor on the last day of each reporting period as noted under 6.103. Accurately recording all your time is required in order to ensure that you

are paid for all hours worked. You are expected to follow the established procedures in keeping an accurate record of your hours worked. PCE follows the overtime requirements set forth by Fair Labor Standards Act ("FLSA") which are further described in 6.106. Further, non-exempt employees who have necessity to drive from home at the beginning of a work day to a location other than PCE offices may count as work any such time that is more than your regular commute to PCE. Overtime work must always be approved before it is performed, except in the case of an emergency. Non-exempt employees must record all overtime worked on their electronic timecard.

Exempt employees should also accurately record time worked as well as leave time taken through the electronic timecard (i.e. Paychex or other as specified by management).

Altering, falsifying, tampering with time records, or recording time on another employee's time recorded is prohibited. This policy prohibits both over reporting and under reporting of hours worked for non-exempt employees. No supervisor may authorize any non-exempt employee to work "off the books" or "off the clock".

Non-exempt employees should not report to work prior to your scheduled starting time or stay after your scheduled stop time without express, prior authorization from your supervisor. Federal law does not permit an employer to allow non-exempt employees to volunteer time to their employer in the same capacity as their regular work.

Exempt employees, while receiving a set salary which is intended to compensate the individual for any hours worked, are still required to accurately record your time worked in accordance with applicable wage and hour laws. All employees subject to this policy are required to accurately record all time worked and leave taken.

PCE workweek starts on Monday and ends on Sunday.

## **6.106 Overtime (Non-Exempt Only)**

There will be times when non-exempt employees will need to work overtime so that we may meet the needs of our customers. Every attempt will be made to provide you ample notice in the event that extra work time may be required, and managers and employees should make reasonable efforts to adjust schedules to minimize overtime. However, this may not be always possible. If you are a non-exempt employee, you must have all overtime approved in advance by your supervisor.

Generally, unless an alternate workweek is in effect or state law dictates otherwise, non-exempt workers will be paid at a rate of time and one-half their regular rate of pay ("Standard Overtime") for either: (a) each hour worked in excess of forty (40) hours in a

week; or (b) for the first eight (8) hours of work on a seventh day of work in a single workweek (as defined in section 6.105). Generally, unless an alternate workweek is in effect or state law dictates otherwise, non-exempt workers will be paid at a rate of double (“Double Time”) their regular rate of pay for: (a) hours worked in excess of twelve (12) hours in a day; and (b) hours worked in excess of eight (8) hours on a seventh day of work in a single workweek. In accordance with applicable laws, rest and recovery periods may count as hours worked. For purposes of this section, a workweek shall be from Sunday through Saturday each week.

For non-exempt employees, Standard Overtime will be paid as described above. However, in some circumstances as described in Section 7.101, employees may elect to forego the payment of overtime in exchange for Comp Time. If you have any questions concerning overtime pay, please check with the Chief Financial Officer.

### **6.107 Meal, Rest, and Recovery Time (Non-Exempt Only)**

Except for certain exempt employees, all employees who work five or more hours in a day are required to take an uninterrupted 30-minute unpaid duty-free meal period to commence no later than the end of the fifth hour of work and a second uninterrupted 30-minute meal period free from all duty to commence no later than the end of the tenth hour, should an employee work that many hours in any given day. Only in limited circumstances, discussed below, can meal periods be waived. For this reason, unless there is a written agreement for an on-duty meal period approved by PCE, employees must record the beginning and ending time of their meal period in the timekeeping system every day. It is also our policy to relieve such employees of all duties during their meal periods, with the employee being at liberty to use the meal period time as the employee wishes.

An employee shall not be required to work during a meal period, in accordance with applicable law. If PCE fails to provide an employee with a required meal period, the employee will be paid one additional hour of pay at the employee's regular rate of compensation.

PCE schedules all work assignments with the expectation that all employees will take their duty-free meal periods and we encourage you to do so. Employees may be asked to confirm in writing that they have been relieved of all duty and otherwise provided all their daily meal periods during the pertinent pay period, or in the alternative, identify any meal periods they missed. At no time may any employee perform off-the-clock work or otherwise alter, falsify, or manipulate any aspect of their timekeeping records to inaccurately reflect or hide meal periods or time spent working during meal periods.

No PCE manager or supervisor is authorized to instruct an employee how to spend his or her personal time during a meal period. You should immediately report a manager's or supervisor's instruction to skip or work during a meal period to the Chief Financial Officer or CEO.

**Waiver of Meal Period:** You may waive your meal periods only under the following circumstances:

- If you complete your workday in six hours, you may waive your meal period.
- If you work more than ten (10) hours in a day you may waive your second meal period, but only if you have taken your first meal period and you do not work more than twelve (12) hours that day.

Please speak to your immediate supervisor for clarification on whether you are entitled to waive your second meal period. Any time you elect to waive a meal period you must submit a written request and receive prior written authorization from your immediate supervisor.

You may not waive meal periods to shorten your workday or to accumulate meal periods for any other purpose.

**On Duty Meal Period:** In limited situations, certain designated employees may be required to work an on-duty meal period due to the nature of the employee's duties. Only if the nature of your job duties requires it, and you and PCE have agreed to an on-duty meal period in writing, will you be permitted to take an on-duty meal period. In this situation, your on-duty meal period will be paid and treated as hours worked.

Non-exempt employees will also receive one uninterrupted, duty free 10-minute paid break for every four hours worked (or major fraction thereof). Rest and recovery periods will occur as close to the middle of a four-hour work period as is practical. This time must be approved by your supervisor each day.

Rest and recovery periods are counted as hours worked, and thus, you are not required to record your rest periods on your timesheets or time cards. However, no supervisor is authorized or allowed to instruct or allow an employee to waive a rest or recovery period, and they cannot be used to shorten the workday or be accumulated for any other purpose. Employees may be required to confirm that they have been provided an opportunity to take all their rest or recovery periods during the pertinent pay period.

## 6.108 [Not used]

## **6.109 [Not used]**

## **6.110 Paycheck Deductions and Set-Offs**

PCE is required by law to make certain mandatory deductions from your paycheck each pay period. Mandatory deductions typically include federal and state income taxes, Social Security (FICA) and Medicare taxes, and State of California Disability taxes. In addition, depending on your benefits election, there may be additional deductions. All deductions and the amount of the deductions are listed on your pay stub. These deductions are totaled each calendar year for you on your Form W-2, Wage and Tax Statement.

PCE will not make deductions to an employee's pay which are prohibited by state or federal law or regulation, including those established by the United States Department of Labor. You will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law.

If questions or concerns about any pay deductions arise, discuss and resolve them with the Chief Financial Officer.

## **6.111 Work Schedules**

Generally, employees are expected to arrive and start work between 8:00 am and 9:00 am each day, and work at least eight (8) hours per day, not including breaks or lunchtime. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. PCE reserves the right to assign and change individual work schedules, as needed.

## **6.112 Garnishment/Child Support**

When an employee's wages are garnished by a court order, PCE is legally bound to withhold the amount indicated in the garnishment order from the employee's paycheck. PCE will, however, honor applicable federal and state guidelines that protect a certain amount of an employee's income from being subject to garnishment.



## **SECTION 7: LEAVE OF ABSENCE**

## 7.101 Vacation/Management Leave/Comp Time

All employees are eligible to accrue vacation. At PCE we believe that taking time away from work is essential to maintain both good physical and mental health. To this end, PCE encourages all employees to take full advantage of their earned vacation. Payment in lieu of time-off is not permitted by PCE.

The following provides PCE's vacation policy for both full-time and part-time employees.

All full-time employees are eligible for vacation. Vacation will accrue for full-time employees as follows:

- Hire date to completion of third year of employment: 10 days (80 hours/year)
- Beginning of fourth year to completion of eighth year: 15 days (120 hours/year)
- Beginning of ninth year and above: 20 days (160 hours/year)

Part-time regular employees will accrue vacation according to their FTE percentage.

Vacation benefits do not accrue when an employee is on unpaid leave or during other periods of unpaid absence, except as defined by law.

Vacation accrual may not exceed 1.5 times an employee's current annual entitlement. Once this maximum is reached, all further accruals will cease. For ease of reference, the maximum accruals are:

- Hire date to completion of third year of employment: 15 days (120 hours)
- Beginning of fourth year to completion of eighth year: 22.5 days (180 hours)
- Beginning of ninth year and above: 30 days (240 hours)

Given the small number of staff at PCE, it is generally appreciated if employees can provide their annual vacation plans with as much notice as possible, however, at a minimum, vacation requests must be submitted in writing at least two (2) weeks in advance to your immediate supervisor. Said supervisor is required to sign off on the request and then provide it to the Chief Financial Officer so that payroll is properly computed. Length of employment may determine priority in scheduled vacation times.

At the end of employment, eligible employees will be paid for accrued but unused vacation, up to the maximum accrual amount. Any accrued vacation at the end of employment will be paid at the employee's base pay rate at the time of vacation for the number of hours absent. It does not include overtime or any special forms of compensation such as incentive, commission, bonuses, or shift differentials.

**Management Leave** - As noted in 6.101, directors and managers may at times be required to attend PCE-business related meetings on weekends or additional week night meetings beyond regularly scheduled PCE Citizens Advisory Committee and PCE Board Meetings. To provide compensation for the additional time necessary to attend such meetings, PCE provides Director and Manager-level employees (and higher, if applicable) 80 hours of management leave granted on the 1st day of each calendar year. However, for an employee that starts employment with PCE at any time after December 31, 2018, management leave will be granted as of the first day of employment per the following schedule applicable for the remainder of the then current calendar year:

- Hire date between January 1 through March 31: 80 hours
- Hire date between April 1 through June 30: 60 hours
- Hire date between July 1 through September 30: 40 hours
- Hire date between October 1 through December 31: 20 hours

“Weekend work” to achieve a deadline will not be afforded similar treatment. Further, the regularly scheduled PCE Citizens Advisory Committee and PCE Board Meetings are part of the regular expected work for managers and directors and are not covered by Management Leave. Management Leave is not carried over; i.e. any management leave not taken in the calendar year in which it was granted will not be carried over to subsequent years. Any unused Management Leave will not be paid out at the end of your employment.

**Compensatory Time (Comp Time): Exempt Employees** - Other exempt employees (i.e. non-managers or directors who are otherwise not eligible for Management Leave) are entitled to one (1) hour of Comp Time for each hour worked on special projects and off-site weekend events (excluding regularly scheduled PCE Citizens Advisory Committee and PCE Board Meetings) during times other than their regular scheduled workweek. The accrual of Comp Time is limited to sixteen (16) hours in any one pay period, and the maximum amount of Comp Time that an employee may have “accrued” at any time is forty (40) hours. Any questions or concerns about the appropriate use or tracking of accrued Comp Time should be discussed with the Chief Financial Officer. Any unused Comp Time will not be paid out at the end of your employment.

**Compensatory Time (Comp Time): Non-Exempt Employees** – Non-exempt employees may elect to accrue Comp Time in lieu of cash payment for Standard Overtime. At each pay period, eligible employees will either submit Standard Overtime hours through PCE’s payroll system for payment at the rate of one and one-half their regular rate of pay or submit a request that PCE accrue the same hours for future Comp Time use. For each hour of eligible Standard Overtime, employees will accrue one and one-half hours of accrued Comp Time. The accrual of such Comp Time is limited to a

maximum of forty (40) hours. Once the accrual maximum is reached, each additional hour of Standard Overtime will be paid out in cash regardless of the employee's election. Any questions or concerns about the appropriate use or tracking of accrued Comp Time should be discussed with the Chief Financial Officer. Any unused Comp Time accrued by non-exempt employees will be paid out at the end of employment.

## **7.102 Paid Sick Leave**

All full-time employees are entitled to paid sick leave of up to ten (10) days per year (i.e., 80 hours), accruing at the rate of 3.33 hours per pay period. The maximum accrual is eighty hours of sick leave. Upon reaching the accrued level of eighty hours, further sick leave will not accrue until the sick leave is used and the accrual falls below the maximum threshold. Part-time employees will accrue sick leave based on their FTE percentage.

Sick days taken prior to an employee's ninetieth day of employment will not be paid. Eligible employees are entitled to use accrued paid sick days beginning on or after the ninetieth day of employment. The rate of pay shall be the employee's regular rate of pay at the time sick leave is taken. The actual dollar amount that you receive may vary according to your compensation plan.

Accrued paid sick leave may be used for:

1. Diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member;
2. Under the California Kin Care law, employees are entitled to use half of their annual leave accrual (five (5) days) for their own illness and/or to care for a sick immediate family member and/or when an employee is a victim of domestic violence, sexual assault, or stalking. PCE defines "immediate family" as the employee's spouse or registered domestic partner; the employee's or the employee's spouse or registered domestic partner's parent, sibling, child, child's spouse, grandparents, or grandchildren. Special consideration will also be given to any other person whose association with the employee was similar to any of the above relationships.
3. Up to five (5) days of sick leave may be used as bereavement leave to take time off due to the death of an immediate family member. This is in addition to the time off described in Section 7.103. On a case by case basis, additional time without pay may be granted for bereavement leave at the discretion of the CEO.

If the need to use paid sick leave is foreseeable, you must provide PCE with reasonable advance notification. If the need to use paid sick leave is not foreseeable, please provide notice to your immediate supervisor of your intent to use paid sick leave as soon as practicable, preferably no later than one hour after your scheduled starting

time. Employees who must leave work due to illness or sick leave condition should likewise advise their supervisor. It is the responsibility of every employee to keep his or her supervisor advised as to the anticipated duration and expected date of return.

Accrued, but unused sick leave will not be paid out at the end of your employment. If an employee is separated and rehired by the employer within one year from the date of separation, previously accrued and unused paid sick days shall be reinstated, and the employee shall be entitled to use those previously accrued and unused paid sick days and to accrue additional paid sick days upon rehiring.

This leave may run concurrently with any other leave where permitted by state and federal law.

Employees will not be discriminated or retaliated against for taking or requesting leave in accordance with this policy.

**Sick leave for Temporary Employees** – Sick leave for temporary employees is provided in accordance with the California Healthy Workplace, Healthy Families Act of 2014 (Paid Sick Leave Law – AB 1522). According to the Act and per PCE guidelines for temporary employees, temporary employees hired on or after July 31, 2015 are eligible to accrue twenty-four (24) hours of paid sick leave per year. Pro rata accruals will be provided for contracts that are less than one year in duration. Leave accruals may carry over from year to year. There is no cash out for sick leave upon termination. PCE defines a temporary employee as an employee that has been hired for a contracted specified period (typically for a specified project or assignment).

### **7.103 Bereavement Leave**

Full-time employees are eligible immediately upon hire for three paid days for the death of an immediate family member. Members of the immediate family include spouse, registered domestic partner, parents, brothers, sisters, children, children of registered domestic partner, grandchildren, grandparents, parents-in-law, and parents of registered domestic partner.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws. Requests for bereavement leave should be made to your immediate supervisor as soon as possible who will communicate this information to the Chief Financial Officer to ensure payroll is processed correctly. PCE reserves the right to request written verification of an employee's familial relationship to the deceased and his or her attendance at the funeral service as a condition of the bereavement pay.

## 7.104 Disability Leave/FMLA Leave

PCE offers State Disability Leave and Family and Medical Leave, as the circumstances warrant.

To qualify for Short Term State Disability Leave, reference should be made to [http://www.edd.ca.gov/Disability/About\\_DL.htm](http://www.edd.ca.gov/Disability/About_DL.htm). Forms can be obtained on-line or by asking the Chief Financial Officer. PCE works with the HR department of the County of San Mateo who can provide detailed information about this benefit.

Employees who have worked at least twelve (12) months (these months do not have to be consecutive) and have completed at least 1,250 hours of service in the preceding 12 months, are eligible for Federal Family and Medical Leave ("FMLA") of up to 12 weeks unpaid leave during any twelve-month period. FMLA recognizes several valid reasons for your right to take unpaid leave under this provision. They include:

- A serious health condition that leaves the employee unable to perform his or her job
- The need to care for a member of the employee's immediate family who is suffering from a serious health condition.
- Birth of a child
- Adoption of a child
- Care of a newborn or newly adopted child.

Although FMLA leave is unpaid, PCE will work with qualifying employees to coordinate the FMLA leave with paid leave (i.e., vacation or sick days) to whatever advantage the employee wishes to obtain. During the covered leave time, you will still be eligible to be covered for health benefits.

Upon returning to work, PCE will reinstate the employee at the same or genuinely equivalent position. If the employee is required to re-instate some necessary requirement for the position, PCE will provide reasonable opportunity for this to be fulfilled.

The provisions of State Disability Leave and FMLA are complex. As your employer, PCE stands ready to provide the necessary assistance to guide you through the rules, should the need occur.

### **Supplemental PCE Paid Maternity and Paternity Leave (Supplemental Bonding Leave)**

As a separate benefit to its employees, PCE offers 240 hours of leave to full-time employees for bonding with the employee's newborn child or the new placement of a

child with the employee for the adoption or foster care of the child (Supplemental Bonding Leave). To be eligible, employees must have been employed with PCE full time for at least six months prior to the birth or new placement of the child. The six weeks of leave must be taken in increments of at least a quarter hour and the leave will run concurrently and not consecutive with any other leave the employee might be entitled to under state or federal law. The leave must be scheduled a reasonable time in advance in consultation with the employee's supervisor. The leave must be taken within a year of the child's birth or new placement or adoption or foster care. The first 120 hours of the leave will be fully paid by PCE at the employee's then existing rate. The remaining 120 hours of the leave will be unpaid. However, the employee may use any accrued existing sick leave or vacation pay and may also apply for PFL for any unpaid time. The employee will not accrue any leave during the period he or she is taking the Supplemental Bonding Leave. Same sex married or registered domestic partners will be treated in the same manner as any other employee.

## 7.105 Holidays

Full-time employees are eligible to receive holiday pay immediately upon date of hire if they were scheduled to work on the day on which the holiday is observed and worked on both the regularly scheduled working days immediately preceding and immediately following the holiday (unless an absence on either day is approved in advance by the employee's supervisor).

**Standard Holidays** - PCE normally observes the following standard holidays during the year:

- New Year's Day
- Martin Luther King Jr. Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veterans' Day
- Thanksgiving Day
- Day After Thanksgiving Day
- Christmas Day

**Floating Holidays** – Full-time employees are also granted up to four (4) floating holidays granted on the 1st day of each calendar year to be used at the employee's discretion throughout the year. However, for an employee that starts employment with

PCE at any time after December 31, 2018, the number of floating holidays available for the remainder of the then current calendar will be per the following schedule:

- Hire date between January 1 through March 31: 4 days
- Hire date between April 1 through June 30: 3 days
- Hire date between July 1 through September 30: 2 days
- Hire date between October 1 through December 31: 1 day

If a holiday falls on Saturday, it normally is observed on the preceding Friday. If a holiday falls on Sunday, it normally is observed on the following Monday. Any unused floating holidays will not be paid out at the end of your employment.

### **7.106 Voting Leave**

PCE believes that every employee should have the opportunity to vote in state or federal elections, general primary, or special primary. Any employee who does not have sufficient time outside of working hours to vote in a statewide election may request up to two paid hours off to vote. We reserve the right to select the hours you are excused to vote.

Notify your immediate supervisor of the need for voting leave as soon as possible. When you return from voting leave, you must present a voter's receipt to your supervisor. This will provide documentation for your timesheet entry.

### **7.107 Jury Duty**

PCE encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request paid jury duty leave, up to five (5) days. Exempt employees will receive their full weekly salary for any workweek interrupted by jury service if they work at least a portion of the workweek. If an exempt employee does not work at all during the workweek due to jury service, he or she will not be paid for that workweek. Alternatively, in this latter case, the employee could charge the week to vacation.

Employees must show the jury duty summons to their immediate supervisor as soon as possible so that the supervisor may make the appropriate arrangements to accommodate their absence. Employees are generally expected to report for work whenever the court schedule permits. For those employees who are not residents of the County of San Mateo, this may not be feasible.



Either PCE or the employee may request an excuse or deferment from jury duty if, in PCE's judgement, the employee's absence during the originally summoned time frame would create serious operational difficulties. It is noted that most court systems have very stringent requirements for a complete dismissal from service. As a result, PCE is committed to ensure that if called, you will be able to serve at a time that can be accommodated.

If you are obliged to serve on a long-term trial (i.e., greater than five (5) days), PCE will provide you with all the regular health, dental, vision, etc. benefits for the full term of the jury duty absence. Benefit accruals such as vacation, sick leave, or holiday benefits will be suspended during the unpaid jury duty leave and will resume upon return to active employment.

### **7.108 Military Leave and Civil Air Patrol**

Employees who are required to fulfill military obligations in any branch of the Armed Forces of the United States or in state military service will be given the necessary time off and reinstated in accordance with federal and state law.

The time off will be unpaid, except where state law dictates otherwise. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Accrued vacation (if any) may be used for this leave if the employee chooses, but PCE will not require the employee to use vacation. Military orders should be presented to your immediate supervisor upon receipt so that arrangements for leave can be made as early as possible before departure. Employees are required to give notice of their service obligations to PCE unless military necessity makes this impossible. You must notify the Chief Financial Officer and your supervisor of your intent to return to employment based on requirements of the law. Your benefits may continue to accrue during the period of leave in accordance with state and federal law.

An employee who is a voluntary member of the California Wing of the Civil Air Patrol will be permitted no less than ten (10) days of unpaid leave per calendar year to respond to an emergency operational mission as defined by state law.

To qualify for leave under this policy, a volunteer member must be employed by PCE for at least ninety (90) days immediately preceding the commencement of leave. The employee must give PCE as much notice as is possible of the intended leave dates. Leave for a single emergency operational mission shall not exceed three (3) days, unless an extension of time is granted by the governmental entity that authorized the emergency operational mission, and the extension of the leave is approved by PCE.

PCE may require certification from the proper Civil Air Patrol authority to verify the employee's eligibility for leave. PCE reserves the right to deny the leave request if the employee fails to provide the required certification.

Upon expiration of the leave, PCE will restore the employee to his or her position or to a position with equivalent seniority, benefits, pay and other terms and conditions of employment, unless the employee is not restored because of conditions unrelated to use of leave under this policy.

This policy does not apply to employees who serve as first responders or disaster service workers for a local, state, or federal agency to the same or a simultaneous emergency operational mission.

Employees may substitute accrued vacation for unpaid leave but are not required to exhaust accrued leave prior to taking leave under this policy.

Additional information regarding any of the aforementioned military leaves may be obtained from the Chief Financial Officer.

## **7.109 Pregnancy Accommodation**

PCE will provide reasonable accommodations to female employees related to pregnancy, childbirth, or related medical conditions, to the extent the accommodation can be made without imposing an undue hardship on the business.

When an employee requests a reasonable accommodation, PCE will explore with the employee the possible means of providing the reasonable accommodation, which may include, but are not limited to:

- allowing more frequent breaks or periodic rest;
- assisting with manual labor;
- modifying job duties;
- modifying work hours/schedules;
- temporary transfer to a less strenuous or less hazardous position; or
- providing a leave of absence.

PCE may require the employee to provide a certification relating to a request for reasonable accommodation that includes the following:

- the date the reasonable accommodation became medically advisable;
- the probable duration of the reasonable accommodation; and

- an explanatory statement as to the medical advisability of the reasonable accommodation.

If leave is provided as a reasonable accommodation, such leave may run concurrently with any other leave where permitted by state and federal law. (Refer to 7.110)

For more information, or if you require an accommodation, please contact your immediate supervisor.

## **7.110 Pregnancy Disability Leave**

Female employees are eligible for an unpaid leave of absence up to four (4) months (i.e., the working days you would normally work in one-third of a year or 17 1/3 weeks, unless your hours vary from month to month in which case PCE will use a monthly four-month average of the hours worked prior to commencing leave) for disabilities relating to pregnancy, childbirth, or related medical conditions per pregnancy.

Leave may include, but is not limited to, additional or more frequent breaks, time for prenatal or postnatal medical appointments, doctor-ordered bed rest, severe morning sickness, gestational diabetes, pregnancy-induced hypertension, preeclampsia, recovery from childbirth or loss or end of pregnancy, and/or post-partum depression. Leave may be taken consecutively or intermittently. The amount of leave needed is determined by your health care provider's recommendation.

At your option, you can use any accrued vacation time or other accrued paid time off as part of your pregnancy disability leave before taking the remainder of your leave on an unpaid basis. The substitution of any paid leave will not extend the duration of your pregnancy disability leave. It is also noted that you can integrate your FMLA leave benefits. PCE will assist you with designing your leave to your best possible financial advantage.

Employees who are granted leaves for pregnancy will be returned to their same position to the extent required by state law. Upon the advice of your health care provider, you may also be entitled to reasonable accommodation, to the extent required by law, for conditions related to pregnancy, childbirth or related medical conditions. You should promptly notify PCE of the need for a reasonable accommodation (refer to 7.109). In addition, a transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties may be available pursuant to your request, if such a transfer is medically advisable.

You must give PCE at least thirty (30) days' notice if your need for pregnancy-related disability leave, reasonable accommodation, or transfer is foreseeable. Otherwise

please give PCE notice as soon as is practicable if the need is an emergency or unforeseeable.

Prior to the start of the leave, PCE will require a written medical certification indicating that you are disabled because of pregnancy or that it is medically advisable for you to be transferred to a less strenuous or hazardous position or duties or otherwise to be reasonably accommodated. The certification should include an anticipated date when you will be able to return to your job or job duties. In the event your leave exceeds the anticipated date of return, it is your responsibility to provide further certification from your health care provider that you are unable to perform your job or job duties and the revised anticipated date of return. Depending on your eligibility, medical insurance may be continued during your leave in accordance with the applicable plan document, COBRA, or provisions of federal/state law relating to unpaid medical leave. Employees who choose not to return from leave may be required to refund premium payments made by PCE on their behalf, when permitted by state law.

### **7.111 Family Leave Insurance**

The State of California may provide partial wage benefits to eligible employees for up to a maximum of six weeks for the following reasons:

- To bond with a new child after birth or placement for adoption or foster care;
- To care for a serious health condition of an employee's child, parent, spouse, registered domestic partner, grandparent, grandchild, sibling or parent-in-law.

The Paid Family Leave Act provides benefits based on past quarter earnings for up to six weeks in a 12-month period. The cost of the insurance is fully paid by PCE. The 12-month period begins on the first day an employee submits a claim.

To be eligible for benefits, employees may be required to provide medical and/or other information that supports a claim for time off to bond with a new child or to care for a child, parent, spouse or registered domestic partner with a serious health condition. In addition, there is a seven-calendar-day waiting period before benefits begin.

You are responsible for filing your claim for family leave insurance benefits and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from the Employment Development Department by telephone, letter, the Internet or in person. All eligibility and benefit determinations are made by the Employment Development Department.

You may not be eligible for Paid Family Leave benefits if you are receiving State Disability Insurance, Unemployment Compensation Insurance or Workers' Compensation benefits.

The Paid Family Leave Act does not provide a right to leave, job protection or return to work rights. Further, this policy does not provide additional time off; rather, family leave insurance may provide compensation during an approved leave pursuant to any company provided leave.

As noted, PCE will assist you with maneuvering through the various aspects of federal and state allowed leaves, in the event the need arises during your employment.

### **7.112 [Not Used]**

### **7.113 [Not Used]**

### **7.114 Bone Marrow and Organ Donation Leave**

Employees are eligible to receive up to thirty (30) business days of paid leave to serve as an organ donor and up to five business days of paid leave to serve as a bone marrow donor in a one-year period. The one-year period is measured from the date the employee's leave begins and shall consist of twelve (12) consecutive months.

Employees must be employed by PCE for at least 90 days immediately preceding the commencement of leave. Such leave must be requested in writing.

When available, the employee must utilize up to five business days of accrued but unused sick or vacation leave for initial bone marrow donation leave and up to two weeks of accrued but unused sick or vacation leave for initial organ donation leave. Please provide the Chief Financial Officer with written physician verification of the purpose and length of each leave. For more information regarding this leave, please see the Executive Assistant to the CEO.

### **7.115 Rehabilitation Leave**

PCE is committed to providing assistance to our employees to overcome substance abuse problems. PCE will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program. This accommodation may include an adjusted work schedule or time off without pay, provided the accommodation does not impose an undue hardship on PCE. Employees

may use any accrued sick or vacation benefits while on leave under this policy. However, additional benefits will not be earned during the unpaid portion of the leave of absence. A leave of absence under this section will be subject to the same provisions and rules as apply to medical leaves of absence. PCE will safeguard the privacy of an employee's participation in a rehabilitation program.

Employees should notify the CEO if they need to request an accommodation under this policy.

### **7.116 Domestic Violence Leave**

PCE will not discriminate or retaliate against employees based on their status as a victim of domestic violence, sexual assault, or stalking or for taking time off from work to obtain or attempt to obtain any relief, including but not limited to, a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of a victim or his or her child. To the extent required by law, PCE will provide reasonable accommodation to victims of domestic violence, sexual assault, or stalking who request the accommodation for the safety of the victim while at work.

### **7.117 Victims of Felony Crimes Leave**

PCE will grant reasonable and necessary leave from work without pay, to employees who are victims, or whose spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, stepfather, registered domestic partner, or child of a registered domestic partner is a victim of a violent or serious felony or felonious theft or embezzlement, for the purposes of attending legal proceedings related to the crime.

Affected employees may elect to use accrued paid vacation, personal leave and/or sick leave in lieu of unpaid leave. When feasible, affected employees must provide PCE with notice of the employee's need for leave, including a copy of the notice of the scheduled proceeding. If notice is not feasible, affected employees must provide documentation evidencing the legal proceeding requiring the employee's absence within a reasonable time after leave is taken. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

### **7.118 Time Off for School-Related Activities**

Parents, step-parents, guardians, or grandparents with school children from kindergarten through grade 12, or who attend licensed child daycare facilities, are

provided unpaid time off (up to a maximum of four (4) hours in one (1) calendar month and 20 hours in one (1) calendar year) or vacation or personal leave to participate in school or day care activities. PCE may require proof of an employee's participation in these activities. The employee must provide reasonable advance notice to their supervisor before taking any time off under this section.

If you are the parent or guardian of a child who is suspended and are required to appear at the child's school, you may take time off without pay if you provide reasonable notice to your supervisor of the need for time off.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

DRAFT

## **Receipt of Employee Handbook and Employment-At-Will Statement**

This is to acknowledge that I have received a copy of the Peninsula Clean Energy Employee Handbook and I understand that it contains information about the employment policies and practices of PCE. I agree to read and comply with this Employee Handbook. I understand that the policies outlined in this Employee Handbook are management guidelines only, which in a developing business will require changes from time to time. I understand that PCE retains the right to make decisions involving employment as needed to conduct its work in a manner that is beneficial to the employees and PCE. I understand that this Employee Handbook supersedes and replaces any and all prior Employee Handbooks and any inconsistent verbal or written policy statements.

I understand that except for the policy of at-will employment, PCE reserves the right to revise, delete, and add to the provisions of this Employee Handbook at any time without further notice. All such revisions, deletions or additions to the Employee Handbook will be in writing and will be signed by the CEO of PCE. I understand that no oral statements or representations can change the provisions of this Employee Handbook.

I understand that this Employee Handbook is not intended to create contractual obligations with respect to any matters it covers and that the Employee Handbook does not create a contract guaranteeing that I will be employed for any specific time period.

THIS COMPANY IS AN AT-WILL EMPLOYER. THIS MEANS THAT REGARDLESS OF ANY PROVISION IN THIS EMPLOYEE HANDBOOK, PCE OR I MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE OR NOTICE. NOTHING IN THIS EMPLOYEE HANDBOOK OR IN ANY DOCUMENT OR STATEMENT, WRITTEN OR ORAL, SHALL LIMIT THE RIGHT TO TERMINATE EMPLOYMENT AT-WILL. NO OFFICER, EMPLOYEE OR REPRESENTATIVE OF PCE IS AUTHORIZED TO ENTER INTO AN AGREEMENT—EXPRESS OR IMPLIED—WITH ME OR ANY EMPLOYEE FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME. ANY AGREEMENT TO EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME WILL BE PUT INTO WRITING AND SIGNED BY THE CEO OF PCE.



I understand that this Employee Handbook refers to current benefit plans maintained by PCE and that I must refer to the actual plan documents and summary plan descriptions as these documents are controlling.

I have read and understand the Vacation Policy in this Employee Handbook.

Initials \_\_\_\_\_ Date \_\_\_\_\_

I also understand that if a written contract is inconsistent with the Employee Handbook, the written contract is controlling.

If I have questions regarding the content or interpretation of this Employee Handbook, I will ask my supervisor or a member of management.

NAME \_\_\_\_\_

DATE \_\_\_\_\_

EMPLOYEE  
SIGNATURE \_\_\_\_\_



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** December 10, 2018

**BOARD MEETING DATE:** December 20, 2018

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority Present

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

**FROM:** Jan Pepper, Chief Executive Officer

**SUBJECT:** Authorize Execution of an Amendment to the Power Purchase Agreement (PPA) for Renewable Supply with Shiloh I Wind Project LLC

**RECOMMENDATION:**

Authorize the Chief Executive Officer to execute an amendment to the Power Purchase Agreement (PPA) for Renewable Supply with Shiloh I Wind Project LLC, an Oregon Limited Liability Company, and any necessary ancillary documents. (Action)

**BACKGROUND:**

On May 25, 2017, the Peninsula Clean Energy Board approved the execution of a power purchase agreement (PPA) with Shiloh I Wind Project LLC (Shiloh), an existing 150 MW wind project in Solano County, California. The project is a five-year agreement with Shiloh with deliveries to start on January 1, 2019 and to end on December 31, 2023. Under the existing PPA, PCE will have a 16.7% share of the project output in 2019 and 2020; during 2021, PCE's share will increase in two steps to 83.3%; and during 2022 and 2023, PCE will receive 100% of the project's output. These percentages correspond to the dates on which three existing contracts for the project's output are scheduled to expire. Shiloh will provide Bucket 1 renewables from a California RPS-eligible renewable facility.

**DISCUSSION:**

As previously mentioned, PCE's share of the project corresponds to the dates on which three existing contracts from the project's output are scheduled to expire. Under PCE's current agreement with Shiloh, PCE's share of the project capacity increases to 66.6% on May 1, 2021, and to 83.3% on June 1, 2021. The Shiloh project owners realized that

the existing contract does not expire until June 30, 2021 and the project will not be able to deliver the increased amounts to PCE starting on May 1, 2021. This error reduces the share of output PCE would receive from Shiloh by 50% during the months of May and June in 2021.

The negotiated amendment will reduce PCE's share of the capacity from 66.6% to 16.7% in May 2021 and from 83.3% to 33.3% in June 2021. In exchange, the Shiloh project owners will replace the amount of energy PCE is reduced in May and June in 2021, by delivering energy generated from one or more wind-powered electricity generation facilities, equal to the amount PCE would have received under the original agreement. To ensure PCE remains financially whole, the Shiloh project owners will replace the physical energy, Resource Adequacy, and Bucket 1 renewables from a California RPS-eligible wind facility.

In addition, for the period between January 1, 2019 and up until January 1, 2022 when PCE has less than the full share of the project output, the Shiloh project owners are unable to respond to PCE's economic curtailment requests—i.e., reduce PCE's share of volume submitted into the market during hours when prices are uneconomic. Due to this inability, the Shiloh project owners will keep PCE economically whole and settle as if PCE still had the ability to reduce its share of generation submitted into the market during uneconomic prices. This change will affect how Shiloh is participating in the market, but the amendment is to ensure there is no negative financial impact on PCE.

There are two changes to the PPA under this amendment. We recommend that the Board approve the amendment. This amendment would not change the economics of the project itself.

**FISCAL IMPACT:**

The fiscal impact of the Shiloh project will not exceed \$220 million over the term of the agreement. The amendment will not change the fiscal impact of the project to PCE.

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

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

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

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO (A) EXECUTE AN AMENDMENT TO THE POWER PURCHASE AGREEMENT  
WITH SHILOH I WIND PROJECT LLC, AN OREGON LIMITED LIABILITY  
COMPANY, WITH TERMS CONSISTENT WITH THOSE PRESENTED, IN A FORM  
APPROVED BY THE GENERAL COUNSEL; and**

**(B) EXECUTE SUCH OTHER ANCILLARY DOCUMENTS, IN A FORM APPROVED  
BY THE GENERAL COUNSEL, AS MAY BE NECESSARY TO EFFECTUATE THE  
PURCHASE OF SUCH POWER FROM SHILOH I WIND PROJECT LLC.**

---

**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” or  
“PCEA”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch  
of service for Phase II occurred in April 2017; and

**WHEREAS**, Peninsula Clean Energy is purchasing energy, renewable energy, carbon-free energy, and related products and services (the “Products”) to supply its customers; and

**WHEREAS**, in Fall 2016, consistent with its mission of reducing greenhouse gas emissions and offering customer choice at competitive rates, Peninsula Clean Energy administered a competitive process to select one or more power supply contractors; and

**WHEREAS**, one of the providers selected by Peninsula Clean Energy through this competitive process is Shiloh I Wind Project LLC, an Oregon limited liability company, (“Contractor”), based on its desirable offering of Products, pricing, and terms;

**WHEREAS**, on May 25, 2017, the Peninsula Clean Energy board approved the execution of a power purchase agreement (PPA) with Shiloh I Wind Project LLC, an Oregon limited liability company, for an existing 150 MW wind project; and

**WHEREAS**, staff is presenting to the Board for its review an amendment to the Power Purchase Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned amendment to the Power Purchase Agreement and any other ancillary documents required for said purchase of power from the Contractor.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

(A) Execute an amendment to the Power Purchase Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel; and

(B) Execute such other ancillary documents, in a form approved by the General Counsel, as may be necessary to effectuate the purchase of such power from the Contractor.

\* \* \* \* \*

## FIRST AMENDMENT TO POWER PURCHASE AND SALE AGREEMENT

This First Amendment to the Power Purchase and Sale Agreement ("Amendment") is entered into as of December [ ], 2018 ("Effective Date") by and between Shiloh I Wind Project LLC, an Oregon limited liability company ("Seller") and Peninsula Clean Energy, a California joint powers authority ("Buyer") (each a "Party" and together, the "Parties").

### Background

WHEREAS, the Parties entered into that certain Power Purchase and Sale Agreement on May 26, 2017 (the "Agreement"); and

WHEREAS, the Parties wish to amend the provisions of the Agreement set forth below pursuant to Section 20.2 of the Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. Cover Sheet.** The Cover Sheet of the PPA is amended by:

(a) The Delivery Term and Expected Energy table in the Cover Sheet to the PPA is deleted in its entirety and replaced by the following:

Contract Year	Guaranteed Capacity (MW)	Expected Energy (MWh)
2019	25	
2020	25	
2021	January 1 - May 31, 2021 = 25	
	June 1 - June 30, 2021 = 50	
	July 1 - December 31, 2021 = 125	
2022	150	
2023	150	

(b) Under Notice Addresses, the Buyers contact information is deleted in its entirety and replaced by the following:

Buyer:

Peninsula Clean Energy  
2075 Woodside Road  
Redwood City, CA 94061  
Attention: Director of Power Resources  
Fax No.: TBD

Phone No.: (650) 260-0005  
Email: [contracts@peninsulacleanenergy.com](mailto:contracts@peninsulacleanenergy.com)

With a copy to:

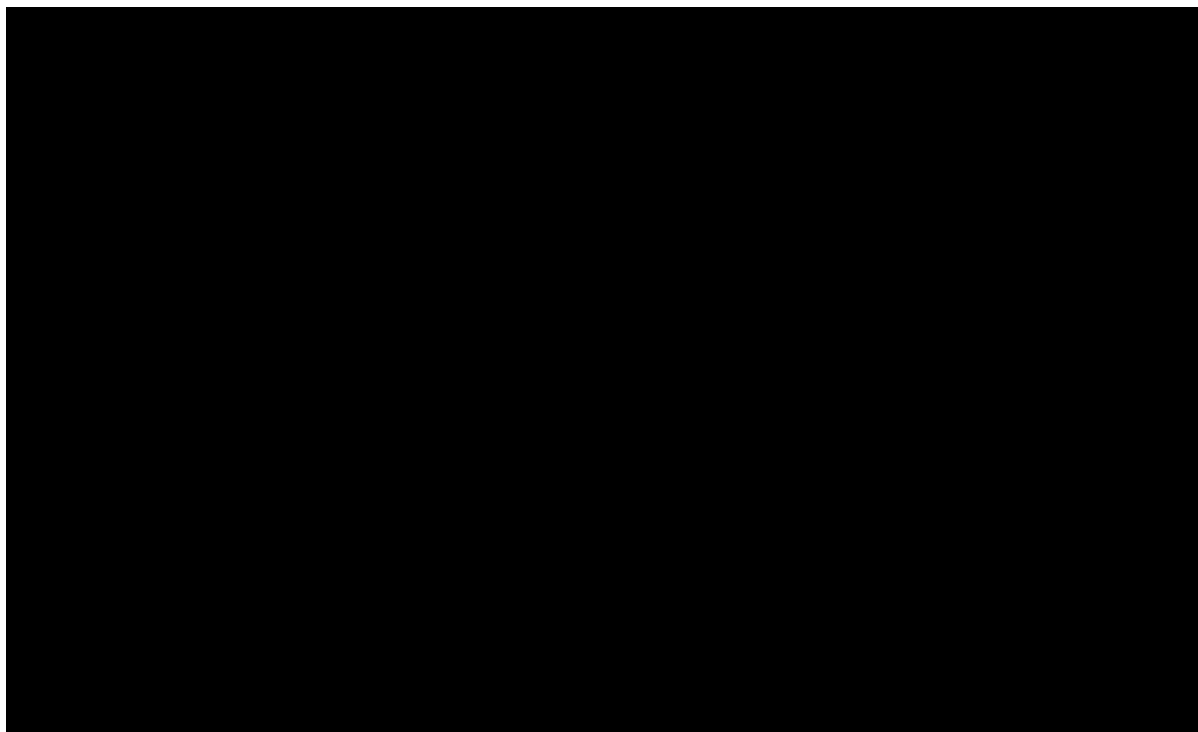
Peninsula Clean Energy  
400 County Center, 6<sup>th</sup> Floor  
Redwood City, CA 94063  
Attention: David Silberman, General Counsel  
Fax No.: (650) 363-4034  
Phone No.: (650) 363-4749  
Email: [dsilberman@smcgov.org](mailto:dsilberman@smcgov.org)



2. **Section 1.1 Contract Definitions.** Section 1.1 of the PPA shall be amended by adding a new definition of Replacement Capacity Attributes as follows:

“**Replacement Capacity Attributes**” means Capacity Attributes provided by a facility other than the Facility that, at the time delivered to Buyer has the same or comparable value to Capacity Attributes that would have been provided by the Facility during the period for which the Replacement Capacity Attributes is being provided.

3. **Section 4.3 Scheduling Coordinator Responsibilities.** Section 4.3 of the PPA shall be amended by adding a new subsection (i) to Section 4.3 as follows:



4. **Exhibit G.** The table in Exhibit G to the PPA is deleted in its entirety and replaced by the following:

Contract Year	Guaranteed Capacity (MW)	Buyer's MW Share
2019	25	16.667%
2020	25	16.667%
2021	Jan 1 - May 31, 2021 = 25	16.667%
	June 1 - June 30, 2021= 50	33.333%
	July 1 - Dec 31, 2021 = 125	83.333%
2022	150	100%
2023	150	100%

5. **Temporary Replacement Product and Replacement Capacity Attributes.** In exchange for the reduction in Guaranteed Capacity set forth in this Amendment, the Parties

agree that Seller will deliver to Buyer Replacement Product (as defined in Exhibit D to the PPA, Guaranteed Energy Production Damages Calculation) and Replacement Capacity Attributes (as defined in this Amendment). The Replacement Product will be delivered from one or more wind-powered electricity generation facilities at the same time as when it is generated in an amount equal to fifty percent (50%) of the net Energy generated by the Facility during May 2021 and June 2021, and will be delivered no later than August 30, 2021. Buyer will pay Seller for such Replacement Product an amount equal to the difference between (a) the Contract Price multiplied by the amount of the Replacement Product, less (b) an amount equal to the sum of (i) the product of the CAISO Delivery Revenue in May 2021 multiplied by three (3) and (ii) the product of the CAISO Delivery Revenue in June 2021 multiplied by one and one-half (1.5). The Replacement Capacity Attributes shall be in an amount equal to fifty percent (50%) of the Facility's NQC and Seller will take such actions as are necessary to enable Buyer to use the Replacement Capacity Attributes in May and June of 2021, including identifying the relevant substitute resource(s) in time for Seller's annual resource adequacy submission for 2021. There shall be no additional payment to Seller for the Replacement Capacity Attributes.

6. **No Other Amendment.** Except as specifically set forth herein, nothing herein amends or cancels this PPA. This First Amendment is not a "conversion" product and is in no way intended to change the allocation of the economic benefits and burdens of the Parties; rather, the Parties enter into this First Amendment in order to preserve them. Each term hereof is to be construed simply according to its fair meaning and not strictly for or against either Party. No term hereof is to be construed against a Party on the grounds that the Party is the author of that provision.

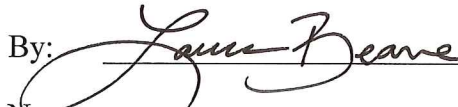
7. **Counterparts.** This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original executed document, and which, taken together, shall be deemed a single document.

*(Signature Page Follows)*

IN WITNESS WHEREOF, the Parties have executed this Amendment as of the date first above written.

**SELLER:**

**SHILOH I WIND PROJECT LLC**

By:   
Name: **Laura Beane**  
Title: Authorized Representative

**BUYER:**

**PENINSULA CLEAN ENERGY  
AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: PCE Executive Officer

LEGAL  
GT

By:   
Name: **Steve Krump**  
Title: Authorized Representative



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** December 10, 2018  
**BOARD MEETING DATE:** December 20, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

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

**FROM:** Jan Pepper, Chief Executive Officer

**SUBJECT:** Authorize an Amendment to the Agreement with Pacific Energy Advisors (PEA) to provide professional services through December 31, 2019, increasing the amount by \$100,000.

**RECOMMENDATION:**

Authorize an Amendment to the Agreement with Pacific Energy Advisors (PEA) to provide professional services through December 31, 2019, increasing the amount by \$100,000.

**BACKGROUND:**

PCE has ongoing needs for implementation and operational support for its programs and to ensure the reliability of electric service.

**DISCUSSION:**

In October 2016 PCE and PEA executed an agreement for implementation and operational support for PCE's programs. The initial PCE/PEA services agreement was for \$95,000. In April, 2017, the agreement was amended to extend the agreement to June 30, 2018, and add an additional \$100,000 to the agreement, for a total of \$195,000. In December, 2017, the agreement was amended to extend the agreement to December 31, 2018, and add an additional \$100,000 to the agreement for a total of \$295,000. Approximately \$10,000 of funds remain on the agreement, and it is the desire of the parties to continue receiving/providing those professional services. Therefore, it is requested that an additional \$100,000 be added to the agreement, and for the agreement to be extended to December 31, 2019.

PEA has unique capabilities to provide operational support to PCE, in view of the facts that PEA has been providing these services since before PCE's formation and has been

advising most of the active CCAs in California. There are no other vendors with the same skill set and experience directly related to the implementation, operational, and compliance issues relevant to California CCAs.

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

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

\* \* \* \* \*

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH PACIFIC ENERGY  
ADVISORS WITH TERMS CONSISTENT WITH THOSE PRESENTED, IN A FORM  
APPROVED BY THE GENERAL COUNSEL.**

---

**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” or “PCE”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October, 2016, and launch of service for Phase II occurred in April, 2017; and

**WHEREAS**, in October, 2016, PCE and Contractor executed an agreement for implementation and operational support to PCE in an initial amount of \$95,000; and

**WHEREAS**, the Agreement was amended in April, 2017, to extend the term of the agreement to June 30, 2018, and add an additional \$100,000 to the agreement for a total of \$195,000; and

**WHEREAS**, the Agreement was amended in December, 2017, to extend the term of the agreement to December 31, 2018, and add an additional \$100,000 to the agreement for a total of \$295,000; and

**WHEREAS**, Pacific Energy Advisors (“Contractor”) has unique capabilities to provide operational support to PCE; and

**WHEREAS**, Contractor has been providing implementation and operational services to PCE since before PCE’s launch in October, 2016; and

**WHEREAS**, staff is presenting to the Board for its review an amendment to the Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned amendment to the Agreement.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

Execute an amendment to the Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel.

\* \* \* \* \*

[CCO-113499]



**THIRD AMENDMENT TO AGREEMENT  
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND  
PACIFIC ENERGY ADVISORS, INC.**

THIS THIRD AMENDMENT TO THE AGREEMENT, entered into this \_\_\_\_ day of December, 2018, by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and Pacific Energy Advisors, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA;

WHEREAS, the parties entered into an Agreement for implementation and operational support services for the Peninsula Clean Energy program on October 27, 2016 for the period of October 26, 2016 to April 30, 2017 in an amount not to exceed \$95,000 and wish to extend the term of the agreement and increase the amount;

WHEREAS, the parties entered into an Amendment to the Agreement in April 2017 to extend the term of such Agreement as well as PCEA's not to exceed fiscal obligation to an amount of \$195,000;

WHEREAS, the parties entered into a Second Amendment to the Agreement in December 2017 to extend the term of such Agreement as well as PCEA's not to exceed fiscal obligation to an amount of \$295,000; and

WHEREAS, the parties therefore wish to further amend the Agreement to enable Contractor to furnish additional support services to PCEA.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. Section 2. Payments is deleted in its entirety and replaced with the following:

2. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed by Contractor is inconsistent with the standards generally recognized as being employed by professionals in the same discipline in the State of



California. However, PCEA shall not unreasonably withhold any Contractor payment, and PCEA shall be responsible for communicating in writing the basis for any withheld payment. In no event shall PCEA's total fiscal obligation under this Agreement exceed three hundred ninety-five thousand dollars (\$395,000). In the event that PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by PCEA at the time of contract termination or expiration.

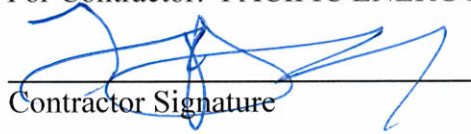
2. Section 3. Term is deleted in its entirety and replaced with the following:

Subject to compliance with all terms and conditions, the term of this Agreement shall be from October 26, 2016, through December 31, 2019.

3. Section 13 is deleted in its entirety.
4. Original Exhibits A & B are deleted in their entirety and are replaced with revised Exhibit A (rev. December 10, 2018) and Revised Exhibit B (rev. December 10, 2018), attached hereto.
5. All other terms and conditions of the original Agreement between PCEA and Contractor as well as any Amendment thereto not in conflict shall remain in full force and effect.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: PACIFIC ENERGY ADVISORS, INC.

  
Contractor Signature

**December 10, 2018**  
Date

**Kirby Dusel**  
Contractor Name (please print)

---

PENINSULA CLEAN ENERGY AUTHORITY

By:  
[Chief Executive Officer, Peninsula Clean Energy Authority]

Date:

ATTEST:

By:  
Clerk of Said Board

**Revised Exhibit A (rev. December 10, 2018)**

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services to PCEA, subject to mutually agreeable schedules for completion of such services. Contractor and PCEA acknowledge that successful completion of certain services may require time-sensitive action by PCEA (for example: approval and/or submittal of requisite regulatory documents that may be prepared by Contractor on behalf of PCEA during the term of this Agreement) to ensure conformance with applicable deadlines and schedules. Contractor will notify PCEA when such time-sensitive actions are required. To the extent that such actions are not timely completed by PCEA, Contractor shall not be liable for missed deadlines and/or PCEA's regulatory compliance. During the term of Agreement, services to be performed by Contractor shall include the following:

- (a) Manage Resource Adequacy compliance program:
  - Manage RA portfolio per state/program standards; prepare year ahead/month-ahead peak demand forecast and RA compliance demonstration filings.
  - Coordinate activities required to "balance" PCE's RA portfolio, including the identification of capacity deficiencies and coordination of excess capacity sales with qualified buyers.
- (b) Other Implementation, Operations and Staff Augmentation Support, as needed:
  - Yet-to-be defined technical support activities that may be necessary to promote the successful implementation and ongoing operation of PCEA.
  - Prior to the performance of such as-needed technical support, PCEA and Contractor will discuss and agree upon the desired scope of services to be provided by Contractor.

**Revised Exhibit B (rev. December 10, 2018)**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Contractor based on the following fee schedule and terms:

Payment: In performance of this work, PCEA shall reimburse Contractor for actual time spent in completion of the Scope of Services, as specified in Exhibit A, in consideration of the Contractor's professional services rate schedules:

**Contractor's Professional Services Rate Schedule:**

<b>Staff</b>	<b>Hourly Rate</b>
John Dalessi	\$310
Kirby Dusel	\$295
Sam Kang	\$285
Brian Goldstein	\$260
Dona Stein	\$235
Alden Walden	\$150

All time shall be billed to PCEA by Contractor in one-tenth hour increments in an amount not to exceed \$395,000. Contractor shall invoice PCEA for all services rendered on a monthly basis plus out of pocket expenses associated with the project. Such expenses shall include things like mileage at the current IRS mileage reimbursement rate, bridge tolls, parking, printing/copying, and meeting expenses associated with the project. Source documentation supporting billed costs must be submitted with invoice. PCEA shall pay Contractor within thirty (30) days of invoice receipt. Any additional work will require a separate Agreement signed by both parties.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** December 10, 2018  
**BOARD MEETING DATE:** December 20, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Approval of Appointment of Treasurer

**RECOMMENDATION:**

Approve the appointment of Andy Stern, Chief Financial Officer of Peninsula Clean Energy (PCE), as PCE's Treasurer/Auditor/Controller ("Treasurer").

**BACKGROUND:**

The Joint Exercise of Powers Act (Government Code Sections 6500, *et seq.*), under which PCE was created, requires that each Joint Powers Authority ("JPA") have a Treasurer.

Sections 6505.5 and 6505.6 govern who may serve as Treasurer. The options include (1) the County Treasurer; (2) a member city Treasurer; (3) a Certified Public Accountant; (4) a PCE officer; or (5) a PCE employee.

PCE's JPA agreement selected the County Treasurer as Treasurer (Section 3.9.3).

Under the JPA agreement, the Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time.

**DISCUSSION:**

As the Board knows, PCE recently hired a permanent Chief Financial Officer ("CFO"), whose duties and responsibilities closely align with the responsibilities of the Treasurer role, as outlined below.

Per Government Code Sections 6505.5 and 6505.6, the Treasurer's duties would be as follows:

1. Receive and make receipt for money, to be held in PCE's credit;
2. Be responsible, upon his or her official bond, for the safekeeping and disbursement of all of PCE's money;
3. Pay, when due, out PCE's money, all sums payable on PCE's outstanding bonds and coupons;
4. Pay any other sums due from PCE from PCE's money, or any portion thereof, "only upon warrants of the public officer performing the functions of auditor or controller who has been designated by the agreement";
5. Verify and report in writing on the first day of July, October, January, and April of each year to PCE and to public agency members the amount of money the Treasurer holds for PCE, the amount of receipts since the Treasurer's last report, and the amount paid out since the last report; and
6. Cause an independent audit to be made by a certified public accountant or public accountant.

PCE's JPA agreement lays out responsibilities of the Treasurer, including "report[ing] directly to the Board" and "comply[ing] with the requirements of treasurers of incorporated municipalities." In addition, the JPA agreement requires the Treasurer to comply with Article 5 of the agreement, including the following:

1. All funds of PCE shall be held in separate accounts in the name of PCE and not commingled with funds of any member agency or any other person or entity.
2. All funds of PCE shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year.
3. All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations (meaning the JPA agreement or other adopted policies). The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

Because the CFO's duties and responsibilities align so closely with the responsibilities of the Treasurer role, Staff is recommending that the Board appoint the CFO to the position of Treasurer/Auditor/Controller.

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

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

\* \* \* \* \*

**RESOLUTION APPROVING APPOINTMENT OF ANDREW STERN AS TREASURER  
DATED DECEMBER 20, 2018**

---

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

**WHEREAS**, the Exercise of Powers Act (Government Code Section 6500 *et seq.*), under which PCE was created, requires that each Joint Powers Authority (“JPA”) have a Treasurer; and

**WHEREAS**, Government Code Sections 6505.5 and 6505.6 govern who may serve as Treasurer, the options for which include (1) the County Treasurer; (2) a member city Treasurer; (3) a Certified Public Accountant; (4) a PCE officer; or (5) a PCE employee; and

**WHEREAS**, The JPA Agreement that formed PCE selects the County Treasurer as Treasurer, but provides that the Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time; and

**WHEREAS**, PCE recently hired a permanent Chief Financial Officer (“CFO”), whose duties and responsibilities closely align with the responsibilities of the Treasurer role.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the appointment of Andrew Stern as Treasurer of the Peninsula Clean Energy Authority dated December 20, 2018.

\* \* \* \* \*



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** December 10, 2018  
**BOARD MEETING DATE:** December 20, 2018  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Approval of revised Investment Policy

**RECOMMENDATION:**

Approve revised Investment Policy, which changes certain delegations of authority from CFO to Treasurer in the Policy previously adopted on October 25, 2018.

**BACKGROUND:**

Government Code section 56307 requires that general investment management decisions be delegated to the Treasurer of PCE. Review of PCE's Investment Policy by PCE's General Counsel found a number of duties that are currently delegated to the CFO but should instead be delegated to the Treasurer. This revised Investment Policy fixes these delegations and makes no other changes.

**ATTACHMENT:**

Revised Investment Policy  
Redline of revised Investment Policy



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

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

\* \* \* \* \*

**RESOLUTION APPROVING REVISED INVESTMENT POLICY**

**DATED DECEMBER 20, 2018**

---

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

**WHEREAS**, the Board of the Peninsula Clean Energy Authority approved an investment policy on October 25, 2018, but minor modifications were necessary in light of the appointment of the Chief Financial Officer as the Treasurer.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the revised PCE Investment Policy dated December 20, 2018.

\* \* \* \* \*

**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 Policy does not apply to the investment of bond proceeds, which would be governed by any applicable bond documents. This Policy would 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 Treasurer (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, the Treasurer 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 Treasurer 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 a NAV of \$1.00 per

share due to market conditions or other factors. In such instances, the Treasurer 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 and Treasurer. 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 and Treasurer 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. The Treasurer will provide monthly reports to the Board as required by Government Code 53607.

### 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

\_\_\_\_\_

Andrew 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.



Policy Number: 19  
Adoption Date:  
October 25, 2018

**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 Policy does not apply to the investment of bond proceeds, which ~~would be governed by any applicable~~ bond documents. This ~~Policy would~~ 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.

Deleted: are

Deleted: the appropriate

Deleted: does

**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 Treasurer (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.

**Deleted:** Chief Executive Officer or the Chief Financial Officer...

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, the Treasurer 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 Treasurer or his/her designee will perform a timely review and decide whether to sell or hold the investment.

Deleted: Chief Financial Officer

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 a NAV of \$1.00 per

Deleted: n



share due to market conditions or other factors. In such instances, the Treasurer 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).

Deleted: Chief Financial Officer

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 and Treasurer. 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 and Treasurer 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. The Treasurer will provide monthly reports to the Board as required by Government Code 53607.

### 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

\_\_\_\_\_

| And~~rew~~, Stern, Chief Financial Officer

Deleted: y

## 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.

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

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

\* \* \* \* \*

**RESOLUTION ACCEPTING THE AUDITED FINANCIALS  
FOR YEARS ENDING JUNE 30, 2017 AND JUNE 30, 2018**

---

**RESOLVED**, by the Peninsula Clean Energy Authority (“PCEA”) of the County of San Mateo, State of California, that

**WHEREAS**, Pisenti and Brinker were selected as independent auditors to audit PCEA’s financials for fiscal years ending June 30, 2017, and June 30, 2018; and

**WHEREAS**, PCEA is requesting the Board to accept the audited financials.

**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 dated December 20, 2018.

\* \* \* \* \*



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

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

\* \* \* \* \*

**RESOLUTION APPROVING RECOMMENDED COMMUNITY PILOT PROJECTS  
APPROVED BY THE BOARD OF DIRECTORS ON OCTOBER 25, 2018**

---

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

**WHEREAS**, on September 23, 2017, the Board of the Peninsula Clean Energy Authority (PCE) reviewed a public process to develop PCE local energy programs; and

**WHEREAS**, on April 26, 2018, the PCE Board approved funding up to \$450,000 for fiscal year 2018-2019 for a Community Pilots program as part of the local energy programs; and

**WHEREAS**, on September 11, 2018, the PCE Executive Committee reviewed potential proposed awardees for the Community Pilot Program; and

**WHEREAS**, on September 20, 2018, the PCE Citizens Advisory Committee reviewed potential proposed awardees for the Community Pilot Program; and

**WHEREAS**, on October 25, 2018, the PCE Board approved six recommended Community Pilot proposals with funding up to \$75,000 each for a total of approximately \$450,000.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the resolution authorizing the selection of the six recommended Community Pilot proposals with funding up to \$75,000 each for a total of approximately \$450,000 dated December 20, 2018.

\* \* \* \* \*

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

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

\* \* \* \* \*

**RESOLUTION APPROVING THE INCLUSIVE AND SUSTAINABLE WORKFORCE  
POLICY AND ADOPT IT AS A REPLACEMENT FOR THE PREVIOUSLY ADOPTED  
SUSTAINABLE WORKFORCE POLICY APPROVED BY THE BOARD OF  
DIRECTORS ON OCTOBER 25, 2018**

---

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

**WHEREAS**, on December 15, 2016, the Peninsula Clean Energy Authority (PCE) Board of Directors approved as Policy 10, its Sustainable Workforce Policy; and

**WHEREAS**, that original policy focused primarily on efforts PCE will take in supporting local businesses, union labor, and apprenticeship programs; and

**WHEREAS**, the Inclusive and Sustainable Workforce policy presented to the Board of Directors on October 25, 2018, expands the 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; and

**WHEREAS**, the provisions of the previously approved Sustainable Workforce policy are substantially unchanged; and

**WHEREAS**, on October 25, 2018, the PCE Board approved the Inclusive and Sustainable Workforce Policy and adopted it as a replacement for the previously adopted Sustainable Workforce Policy.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the resolution approving the Inclusive and Sustainable Workforce Policy and adopts it as a replacement for the previously adopted Sustainable Workforce Policy dated December 20, 2018.

\* \* \* \* \*



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 10, 2018  
**BOARD MEETING DATE:** December 20, 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:**

**Recent Positive Press Coverage and Upcoming Media Initiatives**

As a result of carefully cultivating relationships with media, PCE is gaining more recognition in the press with recent interview requests ranging from ABC Channel 7 News to Commercial Property Executive. The Almanac released a long-form front page feature article on PCE. Recent PCE press coverage includes:

- ["Generous Electric Vehicle Rebate in San Mateo County Offered"](#), ABC 7 News, December 2018
- ["New Agency Is Bringing Renewable Energy to County"](#), The Almanac, November 2018
- ["Riding the Rising CCA Wave"](#), Commercial Property Executive, November 2018

- [“Supervisor Pine Touts County’s Affordable Housing, Transit Efforts”](#), The Almanac, November 2018
- [“Caltrain goes green”](#), The Daily Journal, November 2018
- [“Peninsula Clean Energy Awards Nearly \\$450K For Community Projects”](#), San Mateo Patch, October 2018

These stories are in addition to at least 17 articles covering our Wright Solar groundbreaking. For a full list of press coverage, see <https://www.peninsulacleanenergy.com/news-media/> and click on “In the News”.

All news stories have been positive and play an important part in educating our customers, regulators, and legislators about who PCE is, the value we provide, and the innovation we seek. PCE has been mentioned in 48 news stories so far in 2018, up significantly from 15 stories in 2017. We have been covered in media ranging from the *New York Times* website to major industry publications and local media. The timing for telling PCE’s positive stories is critical as the CCA model both expands and comes under pressure throughout California.

Several exciting strategic media initiatives are in the works for early 2019 to keep telling our positive stories: launching an income-tested program for used plug-in EVs, announcing a collaboration with schools on environmental education, and partnering with labor unions on telling the stories of workers building our renewable projects.

## **EV Dealership Promotion**

PCE’s electric vehicle promotion webpage has attracted more than 14,000 page views since its launch in September 2018, with more than 11,000 unique visitors.

In addition to running updated ads in major publications throughout the County and online, we have sent three postcard mailers to all residential customers about the program. Web statistics indicate these postcard mailers direct the most traffic to our website. Our third and final email reminder was sent the week of December 10. We will continue to remind customers of their last chance to take advantage of these offers in 2018 through social media.

We invite Board members to re-post our social media reminders about this program, which ends December 31.

PCE has also sent a letter and custom window clings to approximately 5,000 customers enrolled in our EV rate plan, thanking them for using an EV and asking them to promote EVs in their community.

## Request for Proposals for New Design Firm

PCE has requested proposals for a new design firm to increase the communications team's capacity to market local programs and create more effective fact sheets, reports, and handouts to reach our major customers, regulators, and legislators. Six firms submitted proposals, and four were invited to interview in-person during the week of December 10. We anticipate bringing on the new firm in January 2018 under a not-to-exceed contract up to \$95,000.

## Community Outreach

PCE continues to maintain a positive profile in the community, especially through engagement holiday mixers and events. We continue to strategically focus outreach in the north County where our opt-out rates are higher. On November 28 PCE co-hosted an Electric Car Showcase and Mixer with Supervisor David Canepa to help tell north County residents about our EV dealership promotion and offer an opportunity to check out several popular EV models. The at-capacity event at a local restaurant attracted 80 participants on a stormy night.

27-Nov	South San Francisco Chamber See's Candies "Sip & Shop"	South San Francisco
28-Nov	EV Mixer with Supervisor Canepa	South San Francisco
2-Dec	Ninth Annual Chanukah (Hanukkah) Festival	Redwood City
2-Dec	Pacifica Tree Lighting Celebration	Pacifica
5-Dec	Multichamber Toy Drive & Holiday Mixer	San Bruno
6-Dec	Thrive Networking Event	Redwood Shores
12-Dec	Youtube Ride & Drive	San Bruno
12-Dec	Presentation @ Woodside High	Redwood City
12-Dec	San Mateo Chamber Holiday Mixer	San Mateo
12-Dec	Redwood City Chamber Holiday Mixer	Redwood City
13-Dec	SSF Chamber Holiday Mixer and Toy Drive	South San Francisco

## Enrollment Statistics

Opt-out rates have remained consistently low during this summer and fall, ranging from 30, to an all-time low of 3, per week. Eleven cities maintained their participation rate in November with "0" opt-outs: Atherton, Brisbane, Burlingame, Colma, East Palo Alto, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Portola Valley, and San Carlos. Our overall participation rate is 97.56% of eligible accounts.

### Opt-Outs by City

CITY	Eligible Accts	Total	TOTAL OPT OUT %
PORTOLA VALLEY INC	1,681	107	6.37%
SAN BRUNO INC	16,449	616	3.74%
PACIFICA INC	15,466	530	3.43%
SO SAN FRANCISCO INC	24,949	852	3.41%
DALY CITY INC	33,973	1051	3.09%
EAST PALO ALTO INC	7,906	230	2.91%
HALF MOON BAY INC	4,958	138	2.78%
MILLBRAE INC	9,372	259	2.76%
UNINC SAN MATEO CO	24,517	670	2.73%
SAN MATEO INC	44,083	1084	2.46%
BELMONT INC	11,882	281	2.36%
SAN CARLOS INC	14,627	345	2.36%
HILLSBOROUGH INC	4,050	85	2.10%
REDWOOD CITY INC	34,951	720	2.06%
BURLINGAME INC	15,450	318	2.06%
BRISBANE INC	2,477	50	2.02%
FOSTER CITY INC	14,685	289	1.97%
WOODSIDE INC	2,287	40	1.75%
COLMA INC	691	11	1.59%
ATHERTON INC	2,696	42	1.56%
MENLO PARK INC	15,757	224	1.42%
Grand Total	302,907	7,942	2.62%
Adjusted Total	302,907	7,377	2.44%

There are now over 5,400 accounts in ECO100. In addition to the County, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of December 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.

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	ECO100	Active Accounts	Opt-Up %
Atherton	55	2,611	2.11%
Belmont	155	11,535	1.34%
Brisbane	82	2,426	3.38%
Burlingame	321	15,056	2.13%
Colma	28	672	4.17%



Daly City	70	32,800	0.21%
East Palo Alto	18	7,627	0.24%
Foster City	274	14,283	1.92%
Half Moon Bay	90	4,759	1.89%
Hillsborough	62	3,933	1.58%
Menlo Park	422	15,417	2.74%
Millbrae	92	9,092	1.01%
Pacifica	129	14,890	0.87%
Portola Valley	1,466	1,575	93.08%
Redwood City	643	33,827	1.90%
San Bruno	87	15,781	0.55%
San Carlos	263	14,075	1.87%
San Mateo	585	42,778	1.37%
So San Francisco	77	23,930	0.32%
Uninc San Mateo Co	474	23,549	2.01%
Woodside	49	2,229	2.20%
Agriculture		243	
<b>Grand Total</b>	<b>5,442</b>	<b>293,088</b>	<b>1.86%</b>



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 13, 2018  
**BOARD MEETING DATE:** December 20, 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, Manager of Regulatory Affairs

**SUBJECT:** Update on PCE's November and December Regulatory and Legislative Activities

**SUMMARY:**

The end of November and early December continued to bring a steady beat of regulatory and legislative activity. 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 nine other stakeholder meetings, detailed under Regulatory Outreach and Legislative Advocacy.

**DEEPER DIVE:**

**Regulatory Outreach**

On Tuesday, November 13, 2018, Joseph Wiedman attended the CPUC's Residential Rates Summit. At the Summit, the three investor-owned utilities provided updates on the transition to time-of-use rates. Each of the utilities noted that rollouts of time-of-use rates to randomized study groups has gone better than expected with very high percentages of selected customers staying enrolled in time-of-use rates.

On Wednesday, November 28, 2018 and Thursday, November 29, 2018, Jan Pepper, Jeremy Waen, Siobhan Doherty, Joseph Wiedman, and Andy Stern attended the Community Choice Energy Summit hosted by Infocast in San Francisco. Mr. Wiedman spoke on a panel covering legislative and regulatory developments in 2018, Mr. Waen spoke on a panel covering current issues in the PCIA docket, Ms. Doherty spoke on a panel concerning procurement practices including load profiling, and Ms. Pepper spoke on a panel concerning CCA contributions to workplace diversity and social equity.

On Friday, November 14, Joseph Wiedman attended a CPUC workshop focused on the impacts to vulnerable communities due to de-energization of the electrical grid as a means to prevent forest fires. The discussion highlighted the complexity of using de-energization as a means to avoid fires.

### Regulatory Advocacy

*R.17-06-026 – Power Charge Indifference Adjustment* – On Monday, November 19, 2018, PCE, Sonoma Clean Power, and Marin Clean Energy filed an application for rehearing<sup>1</sup> of D.18-10-019, which reformulated the calculation of the power charge indifference adjustment (PCIA). PCE, SCP and MCE collectively argued that the decision violates state law by failing to ensure that the only costs included in the PCIA are those that are “attributable” to our customers and are “unavoidable” by the utilities’ management of their portfolios. CalCCA also filed an application for rehearing.<sup>2</sup> CalCCA’s application addressed the issues raised by PCE, SCP and MCE, but also raised two other concerns: (1) that inclusion of utility-owned generation in the PCIA violates state law; (2) that the decision creates an illegal cost shift by failing to reduce the PCIA by the value of benefits retained by bundled customers. Applications for rehearing were also filed by Protect Our Communities Foundation, Shell Energy, and the California Large Energy Consumers Association (CLECA). On Tuesday, December 4, 2018, the investor-owned utilities, The Utility Reform Network, and CLECA filed responses to the applications for rehearing. Next step is for the Commission to address the applications for rehearing by Friday, January 18, 2018 or filing parties can proceed to state court to have their concerns heard.

*A.18-06-001 – PGE ERRA Forecast* – On Monday, November 19, 2018, PCE joined a coalition of CCAs in filing comments on PG&E’s updated testimony, which put forward proposals to implement the CPUC’s recent decision reforming the Power Charge Indifference Adjustment – Decision no. (D.) 18-10-019.<sup>3</sup> PG&E’s updated testimony presented numerous changes to the testimony it submitted earlier in the docket. CCAs generally argued that many of PG&E’s proposed changes were unauthorized by D.18-10-019 or made decisions on allocation of costs that were prejudicial to CCA customers. Among the proposals the CCAs advanced were: (1) updating the relevant benchmarks for RPS-eligible energy, resource adequacy capacity value, and brown power prices; (2) rejecting changes to billing determinants used to allocate PCIA revenue requirements until the proposed changes can be investigated; (3) ordering PG&E to refund misallocated Cost Allocation Mechanism charges; (4) reallocating costs to direct access customers for legacy utility owned generation; (5) ordering PG&E to account for anticipated tax savings stemming from changes in federal law; (6) requiring that brown power benchmark be trued up for changes in brown power prices in 2018; (7) addressing certain misallocations of costs related to Diablo Canyon; and (8) providing clear guidance on where ongoing procedural and transparency issues related to the ERRA dockets can be addressed. Overall, based on the above deficiencies, the CCAs argued that PG&E has not met its burden as the applicant to establish that its proposed rates are just and reasonable. On Monday, November 19, 2018, the CCAs also filed a motion asking that certain responses by PG&E to discovery requests of the CCAs be included in the record.<sup>4</sup> On Friday, December 7, 2018, the assigned administrative law judge issued a proposed decision addressing the topics raised by parties. The decision agrees with the CCAs on the need to update relevant benchmarks for RPS-eligible energy, resource adequacy capacity value, and brown power prices. The decision also agreed with CCAs that

---

<sup>1</sup> Available at: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M243/K008/243008348.PDF>

<sup>2</sup> Available at: <https://cal-cca.org/wp-content/uploads/2018/11/PCIA-Application-for-Rehearing-11-19-18.pdf>

<sup>3</sup> Available at: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M243/K013/243013785.PDF>

<sup>4</sup> Available at: <http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M243/K557/243557286.PDF>

billing determinants changes proposed by PG&E to allocate the PCIA should be rejected until the changes can be investigated further. The proposed decision rejects the CCAs concerns on all other issues. Comments on the proposed decision are due Monday, December 17, 2018 and reply comments are due Monday, December 24, 2018.

*R.17-09-020 – Resource Adequacy* – On Wednesday, November 21, 2018, the assigned administrative law judges released a proposed decision in the docket proposing that each investor-owned utility become the “central buyer” of all local resource adequacy needs in their respective service territories. On Tuesday, December 11, 2018, CalCCA filed comments on the proposed decision raising serious concerns. CalCCA argued that the proposed decision violates CCA procurement autonomy enshrined in California law and potentially violates federal law by impinging on the ability of CCAs to serve their customers with already selected resources. Moreover, CalCCA argued that the proposed decision would create stranded costs for CCAs who had invested in multi-year local resource adequacy contracts if those contracts are not selected by the utilities to meet local resource adequacy needs, would drive overprocurement by load serving entities of necessary resources by allowing the utilities to ignore resources that were already procured by CCAs to serve local resource adequacy needs, and would create disincentives for load-serving entities to engage in procurement of preferred resources such as solar distributed generation or energy storage, which could be used to meet local resource adequacy needs.

*R.18-07-003 – BIOMAT Program* – On Friday, December 7, 2018, PCE joined a coalition of CCAs, the Alliance for Retail Energy Markets, and the Direct Access Customer Coalition to provide informal comments to Energy Division staff on staff’s proposal to require all customers to pay for bioenergy resources procured by the investor-owned utilities pursuant to SB 1122. The coalition strongly opposed the allocation of costs of these contracts to all customers as, under current policy, only the utilities receive the energy and resource adequacy value of the contracts.

*R.16-02-007 – Integrated Resource Planning* – In response to a ruling from the assigned administrative law judge requesting comments on the Commission’s rules regarding submission of confidential information, CalCCA filed comments on Friday, November 16, 2018. CalCCA generally advocated for uniform treatment between all load serving entities regarding confidential treatment of certain categories of information. On Friday, November 30, 2018, CalCCA filed reply comments responding to the opening comments of numerous parties. CalCCA’s comments argued that there was no need to broadly revisit the Commission’s current rules. CalCCA also argued that certain “nonmarket participants” should be allowed to access sensitive information via the Commission’s standard nondisclosure agreement.

*A.18-11-003 – PG&E Commercial Electric Vehicle Charging Rate* – On Monday, November 5, 2018, PG&E filed an application seeking Commission approval of a new rate class for commercial electric vehicle charging, which would include new proposed rates (EV-Small and EV-Large). The rates would lower demand charges for commercial EV charging as a means to support increased charging during times of the day that charging is beneficial. On Friday, December 7, 2018, PCE and MCE filed a protest to the application. While PCE and MCE generally support the development of EV rates that do not contain demand charges as a means to support charging at beneficial times of the day, PG&E’s proposed rates apply a flat PCIA charge to their proposed energy rates, which could result in anti-competitive impacts to CCAs. Because this issue is a matter of first impression at the Commission, PCE and MCE felt it necessary to engage in the docket to address how the PCIA should be applied to these specialized rates.

### Legislative Advocacy

The 2019-2020 legislative session started December 3, 2018. PCE continues to coordinate with CalCCA and our local electeds on general legislative strategy and ideas for legislation in 2019.

On Tuesday, November 27, 2018, Jan Pepper, Charlsie Chang, Jeff Aalfs, Cat Carlton, and Joseph Wiedman met with Assemblymember Marc Berman and his staff to provide the Assemblymember with an update on the programs PCE is developing to advance community interests, CalCCA and PCE concerns with legislative discussions regarding centralized procurement by the investor-owned utilities or a state entity, ongoing issues with the CPUC's reformation of the PCIA, and to discuss the Assemblymember's priorities during the upcoming session.

On Tuesday, November 27, 2018, Jan Pepper, Charlsie Chang, Jeff Aalfs, Cat Carlton, Rick Bonilla, and Joseph Wiedman met with Senator Scott Wiener to provide the Senator discuss CalCCA and PCE concerns with legislative discussions regarding centralized procurement by the investor-owned utilities or a state entity, ongoing issues with the CPUC's reformation of the PCIA, and to discuss the Senator's priorities during the upcoming session.

On Friday, November 30, 2018, Joseph Wiedman and Charlsie Chang met with Sacramento staff for Senator Scott Wiener, Assemblymember Chris Holden, Senator Jerry Hill, and the Senate Energy, Utilities, and Communications Committee to discuss ongoing legislative concerns and developments.

On Monday, December 10, 2018, Jan Pepper, Charlsie Chang, Daniel Yost, Rick DeGolia, and Joseph Wiedman met with Assemblymember Phil Ting and his staff to provide the Assemblymember with an update on the programs PCE is developing to advance vehicle electrification, CalCCA and PCE concerns with legislative discussions concerning centralized procurement by the investor-owned utilities or a state entity, ongoing issues with the CPUC's reformation of the PCIA, and to discuss the Assemblymember's priorities in the upcoming session.

On Monday, December 10, 2018, Jan Pepper, Charlsie Chang, Daniel Yost, Rick Bonilla, Jeff Aalfs, and Joseph Wiedman met with staff for Assemblymember Kevin Mullin to provide the office with an update on the programs PCE is developing to advance community goals, CalCCA and PCE concerns with legislative discussions concerning centralized procurement by the investor-owned utilities or a state entity, ongoing issues with the CPUC's reformation of the PCIA, and to discuss the upcoming session.

On Tuesday, December 11, 2018, Joseph Wiedman and Charlsie Chang met with Sacramento staff for Senator Scott Wiener, Senator Jerry Hill, and Assemblymember Kevin Mullin to discuss ongoing legislative concerns and developments.

### **FISCAL IMPACT:**

Not applicable.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** Dec. 11, 2018  
**BOARD MEETING DATE:** Dec. 20, 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. In addition, the Curbside and Multi-Unit Dwelling Pilot, approved in June, is also under development.

**DETAIL**

The Board approved five programs at the April 26, 2018 meeting. Below is the summary status of each program element with additional detail on three of the programs further below:

<b>Program</b>	<b>Status</b>
<b>Community Pilots:</b> 6 awardees selected for innovative projects of up to \$75,000.	PCE is working with awardees to develop scopes of work and execute contracts. The goal is to have all projects under contract and launched by the end of January.
<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 (10/3), Burlingame Fall Fest (10/28). Events confirmed: YouTube (12/12). Additional detail below.
<b>New Vehicle Promotion:</b> Competitive solicitation to dealers to deliver aggressive cost discount.	Stewart Chevrolet, Burlingame Nissan, Peter Pan BMW 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.	Project is in the closing stages and a modest extension is being considered. Further detail below.
<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. Executed MOU with Peninsula Family Services in October. Full contract is under development and a program launch in Q1 2019 is anticipated.

## EV Ride & Drives

Five events have been held. The sixth event, at VISA, will likely be held in January rather than December. There have been nearly 900 participants in the four events to date and the response via surveys have been very positive, with 86% of respondents stating their overall opinion of EVs improved post-drive and 82% stating they are now more inclined to purchase an EV.

PCE has released an RFP for the 2019 program. See Ride & Drive Marketing memo in this packet for further details.

## New EV Promotion (Dealer Program)

The EV Promotion program has continued since the launch on October 1. The program is modeled on the Sonoma Clean Power DriveEV program (formerly Drive EverGreen). The program includes a competitive RFP that invites dealerships to offer competitive discounts. Three dealerships chose to participate: Stewart Chevrolet, Burlingame Nissan, and Peter Pan BMW. BMW experienced delays with approvals but joined the program in late October. At the beginning of November, PCE added a \$1,000 rebate to accelerate uptake. Prior EV purchasers in the program were grandfathered in and will be issued the same rebates.

An estimated 51 sales and leases have been closed since inception, although data is still due from BMW as of the date of this memorandum. PCE has invested approximately \$100,000 in marketing (mailings, email, online).

Staff is developing a broad market survey to gauge interest and awareness as a baseline for future EV promotion assessment. This survey will include assessing whether PCE is perceived as a “trusted messenger” on EV information, thereby providing an additional metric of the effectiveness of the current campaign. It is anticipated this survey will be executed in Q1 2019.

### **Easy Charge Apartments**

Technical assistance has been provided to 10 property managers/owners who collectively own 26 apartment properties. The project completed 22 site visits; of those, 13 apartments were active participants in the program and received technical support. The program provided 9 load studies and recommended a total of 114 charging ports be installed. In addition, a detailed County-wide building characterization study has been completed, and a final report is under development. Data from this project has been used to inform the proposed EV Infrastructure Incentive Program.

PCE is also exploring a modest extension of the technical assistance program due to additional properties expressing interest in support.





**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** December 10, 2018

**BOARD MEETING DATE:** December 20, 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 – December 2018

**BACKGROUND:**

This memo summarizes agreements entered into by the Chief Executive Officer since the last regular Board meeting in November. 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>
November 2018	Purchase of GHG Free	Morgan Stanley	1.5 months
November 2018	Purchase of PCC1	San Diego Gas & Electric Company	25 Months
November 2018	Purchase of GHG Free	Shell Energy North America	1 month
November 2018	Purchase of PCC1 & PCC2	Powerex Corp.	1 month
December 2018	Purchase of Resource Adequacy	Marin Clean Energy Authority	1 month
December 2018	Sale of Resource Adequacy	Marin Clean Energy Authority	1 month
December 2018	Purchase of Resource Adequacy	Pacific Gas & Electric Company	3 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.