



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, May 23, 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
Jim Eggemeyer, 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
Rae P. Gonzalez, Town of Colma
Carlos Romero, City of East Palo Alto
Catherine Mahanpour, City of Foster City
Harvey Rarback, City of Half Moon Bay
Laurence May, Town of Hillsborough
Deirdre Martin, City of Pacifica
Giselle Hale, City of Redwood City
Marty Medina, City of San Bruno
Laura Parmer-Lohan, City of San Carlos
Rick Bonilla, City of San Mateo
Mike Futrell, City of South San Francisco
Daniel Yost, Town of Woodside
John Keener, Director Emeritus
Pradeep Gupta, Director Emeritus

Absent: City of Brisbane
City of Daly City
City of Menlo Park
City of Millbrae

Staff: Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
Siobhan Doherty, Director of Power Resources
Leslie Brown, Director of Customer Care
Kirsten Andrews-Schwind, Senior Manager of Communications and Outreach
Matt Sanders, Deputy County 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: Hale / Yost

Motion passed unanimously 17-0 (Absent: Brisbane, Daly City, Hillsborough, Menlo Park, Millbrae)

CLOSED SESSION

- 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**
No reportable action taken

REGULAR AGENDA

- 1. CHAIR REPORT**

Jeff Aalfs—Chair—reported that Moody’s Investors Service assigned a first-time Baa2 Issuer Rating to Peninsula Clean Energy (PCE) on May 6, 2019.

- 2. CEO REPORT**

Jan Pepper—Chief Executive Officer—reiterated that on May 6, 2019, PCE assigned a first-time

Baa2 Issuer Rating. She announced a new PCE employee, Peter Ambiel, has started as an Energy Programs Specialist, and that PCE has four open positions posted, a Manager of Distributed Energy Resources (DER) Strategy, a Senior Financial Analyst, and two additional Clean Energy Programs Managers.

Jan reported that the Resiliency Project with PCE and East Bay Community Energy (EBCE) received a \$300,000 grant from the Bay Area Air Quality Management District (BAAQMD). She reported that the Resiliency Project is a scoping study to identify community shelter critical facilities in Alameda and San Mateo Counties that provide emergency services during natural disasters, with a goal of providing cleaner and more reliable energy when the utility power is down.

Jan reported that Brisbane, Burlingame, and the city of San Mateo, have each signed a Letter of Intent and will each receive \$10,000 in funding to support their consideration of the new Reach Codes for building electrification and EV infrastructure. Jan reported that PCE staff members are available to speak to City Councils and staff to answer questions about Reach Codes.

3. CITIZENS ADVISORY COMMITTEE REPORT

Emily Leslie—Vice Chair—reported that the Citizens Advisory Committee (CAC) discussed various elements of the Reach Codes, incentives for building electrification, and the timeline for Reach Code adoption. She reported that the CAC voted to support the deep green version of the Reach Codes.

PUBLIC COMMENT:

Diane Bailey, Menlo Spark

4. APPOINTMENTS TO THE CITIZENS ADVISORY COMMITTEE

Jan reported that the CAC had one opening since last year, and four existing CAC members' terms are expiring. She reported that three CAC members wish to renew, but Landis Marttila can no longer serve due to a change in the location of his job site. Jan reported that an ad hoc committee of Board members reviewed applications and interviewed candidates, and they recommend reappointment of the three CAC members whose terms are expiring, and the appointment of Raymond Larios to fill the existing vacancy from last year. The CAC ad hoc committee also recommends PCE staff reopen the recruitment process to fill the new vacancy left by Lanis Marttila's recent departure.

Motion Made / Seconded: Bonilla / Pine

Motion passed unanimously 16-0 (Absent: Belmont, Brisbane, Daly City, Menlo Park, Millbrae, Redwood City)

5. CAC WORKFORCE WORKING GROUP REPORT

Jeff Aalfs announced that this agenda topic has been tabled until next month.

6. APPROVE JOINT CCA RESOURCE ADEQUACY PORTFOLIO MANAGEMENT AND PROCUREMENT CONTRACTS:

- a. **APPOVE 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**

Siobhan Doherty—Director of Power Resources—reported that the Joint CCAs, Peninsula Clean Energy (PCE), Silicon Valley Clean Energy (SVCE), San Jose Clean Energy (SJCE), East Bay Community Energy (EBCE), and Monterey Bay Community Power (MBCP), are entering into this agreement to procure third-party services to meet organizational objectives or regulatory requirements, and the cost-sharing agreement would reduce costs by aggregating and collectively procuring services, including Resource Adequacy (RA) Portfolio Management and Data Management.

Siobhan reviewed the structure of the cost-sharing agreement and the addendum, and the consulting agreement, including key terms, and termination rights. Siobhan reported that PCE will serve as the “Responsible Party” in the agreement with ACES, and that PCE will invoice the other CCAs for their share of the costs. Siobhan reported that authorization from the Board will cover \$650,000 over three years. Matt Sanders— Deputy County Counsel—reported that the addendum states that all liability is shared equally among the participating CCAs.

Motion Made / Seconded: Romero / Bonilla

Motion passed unanimously 16-0 (Absent: Belmont, Brisbane, Daly City, Menlo Park, Millbrae, Redwood City)

PUBLIC COMMENT:

None

7. FISCAL YEAR 2019-2020 BUDGET REVIEW

Andy Stern—Chief Financial Officer—reviewed March 2019 year-to-date financials, reporting that the cost of energy was significantly higher than budgeted due to natural gas pipeline outages and unusually high energy market day-ahead prices, as well as increases in RA costs. Andy reviewed the current Fiscal Year 2018-2019 forecast, and reported that PCE’s financial reserves are critical to withstand market volatility, and that hedges and long-term PPAs (Power Purchase Agreements) can mitigate exposure.

Andy reviewed a draft of the Fiscal Year 2019-2020 budget and budget assumptions, including a rate change on January 1, 2020, higher projected energy prices, and PCE’s increasing investment in and expansion of Community Energy Programs. Jan reported an expected increase staff

headcount in order to support all the programs and projects slated to launch in the next couple of years.

PUBLIC COMMENT:

Mark Roest, SeaWave Battery

8. APPROVAL OF VOLUME PRICING PROGRAM FOR QUALIFIED COMMERCIAL AND INDUSTRIAL CUSTOMERS

Leslie Brown—Director of Customer Care—reported that PCE currently operates on a month-to-month service agreement with all customers, and there is a need to stabilize PCE’s load for strategic accounts. She reported that in response to increased competition from Direct Access providers as Senate Bill 237 goes into effect, staff developed a Volume Pricing Program to offer a fixed discount of PCE’s ECOplus rates to eligible large customers in exchange for three to five-year contracts with PCE.

PUBLIC COMMENT:

Mark Roest, SeaWave Battery

Motion Made / Seconded: Bonilla / Martin

Motion passed unanimously 15-0 (Absent: Belmont, Brisbane, Daly City, Menlo Park, Millbrae, Redwood City, Woodside)

9. BOARD MEMBERS’ REPORTS

Pradeep Gupta thanked the Board for the opportunity to return and participate as a Director Emeritus. Carlos Romero, and the entire Board, welcomed back Pradeep Gupta and John Keener.

ADJOURNMENT

Meeting was adjourned at 9:20 p.m.