



**SPECIAL MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, January 24, 2019
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, as soon as possible before the meeting at 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 not otherwise on this meeting agenda;

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

SPECIAL MEETING AGENDA

1. Authorize the Chief Executive Officer to execute agreements to obtain letters of credit with First Republic Bank to replace collateral already provided to PG&E and to name PG&E as Beneficiary of the letters of credit for term(s) through December 31, 2021 (Action)

Public records that relate to any item on the open session agenda 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
JPA Board Correspondence**

DATE: January 22, 2019
BOARD MEETING DATE: January 24, 2019
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jan Pepper, Chief Executive Officer
SUBJECT: Authority to obtain Letters of Credit

RECOMMENDATION:

Authorize CEO to execute agreements to obtain letters of credit with First Republic Bank to replace collateral already provided to PG&E and to name PG&E as Beneficiary of the letters of credit for term(s) through December 31, 2021

BACKGROUND:

Per the terms of three agreements that are already in place and operating with PG&E, PCE had provided cash collateral with PG&E to secure PCE's obligations under the agreements. PG&E's credit rating was recently downgraded to less than investment grade status. Per the contractual terms of those agreements, PG&E can no longer hold cash, but must transfer such collateral to either an escrowed account or accept a letter of credit as collateral. PCE staff has determined that establishing letters of credit for each of the agreements is the most advantageous structure. Upon acceptance of the letters of credit, the cash deposited belongs to PCE. The cash will be held by PCE as restricted cash in separate accounts at First Republic Bank as collateral for such letters of credit. PCE is asking the Board to authorize the CEO to execute agreements to implement the letters of credit in a form approved by General Counsel.

RESOLUTION NO. _____

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

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**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER
TO EXECUTE AGREEMENTS TO OBTAIN LETTERS OF CREDIT WITH FIRST
REPUBLIC BANK TO REPLACE COLLATERAL ALREADY PROVIDED TO PACIFIC
GAS AND ELECTRIC COMPANY (PG&E) AND TO NAME PG&E AS BENEFICIARY
OF THE LETTERS OF CREDIT IN A FORM APPROVED BY THE GENERAL
COUNSEL FOR TERM(S) THROUGH DECEMBER 31, 2021**

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

WHEREAS, the Peninsula Clean Energy Authority has energy supply agreements with PG&E for which collateral was posted on May 11, 2018, June 20, 2018, and November 8, 2018, and

WHEREAS, PG&E's credit rating was recently downgraded to lower than investment grade, and

WHEREAS, such downgrade means that PG&E is no longer permitted to hold PCE's collateral as cash and is obligated to transfer such cash to an escrow account or to accept PCE's letter of credit and return such collateral to PCE.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to execute agreements to obtain letters of credit with First Republic Bank and naming Pacific Gas and Electric Company as the beneficiary in a form approved by the General Counsel for a term through December 31, 2021.

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