



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, June 27, 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 6:38 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*
Charles Stone, City of Belmont
Donna Colson, City of Burlingame
Carlos Romero, City of East Palo Alto
Catherine Mahanpour, City of Foster City
Harvey Rarback, City of Half Moon Bay
Catherine Carlton, City of Menlo Park
Wayne Lee, City of Millbrae
Deirdre Martin, City of Pacifica
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Sara McDowell, City of San Carlos
Rick Bonilla, City of San Mateo
Daniel Yost, Town of Woodside
John Keener, Director Emeritus
Pradeep Gupta, Director Emeritus

Absent: County of San Mateo
City of Brisbane
Town of Colma
City of Daly City
Town of Hillsborough
City of South San Francisco

Staff: Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
Leslie Brown, Director of Customer Care
David Silberman, General Counsel
Tj Carter, Marketing Associate
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

A quorum was established.

PUBLIC COMMENT:

Doug Silverstein, Burlingame
Diane Bailey, MenloSpark

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Lee / Yost

Motion passed unanimously 16-0 (Absent: County of San Mateo, Brisbane, Colma, Daly City, Hillsborough, South San Francisco)

REGULAR AGENDA

1. CHAIR REPORT

Jeff Aalfs—Chair—reported that seven cities have signed Letters of Intent (LOI) to review new building Reach Codes, he announced that PCE is developing a Strategic Plan.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—introduced Peter Levitt, the Associate Manager of Distributed Energy Resource Strategy at PCE, and provided an update on staffing. Jan provided a legislative update, and announced that the Executive Committee meetings that were scheduled to take place on July 8, 2019 and August 12, 2019, had been cancelled.

3. CITIZENS ADVISORY COMMITTEE REPORT

Michael Closson—Chair—reported that the Citizens Advisory Committee (CAC) received a presentation on the all-electric construction of a new seniors' center in Redwood City. Michael announced that his term as CAC Chair is coming to an end, but he will continue to serve on the committee.

4. APPOINTMENT OF TWO NEW MEMBERS TO THE CITIZENS ADVISORY COMMITTEE (CAC)

Rick Bonilla—Board member—reported that the Board of Directors Committee for Citizens Advisory Committee Appointment recommends the appointment of Morgan Aitken-Young and Steven Booker. Rick distributed a handout of background information on Morgan and Steven.

Motion Made / Seconded: Lee / Bain

Motion passed unanimously 16-0 (Absent: County of San Mateo, Brisbane, Colma, Daly City, Hillsborough, South San Francisco)

5. UPDATE ON PCE'S SCHOOLS AND YOUTH ENGAGEMENT PROJECTS

Tj Carter—Marketing Associate—presented an overview of PCE's projects with schools and youth through a partnership with San Mateo County Office of Education (SMCOE), including providing special awards through the San Mateo County STEM Fair, educating teachers and students about energy use through the Dashboard Pilot in San Carlos, funding Clean Energy Teacher Fellowships, and developing a Schools Activity Packet for high school math and science students. The general consensus of the Board was that PCE's outreach to teachers, youth, and schools is important.

6. RECOMMEND APPROVAL BY THE BOARD OF THE REVISED SPENDING BUDGET FOR FY2018-2019 TO AUTHORIZE TOTAL SPENDING ON OPERATING EXPENSES IN AN AMOUNT NOT TO EXCEED \$210,000,000

Andy Stern—Chief Financial Officer—reported that budget forecasts project that PCE will exceed the authorized spending budget for Fiscal Year 2018-2019, primarily due to a higher cost of electricity during the third fiscal quarter. Andy reported that PCE will mitigate future market volatility through a variety of means, including increased hedging, additional PPAs (Power Purchase Agreement), and maintaining or increasing PCE's reserves. Andy reported that the recommendation to the Board is to approve a revised budget of \$210.0 million.

Motion Made / Seconded: Lee / Stone

Motion passed unanimously 16-0 (Absent: County of San Mateo, Brisbane, Colma, Daly City, Hillsborough, South San Francisco)

PUBLIC COMMENT:

Mark Roest, SeaWave Battery

7. APPROVE FISCAL YEAR 2019-2020 BUDGET

Andy Stern reviewed key assumptions for the Fiscal Year (FY) 2019-2020 budget, including a rate change, projected increases in PCIA, and increases in staffing. Andy reviewed the proposed FY2019-2020 budgeted cost detail, projected energy costs, and the projected 5-year plan.

The Board discussed PCE's reserves and the potential impacts of projected increases in the PCIA (Power Charge Indifference Adjustment).

Motion Made / Seconded: Stone/ Lee

Motion passed unanimously 16-0 (Absent: County of San Mateo, Brisbane, Colma, Daly City, Hillsborough, South San Francisco)

8. AUTHORIZE AN EXTENSION TO SEPTEMBER 1, 2019 FOR THE ADJUSTMENT IN PENINSULA CLEAN ENERGY'S (PCE'S) RATES TO MAINTAIN A 5% DISCOUNT IN GENERATION CHARGES COMPARED TO PG&E

Leslie Brown—Director of Customer Care—reported that planned rate changes this year have been challenging due to delays in PG&E's 2019 ERRRA (Energy Resource Recovery Account) and AET (Annual Electric True-Up) approvals. She reported that PG&E plans to adjust rates on July 1, 2019, and PCE will also adjust rates on July 1, 2019, to maintain a 5% discount in generation charges compared to PG&E. Leslie reported that PCE staff have requested an extension to September 1, 2019, in case there are any unexpected delays.

Motion Made / Seconded: Lee / Carlton

Motion passed unanimously 16-0 (Absent: County of San Mateo, Brisbane, Colma, Daly City, Hillsborough, South San Francisco)

9. BOARD MEMBERS' REPORTS

John Keener reported that Nevada Energy announced three new solar projects. Deirdre Martin reported that pilot projects are taking place in Pacifica to capture energy from ocean waves, and introduced (Kevin) King Lung Chan, the inventor of a device for generating electricity from ocean waves, who was in the audience.

Jeff Aalfs reported that at the Silicon Valley Energy Summit at Stanford, there was a discussion of PG&E's request to increase the cost of capital to 17%, which would increase rates for customers. Jan reported that PCE and CalCCA (California Community Choice Association) are protesting the request to increase the cost of capital.

ADJOURNMENT

Meeting was adjourned at 8:50 p.m.