Peninsula Clean Energy Executive Committee Meeting

Joint CCA Cost-Sharing Agreement

May 13, 2019
Consulting Services

Master Agreement – Costs allocated based on participation levels

**Resource Adequacy**
- ACES
  - Provide RA portfolio management and compliance-related services

**Data Management**
- TBD
  - Develop specifications for joint data-management services

**Other Services**
- TBD
  - May work together to develop scopes of work for additional consulting services
Resource Adequacy

• RA Portfolio Management
  • Aggregate/Pool and Manage Net Open Positions
  • Issue Solicitations on behalf of RA Pool
  • Respond to Others’ Solicitations
  • Negotiate Bilateral Transactions
  • Execute transaction confirmations

• Compliance Reporting – Optional
  • Month-Ahead & Year-Ahead RA filings
  • Load forecasts for RA
Resource Adequacy RFP and Vendor Selection

• Five Proposals – 5 CCAs on evaluation team (7 people)
• Scored & Ranked
  • Organizational Experience and Staff Credentials (45)
  • Proposal – Approach, Systems, Innovation (25)
  • Overall Cost (30)
• Selected ACES
Resource Adequacy RFP and Vendor Selection

- PCE/ACES Service Agreement - DRAFT
- Cost Sharing Agreement
- Scope of Work: Portfolio Management Services and Compliance Reporting (optional)
  - Deliverables: TBD
  - Term: Start June 2019 through May 2022 (3 years)
  - Compensation: NTE Overall - $688K;
    - NTE per CCA - $150,000 (assumes 4 CCAs);
    - Expected - $138,000 (5 CCAs)
Next Steps

• Finalize PCE/ACES Agreement – in process
• 5 CCAs Seek Board/Council Approval of Cost Sharing Agreement & Exhibit A – Resource Adequacy Services
  • SVCE, EBCE, SJCE and MBCP Board Approval
  • PCE Board Approval – May 23, 2019
• June 2019: On-boarding with ACES
• Now – September 2019: RA Procurement
• Compliance:
  • 2019 Month-Ahead (PEA);
  • 2020-2022 Year-ahead and month-ahead (ACES)
Peninsula Clean Energy
Executive Committee
May 13, 2019

Load Stabilization Proposal
• Offer fixed discount off of PCE’s ECOplus rates to large customers in exchange for 3 or 5 year contracts with PCE
  – Discount applied to PCE rate (already a discount from PG&E’s rates)
  – Fixed PCE discount is easy to administer as rates change year to year
• To be eligible, customer must meet minimum consumption thresholds
  – Measurement is quarterly
  – Discount is reduced (or eliminated) if quarterly threshold is not met for two consecutive quarters
• Higher fixed discount available to largest customers for longer term deals
  – Encourages load growth and long term PCE commitment
• Potential cost over 5 years
  – Up to $2.75 M in reduced revenues if top 20 customers sign contracts
  – Costs will fluctuate as PCE Generation rates adjust
    • If Gen rates decrease, discount $ will decrease
    • If Gen rates increase, discount $ will increase

• Potential Load over 5 years
  – Approximately 500 GWh annually if top 20 customers participate
Peninsula Clean Energy
Executive Committee
May 13, 2019

Draft Budget FY2019-20
Review/Discussion
• **Rates** – One rate change on Jan 1, 2020 reflecting our current expectation of PG&E rates and PCIA changes

• **Energy Costs**
  - Cost of RECs assumed significantly higher than prior year budget
  - Open Position Energy cost assumed much higher than prior year budget
  - No additional PPAs assumed – If signed, would likely reduce costs in future years

• **Programs**
  - Significant EV Infrastructure rebates start in September 2019
  - Significant expansion/initiation of several programs
## Draft FY2019/20 Budget vs. FY2018/19

### FY 2019-20 Budget & Projections

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>Approved Budget</td>
<td>Forecasted FY2019</td>
<td>Draft Budget</td>
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</tbody>
</table>

### Operating Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Sales, net</td>
<td>254,018,832</td>
<td>252,676,717</td>
<td>269,583,674</td>
</tr>
<tr>
<td>ECO100 Premium</td>
<td>1,627,364</td>
<td>2,440,425</td>
<td>2,989,654</td>
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<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>255,646,196</td>
<td>255,117,143</td>
<td>272,573,329</td>
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</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2019</th>
<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>176,147,894</td>
<td>194,924,579</td>
<td>218,376,089</td>
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<tr>
<td>Personnel</td>
<td>4,492,745</td>
<td>3,088,319</td>
<td>4,806,484</td>
</tr>
<tr>
<td>Data Manager</td>
<td>3,758,400</td>
<td>3,765,639</td>
<td>3,765,639</td>
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<tr>
<td>Service Fees - PG&amp;E</td>
<td>1,260,000</td>
<td>1,237,493</td>
<td>1,237,493</td>
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<tr>
<td>Professional Services</td>
<td>1,432,511</td>
<td>602,919</td>
<td>711,333</td>
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<td>Legal</td>
<td>1,146,600</td>
<td>1,382,777</td>
<td>1,351,500</td>
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<td>Communications and Outreach</td>
<td>1,010,600</td>
<td>766,297</td>
<td>2,104,800</td>
</tr>
<tr>
<td>General and Administrative</td>
<td>1,227,200</td>
<td>1,071,517</td>
<td>1,189,387</td>
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<tr>
<td>Energy Programs</td>
<td>3,200,000</td>
<td>869,284</td>
<td>4,594,473</td>
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<tr>
<td>Depreciation</td>
<td>42,000</td>
<td>72,889</td>
<td>74,400</td>
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<td><strong>Total Operating Expenses</strong></td>
<td>193,717,950</td>
<td>207,781,713</td>
<td>238,211,599</td>
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</table>

### Operating Income/(Loss)

<table>
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<th>Description</th>
<th>FY 2019</th>
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<th>FY 2020</th>
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<tbody>
<tr>
<td>Operating Income/(Loss)</td>
<td>61,928,246</td>
<td>47,335,430</td>
<td>34,361,730</td>
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### Non-Operating Revenues (Exp.)

<table>
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<tr>
<th>Description</th>
<th>FY 2019</th>
<th>FY 2019</th>
<th>FY 2020</th>
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<tbody>
<tr>
<td>Interest Income</td>
<td>440,000</td>
<td>1,833,177</td>
<td>1,500,000</td>
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<tr>
<td>Interest and related expense</td>
<td>(168,000)</td>
<td>(169,867)</td>
<td>(168,000)</td>
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<tr>
<td><strong>Total Nonoperating Revenues (Exp.)</strong></td>
<td>272,000</td>
<td>1,663,310</td>
<td>1,332,000</td>
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### Change in Net Position

<table>
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<th>FY 2019</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change in Net Position</strong></td>
<td>62,200,246</td>
<td>48,998,740</td>
<td>35,693,730</td>
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### Approx. Cash & Cash Equivalents

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<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Approx. Cash &amp; Cash Equivalents</td>
<td>66,689,412</td>
<td>125,665,799</td>
<td>161,359,529</td>
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FY2019/20 Budget Review Schedule

- May 13, 2019 -- Review and input from Executive Committee
- May 13, 2019 -- Review and input from Audit & Finance Committee
- May 23, 2019 – Review and input from full Board meeting
- June 27, 2019
  - Present FY2019/20 Budget to full Board for approval
  - Present revised/amended FY2018/19 to Board for approval