



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, May 23, 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, at least 2 working days 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 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. Appointments to the Citizens Advisory Committee (Action)
5. CAC Workforce Working Group Report (Discussion)
6. Approve Joint CCA Resource Adequacy Portfolio Management and Procurement
Contracts: (Action)
 - a. Approve Cost-Sharing and Reimbursement Agreement Between PCE, SVCE, SJCE, EBCE and MBCP
 - b. Approve Consulting Agreement Between the Peninsula Clean Energy Authority and Alliance for Cooperative Energy Services Power Marketing, LLC for Resource Adequacy Portfolio Management and Procurement Services for the Joint CCAs
7. Fiscal Year 2019-2020 Budget Review (Discussion)
8. Approval of Volume Pricing Program for Qualified Commercial and Industrial Customers (Action)
9. Board Members' Reports (Discussion)

CONSENT AGENDA

10. Approval of the Minutes for the April 25, 2019 Meeting (Action)
11. Approve new Residential EV (Electric Vehicle) Rate (Action)
12. Approve Resolution for New EV Dealer Incentive Program that was approved at the April 25, 2019 Board meeting (Action)
13. Approve Renewal of Contract with Maher Accountancy (Action)
14. Approve JPA Voting Shares (Action)

INFORMATION ONLY REPORTS

15. Marketing and Outreach Report
16. Regulatory and Legislative Report
17. Local Programs Report
18. Procurement Report
19. Financial 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: May 17, 2019
BOARD MEETING DATE: May 23, 2019
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 Investment Grade Credit Rating

We were very pleased to receive the investment grade rating of Baa2 from Moody's Investor Services on May 6, 2019. PCE is the

PCE Staffing Update

We welcome Peter Ambiel to the PCE team as a Program Specialist on our Energy Programs team. Peter will initially support and ultimately lead our EV Charging Infrastructure incentive program, the Low Power EV Charging Pilot and other EV areas, drawing on his four years of experience at Tesla in the EV charging infrastructure deployment area.

We are continuing to interview for the following positions: Manager of Distributed Energy Resource Strategy, Senior Financial Analyst, and Clean Energy Programs Manager. All positions are posted on the PCE website under "Join Our Team".

Meetings with Board Members and City Managers

Meetings were held with:

- City Managers meeting at San Mateo Public Library on May 9
- Portola Valley (Vice Mayor Jeff Aalfs and Councilmember Craig Hughes, and City Manager Jeremy Dennis) on May 14.

We will be providing additional dates to schedule meetings with additional cities at the May board meeting.

Merced County Activities

PCE board members Rick DeGolia, Rick Bonilla, and Director Emeritus John Keener joined PCE staff members Charlsie Chang, Joe Wiedman, and Jan Pepper on May 16 to meet with Merced Mayor Mike Murphy, Merced County Supervisor Scott Silveira, Merced Irrigation District representatives, and the Merced County Association of Governments (MCAG) Governing Board.

Other Meetings and Events Attended by CEO

Attended “Meet and Greet” with the newest CPUC Commissioner Genevieve Shiroma on May 7.

Invited to attend the UC Davis Energy and Efficiency Institute Board of Directors meeting on May 8 at UC Davis. Led the board discussion on CCAs and distributed energy resources, energy efficiency, and the future of California’s utility industry.

Presented at Leadership San Mateo County on May 10.

Presented at the Peninsula Family Service Thought Leader Series on The Future of Transportation: Clean Energy & Transformation, on May 15 at the Sobrato Center for Non-Profits in Redwood City to formally launch DriveForward Electric, the collaborative effort between PCE and Peninsula Family Service to offer incentives to low-income residents for acquiring a used plug-in hybrid vehicle.



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: May 10, 2019
BOARD MEETING DATE: May 23, 2019
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors
FROM: Jan Pepper, Chief Executive Officer, and Ad Hoc Committee on
Citizens Advisory Committee Appointment
SUBJECT: Appointment of Members to Citizens Advisory Committee (CAC)

RECOMMENDATION: Adopt a Resolution Appointing Members of the Peninsula Clean Energy Authority Citizens Advisory Committee.

BACKGROUND:

On February 23, 2017, the PCE Board of Directors approved a proposal and a resolution on the formation of a new Citizens Advisory Committee (CAC), consisting of 11 to 15 members.

On May 24, 2017, the PCE Board of Directors appointed 15 members to the Citizens Advisory Committee (CAC).

As outlined by the PCE Board of Directors, the general term for CAC members is three years. However, initial CAC members were appointed to staggered terms of either one year, two years, or three years. CAC members are eligible for re-appointment.

In 2017, there were five CAC members who were assigned to two-year terms. One of these CAC members stepped down in 2017. This position was filled in May 2018. Later in 2018 CAC member Ted Howard also stepped down, leaving a vacancy on the CAC.

The remaining four members originally assigned two-year terms, Janet Creech, Janelle London, Jason Mendelson, and Landis Marttila, all notified staff in February 2019 that they would like to be considered for re-appointment for another term.

Peninsula Clean Energy staff publicly solicited applications to fill the vacancy on the CAC during the period of March 19, 2019 through April 15, 2019. In order to fill the one CAC vacancy, applications were reviewed and candidates were interviewed on April 25 by an ad hoc committee of the Board of Directors consisting of Rick Bonilla, Wayne Lee, Marty Medina, and Charles Stone.

The following criteria were used to select the top candidate:

Candidates must:

- Be qualified in one or more of the following:
 - Outreach
 - Legislative Advocacy
 - Technical Knowledge of Energy Industry
- Represent diversity of the County:
 - Geography
 - Background
 - Ability to Reach Diverse Audiences

On May 9 2019, Landis Marttila regrettably informed staff that his circumstances had changed due to a re-assignment of duties within International Brotherhood of Electrical Workers (IBEW), and that he is stepping down from the CAC. This created an additional unexpected vacancy on the CAC after the formal application process had closed.

Discussion:

The Ad Hoc Committee on Citizens Advisory Committee Appointment recommends that the PCE Board of Directors reappoint three members whose two-year terms expired in May. These members are Janet Creech from Millbrae, Janelle London from Menlo Park, and Jason Mendelson from Redwood City. All three have made valuable contributions to the CAC over the past two years and have served as active liaisons for PCE in their communities. The Ad Hoc Committee on Citizens Advisory Committee Appointment is also recommending Raymond Larios of Burlingame as a new appointee. Raymond works professionally in community outreach for San Mateo County, previously worked in the solar industry, and is fluent in Spanish.

The committee also recommends PCE staff reopen the recruitment process to fill the new vacancy left by Landis Marttila's recent departure.

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,

STATE OF CALIFORNIA

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**RESOLUTION REAPPOINTING APPOINTING MEMBERS OF THE PENINSULA
CLEAN ENERGY AUTHORITY CITIZENS ADVISORY COMMITTEE (CAC) AND
REOPENING RECURITMENT FOR ONE CAC VACANCY.**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, Section 3.5 of the PCE Joint Powers Agreement states that the “Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board”; and

WHEREAS, PCE believes that establishment of an advisory committee, made up of members drawn from the community, would assist PCE in carrying out its mission; and

WHEREAS, the Board approved the creation of a Citizens Advisory Committee (“Committee” or “CAC”) on February 23, 2017, to be appointed by the PCE Board through an application process including review and recommendation by an ad hoc committee of the PCE Board; and

WHEREAS, the Board appointed fifteen members to the Citizens Advisory Committee on May 24, 2017, and

WHEREAS, there are three members whose terms are expiring and who are eligible for reappointment, and

WHEREAS, the Board publicly solicited applications for the Citizens Advisory Committee during the period of March 19, 2019 through April 15, 2019, these applications were reviewed by the ad hoc committee to fill an existing vacancy; and

WHEREAS, an additional vacancy on the CAC opened on May 9, 2019 after the application and review process; and

WHEREAS, this new vacancy will be addressed by the ad hoc committee separately; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board appoints the individuals listed in Attachment 1 hereto as members of the Citizens Advisory Committee.

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Attachment 1

May 2019 Recommendations for Appointment to the PCE Citizens Advisory Committee

Term (years)	First Name	Last Name	City	Key Strength(s)	Selected Background
3 <i>renewed term</i>	Janet	Creech	Millbrae	Outreach, Legislative	Deeply involved in PCE outreach and political support through San Mateo Community Choice and Sierra Club. Former PCE CAC member. Appointed member of Millbrae Community Enhancement Committee. Former science teacher.
3 <i>renewed term</i>	Janelle	London	Menlo Park	Outreach, Legislative, Technical	Active PCE outreach volunteer. Chair of Menlo Park Environmental Quality Commission, Technical Advisory Committee for Peninsula Advanced Energy Community CEC grant. Experience in designing grassroots legislative advocacy campaigns.
3 <i>renewed term</i>	Jason	Mendelson	Redwood City	Outreach, Legislative	Active in developing Woodside's Climate Action plan and city sustainability ordinances, organizing Earth Day celebrations in Portola Valley/Woodside, owns TV and film production studio.
3 <i>new term</i>	Raymond	Larios	Burlingame	Outreach	Works professionally in Community Outreach for San Mateo County. Professional background in the solar industry. Fluent in Spanish.



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: May 13, 2019
BOARD MEETING DATE: May 23, 2019
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

FROM: Leslie Brown, Director of Customer Care, Peninsula Clean Energy

SUBJECT: Approval of Volume Pricing Program for Qualified Commercial and Industrial Customers

RECOMMENDATION: Staff recommends that the Board approve a long-term contract strategy with our largest customers to offer a 'Volume Pricing Program' which would include additional discounts on PCE's ECOplus rate in exchange for a longer-term commitment to PCE and minimum energy purchase requirements.

BACKGROUND:

As a result of recent legislative actions, namely SB 237 and the expansion of Direct Access, some of our commercial customers may be exploring the possibility of contracting for energy services from a third-party provider other than PCE. PCE currently effectively operates on month-to-month agreements with all PCE customers, and while we've managed to maintain a low opt-out rate to-date (2.45%), customers can choose to end service with PCE at any time.

During the Board strategic retreat last fall Board members directed staff to consider options for longer term service agreements between PCE and some of our largest customers to help promote load stabilization and predictability for PCE energy sales. PCE staff has had conversations with some of our largest customers and many indicated that they would be open to exploring a longer-term service agreement with PCE in exchange for more favorable pricing. After several internal discussions and analysis of energy sales to our largest customers, it was determined that a tiered fixed discount on PCE's ECOplus product combined with a minimum energy usage requirement was the best solution to accomplish all those goals, leading to the proposed

Volume Pricing program.

DISCUSSION:

In order to qualify for Volume Pricing, a customer would need to consume a minimum of 10,000 MWhs annually and would need to commit to a 3- or 5-year exclusive contract with PCE for energy services. The proposed discounts would range between 5-7% from PCE's standard ECOplus pricing depending on energy usage and contract length. For those customers who have opted up to ECO100, there would be no discount on the ECO100 one cent per kwh premium. Energy usage would be tracked quarterly and customers who fell below their contracted purchase amount for two consecutive quarters would either have their discount lowered or, in some circumstances, eliminated. Based on energy usage from CY 2018 there are potentially 20 customers that would qualify for the Volume Pricing Program representing 500 GWhs of energy sales annually.

Staff recommends the Board approve the creation and implementation of the Volume Pricing Program for qualified C&I customers. There is a strategic operational advantage to PCE in securing longer term commitments with our largest customers, and a likely benefit to all PCE customers in two ways: (a) the more certainty PCE has in regard to load forecasting and projected energy sales, the more aggressive it can be in negotiating lower prices in its energy procurement contracts and in passing savings along to all PCE customers, and (b) the larger the overall energy load is, the more PCE's ongoing fixed costs of operation can be spread across the larger provided load. We believe that this program will help PCE to secure agreements with several of our largest customers and will create an opportunity to explore deeper partnerships with these customers going forward.

FISCAL IMPACT:

Staff is proposing a tiered structure of pricing options based on annual energy use and contract length, with fixed discounts ranging between 5-7% from PCE's standard ECOplus pricing. If all 20 eligible customers chose to execute a 5-year agreement the total impact could be up to \$2.5 million per year, or \$12.5 million over a 5-year period. Projected energy sales to these same customers over 5 years is estimated to be around \$200M.

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,

STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING THE VOLUME PRICING PROGRAM FOR QUALIFIED
COMMERCIAL AND INDUSTRIAL CUSTOMERS**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, PCE has a strategic goal to maximize enrollment and minimize customer opt-outs; and

WHEREAS, PCE currently serves customers on a month-to-month agreement; and

WHEREAS, PCE has an interest in securing longer term service agreements with our largest customers for strategic operational planning; and

WHEREAS, PCE’s largest customers have indicated that they would be willing to enter in to longer term service agreements in exchange for more favorable pricing;

WHEREAS, PCE proposes a tiered structure of pricing options based on annual energy use and contract length, with fixed discounts ranging between 5-7% from PCE’s standard ECOplus pricing;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves the Resolution authorizing the creation of the Volume Pricing Program for qualified Commercial and Industrial customers

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**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, April 25, 2019
MINUTES**

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

CALL TO ORDER

Meeting was called to order at 6:36 p.m.

ROLL CALL

Present: Dave Pine, County of San Mateo
Jeff Aalfs, Town of Portola Valley, *Chair*
Rick DeGolia, Town of Atherton, *Vice Chair*
Julia Mates, City of Belmont
Madison Davis, City of Brisbane
Rae P. Gonzalez, Town of Colma
Carlos Romero, City of East Palo Alto
Catherine Mahanpour, City of Foster City
Elizabeth Cullinan, Town of Hillsborough
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Laura Parmer-Lohan, City of San Carlos
Rick Bonilla, City of San Mateo
Flor Nicolas, City of South San Francisco
Daniel Yost, Town of Woodside

Absent: County of San Mateo
City of Burlingame
City of Daly City
City of Half Moon Bay
City of Menlo Park
City of Millbrae
City of Pacifica

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

Rafael Reyes, Director of Energy Programs
Sven Thesen, Clean Energy Programs Manager
Leslie Brown, Director of Customer Care
Kirsten Andrews-Schwind, Senior Manager of Communications and Outreach
David Silberman, General Counsel
Tj Carter, Marketing Associate
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

Motion Made / Seconded: Yost / DeGolia

Motion passed unanimously 14-0 (Absent: County of San Mateo, Belmont, Burlingame, Daly City, Half Moon Bay, Menlo Park, Millbrae, Pacifica)

REGULAR AGENDA

1. CHAIR REPORT

No report.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—reported that PG&E instituted a small rate change on March 1, 2019, so PCE rates will be adjusted on May 1, 2019, to maintain the 5% discount compared to PG&E rates.

Jan provided updates on some bills before the California Legislature, and she reported that Rick Bonilla and PCE staff participated in CalCCA's (California Community Choice Association) Lobby Day in Sacramento on April 3. Jan reported that PCE's Marketing Ad Hoc Committee Members Ian Bain, Catherine Carlton, Carole Groom, Wayne Lee, and Laura Parmer-Lohan, met with Cyclops, PCE's Marketing Strategy consultant, on April 12.

3. CITIZENS ADVISORY COMMITTEE REPORT

Michael Closson—Chair—reported that interviews are being held to fill a vacancy on the Citizens Advisory Committee (CAC), and that four members whose terms are expiring will re-apply. He reported that the CAC formed a new "working group" to focus on the Local Programs Roadmap.

4. PG&E ANALYSIS OF FINANCIAL IMPACTS OF BILL PROTECTION ON TOU (TIME OF USE) TRANSITION (DISCUSSION)

Leslie Brown—Director of Customer Care—introduced Joe Au, Manager of Pricing Products – TOU Transition, from PG&E. Joe presented background information that Residential Time of Use (TOU) rates resulted from an effort to make rates more understandable, and to encourage customers to shift usage to times of day that support a cleaner and more reliable electrical grid. Joe reviewed results of the Phase 1 Pilot which began in April 2018, and he reported that the full roll out will begin in October 2020 and continue in waves through October 2021. Joe reported that the County of San Mateo is scheduled to transition to TOU rates in September 2021.

Joe presented analysis of Bill Protection, which provides a financial guarantee that customers will not be negatively financially impacted by the transition to TOU for the first year. The analysis shows that TOU will be less expensive than the existing Tiered Rates for most customers. Leslie reported that PCE will need to notify PG&E by the end of the summer of this year, of our decision on whether or not to participate in the TOU transition and Bill Protection.

PUBLIC COMMENT:

John Keener
Gladwyn D'Souza
Kim Springer, County of San Mateo Office of Sustainability

5. APPROVE APPOINTMENT OF UP TO TWO “DIRECTORS EMERITUS” TO THE PCE BOARD

Jeff Aalfs—Chair—reported that the Board voted in April to create up to two Directors Emeritus positions to continue the involvement of former Board members and Alternates. He reported that the Directors Emeritus would have 2-year terms, with no limit on terms, they do not vote, and they do not add to a quorum. Pradeep Gupta and John Keener were nominated. Board members discussed former Board Member Lori Liu possibly being interested, and agreed to consider Lori for a future appointment.

Motion Made / Seconded: Bonilla / Romero

Motion passed unanimously 15-0 (Absent: County of San Mateo, Burlingame, Daly City, Half Moon Bay, Menlo Park, Millbrae, Pacifica)

6. APPROVE NEW LIABILITY, DIRECTORS & OFFICERS, AND OTHER INSURANCE COVERAGE

Andy Stern—Chief Financial Officer—reported that the Audit and Finance Committee requested a review of PCE’s insurance coverage and that ABD Insurance & Financial Services was engaged to review PCE’s insurance coverage, potential risk areas, and make recommendations, which were reviewed with the Executive Committee.

Andy introduced Mike Hennessey, Assistant Vice President and Client Executive with the ABD Team. Andy and Mike reviewed the new coverage recommended by ABD.

Motion Made / Seconded: Bonilla / Yost

Motion passed unanimously 15-0 (Absent: County of San Mateo, Burlingame, Daly City, Half Moon Bay, Menlo Park, Millbrae, Pacifica)

7. APPROVE NEW EV DEALER INCENTIVE PROGRAM FOR \$1.5 MILLION OVER A TERM OF 3 YEARS

Rafael Reyes—Director of Energy Programs—reviewed the 2018 EV (Electric Vehicle) Incentive program, and how the program fits into the overall Local Programs Roadmap. Rafael presented details of the new EV Dealer Incentive program, which is focused on lowering the cost of new EVs (Electric Vehicle) and increasing the EV adoption rate. He reviewed the budget for the new program that will run from 2019 through 2021.

PUBLIC COMMENT:

Michael Closson

Motion Made / Seconded: Bain / Pine

Motion passed unanimously 15-0 (Absent: County of San Mateo, Burlingame, Daly City, Half Moon Bay, Menlo Park, Millbrae, Pacifica)

8. REACH CODES UPDATE

Rafael Reyes reported that the state's building codes are updated every three years, and that the last update occurred in 2016. He explained that reach codes go above the state standard, and that the 2019 cycle is the time for local governments to add enhancements to the codes. He reported that PCE partnered with several CCAs and organizations to create reach codes that support new building electrification and EV infrastructure. Rafael introduced Farhad Farahmand from TRC, who has been a lead consultant on the Reach Code project.

Rafael reviewed key terms used in Building Electrification and EV Infrastructure, climate benefits of building electrification, the costs of building EV Infrastructure in new construction versus retrofitting existing facilities, and the advantages of adopting reach codes. He reported that model code measures have been drafted and published, and he reviewed the deadlines for input on the model reach codes, adoption of the codes by City Councils, and submission of the Code Packet to the CEC (California Energy Commission) for approval.

PUBLIC COMMENT:

Diane Bailey, Menlo Spark
Ted Howard
Gladwyn D'Souza

9. SCHOOLS ENGAGEMENT REPORT

Jeff Aalfs tabled this item until next month.

10. BOARD MEMBERS' REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 9:06 p.m.



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: May 13, 2019
BOARD MEETING DATE: May 23, 2019
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors
FROM: Leslie Brown, Director of Customer Care, Peninsula Clean Energy
SUBJECT: Authorize new Residential EV Rate EV-2A

RECOMMENDATION: Staff recommends that the Board authorize the creation and implementation of a new Residential EV rate to correspond with the launch of PG&E's EV-2A rate on July 1, 2019. The corresponding PCE rate for residential EV customers would have the same net 5% generation discount as all other current PCE rate schedules. The change would allow PCE to maintain the consistency of its rate schedules as compared with PG&E's.

BACKGROUND:

PG&E is launching a new residential EV rate on July 1, 2019. The new rate, EV-2A, will replace the existing EV-A rate. The current EV-A rate has an enrollment cap of 60,000 customers that PG&E has nearly exceeded. This new rate will not have an enrollment cap but will implement a usage threshold of 800% of the annual territory baseline. Customers exceeding the 800% of baseline threshold will be transitioned to the E-TOU-B rate as an alternative. Other notable differences between EV-A and EV-2A include a shift in Peak/Part-Peak/Off-Peak Hours. The new Peak hours will be 4-9 PM daily (vs 2-9 PM under EV-A), Part Peak Hours will be 3-4 PM and 9 PM-12 AM (vs 8 AM-2 PM and 9-11 PM under EV-A) and Off-Peak hours will be 12 AM-4 PM (vs 12 AM-8AM and 11 PM-12 AM under EV-A).

New EV customers will be enrolled in EV-2A starting July 1, 2019 and existing EV-A customers will have the option to transition voluntarily until November 2019. After November 2019, any remaining EV-A customers will either be transitioned to EV-2A or E-TOU-B respectively.

DISCUSSION:

Staff recommends the Board approve the creation and implementation of a new EV-2A rate to remain consistent in our offering of complementary rate structures to PG&E. If PCE does not have a complementary rate available when PG&E transitions customers into EV-2A, there will be inconsistencies in billing as well as customer confusion and dissatisfaction.

FISCAL IMPACT:

The new EV-2A rate would be consistent with other PCE rate models with a 5% net generation discount. There would be a nominal, if any, fiscal impact to PCE in creating the rate. Failure to create a new rate, however, could have a negative impact if confusion over the lack of consistency between PG&E's billing and PCE's billing caused customers to opt-out of PCE's services.

RESOLUTION NO. _____

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

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**RESOLUTION AUTHORIZING THE CREATION OF A NEW RESIDENTIAL EV RATE,
EV-2A, ELECTRIC RATE**

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

WHEREAS, PG&E is launching a new residential EV-2A rate on July 1, 2019;
and

WHEREAS, Peninsula Clean Energy Authority customers will be eligible to select the rate from PG&E's available residential tariffs.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board authorizes Peninsula Clean Energy (PCE) staff to create and implement a PCE EV-2A rate at a 5% generation discount consistent with all of PCE's other available rates.

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RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,

STATE OF CALIFORNIA

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**RESOLUTION AUTHORIZING THE NEW EV (ELECTRIC VEHICLE) DEALER
INCENTIVE PROGRAM FOR \$1.5 MILLION OVER A TERM OF THREE YEARS.**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, PCE has a strategic goal to achieve a power portfolio that is 100% Green House Gas (GHG) free by 2021; and

WHEREAS, PCE has a strategic goal to implement programs to further reduce GHG 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; and

WHEREAS, an initial EV incentive program ran from October 1 through December 31 of 2018 which resulted in 120 vehicles sold or leased in the fourth quarter of 2018; and

WHEREAS, in September 2018, the Board approved the Program Roadmap, which identifies the continuation of EV promotion programs to 2019 and beyond; and

WHEREAS, in January 2019, PCE executed a market survey of PCE customers without EVs regarding awareness and interest in electric vehicles, in which respondents indicated a very high interest in adopting EVs, however vehicle cost is among the largest concerns for those who expressed interest in EV adoption; and

WHEREAS, in February 2019, the Board approved the three-year EV Ride & Drive Program in order to continue to stimulate awareness and interest in EVs through test drive events around the County; and

WHEREAS, PCE will run the promotion program in the fourth quarter of 2019, 2020 and 2021 by providing significant marketing (mailers, email, online ads, print ads), and an additional rebate incentive for each vehicle sold or leased; and

WHEREAS, it is anticipated that dealer and consumer participation in the program will grow each year; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves the Resolution authorizing the new EV dealer incentive program for \$1.5 Million over a term of three years.

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**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: May 8, 2019
COMMITTEE MEETING DATE: May 13, 2019
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Andy Stern, Chief Financial Officer
SUBJECT: Maher Accountancy Contract Renewal

RECOMMENDATION:

Staff recommends that the Board authorize renewal of contract between PCE and Maher Accountancy for the period from July 1, 2019 through June 30, 2020. The cost of the accounting services as proposed are \$11,500 per month, plus a fee of \$14,000 for support of the annual audit of the FY2018/19 financial statements. The total of the contract is \$152,000.

BACKGROUND/CURRENT STATUS:

Maher Accountancy has been engaged to provide external accounting, payroll, and annual audit support services to PCE since October 1, 2016. A summary of services that are provided as part of the regular monthly Operational Assistance fee is as follows:

- Process payroll, including managing and reporting payroll taxes
- Manage and process Accounts Payable including use of a cloud-based document management system supporting management review of expenses, segregation of duties, and access to source invoice and vendor data
- Set-up of wire transfer payments to vendors paid by wire (Only PCE management is authorized to release wire payments according to Board-authorized policy)
- Maintain the general ledger by posting billings, and accruing revenue/expenses by reconciliation of PCE's data manager reports of customer activity and Accounts Receivable
- Bank reconciliations
- Publish monthly financial statements showing monthly and year-to-date summaries compared to approved budget levels

The current contract for services covers the period from July 1, 2018 through June 30, 2019 were for a total of \$126,400. The fees included in that contract include a cost of \$10,200 on a monthly basis plus a \$4,000 fee for support of the FY2018 audit conducted in the Fall of 2018.

Prior contracts were as follows:

- For the period from October 1, 2016 through June 30, 2017 – Operational Assistance was \$7,500 per month
- For the period from July 1, 2017 through June 30, 2018 – Operational Assistance was \$9,750 per month (plus \$13,500 in support of the annual audit)

FISCAL IMPACT:

The Cost of the contract for the period from July 1, 2019 through June 30, 2020 is \$152,000.

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION AUTHORIZING AN AGREEMENT BETWEEN MAHER
ACCOUNTANCY AND THE PENINSULA CLEAN ENERGY AUTHORITY FOR THE
PROVISION OF ACCOUNTING SERVICES IN A FORM APPROVED BY COUNSEL
IN AN AMOUNT NOT TO EXCEED \$152,000**

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

WHEREAS, PCEA was formed on February 29, 2016; and

WHEREAS, Maher Accountancy was selected to provide accounting, payroll and audit support services to PCEA based on its experience with other CCA programs, expertise in bookkeeping, and the cost-effectiveness of their proposal; and

WHEREAS, PCEA has contracted with Maher Accountancy to provide such services since October 1, 2016; and

WHEREAS, PCEA is currently engaged in a contract with Maher Accountancy to provide such services for the term of July 1, 2017 through June 30, 2018; and

WHEREAS, PCEA is now seeking to sign a contract with Maher Accountancy for the term of July 1, 2018 through June 30, 2019, in an amount not to exceed \$152,000 in substantially the same form as the prior agreement; and

WHEREAS, Maher Accountancy has heretofore provided services to PCEA in a satisfactory manner.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board delegates authority to Staff to execute said contract with Maher Accountancy in an amount not to exceed \$152,000.

* * * * *



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: May 13, 2019
BOARD MEETING DATE: May 23, 2019
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Leslie Brown, Director of Customer Care, Peninsula Clean Energy Authority

SUBJECT: JPA Weighted Voting Shares Allocation

RECOMMENDATION:

Approve recalculated weighted voting shares based on 2018 annual energy consumption.

BACKGROUND:

As the Board is aware, the Joint Powers Agreement creating Peninsula Clean Energy has a "weighted" voting option. Votes are first taken by simple majority vote. Voting automatically ends if the majority votes against an agenda item. However, if there is a majority vote for approval of an agenda item, a "weighted" vote by shares can be called. Weighted votes are covered by Section 3.7 of the Joint Powers Agreement. Specifically, section 3.71 states the following:

3.7.1 Voting Shares

Each Director shall have a voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 100

If, pursuant to the weighted vote, the item is rejected, the weighed vote prevails. In other words, the weighted vote can serve as a possible veto. To date, no weighted vote has ever been called.

DISCUSSION:

Staff has recalculated the weighted shares based on usage from 2018 and prepared revised Exhibits C and D to be attached to the Joint Powers Agreement. The table below includes the energy consumption and weighted shares for each service territory or member of the JPA based on data received from PG&E's Item 16 report for 2018. Staff is requesting Board approval of this revised schedule.

Service Territory	2018 Usage (MWh)	Distribution Weight (%)
SO SAN FRANCISCO INC	519,913	14.8%
REDWOOD CITY INC	462,455	13.2%
SAN MATEO INC	448,917	12.8%
MENLO PARK INC	310,867	8.8%
DALY CITY INC	242,643	6.9%
UNINC SAN MATEO CO	223,117	6.3%
BURLINGAME INC	197,741	5.6%
FOSTER CITY INC	180,743	5.1%
SAN CARLOS INC	157,619	4.5%
SAN BRUNO INC	131,366	3.7%
PACIFICA INC	97,394	2.8%
BELMONT INC	87,425	2.5%
MILLBRAE INC	74,648	2.1%
EAST PALO ALTO INC	65,910	1.9%
ATHERTON INC	63,727	1.8%
BRISBANE INC	58,173	1.7%
HILLSBOROUGH INC	55,458	1.6%
HALF MOON BAY INC	54,831	1.6%
WOODSIDE INC	39,878	1.1%
PORTOLA VALLEY INC	21,832	0.6%
COLMA INC	19,931	0.6%
Grand Total	3,514,586	100.0%

Exhibits C and D
Annual Energy Use and Voting Shares

ANNUAL ENERGY USE WITHIN PCE JURISDICTIONS AND VOTING SHARES		
Twelve Months Ended December 2018		
<u>Party</u>	<u>Total kWh</u>	<u>Voting Share</u>
SO SAN FRANCISCO INC	519,913	14.8%
REDWOOD CITY INC	462,455	13.2%
SAN MATEO INC	448,917	12.8%
MENLO PARK INC	310,867	8.8%
DALY CITY INC	242,643	6.9%
UNINC SAN MATEO CO	223,117	6.3%
BURLINGAME INC	197,741	5.6%
FOSTER CITY INC	180,743	5.1%
SAN CARLOS INC	157,619	4.5%
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EAST PALO ALTO INC	65,910	1.9%
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BRISBANE INC	58,173	1.7%
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HALF MOON BAY INC	54,831	1.6%
WOODSIDE INC	39,878	1.1%
PORTOLA VALLEY INC	21,832	0.6%
COLMA INC	19,931	0.6%
Grand Total	3,514,586	100.0%

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION ADOPTING AN UPDATED WEIGHTED VOTING SHARES
ALLOCATION FOR THE JOINT POWERS AUTHORITY (JPA) AGREEMENT BASED
ON 2018 ENERGY SALES**

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

WHEREAS, the JPA creating Peninsula Clean Energy Authority has a weighted voting option; and

WHEREAS, the voting share allocation shall be updated annually based on energy sales: and

WHEREAS, Peninsula Clean Energy Authority staff has re-calculated the weighted voting allocation based on 2018 energy sales.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board adopt the updated voting shares allocation and replace the existing Exhibits C and D in the Joint Powers Authority (JPA) Agreement with the new Exhibits C and D prepared by PCE staff.

* * * * *



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: May 10, 2019
BOARD MEETING DATE: May 23, 2019
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

FROM: Kirsten Andrews-Schwind, Senior Manager, Communications and Outreach
Leslie Brown, Director of Customer Care

SUBJECT: Update on PCE's Marketing and Outreach Activities and Enrollment Statistics

BACKGROUND:

The Marketing and 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 News Coverage

On May 6, 2019 Moody's issued PCE a new investment-grade credit rating:

- ["Rating Action: Moody's assigns first-time Baa2 issuer rating to Peninsula Clean Energy Authority, CA; outlook is stable"](#), Moody's Investor Service, May 2019
([click here for PDF](#))

PCE issued a press release to both our press list and on Business Wire celebrating this milestone:

- [Press Release 5-6-19](#) – Moody's Assigns Investment Grade Credit Rating to Peninsula Clean Energy

This effort resulted in distribution by the Associated Press and major coverage in pv Magazine and Green Tech Media, as of May 10, 2019:

- ["Moody's Assigns Investment Grade Credit Rating to Peninsula Clean Energy"](#), AP News, May 2019
- ["In New Challenge for California's Utilities, Rating Agency Warms to Community Aggregators"](#), Green Tech Media, May 2019
- ["California's CCA Structure Gets Moody's Thumbs Up"](#), pv Magazine, May 2019

In addition, PCE was mentioned in local press in relation to positive action by our member cities:

- ["Burlingame Introduces New Climate Action Plan"](#), The Daily Journal, May 2019
- ["Town Of Atherton Celebrates Earth Day On May 4"](#), In Menlo, May 2019

The news was spread extensively on Twitter as well, including by an LA Times reporter.

Community Outreach

Through our extensive community outreach for Earth Day, Día del Nino, Cinco de Mayo, and Bike to Work Day, **PCE spoke with approximately 1,200 residents in the past month.** We would like to sincerely thank the PCE staff members, CAC members, and volunteers who covered more than twenty five community events, mostly on weekends.

The following is a list of recent and upcoming community outreach events. We continue to emphasize outreach in communities with higher opt-outs in North County and East Palo Alto.

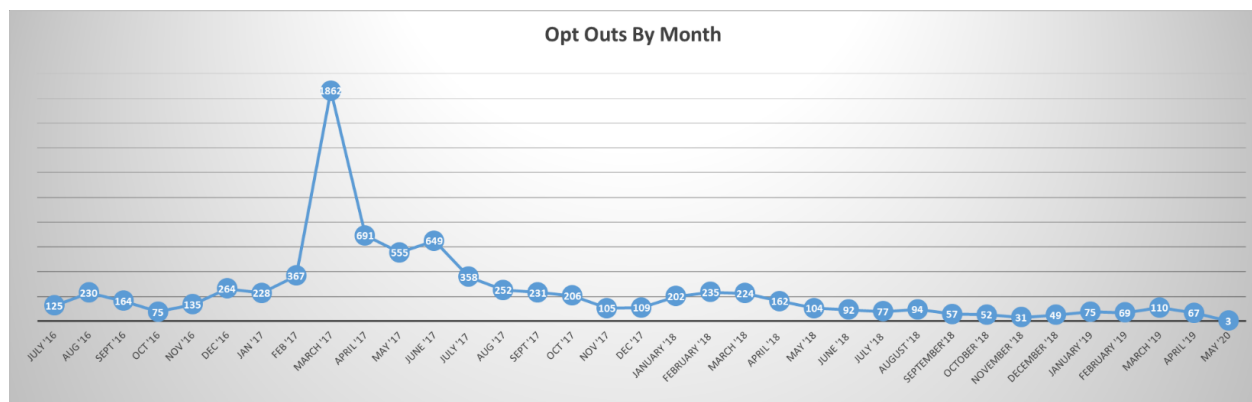
27-Apr	Steam Fest	Redwood City
27-Apr	Earth Day @ Shoreway	San Carlos
27-Apr	Pacifica EcoFest	Pacifica
27-Apr	San Bruno Children's Day	San Bruno
27-Apr	Earth Day Celebration SSF Scavenger	South San Francisco
27-Apr	Rebuilding Together Annual Picnic	Redwood City
28-Apr	Kermes Dia del Nino	North Fair Oaks
4-May	Atherton Earth Day	Atherton
4-May	Daly City Earth Day	Daly City
4-May	PFS Workshop	Daly City
5-May	Streets Alive in Burlingame	Burlingame
5-May	EPA Cinco de Mayo	East Palo Alto
8-May	Visa Ride & Drive Event	Foster City
9-May	Bike to Work Day 2019	South San Francisco
9-May	CAC Meeting	PCE Office
15-May	DriveForward Electric Launch Event	Redwood City
15-May	Green Business Network Mixer	San Carlos

18-May	San Carlos Hometown Days	San Carlos
18-May	Soul Stroll	San Mateo
19-May	Mural Celebration North Fair Oaks	North Fair Oaks
21-May	Immigrant Services Resource Table	Belmont
23-May	Daly City Active Adults / Senior Fitness & Resource Fair	Daly City
23-May	PCRC (CareOn) Intro Meeting	North Fair Oaks
23-May	Access to Higher Education Scholarship Awards	Daly City
29-May	Genentech Ride & Drive	South San Francisco
2-Jun	San Bruno Community Day in the Park	San Bruno
14-Jun	Oracle Energy and Sustainability Summit	Redwood City
15-Jun	Hillsborough Earth Day	Hillsborough
29-Jun	Business 2 Business Extravaganza & Taste of our Cities	Daly City
29-Jun	Coyote Point Kite Festival	San Mateo
29-Jun	Daly City Chamber Business to Business Extravaganza	Daly City
13-Jul	Colma Community Fair and Ride & Drive	Colma
3-Aug	Dog Surfing Championships	Pacifica
15-Sep	Fiestas Patrias	Redwood City

Enrollment Statistics to Date

Opt-out rates decreased slightly in April, perhaps due to the California Climate Credit reducing bills this month. We are enjoying a significant decrease in opt-outs as compared to 2018. In April 2018 there were 162 opt-outs and only 67 opt-outs in April 2019. Six cities maintained their participation rate in April with zero opt-outs: Atherton, Colma, Brisbane, Half Moon Bay, Menlo Park, and Woodside. Our overall participation rate is 97.55% of eligible accounts.

Opt-Outs by City



CITY	Eligible Accts	Total	TOTAL OPT OUT %
PORTOLA VALLEY INC	1,681	111	6.60%
SAN BRUNO INC	16,538	642	3.88%
SO SAN FRANCISCO INC	25,241	894	3.54%
PACIFICA INC	15,471	546	3.53%
EAST PALO ALTO INC	7,943	263	3.31%
DALY CITY INC	33,977	1095	3.22%
MILLBRAE INC	9,387	274	2.92%
HALF MOON BAY INC	4,968	143	2.88%
UNINC SAN MATEO CO	24,535	695	2.83%
SAN MATEO INC	44,244	1136	2.57%
BELMONT INC	11,935	299	2.51%
SAN CARLOS INC	14,576	362	2.48%
HILLSBOROUGH INC	4,045	89	2.20%
REDWOOD CITY INC	35,198	747	2.12%
BURLINGAME INC	15,423	326	2.11%
FOSTER CITY INC	14,738	296	2.01%
BRISBANE INC	2,522	50	1.98%
WOODSIDE INC	2,289	41	1.79%
COLMA INC	696		
ATHERTON INC	2,698	42	1.56%
MENLO PARK INC	15,766	226	1.43%
Grand Total	303,871	8,288	2.73%
Adjusted Total	303,871	7,446	2.45%

There are now over 5,500 accounts in ECO100. In addition to the County, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of May 10, 2019 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	2,641	2.08%
Belmont	160	11,603	1.38%
Brisbane	82	2,472	3.32%
Burlingame	323	15,045	2.15%
Colma	28	684	4.09%
Daly City	69	32,833	0.21%
East Palo Alto	18	7,634	0.24%
Foster City	311	14,357	2.17%
Half Moon Bay	94	4,782	1.97%
Hillsborough	65	3,947	1.65%
Menlo Park	437	15,456	2.83%

Millbrae	92	9,094	1.01%
Pacifica	137	14,904	0.92%
Portola Valley	1,467	1,578	92.97%
Redwood City	654	34,269	1.91%
San Bruno	86	15,792	0.54%
San Carlos	272	14,200	1.92%
San Mateo	606	42,965	1.41%
So San Francisco	89	24,209	0.37%
Uninc San Mateo Co	483	23,604	2.05%
Woodside	52	2,246	2.32%
Grand Total	5,580	294,315	1.90%



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: May 10, 2019
BOARD MEETING DATE: May 23, 2019
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
Doug Karpa, Senior Regulatory Analyst

SUBJECT: Update on PCE's April and May Regulatory and Legislative Activities

SUMMARY:

The end of April and early May continued to be a busy time for the regulatory and legislative team. As discussed in more detail below, PCE, as part of the CalCCA (California Community Choice Association), a coalition of CCAs (Community Choice Aggregators), or, on its own behalf, submitted two pleadings at the California Public Utilities Commission (CPUC or Commission) or before other regulatory bodies in the state. PCE's regulatory and legislative team attended four other stakeholder meetings, detailed under Regulatory Outreach.

DEEPER DIVE:

Regulatory Advocacy and Outreach

On April 25, 2019, Joseph Wiedman spoke on the Opening General Session Panel at the California Solar Power Expo held in San Diego, CA. The topic of discussion was "What PG&E's Bankruptcy & Wildfires Mean for California's Energy Transition". Mr. Wiedman's comments focused on the ways in which CCAs are driving decarbonization in energy, transportation, and the built environment.

On April 30, 2019 and May 1, 2019, Jeremy Waen and Joseph Wiedman attended the California Renewable Energy Procurement Summit in Rancho Cordova, CA. Mr. Wiedman spoke on two panels. The first panel was titled "Aligning Renewable Energy Procurement Goals – Is a Statewide Central Buyer the Best Solution." Mr. Wiedman's comments focused on the lack of need for broad centralized procurement, but how procurement focused on residual resource adequacy needs could benefit all load-serving entities in the state. The second panel was titled "Examining the California Regulatory Landscape and the Expanding Role of CCAs and

ESPs.” Mr. Wiedman’s comments focused on the need for regulatory certainty and support as CCAs continue to grow and the ways in which CCAs are advancing state energy goals despite regulatory challenges. Mr. Waen spoke on two panels titled “Impacts of the new PCIA on Renewable Energy Procurement Planning” and “Meeting New Resource Adequacy (RA) Requirements.” Mr. Waen’s comments focused on the challenges facing California as load continues to migrate from IOUs to CCAs resulting in excess resources being retained in the IOUs portfolios, which then need to be transacted to other market participants such as CCAs. Mr. Waen also discussed the ongoing considerations for a potential central procurement entity for RA.

On May 7, 2019, Jan Pepper, Joseph Wiedman and Charlsie Chang attended a “meet & greet” with the CPUC Commissioner Genevieve Shiroma and her staff. The conversation focused on introducing the members of each team, PCE’s product offerings, clean energy goals and growing suite of programs focusing on decarbonizing transportation. The Commissioner was very interested in PCE’s goal to be deliver 100% renewable energy on a time coincident basis and PCE’s growing suite of programs.

A.18-06-001 – PGE ERRRA Forecast – On May 8, 2019, the Joint CCAs submitted a lengthy protest letter to PG&E’s Advice Letter 5527-E which proposes PG&E’s methodology for calculating the Brown Power True-Up (BPTU) for 2018 to inform PG&E’s bundled generation and Power Charge Indifference Adjustment (PCIA) rates for 2019. The Joint CCAs believe PG&E committed numerous errors and made several biased assumptions for how to calculate this 2018 BPTU, which led to the Joint CCA protest. Therein the Joint CCAs believe the 2018 BPTU should have resulted in a \$163.8 M refund to departing load customers, rather than the \$36.3 M refund that PG&E proposed in its Advice Letter. Depending upon how quickly the Commission reviews and responds to this protest, PG&E’s bundled generation and PCIA rates for 2019 will likely go into effect on either July 1 or September 1 of 2019.

R.17-09-020 – Resource Adequacy – The CPUC’s RA proceeding continues on two tracks - Track 2 (Local RA reform) and Track 3 (2020 RA requirements and other proposals). In Track 2, the Commission reached a Decision on Thursday, February 21, 2019 that adopts a multi-year Local RA requirement for 2019, but the Decision punts the implementation of a Central Buyer for Local RA to a second Track 2 Decision that the CPUC intends to reach by Q4 of 2019. The Decision directs for at least three workshops to be convened between now and October to further deliberate over a Central Buyer construct to inform that Q4 Decision. On April 22 & 23, 2019, the first of these workshops occurred and Jeremy Waen was in attendance. This two-day workshop was facilitated by representatives of the three IOUs and explored three different central procurement entity models (full, residual, and a hybrid). CalCCA is preparing to facilitate the next workshop on May 15, 2019 where it will present an analysis on what type of entities could serve as the central procurement entity. Representatives from the Direct Access community will be facilitating a third workshop on May 22, 2019 to explore additional issues. CalCCA remains engaged in Track 3 of this proceeding as well where it is attempting to advance a sales framework for how IOUs sell their RA in the near term (starting with the 2020 compliance year) after numerous CCAs had difficulty meeting their RA procurement obligations for the 2019 compliance year. This sales framework aims to improve the timing and the manner in which the IOUs sell off their excess RA to other market participants. On May 9, 2019 Jeremy Waen participated in an *ex parte* conversation between CalCCA and Commissioner Randolph’s office about this issue. A Proposed Decision on Track3 items is anticipated this month.

R.19-01-011 – Building Decarbonization – On April 22, 2019, PCE, SVCE, EBCE and SCP submitted joint comments to the Energy Commission responding to a joint workshop held by the

CPUC and the Energy Commission on April 8, 2019. The joint comments emphasized that building decarbonization should not rely on renewable natural gas (since the limited supplies of renewable natural gas should be used in sectors that are more difficult to electrify), called for a statewide plan to support worker education and retraining, requested close alignment with Title 20 and 24 codes, and called for eligible appliances to be smart-grid ready. A prehearing conference on scope and schedule was held April 24, 2019 and was attended by Doug Karpa. A scoping memo laying out the scope and schedule for the docket is expected in coming weeks.

R.17-07-026 – PCIA – Doug Karpa was co-lead in developing a stakeholder workshop on April 29, 2019 on the sales framework for RPS and RA resources and a potential voluntary allocation mechanism to make excess resources from IOU portfolios available to CCAs and to reduce the PCIA. This framework was developed in negotiations between the CalCCA team, SCE, and Commercial Energy as part of the Phase II Portfolio Optimization, Cost Reduction, Auction and Allocation working group.

Legislative Advocacy and Outreach

PCE's legislative team continues to coordinate with CalCCA regarding numerous pieces of legislation that impact community choice aggregators as reported in prior memos. April and May are filled with committee hearings on bills that have been identified for support or opposition. As May progresses, hearings will wrap up and legislation that survived the hearing process will move to a floor vote. The legislative team anticipates reaching out to the Board regarding specific bills to request Board outreach to state elected officials regarding their consideration of votes to take.

FISCAL IMPACT:

Not applicable.



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: May 10, 2019

BOARD MEETING DATE: May 23, 2019

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 – May 2019

BACKGROUND:

This memo summarizes energy procurement agreements entered into by the Chief Executive Officer since the last regular Board meeting in April. 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.

Execution Month	Purpose	Counterparty	Term
April	Power Purchase and Sale Agreement	Dollar Wind, LLC	9 months
April	Sale of Resource Adequacy	Direct Energy Business Marketing, LLC	1 month
April	Purchase of Resource Adequacy	Dynegy Marketing and Trade, LLC	1 year
May	Sale of Resource Adequacy	Coso Geothermal Power Holdings, LLC	2 days
May	Sale of Resource Adequacy	Southern California Edison Company	1 month

May	Purchase of Resource Adequacy	EDF Trading North America, LLC	1 month
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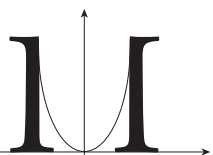
In December 2017, the Board approved the following Policy Number 15 – Energy Supply Procurement Authority.

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.



MAHER ACCOUNTANCY 1101 FIFTH AVENUE • SUITE 200 • SAN RAFAEL, CA 94901

Financial Plumbline

ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (PCE), a California Joint Powers Authority, which comprise the statements of net position as of March 31, 2019, and the statements of revenues, expenses, and changes in net position, and the statements of cash flows for the nine month period ending March 31 2019, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. PCE's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to PCE because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
April 30, 2019



PENINSULA CLEAN ENERGY AUTHORITY

STATEMENTS OF NET POSITION

As of March 31, 2019

ASSETS

Current assets

Cash and cash equivalents	\$	74,837,751
Accounts receivable, net of allowance		17,359,793
Investments		33,435,096
Other receivables		424,592
Accrued revenue		10,307,560
Prepaid expenses		1,971,408
Deposits		4,201,322
Restricted cash		13,665,799
Total current assets		<u>156,203,321</u>

Noncurrent assets

Capital assets, net of accumulated depreciation		294,608
Deposits		<u>2,335,355</u>
Total noncurrent assets		<u>2,629,963</u>
Total assets		<u>158,833,284</u>

LIABILITIES

Current liabilities

Accounts payable		938,432
Accrued cost of electricity		27,727,101
Accrued payroll and related liabilities		197,270
Other accrued liabilities		164,409
Supplier security deposits		4,370,987
User taxes and surcharges due to other governments		<u>786,553</u>
Total current liabilities		<u>34,184,752</u>

Noncurrent liabilities

Supplier security deposits		<u>1,173,822</u>
Total liabilities		<u>35,358,574</u>

NET POSITION

Investment in capital assets		294,608
Restricted for security collateral		13,665,799
Unrestricted		<u>109,514,303</u>
Total net position	\$	<u><u>123,474,710</u></u>

PENINSULA CLEAN ENERGY AUTHORITY

**STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

Nine Months Ended March 31, 2019

OPERATING REVENUES

Electricity sales, net	\$ 188,667,790
Green electricity premium	1,827,944
Electricity sales for resale	2,039,342
Total operating revenues	<u>192,535,076</u>

OPERATING EXPENSES

Cost of electricity	146,462,492
Staff compensation and benefits	2,238,319
Data manager	2,824,229
Service fees - PG&E	928,120
Consultants and other professional fees	676,048
Legal & legislative services	1,022,778
Communications and noticing	648,135
General and administration	753,556
Program incentives	148,200
Depreciation	54,289
Total operating expenses	<u>155,756,166</u>
Operating income (loss)	<u>36,778,910</u>

NONOPERATING REVENUES (EXPENSES)

Miscellaneous income	35,679
Interest and investment income	1,422,498
Interest and related expense	(127,867)
Total nonoperating revenues (expenses)	<u>1,330,310</u>

CHANGE IN NET POSITION

	38,109,220
Net position at beginning of period	<u>85,365,490</u>
Net position at end of period	<u>\$ 123,474,710</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENTS OF CASH FLOWS

Nine Months Ended March 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 200,572,468
Receipts from sales for resale	2,165,342
Receipts from miscellaneous income	33,605
Receipts from supplier security deposits	3,846,522
Tax and surcharge receipts from customers	3,302,362
Payments to purchase electricity	(141,463,765)
Payments for staff compensation and benefits	(2,193,351)
Payments for data manager	(2,855,557)
Payments for service fees - PG&E	(825,536)
Payments for consultants and other professional fees	(639,149)
Payments for legal services	(1,056,043)
Payments for communications and noticing	(650,475)
Payments for general and administration	(671,246)
Payments for program incentives	(148,200)
Tax and surcharge payments to other governments	(3,290,528)
Net cash provided (used) by operating activities	<u>56,126,449</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Deposits and collateral paid	(2,608,070)
Deposits and collateral received	735,356
Interest and related expense payments	(127,867)
Net cash provided (used) by non-capital financing activities	<u>(2,000,581)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(46,564)</u>
-------------------------------	-----------------

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(58,218,578)
Sale of investments	24,902,058
Interest and investment income received	1,051,354
Net cash provided (used) by investing activities	<u>(32,265,166)</u>

Net change in cash and cash equivalents	21,814,138
Cash and cash equivalents at beginning of period	66,689,412
Cash and cash equivalents at end of period	<u><u>\$ 88,503,550</u></u>

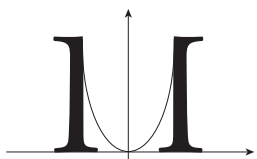
Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 74,837,751
Restricted cash	13,665,799
Cash and cash equivalents	<u><u>\$ 88,503,550</u></u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (continued)
Nine Months Ended March 31, 2019

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 36,778,910
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	54,289
Revenue reduced for uncollectible accounts	669,077
Nonoperating miscellaneous income	35,679
(Increase) decrease in accounts receivable	5,062,248
(Increase) decrease in other receivables	(43,218)
(Increase) decrease in accrued revenue	4,405,266
(Increase) decrease in prepaid expenses	226,616
Increase (decrease) in accounts payable	127,310
Increase (decrease) in accrued payroll and related	40,054
Increase (decrease) in accrued cost of electricity	4,812,311
Increase (decrease) in accrued liabilities	159,409
Increase (decrease) in user taxes and energy surcharges due to other governments	(48,024)
Increase (decrease) in supplier security deposits	3,846,522
Net cash provided (used) by operating activities	<u>\$ 56,126,449</u>



ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying special purpose statement of Peninsula Clean Energy Authority (PCE), a California Joint Powers Authority, which comprise the budgetary comparison schedule for the period ended March 31, 2019, and for determining that the budgetary basis of accounting is an acceptable financial reporting framework. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on this special purpose budgetary comparison statement.

The special purpose statement is prepared in accordance with the budgetary basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. This report is intended for the information of the Board of Directors of PCE.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. PCE's annual audited financial statements include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to PCE because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
May 1, 2019



**PENINSULA CLEAN ENERGY AUTHORITY
OPERATING FUND
BUDGETARY COMPARISON SCHEDULE
July 1, 2018 through March 31, 2019**

	2018/19 YTD Budget	2018/19 YTD Actual	2018/19 YTD Budget Variance (Under) Over	2018/19 YTD Actual/Budget %	2018/19 Annual Budget	2018/19 Budget Remaining
OPERATING REVENUES						
Revenue - Electricity	\$ 189,765,341	\$ 189,336,867	\$ (428,474)	100%	\$ 254,916,736	\$ 65,579,869
Revenue - ECO100	1,197,779	1,827,944	630,165	153%	1,627,364	(200,580)
Electricity sales for resale	-	2,039,342	2,039,342	-	-	(2,039,342)
Total Operating Revenues	<u>190,963,120</u>	<u>193,204,153</u>	<u>2,241,033</u>	<u>101%</u>	<u>256,544,100</u>	<u>63,339,947</u>
OPERATING EXPENSES						
Cost of energy	133,573,463	146,462,492	12,889,029	110%	176,147,894	29,685,402
Data manager	2,818,800	2,824,229	5,429	100%	3,758,400	934,171
PG&E service fees	945,000	928,120	(16,880)	98%	1,260,000	331,880
Bad debt expense	668,371	669,077	706	100%	897,904	228,827
Communications and outreach	754,200	640,220	(113,980)	85%	1,010,600	370,380
General and administration	920,150	741,616	(178,534)	81%	1,227,200	485,584
Professional services	1,049,283	445,652	(603,631)	42%	1,432,511	986,859
Energy programs	2,280,000	398,451	(1,881,549)	17%	3,200,000	2,801,549
Legal and regulatory	859,950	1,022,778	162,828	119%	1,146,600	123,822
Personnel	3,412,332	2,238,319	(1,174,013)	66%	4,492,745	2,254,426
Total Operating Expenses	<u>147,281,549</u>	<u>156,370,954</u>	<u>9,089,405</u>	<u>106%</u>	<u>194,573,854</u>	<u>38,202,900</u>
Operating Income (Loss)	<u>43,681,571</u>	<u>36,833,199</u>	<u>(6,848,372)</u>	<u>84%</u>	<u>61,970,246</u>	<u>25,137,047</u>
NON-OPERATING REVENUES (EXPENSES)						
Miscellaneous income	-	35,679	35,679	-	-	(35,679)
Investment income	330,000	1,422,498	1,092,498	431%	440,000	(982,498)
Interest and related expenses	(126,000)	(127,867)	(1,867)	101%	(168,000)	(40,133)
Total Operating Revenues (Expenses)	<u>204,000</u>	<u>1,330,310</u>	<u>1,126,310</u>	<u>652%</u>	<u>272,000</u>	<u>(1,058,310)</u>
OTHER USES						
Capital outlay	31,500	46,564	15,064	148%	42,000	(4,564)
Total other uses	<u>31,500</u>	<u>46,564</u>	<u>15,064</u>	<u>148%</u>	<u>42,000</u>	<u>(4,564)</u>
INCREASE IN NET POSITION	<u>\$ 43,854,071</u>	<u>\$ 38,116,945</u>	<u>\$ (5,737,126)</u>		<u>\$ 62,200,246</u>	<u>\$ 24,083,301</u>

PENINSULA CLEAN ENERGY AUTHORITY
OPERATING FUND
BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2018 through March 31, 2019

Net increase (decrease) in available fund balance per budgetary comparison schedule:	\$ 38,116,945
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position:	
Subtract depreciation expense	(54,289)
Add back capital asset acquisitions	<u>46,564</u>
Change in net position	<u><u>\$ 38,109,220</u></u>



FIRST REPUBLIC PRIVATE WEALTH MANAGEMENT

It's a privilege to serve you®

Investment Portfolio Review

Peninsula Clean Energy Authority

March 31, 2019

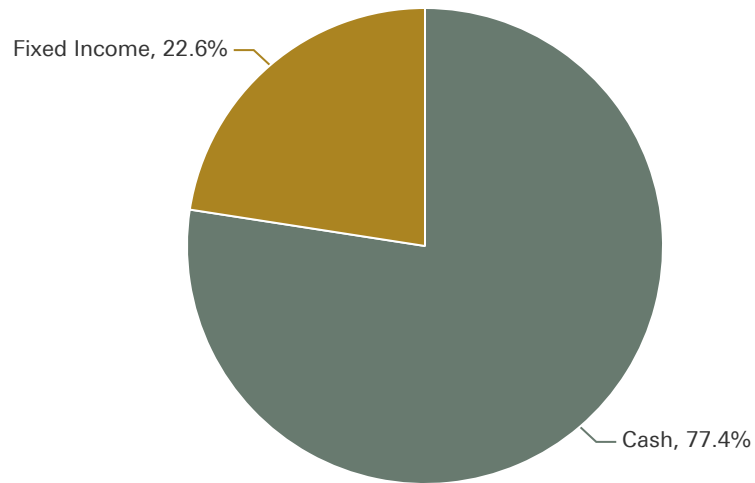


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Asset Allocation



ASSET TYPE	\$	%
Cash	\$67,635,262	77.4%
Fixed Income	\$19,697,316	22.6%
Total	\$87,332,578	100.0%

Portfolio Performance

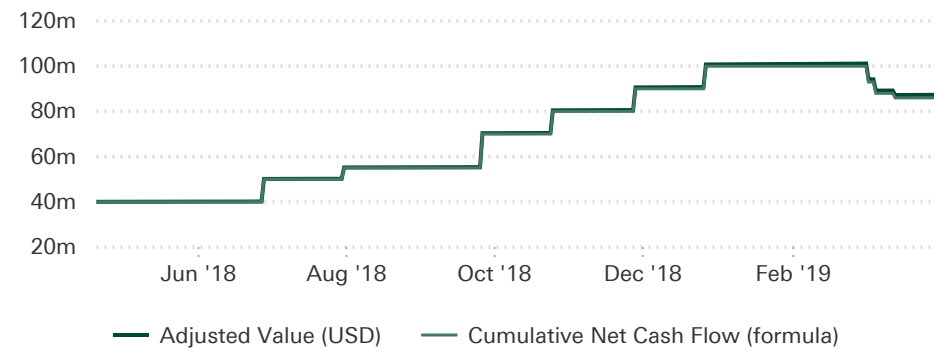
ASSET TYPE	QTD	YTD	ITD*
Cash	0.6%	0.6%	1.9%
Fixed Income			0.4%
Total	0.6%	0.6%	1.8%

Portfolio Activity

TRANSACTIONS	QTD	YTD	ITD*
Starting Value	\$100,786,840	\$100,786,840	\$40,000,000
Additions / Withdrawals	(\$14,000,000)	(\$14,000,000)	\$46,000,000
Gain / Loss	\$70,864	\$70,864	\$309,557
Income / Expenses	\$320,412	\$320,412	\$868,558
Change in Accrued Income	\$154,462	\$154,462	\$154,462
Current Value	\$87,332,578	\$87,332,578	\$87,332,578

*Inception date is 04-20-2018

Net Contributions vs. Market Value





ASSET TYPE	\$	%	QTD	YTD	1 YR.	3 YR.	5 YR.	ITD	
Cash	\$67,635,262	77.4%	0.6%	0.6%				1.9%	04-20-2018
Money Market Funds (all)	\$7,080	0.0%	1.1%	1.1%				(6.2%)	04-23-2018
Barclays US Treasury Bills 1-3 Months (Total Return)			0.6%	0.6%				2.0%	
U.S. Treasury Bills	\$67,628,182	77.4%	0.6%	0.6%				1.8%	04-23-2018
FTSE USBIG Treasury Bill 3M			0.6%	0.6%				2.0%	
Fixed Income	\$19,697,316	22.6%						0.4%	02-08-2019
Investment Grade Corporate Bonds	\$10,292,333	11.8%						0.3%	02-08-2019
Barclays US Aggregate (Total Return)								1.8%	
Developed International Bonds	\$9,404,983	10.8%						0.4%	02-08-2019
Barclays Global Aggregate ex-US (Total Return)								0.6%	
Total	\$87,332,578	100.0%	0.6%	0.6%				1.8%	04-20-2018



Portfolio Holdings

SECURITY	QUANTITY	COUPON RATE	MATURITY DATE	TIME TO MATURITY (YEARS)	CALL DATE	PRICE (USD)	MOODY'S RATING	S&P RATING	YTW	YTM	DURATION TO WORST	MARKET VALUE	% HELD (MV)	ANNUAL INCOME
Illinois Tool WKS Inc NT B/E DTD 6.25 % Due Apr 1, 2019	2,500.0	6.25%	04-01-2019	0.00	-	\$1,000	WR	NR	0.00%	0.00%	0.00	\$2,578,125	2.95%	\$78,125
United States Treas Bills B/E DTD	26,127.0	0.00%	04-04-2019	0.01	-	\$1,000	NR	NR	1.81%	1.81%	0.01	\$26,121,775	29.91%	\$0
United States Treas Bills B/E DTD	25,165.0	0.00%	05-02-2019	0.09	-	\$998	NR	NR	2.29%	2.29%	0.09	\$25,114,167	28.76%	\$0
Wells Fargo BK N A San Francisco Calif Medium Term SR BK NT BK NTS FXD RT SR NTS B/E DTD 1.75 %	2,500.0	1.75%	05-24-2019	0.15	-	\$999	Aa2	A+	2.53%	2.53%	0.15	\$2,512,384	2.88%	\$21,875
United States Treas Bills B/E DTD	5,350.0	0.00%	06-06-2019	0.19	-	\$996	NR	NR	2.35%	2.35%	0.18	\$5,326,834	6.10%	\$0
Bank Nova Scotia B C SR NT B/E DTD 1.65 %	1,438.0	1.65%	06-14-2019	0.21	-	\$998	Aa2	A+	2.66%	2.66%	0.20	\$1,441,995	1.65%	\$11,864
United States Treas Bills B/E DTD	11,135.0	0.00%	07-05-2019	0.27	-	\$994	NR	NR	2.37%	2.37%	0.26	\$11,065,406	12.67%	\$0
Bank Of Montreal B/E DTD 1.50 %	3,000.0	1.50%	07-18-2019	0.30	-	\$997	Aa2	A+	2.61%	2.61%	0.30	\$2,999,040	3.43%	\$22,500
Westpac BKG Corp SR NT B/E DTD 1.60 %	2,855.0	1.60%	08-19-2019	0.39	-	\$996	Aa3	AA-	2.62%	2.62%	0.38	\$2,849,068	3.26%	\$22,840
Commonwealth Bank Aust NY B/E DTD	2,115.0	2.30%	09-06-2019	0.43	-	\$998	Aa3	AA-	2.67%	2.67%	0.43	\$2,114,880	2.42%	\$24,322
Deere John Cap Corp Medium Term FXD RT NTS Ser F B/E DTD	3,000.0	1.25%	10-09-2019	0.53	-	\$993	A2	A	2.68%	2.68%	0.51	\$2,995,657	3.43%	\$37,500
Alibaba Group Holding LTD Note B/E DTD CLB 2.50 %	2,190.0	2.50%	11-28-2019	0.66	10-28-2019	\$999	A1	A+	2.66%	2.66%	0.65	\$2,206,167	2.53%	\$54,750
Total		0.52%		0.15				AA-	2.16%	2.16%	0.15	\$87,325,498	100.00%	\$273,776



Performance by Account with Cash Flows - 1 Year

As of March 31, 2019

Change in Account Value

Peninsula Clean Energy Authority

\$1,332,577.85

ACCOUNT	STARTING VALUE	ADDITIONS / WITHDRAWALS	TOTAL RETURN	CURRENT VALUE	1 YR RETURN
Managed Assets	\$0	\$86,525,389	\$807,189	\$87,332,578	(41.8%)
Peninsula Clean Energy Authority	\$0	\$86,525,389	\$807,189	\$87,332,578	(41.8%)
Total	\$0	\$86,525,389	\$807,189	\$87,332,578	(41.8%)



TRADE DATE	UNITS	TICKER SYMBOL	SECURITY	TYPE	PRICE PER SHARE	VALUE
01-04-2019	250.00	-	United States Treas Bills B/E DTD	Buy	\$996.18	(\$249,045.55)
01-04-2019	250.00	-	United States Treas Bills B/E DTD	Buy	\$998.02	(\$249,504.86)
01-04-2019	26,127.00	-	United States Treas Bills B/E DTD	Buy	\$994.28	(\$25,977,559.57)
01-04-2019	250.00	-	United States Treas Bills B/E DTD	Buy	\$999.82	(\$249,954.69)
01-10-2019	25,010.00	-	United States Treas Bills B/E DTD	Buy	\$999.62	(\$25,000,487.95)
01-16-2019	25,000.00	-	United States Treas Bills B/E DTD	Buy	\$999.55	(\$24,988,647.25)
01-25-2019	25,025.00	-	United States Treas Bills B/E DTD	Buy	\$999.81	(\$25,020,300.56)
02-01-2019	25,165.00	-	United States Treas Bills B/E DTD	Buy	\$994.33	(\$25,022,381.89)
02-08-2019	3,000.00	-	Deere John Cap Corp Medium Term FXD RT NTS Ser F B/E DTD	Buy	\$991.07	(\$2,986,022.50)
02-08-2019	3,000.00	-	Bank Of Montreal B/E DTD 1.50 %	Buy	\$995.09	(\$2,988,270.00)
02-08-2019	2,855.00	-	Westpac BKG Corp SR NT B/E DTD 1.60 %	Buy	\$994.36	(\$2,860,849.58)
02-08-2019	1,438.00	-	Bank Nova Scotia B C SR NT B/E DTD 1.65 %	Buy	\$996.81	(\$1,437,235.46)
02-11-2019	2,500.00	-	Illinois Tool WKS Inc NT B/E DTD 6.25 % Due Apr 1, 2019	Buy	\$1,004.89	(\$2,569,515.52)
02-11-2019	2,190.00	-	Alibaba Group Holding LTD Note B/E DTD CLB 2.50 %	Buy	\$997.44	(\$2,195,802.04)
02-11-2019	2,115.00	-	Commonwealth Bank Aust NY B/E DTD	Buy	\$997.71	(\$2,131,371.28)
02-12-2019	2,500.00	-	Wells Fargo BK N A San Francisco Calif Medium Term SR BK NT BK NTS FXD RT SR...	Buy	\$997.78	(\$2,504,172.22)
02-13-2019	5,295.00	-	United States Treas Bills B/E DTD	Buy	\$999.54	(\$5,292,579.44)
02-26-2019	5,350.00	-	United States Treas Bills B/E DTD	Buy	\$993.44	(\$5,314,910.69)
03-01-2019	(7,005.00)	-	United States Treas Bills B/E DTD	Sell	\$999.81	\$7,003,648.60
03-11-2019	13,060.00	-	United States Treas Bills B/E DTD	Buy	\$999.41	(\$13,052,337.04)
03-15-2019	(2,005.00)	-	United States Treas Bills B/E DTD	Sell	\$999.60	\$2,004,206.02
03-22-2019	11,135.00	-	United States Treas Bills B/E DTD	Buy	\$993.20	(\$11,059,329.32)



HIGHLIGHTS:

- **Volatility increased during Q4 as investors faced a turbulent environment riddled with trade wars, geopolitical risks, rising interest rates, and weaker economic growth stemming from Europe and Asia**
- **Despite the swoon in financial markets seen during the closing months of the year, U.S. economic data remained on solid footing supported by a historically tight labor market and a robust U.S. consumer**
- **Global growth remained U.S. - driven as emerging markets faced currency and interest rate headwinds. A stronger U.S. dollar dampened corporate gains abroad while increasing the burden for foreign borrowers**

OVERVIEW:

As we turn the page and welcome the new year, global stocks faced a turbulent environment during Q4. A combination of headwinds shifted investor sentiment to “risk-off” mode, and pushed markets sharply lower, despite a late rally on the day following Christmas. Investors witnessed an increase in volatility as escalating trade tensions between the U.S. and China raised fears that a prolonged trade dispute between the world’s two largest economies could slow down global growth. The Federal Reserve (the Fed) raised interest rates at their December meeting, further dampening investor risk appetite even though domestic economic data through the quarter showcased signs of sustained economic growth, while recession probabilities in the near-term remained relatively low. Furthermore, the U.S. unemployment rate continued at multi-decade low levels, while wages showed an uptick in growth, highlighting the resiliency and tightness of the labor market.

U.S. Equities Retreated as Uncertainty Rattled Investors

Investors struggled to grasp the uncertainty surrounding the major headlines of the quarter, including concerns over the U.S. government shutdown, evidence of slowing economic growth in China, and the ongoing trade quarrel between the U.S. and China. Meanwhile, the Federal Reserve continued its path of monetary policy tightening and rate normalization, raising interest rates for a fourth time in December. Despite reports of strong macroeconomic data and signs of rising inflationary pressures, the Fed’s hawkish stance reverberated across financial markets as investors grew concerned that the Fed could be raising rates too fast and too soon, and could unintentionally tip the balance of economic growth.

In addition, geopolitical tensions stemming from Europe, including worries of a hard Brexit and Italy’s dispute with the European Union over the nation’s budget deficit, coupled with reports of economic deceleration in China, further contributed to the gloomy investment environment. As a consequence, investors gravitated towards safe haven investments.

The Continued Strength of the U.S. Dollar has Dragged Emerging Markets

Across international markets, borrowing costs were a trending topic throughout the year, as higher interest rates driven by the Fed’s rate hikes, coupled with robust domestic economic data, led to the strengthening of the U.S. dollar against most international currencies. As a result, those countries which benefited from ultra-low U.S. dollar borrowing costs in past years as a source of relatively cheap financing are facing repayment hardships as interest payments ballooned and became increasingly difficult to service. Furthermore, dollar debt in the private sector has also increased, eroding corporate profits.



Emerging market equities slid into bear market territory as news of economic deterioration in countries ranging from Argentina to Turkey fueled worries that a global contagion would eventually drag developed markets down causing the global economy to stagnate. Doubts over the ability of the Chinese government to propel economic growth resurfaced after economic data signaled lukewarm growth. The trade war and tariffs further intensified the downturn in Chinese markets, which faced additional secular pressures including shifting demographics, slowing cyclical growth, amid other debt, environmental and real estate issues. In response, China is expected to continue on a path toward monetary policy easing.

Widening Credit Spreads and Flattening Yield Curves Contributed to Market Volatility

The credit cycle continued on a bumpy path as credit spreads moved wider during the quarter, adding volatility to financial markets. The significant increase in corporate leverage during recent years of cheap financing remained a leading concern across credit markets, as interest rates are expected to continue moving higher and evidence of deterioration in the credit quality of debt issuers grows. Investors also remained vigilant of the flattening U.S. Treasury yield curve, which saw short-term rates move closer to long-term rates during the quarter. As the yield curve continued flattening, worries that an inversion is looming also added uncertainty to the market, which has used this phenomenon in the past as an indicator and early warning of an upcoming recession. However, despite all the recent attention the yield curve has received, we believe that these concerns could be overstated given the relative health of the U.S. economy, which continues to benefit from a resilient labor market, robust U.S. consumers, and the decaying effects of past fiscal stimulus.

Conclusion:

Looking back at 2018, investors closed the year facing a series of challenges which led to dismal performance in Q4: ongoing trade disputes, economic and corporate growth expected to moderate, and the uncertainty surrounding the Fed's future interest hikes. Despite all these crosscurrents, economic data remained at healthy levels, as the unemployment rate continued at decade lows while wage growth climbed. Emerging market countries navigated choppy waters as a strong U.S. dollar weighed on those countries with large current-account deficits. Meanwhile, corporations with large U.S. dollar financing saw profits crippled by foreign exchange rates. International anxiety over Brexit and Italy's budget tussle with the European Union also weighed on performance in the Eurozone.

The recent market downturn and beginning of the New Year provides an opportunity for investors to reposition their portfolios and focus on risk management. As volatility increases and lingers, investors should manage future expectations and be aware that the bumpy ride experienced in the latter months of 2018 will take time before getting better. Broadly speaking, our asset allocation views still favor a proper balance between stocks, bonds, and cash. In turn, alternatives continue to hold our "ANGEY" acronym extant: alternatives are not good enough yet.



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Performance returns at the portfolio and account level are presented net of fees. All other returns including asset type, asset class, and individual security returns are presented gross of fees. Performance returns for periods greater than one year are annualized unless otherwise noted.

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