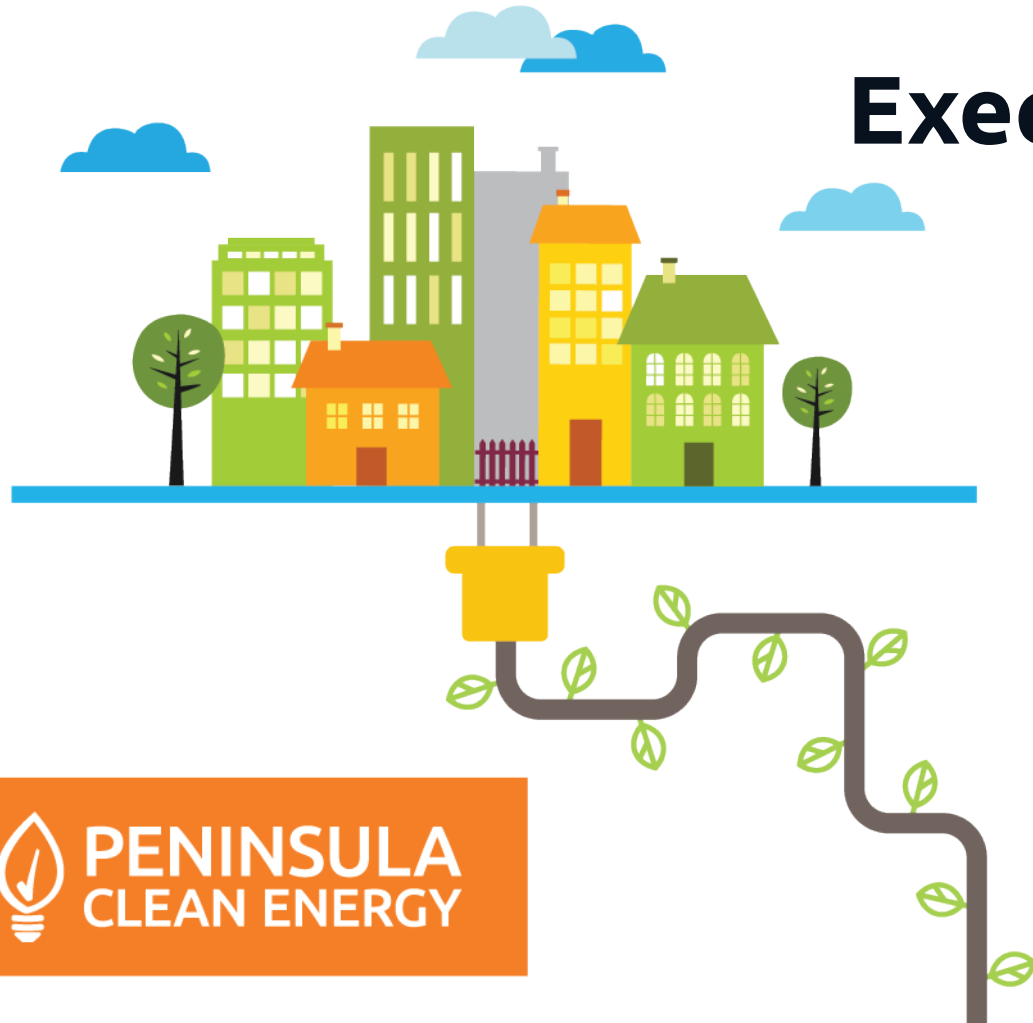


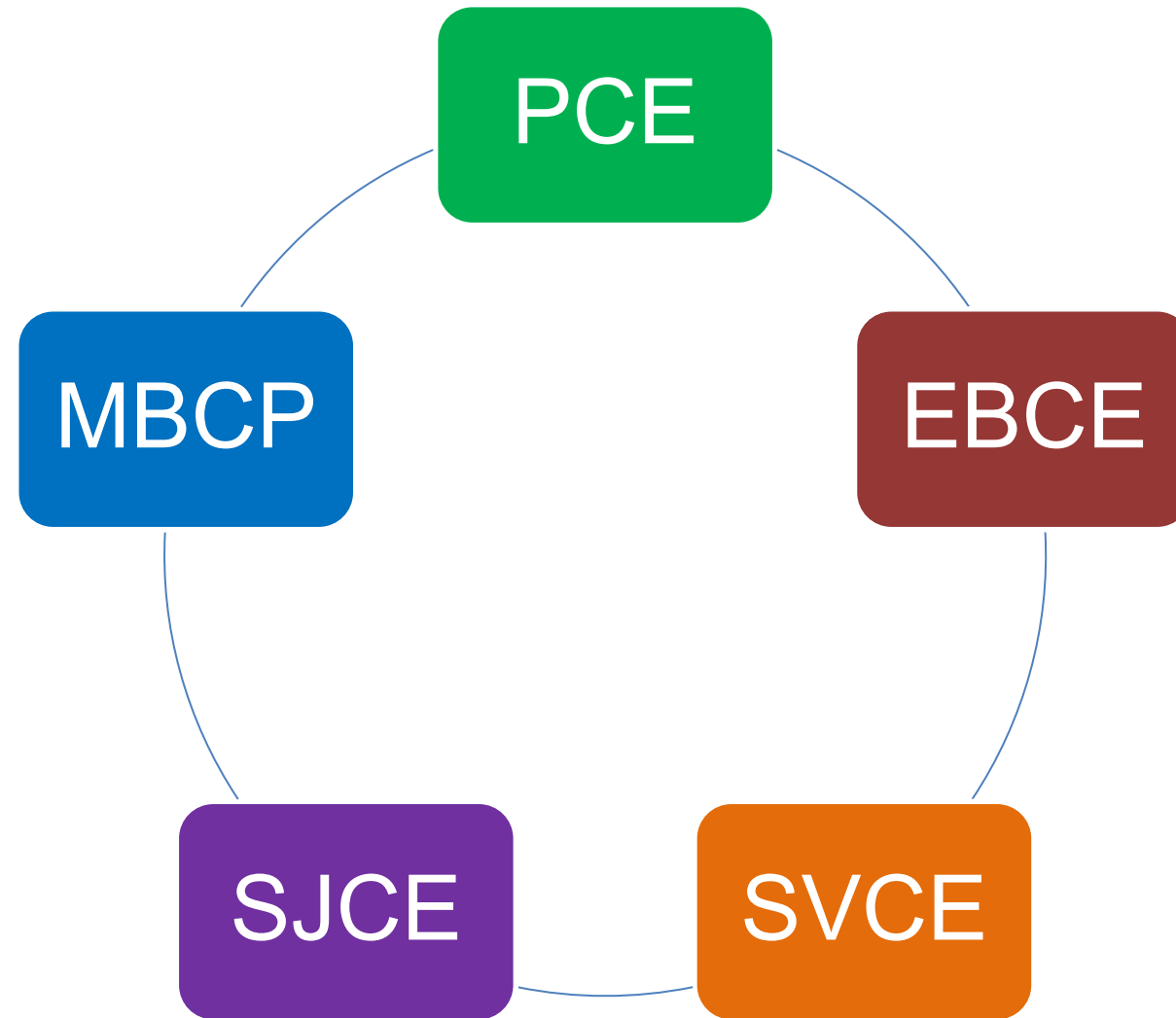
Peninsula Clean Energy Executive Committee Meeting

Joint CCA Cost-Sharing Agreement

May 13, 2019

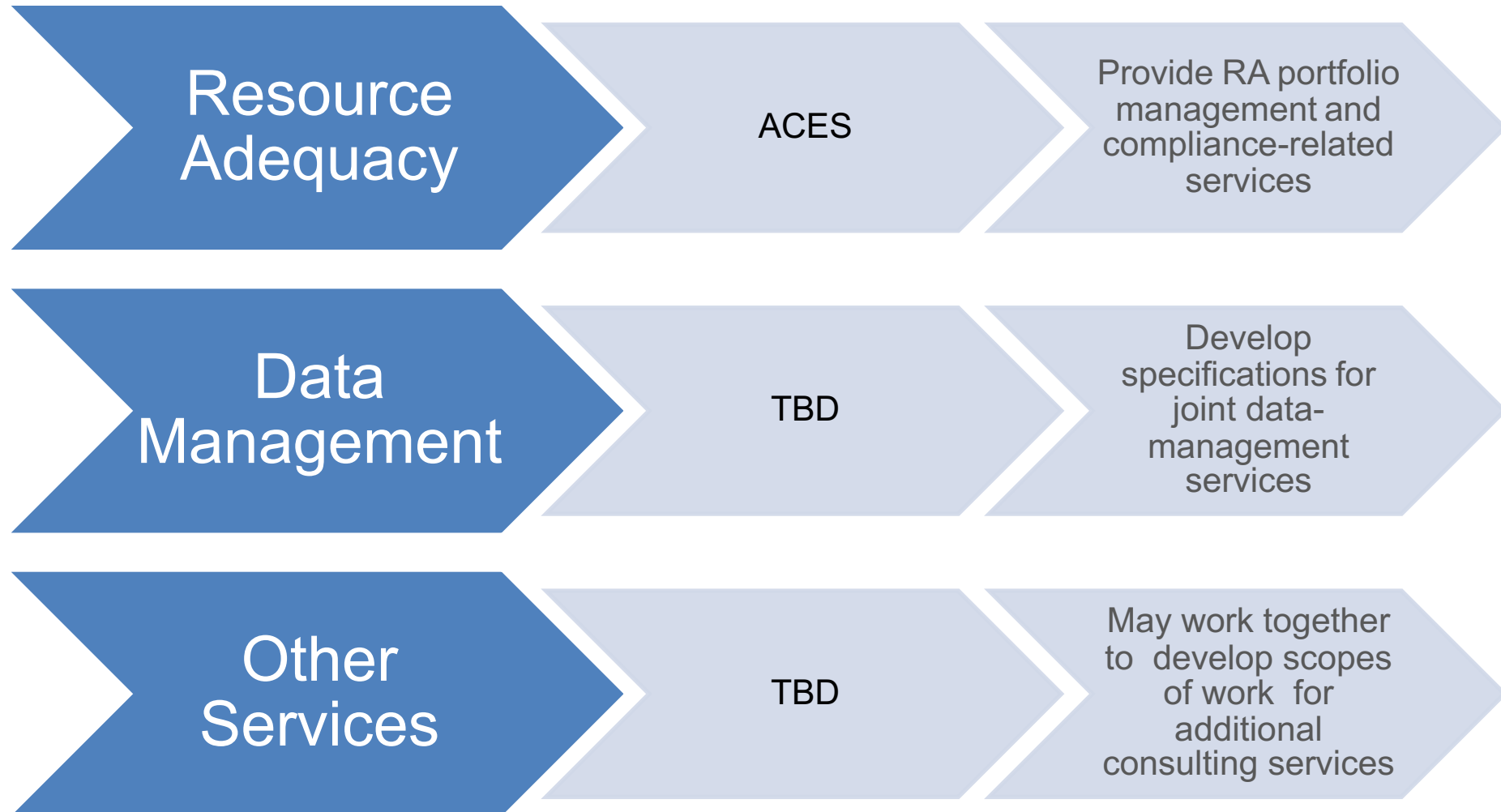


Participants



Consulting Services

Master Agreement – Costs allocated based on participation levels



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



 **PENINSULA
CLEAN ENERGY**

Load Stabilization Proposal (page 1 of 2)

- 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

Load Stabilization Proposal (page 2 of 2)

- Potential cost over 5 years

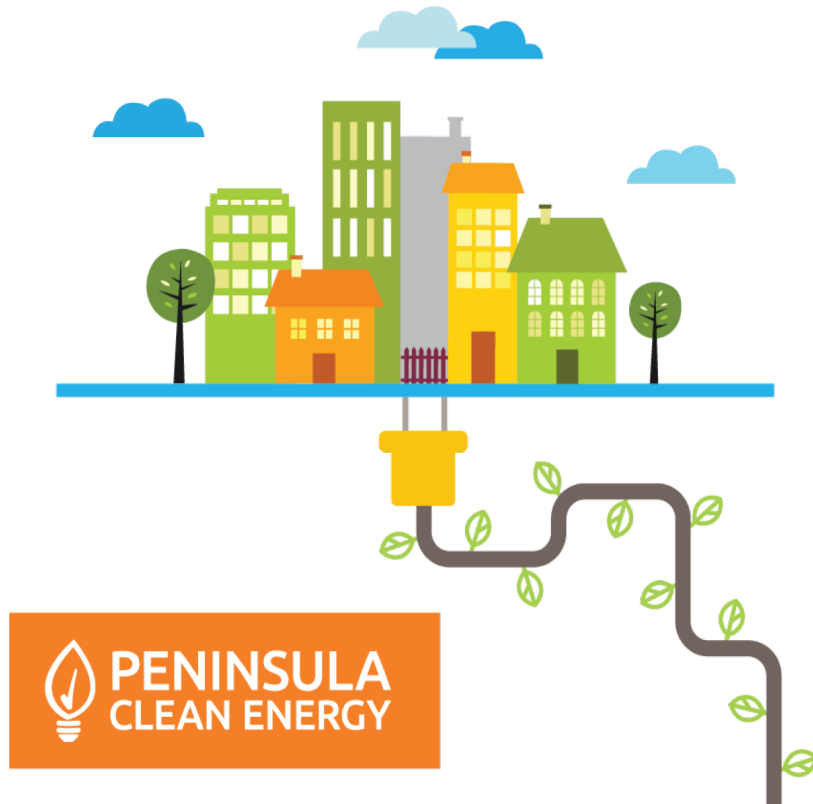
- Up to \$2.75 M in reduced revenues if top 20 customers sign contracts
- Costs will fluctuate as PCE Generation rates adjust
 - If Gen rates decrease, discount \$ will decrease
 - If Gen rates increase, discount \$ will increase

- 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



FY2019/20 Significant Budget Assumptions

- 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 2019-2020 Budget & Projections	FY 2019 Approved Budget	FY 2019 Forecasted FY2019	FY 2020 Draft Budget
OPERATING REVENUES			
Electricity Sales, net	254,018,832	252,676,717	269,583,674
ECO100 Premium	1,627,364	2,440,425	2,989,654
Total Operating Revenues	255,646,196	255,117,143	272,573,329
OPERATING EXPENSES			
Cost of electricity	176,147,894	194,924,579	218,376,089
Personnel	4,492,745	3,088,319	4,806,484
Data Manager	3,758,400	3,765,639	3,765,639
Service Fees - PG&E	1,260,000	1,237,493	1,237,493
Professional Services	1,432,511	602,919	711,333
Legal	1,146,600	1,382,777	1,351,500
Communications and Outreach	1,010,600	766,297	2,104,800
General and Administrative	1,227,200	1,071,517	1,189,387
Energy Programs	3,200,000	869,284	4,594,473
Depreciation	42,000	72,889	74,400
Total Operating Expenses	193,717,950	207,781,713	238,211,599
Operating Income/(Loss)	61,928,246	47,335,430	34,361,730
NON-OPERATING REVENUES (EXP.)			
Interest Income	440,000	1,833,177	1,500,000
Interest and related expense	(168,000)	(169,867)	(168,000)
Total Nonoperating Revenues (Exp.)	272,000	1,663,310	1,332,000
CHANGE IN NET POSITION	62,200,246	48,998,740	35,693,730
CHANGE IN NET POSITION			
Net Position at the beginning of period	78,197,442	85,365,490	134,364,230
Inc/(Dec) in Net Position	62,200,246	48,998,740	35,693,730
Net Position at the end of period	140,397,688	134,364,230	170,057,960
Approx. Cash & Cash Equivalents	66,689,412	125,665,799	161,359,529

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