



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, December 19, 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](mailto: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.

## **REGULAR AGENDA**

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Citizens Advisory Committee Report (Discussion)
4. Audit and Finance Committee Report (Discussion)
5. Approve Amendment to Extend Calpine Agreement (Action)
6. Review and Adopt Proposed Policy Principles for PG&E Reorganization (Action)
7. CPUC Process for Setting PG&E's 2020 PCIA (Exit Fee) Rates (Discussion)
8. Board Members' Reports (Discussion)

## **CONSENT AGENDA**

9. Approval of the Minutes for the November 21, 2019 Meeting (Action)

## **INFORMATION ONLY REPORTS**

10. Marketing and Outreach Report
11. Regulatory and Legislative Report
12. Community Energy Programs Report
13. Procurement Report
14. Quarterly Financial Reports

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:** December 12, 2019  
**BOARD MEETING DATE:** December 19, 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 Staffing Update**

We are excited to announce three new additions to the PCE team in December:

- Sapna Dixit, Strategic Accounts Manager, started Dec 3
- Jerry Gottheil, Marketing Communications Manager, started Dec 11
- Darren Goode, PR Consultant, started last week

We have the following open positions posted on PCE website under "Join Our Team:"

- Senior Renewable Energy Analyst
- Renewable Energy and Compliance Analyst
- Digital Marketing Analyst

We appreciate your efforts to let your networks know about these openings.

**PCE Strategic Planning Activities**

The Gallagher Consulting Group has completed their interviews with board members, staff, and the CAC. On December 16, the board's Strategic Planning subcommittee is reviewing the results of those interviews and the agenda for the Strategic Planning

Board Retreat which will be held on Saturday, January 11, 2020, from 8:00 am to 1:00 pm at the Orrick Offices in Menlo Park.

### **Meetings with Board Members and City Managers**

Meetings were held with the following:

December 10, Town of Woodside, Outgoing Mayor and PCE Board Member Daniel Yost, incoming Mayor Ned Fluet, PCE Alternate Board Member Chris Shaw, and Town Manager Kevin Bryant.

### **Other Meetings and Events Attended by CEO**

Attended local Climate Leaders dinner in Palo Alto on December 5.

Participated in “Advancing Climate Leadership in San Mateo County” on December 13.

Participated in meeting with Joint Venture Silicon Valley on Tuesday, December 17.



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 9, 2019  
**BOARD MEETING DATE:** December 19, 2019  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Leslie Brown, Director Customer Care, Peninsula Clean Energy Authority  
**SUBJECT:** Approve Amendment 1 to the existing Agreement with Calpine Energy Solutions for Data Management and Call Center Services

**RECOMMENDATION:**

Approve a Resolution to adopt an Amendment (Amendment 1) to the existing Agreement with Calpine Energy Solutions LLC for Data Management and Call Center Services. Amendment 1 would extend PCE's contract with Calpine through December 31, 2024 with new terms for lower monthly pricing taking effect January 1, 2020.

**BACKGROUND:**

In 2018 PCE staff issued an RFP for Data Management and Call Center Services. After evaluation and interviews with Calpine Energy Solutions and two other qualified respondents, a new two-year Agreement was awarded to Calpine. The current Agreement was executed June 28, 2018 and is set to expire June 30, 2020. In advance of that expiration staff considered whether or not to again solicit proposals from other Data Management providers or directly negotiate an amendment and extension of services with Calpine Energy Solutions.

Calpine has been providing data management and call center services to PCE since PCE's launch in 2016 and has been an integral part of PCE's operational success thus far. To date, Calpine Energy Solutions continues to be the premier provider of these services to the majority of operating CCAs in California. Noting that PCE is generally happy with Calpine's performance, and recognizing that competing providers and service offerings have remained mostly unchanged since PCE previously issued an RFP, staff determined that re-negotiating with Calpine directly was the preferred course of action. Silicon Valley Clean Energy (SVCE) was also facing contract expiration with Calpine in mid-2020, and rather than negotiate separately for the same services, SVCE and PCE met with Calpine to explore their willingness to offer improved contract economics if SVCE and PCE were willing to both commit to a longer term contract extension.

After several months of negotiations with Calpine representatives, PCE staff is recommending adoption of an Amendment to the existing Agreement modifying the existing fee schedule, services, and extending the term of the Agreement to December 31, 2024.

### **DISCUSSION:**

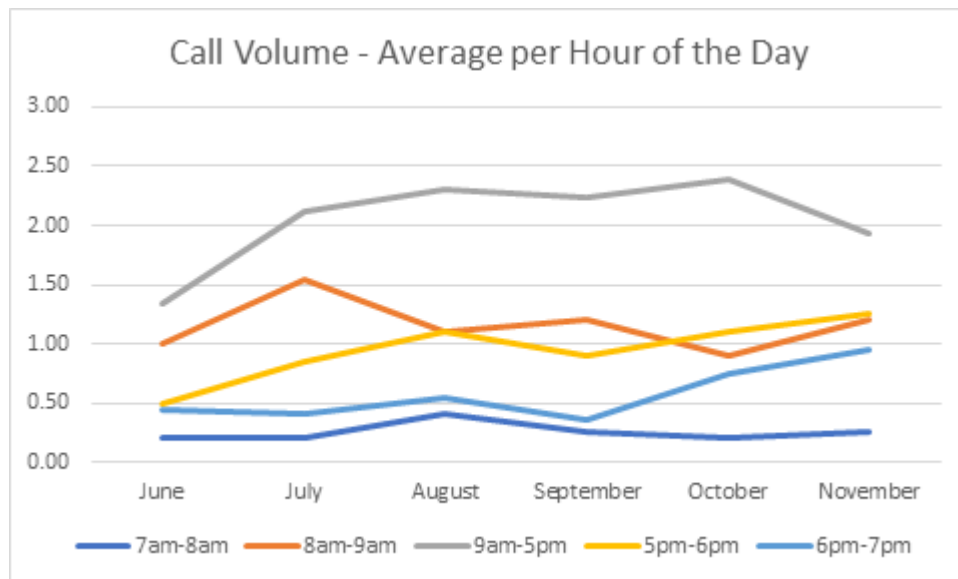
With this Amendment, Calpine would continue to execute daily billing exchanges with PG&E, staff and operate a call center, and provide additional data management services on behalf of PCE and its customers. There are, however, some notable changes made to the original Agreement via this Amendment which are highlighted below.

#### **Proposed Contract Extension:**

Amendment 1 includes a proposed effective date of January 1, 2020 and a contract end date of December 31, 2024, with options for an early buy out after year three (December 31, 2022) or year four (December 31, 2023) of the new term.

#### **Proposed Changes to Call Center Operations:**

Calpine currently maintains a team (between 3 and 4 FTE's) of call center representatives dedicated to PCE, answering calls from customers M-F 7AM-7PM. These extended call center hours have been in effect since July of 2018. PCE initially sought to extend the hours that live agents were available based on the belief that there might be a significant number of customers who would utilize these call times before and after work. However, analysis of actual call center interactions show that we are currently receiving about 20 calls a day, and only about 10% of calls have been occurring during the combined 7AM-8AM and 5PM-7PM extended hour time blocks.



Recognizing that the vast majority of PCE customers are currently reaching out to speak with live agents during normal business hours of 8AM-5PM, PCE is proposing to move back to one standard shift of call center agents. Given when calls are actually received, there does not appear to be a need to staff and pay for overlapping shifts and extended hours. Amendment 1 also calls for an overall reduction of the agents dedicated to PCE to 2 FTE's with a shared pool of 3-4 additional agents covering SVCE and SJCE overflow calls. This structure would enable streamlining call center operations while maintaining existing Service Level Agreement (SLA)

requirements. Amendment 1 will enable PCE to retain an option to return to a larger pool of dedicated agents and/or extended call center hours for an additional per meter per month charge (\$0.01 and \$0.04 respectively).

Proposed Changes to PCE Rate Change Requests Included With Services:

Under the existing Agreement, there is no limit to how many rate changes PCE can request to implement throughout the year. Amendment 1 provides for one annual 'structural' change, which includes changing characteristics of an existing rate or the addition/programming of an entirely new rate, and up to three 'value only' rate changes per year at no charge. Rate change requests beyond this would be subject to an additional charge ranging from \$1,000-\$5,000 per instance depending on the complexity of the request.

Proposed Addition of an Advanced Data Platform:

Calpine is currently launching several new business intelligence and data analytics tools which will provide PCE staff better insights into our customer's energy usage and will eventually allow PCE to better self-serve with more complex data analysis and reporting as the platform evolves.

Proposed Changes to Monthly Billing/Pricing:

PCE is currently paying a flat fee of \$1.05 per active meter per month (~\$310,000) to Calpine for its services. A primary focus of the contract negotiation was to identify opportunities for efficiency and streamlining of Calpine's services to lower the overall monthly cost to PCE without sacrificing overall performance to PCE and its customers. With the changes highlighted previously, Calpine is proposing a restructuring of the current 'all in' flat fee per active meter to a mixed fee structure of \$25,000 per month plus a lower per meter per month fee of \$0.85. The combined average cost under this new rate structure would be ~\$0.93 per meter per month (~\$275,000), a 10% savings over our current contract price. Pricing under this new Agreement would be fixed for the entire contract duration (5 years through December 31, 2024). Below is an illustration of cost breakdown, including average costs if the early termination buy-outs are exercised.

<b>Contract Length</b>	<b>3 years</b>	<b>4 years</b>	<b>5 years</b>
<b>End Date</b>	December 31, 2022	December 31, 2023	December 31, 2024
<b>Cost per meter/Month</b>	\$0.85	\$0.85	\$0.85
<b>Monthly Fee</b>	\$25,000	\$25,000	\$25,000
<b>Termination Cost</b>	\$325,000	\$162,500	\$0
<b>Est. Blended Costs per Meter/Month</b>	\$0.965	\$0.946	\$0.93

**FISCAL IMPACT:**

The new pricing structure proposed via Amendment 1 would lower monthly costs with Calpine by approximately 10% and pricing is fixed for the next 5 years. To accommodate the increased contract term the total NTE (Not to Exceed) value of the existing Agreement would need to be increased by \$15M (for an extended contract total of \$25M). Also included in the Amendment is

an option to terminate early and buy out the remaining contract terms after year three for \$325,000 and year four for \$162,500.



**RESOLUTION NO. \_\_\_\_\_**

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

**STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE AMENDMENT 1 TO THE EXISTING AGREEMENT WITH CALPINE  
ENERGY SOLUTIONS TO PROVIDE DATA MANAGEMENT AND CALL CENTER  
SERVICES**

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**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**, Calpine Energy Solutions currently provides Data Management and Call Center Services for PCE and its customers; and

**WHEREAS**, the current contract for services with Calpine is set to expire in June 2020; and

**WHEREAS**, Calpine Energy Solutions was selected for their experience with full enrollment, their long term CCA billing history with PG&E, and other offerings; and

**WHEREAS**, PCE staff is generally happy with Calpine’s performance, and recognizing that competing providers and service offerings have remained mostly unchanged since PCE previously issued an RFP in 2018; and

**WHEREAS**, PCE staff has determined that modifying and extending the existing Agreement is preferred to soliciting proposals from new service providers; and

**WHEREAS**, PCE staff and Calpine Energy Solutions have negotiated and agreed on the terms of an Amendment (Amendment 1) to the existing Agreement to modify pricing and service terms beginning January 1, 2020 through December 31, 2024; and

**WHEREAS**, the Not to Exceed (NTE) value of the existing Agreement will be increased to \$25M.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the execution of Amendment 1 with Calpine Energy Solutions to continue providing Data Management and Call Center Services to PCE.

\* \* \* \* \*

**AMENDMENT NO. 1 TO AGREEMENT BETWEEN THE PENINSULA CLEAN  
ENERGY AUTHORITY  
AND CALPINE ENERGY SOLUTIONS, LLC**

THIS AMENDMENT TO THE AGREEMENT, entered into this first day of January 2020,  
by and between PENINSULA CLEAN ENERGY AUTHORITY, hereinafter called  
"PCEA," and Calpine Energy Solutions, LLC, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, the parties entered into an Agreement on June 28, 2018 for the term of July 1, 2018 to June 30, 2020, in an amount not to exceed \$10,000,000, for the purpose of Contractor's provision of customer account support, billing operations and data management services ("Agreement"); and

WHEREAS, the parties wish to amend the Agreement to extend the term ending June 30, 2020 to December 31, 2024; and

WHEREAS, the parties wish to amend the Agreement to increase the maximum total price from \$10,000,000 to \$25,000,000; and

WHEREAS the parties wish to amend the Agreement to replace Section "4.a" entitled Termination for Convenience with an Early Termination Option and fee;

WHEREAS, the parties wish to and to replace the existing Exhibit A and Exhibit B with revised exhibits attached hereto;

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS  
FOLLOWS:**

- I. The text of Section 2, **Payments**, of the Agreement shall be replaced in its entirety by the following:

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in

Exhibit B. If PCEA reasonably determines that the quantity or quality of the work performed is unacceptable, then PCEA reserves the right to withhold the proportional payment attributable to such unacceptable work, provide notice to Contractor, and opportunity to cure, consistent with this Agreement. In no event shall PCEA's total fiscal obligation under this Agreement exceed twenty-five million dollars (\$25,000,000) ("Maximum Total Price"). For the avoidance of doubt, Contractor shall have no obligation to provide out-of-scope work until such time as such work is authorized in writing and the Maximum Total Price is adjusted by mutual agreement. In the event that the PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration. Unless otherwise indicated in Exhibit B, Contractor shall invoice PCEA monthly for all payments related to service performed during the previous month. Payments shall be due within thirty (30) days after the date of invoice. All payments must be made in U.S. dollars.

- II. The text of Section 3, **Term**, shall be replaced in its entirety by the following:

**3. Term**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from July 1, 2018, through December 31, 2024.

- III. The text of item 4.a **Termination for Convenience** shall be replaced in its entirety by the following:

a. **Early Termination Option.** This Agreement may be terminated by the Chief Executive Officer of PCEA or his/her designee upon at least thirty (30) days' advance written notice to the other party on December 31, 2022 subject to an early termination fee of \$325,000, or on December 31, 2023 subject to an early termination fee of \$162,500. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to the effective termination date of the Agreement, as well as such work/services it is directed to do thereafter with regard to protection of work in place and/or transition services. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

- IV. The text of Exhibit A and Exhibit B shall be replaced in their entirety with Exhibit A (Amendment 1) and Exhibit B (Amendment 1) attached hereto.

V. All capitalized terms used, but not defined, in this Amendment shall have the meanings set forth in the Agreement. As modified by this Amendment, the Agreement shall remain in full force and effect.

VI. This Amendment may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same agreement. The Parties agree that, if a copy of this Amendment is executed by a Party and transmitted to the other Party by facsimile, the copy received shall be deemed for all legal purposes to be an original executed by the transmitting Party.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Second Amendment as of the Amendment Effective Date.

**For CONTRACTOR:**  
**CALPINE ENERGY SOLUTIONS, LLC**

**For PCEA:**  
**PENINSULA CLEAN ENERGY  
AUTHORITY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

### **Exhibit A (Amendment 1)**

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

- (a) Electronic Data Exchange Services:
  - i. Process CCA Service Requests (CCASRs) from/to PG&E which specify the changes to a customer's choice of services such as enrollment in CCA programs, customer initiated returns to bundled utility service or customer initiated returns to direct access service (814 Electronic Data Interchange Files).
  - ii. Obtain all customer usage data from PG&E's Metered Data Management Agent (MDMA) server to allow for timely billing (according to PG&E requirements) of each customer (867 Electronic Data Interchange Files).
  - iii. Maintain and communicate the amount to be billed by PG&E for services provided by PCEA (810 Electronic Data Interchange Files).
  - iv. Receive and maintain all data related to payment transactions toward CCA charges from PG&E after payment is received by PG&E from customers (820 Electronic Data Interchange Files).
  - v. Process CCASRs with PG&E when customer status changes.
  
- (b) Qualified Reporting Entity (QRE) Services:
  - i. Consistent with terms and conditions included in the QRE Services Agreement(s) between PCEA and Contractor, serve as QRE for up to thirty (30) locally situated, small-scale renewable generators or other distributed energy resources supplying electric energy to PCEA through a feed-in tariff (FIT) or other mechanism.
  - ii. Submit a monthly generation extract file to Western Renewable Energy Generation Information System (WREGIS) on PCEA's behalf, which will conform to the characteristics and data requirements set forth in the WREGIS Interface Control Document for Qualified Reporting Entities.
  - iii. Contractor shall receive applicable electric meter data from PG&E for PCEA distributed energy resource projects, consistent with PG&E's applicable meter servicing agreement, and shall provide such data to PCE for purposes of performance tracking and invoice creation.
  
- (c) Customer Information System:
  - i. Maintain an accurate database of all eligible accounts who are located in the PCEA service area and identify each account's enrollment status (opt out, program enrollment), rate tariff election(s), payment history, collection status, on-site generating capacity, if applicable, and any correspondence with customer as well as other information that may become necessary to effectively administer PCEA as mutually agreed to by parties from time to time.
  - ii. Allow PCEA to have functional access to the online database to add customer interactions and other account notes.
  - iii. Allow PCEA to view customer email or written letter correspondence within online database.

- iv. Maintain and provide as-needed historical usage data on all customers for a time period equal to the lesser of either (a) the start of customer service to present or (b) five years.
- v. Maintain viewing access, available to appropriate PCE staff, to view PG&E bills for PCEA customers, including supporting the intuitive parsing and labeling of PG&E provided files. Maintain accessible archive of billing records for all PCEA customers from the start of PCEA Service or a period of no less than five years.
- vi. Maintain and communicate as needed record of customers who have been offered service with PCEA but have elected to opt out, either before or after starting service with PCE.
- vii. Maintain and communicate as needed records of Net Energy Metering credits and generation data for customers to be posted on bill and settled as per PCEA's Net Energy Metering policy.
- viii. When requested by PCEA, place program charges on the relevant customer account, referenced by its unique identifier.
- ix. Identify customers participating in various PCEA programs in database.
- x. Include various program payment information in all relevant reports.
- xi. Perform quarterly PCEA program reviews to assess appropriate customer charge level.
- xii. Maintain all customer data according to PCEA's customer privacy policy and the requirements of relevant California Public Utilities Commission Decisions including D.12-08-045, including a daily backup process.
- xiii. Maintain a Data Management Provider Security Breach Policy.

(d) Customer Call Center:

- i. Provide professional Interactive Voice Response (IVR) recordings for CCA customer call center.
  - 1. In the event outside services are required to translate prompts or scripts into languages specified by PCEA, any charges incurred by Contractor as a result of these will be passed by Contractor onto PCEA at cost.
- ii. Provide option for IVR self-service and track how many customers start and complete self-service options without live-agent assistance.
- iii. Staff a call center between the hours of 8 AM and 5 PM PPT Monday through Friday, excluding PCEA, PG&E, and Contractor holidays.
  - 1. No less than 2 client service representatives will be dedicated to PCEA unless both Parties mutually agree to adjust staffing levels after reviewing call volumes and related call center statistics.
  - 2. Any remaining call center representatives needed to support call volumes are to be shared among other South Bay CCA clients of Contractor.
- iv. At PCEA's direction, for the corresponding price as indicated in Exhibit B and with three (3) months' notice prior to taking effect, staff a call center between the hours of 7 AM and 8 AM PPT, and 5 PM and 7 PM PPT, Monday through Friday, Excluding PCEA, PG&E, and Contractor holidays.
- v. At PCEA's direction, for the corresponding price as indicated in Exhibit B and

with three (3) months' notice prior to taking effect, staff a call center using only client service representatives dedicated to PCEA, except for cases in which Contractor personnel may, from time to time, support the call center client service representatives.

- vi. Provide sufficient call center staffing to meet the requirements set forth herein.
- vii. Provide sufficient number of Data Manager Experts available to manage escalated calls between the hours of 8 AM and 5 PM PPT Monday through Friday, excluding PCE, PG&E, and Contractor holidays ("Regular Business Hours").
- viii. Ensure that a minimum of 80% of all calls will be answered within 45 seconds.
- ix. 100% of voicemail messages answered within one (1) Business Day and provide report to PCE upon request that substantiates this requirement has been met.
- x. 100% of emails receive an immediate automated acknowledgement and provide report upon request to PCE that substantiates this requirement has been met.
- xi. 95% of emails receive a customized response within one (1) Business Day and provide report to PCE upon request that substantiates this requirement has been met.
- xii. 100% of emails receive a customized response within three (3) Business Days and provide report to PCE upon request that substantiates this requirement has been met.
- xiii. Achieve a no greater than 5% abandon rate for all calls.
- xiv. Provide callers with the estimated hold time, if applicable. Provide an automated 'call back' option for callers who will be put on hold for an estimated five minutes or longer.
- xv. Record all inbound calls and make recordings available to PCE staff upon request. Maintain an archive of such recorded calls for a minimum period of 24 months.
- xvi. Track call center contact quality with criteria including:
  - 1. Use of appropriate greetings and other call center scripts
  - 2. Courtesy and professionalism
  - 3. Capturing key customer data
  - 4. Providing customers with correct and relevant information
  - 5. First-contact resolution
  - 6. Accuracy in data entry and call coding
  - 7. Grammar and spelling in written communications (email and chat)
- xvii. Evaluate customer satisfaction through voluntary customersurveys that ask general questions about call quality, call resolution, and how satisfied the customer was with the service received.
- xviii. Respond to customer emails.
- xix. Receive calls from PCEA customers referred to Contractor by PG&E and receive calls from PCEA customers choosing to contact Contractor directly without referral from PG&E.
- xx. Provide the call center number on PG&E invoice allowing PCEA customers to contact the call center. Collect and/or confirm current email, mailing address and phone number of customers and add to or update database during inbound call.



- xxi. Collect permission (via voice recording, email request, or electronic form submittal) from customers to send electronic correspondence instead of printed mail.
- xxii. Respond to telephone inquiries from PCEA customers using a script developed and updated quarterly by PCEA. For questions not addressed within the script, refer inquiries either back to PG&E or to PCE.
- xxiii. Respond to customer inquiries received through telephone calls, email, fax and/or web-portal within the times and guidelines in Exhibit A, Section 2.D..
- xxiv. Upon request, coordinate with PG&E and other PG&E territory CCAs to participate in contact center reviews up to twice per calendar year.
- xxv. Ensure monthly statistics reports are provided in a timely and consistent manner as mutually agreed upon by Parties.
- xxvi. Provide recurring statistics reports focused on Call Center activities in a timely and consistent manner as mutually agreed upon by Parties.
- xxvii. Use commercially reasonable efforts to make Spanish speaking call center staff available to customers during Regular Business Hours.
- xxviii. Provide translation services for inbound calls for the following languages: Spanish, Cantonese, Mandarin, Tagalog.
- xxix. Create and maintain forms for the PCEA website so that customers may change their account status to enroll or opt out of various PCEA programs.
- xxx. Participate in periodic meetings with PCEA to review operations on a schedule mutually agreed upon by Parties.

(e) Billing Administration:

- i. Apply PG&E account usage for all PCEA customers against applicable Rate Schedules to allow for customer billing.
- ii. Review application of PCEA Rate Schedules to PG&E accounts to ensure that the proper rates are applied to the accounts.
- iii. Timely submit billing information for each customer to PG&E to meet PG&E's billing window.
- iv. Use commercially reasonable efforts to remedy billing errors for any customer in a timely manner, no more than two billing cycles.
- v. Assist with annual settlement process for Net Energy Metering customers by identifying eligible customers, providing accrued charges and credits, and providing mailing list to CCA designated printer.
- vi. Provide customer mailing list to PCEA designated printer for new move-in customer notices and opt out confirmation letters routinely within 7 days of enrollment or opt out.
- vii. Provide customer mailing list to PCEA designated printer for customers with overdue payments and return customers to PG&E bundled service in accordance with CCEA's late payment and collections policies.
- viii. Send certain PCEA program charges for non-PCE customers, when supported by PG&E, based on information provided to Contractor by PCEA.
- ix. Send certain PCEA program charges as a separate line item to PG&E for placement on monthly bill during term of repayment.

- (f) Rate Schedule Maintenance
- i. Maintain a table of Rate Schedules, offered by PCEA to its customers, within Contractor's billing system.
    - 1. A Rate Schedule refers to the rate buildout, or formula, that includes all the necessary Billing Determinants, and the values applied to each, used to calculate charges or credits per unit of electricity consumed (kWh) or per unit of demand (kW).
    - 2. Billing Determinants are used in the Rate Schedule to [calculate](#) the charge or credit due. Billing Determinants can define a time period, as in the case of Time-Of-Use rates that have various significance periods such as on-peak, off-peak, mid-peak, etc., or can be defined as factors that are to be considered when calculating the final customer charge such as discount services or additional charges that deviate from the Rate Schedule's standard structure, among others.
    - 3. A Value Only Rate Change alters the values applied to each of the Billing Determinants in a given Rate Schedule buildout, keeping the existing buildout intact.
    - 4. A Structural Rate Change alters one or more Billing Determinants within a Rate Schedule buildout by changing the definition of the Billing Determinant itself and/or adding and/or removing one or more Billing Determinants to an existing buildout.
    - 5. Complete Value Only Rate Changes within 10 business days, excluding holidays, once Contractor has confirmed it is in receipt of a valid Rate Template.
    - 6. Complete Structural Rate Changes within 40 business days, excluding holidays, once Contractor has confirmed it is in receipt of a valid Rate Template.
    - 7. A Rate Template will be considered valid if it meets the expected formatting requirements as set forth by Contractor and acknowledged by PCEA, and the Rate Schedules it contains align with published PCEA tariffs. Upon receipt of a Rate Template, Contractor will review it per these guidelines and after PCEA has corrected any errors, if present, Contractor will communicate to PCEA that a valid Rate Template has been received and work will commence as per the timelines indicated above.
    - 8. Should PCEA submit updates after Contractor has begun work on a valid Rate Template, PCEA understands this may be considered a new Rate Change.
  - ii. Conduct up to and including three Value Only Rate Changes within Contractor's billing system at no additional cost to PCEA within each calendar year.
  - iii. Conduct Structural Rate Changes impacting up to and including 500 Billing Determinants within Contractor's billing system at no additional cost to PCEA within each calendar year.
  - iv. At PCEA's direction and for the corresponding price as indicated in Exhibit B,

conduct additional Value Only or Structural Rate Changes beyond those included as noted above.

(g) Reporting:

Report	Frequency	Delivery Method
Aging	Weekly, Monthly	SFTP
Call Center Stats	Weekly, Monthly	Email
Cash Receipts	Weekly, Monthly	SFTP
County Invoice Summary Reports	Monthly	SFTP
Days To Invoice	Weekly, Monthly	SFTP
Program Opt Up with Address	Weekly, Monthly	SFTP
Utility User Tax (UUT) where applicable	Monthly	Email
Invoice Summary Report	Weekly, Monthly	SFTP
Invoice Summary Report – Mid Month	Monthly	SFTP
Monthly Transaction Summary	Monthly	Email
Opt Out with Rate Class	Weekly, Monthly	SFTP
Retroactive Returns	Monthly	Email
Sent to Collections	Monthly	Email
Snapshot	Weekly	SFTP
Snapshot with Addresses	Weekly	SFTP
Unbilled Usage	Monthly	SFTP
Full Volume Usage by Rate Class	Monthly	SFTP

(h) Settlement Quality Meter Data:

- i. Contractor shall provide PCEA or PCEA's designated Scheduling Coordinator (SC) with Settlement Quality Meter Data (SQMD) as required from SC's by the California Independent System Operator (CAISO).
- ii. Upon PCE's request, Contractor shall submit the SQMD directly to the CAISO on behalf of PCEA or PCEA's designated SC.

- iii. Contractor will use, when available, AMI usage data as provided by PG&E through its Share My Data platform in its SQMD aggregation methodology.
- (i) Data Tools
  - i. Establish a data warehouse environment comprised of data related to the services provided by Contractor under this Agreement.
  - ii. Provide queryable access to the data warehouse environment for PCEA staff.
  - iii. Data made available in the data warehouse shall include:
    - 1. AMI usage data provided by PG&E through their Share My Data (SMD) platform
      - Prior to loading this data into the data warehouse, Contractor will make commercially reasonable efforts to process the raw SMD data and associate usage data with customer accounts in Contractor's CIS
      - Contractor will query PG&E systems for updated usage data and make reasonable efforts to update the data warehouse on a daily basis.
    - 2. Customer account information and characteristics from the customer list provided by PG&E and supplemented by the following data from CRM and CIS:
      - PCEA participation history
      - Product elections (e.g. ECOPlus and ECO100)
      - Opt-out activity
      - PCEA rate schedule
      - Contractor will make reasonable efforts to provide additional characteristics requested by PCEA
    - 3. Billing data from Contractor's CIS
    - 4. SQMD submission data.
  - iv. Contractor may, from time to time and at its sole discretion, update the functionality available in the data warehouse which may include, among others, adding or maintaining data visualizations, self-service reporting tools, self-service analytical tools, and Application Program Interface (API) points.
  - v. Contractor may, at its sole discretion, engage with PCEA and other Contractor clients to elicit their input on required functionality, data elements, and system design as it pertains to the development, maintenance, and evolution of its data environment.
  - vi. In the absence of the data warehouse or adequate data within the data warehouse, Contractor shall assist PCEA in compiling ad-hoc sales, customer, and usage reports from time to time as may be requested by PCEA, with each

such request being accompanied by mutually agreed upon requirements and proper notice.

- vii. Contractor will provide technical support to access the data warehouse and documentation describing the data. PCEA will provide staff with technical database expertise to engage with Contractor in the implementation and use of the data warehouse.
- viii. Data warehouse environment availability expected by end of Q3 2020.

### **Exhibit B (Amendment 1)**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Contractor based on the following fee schedule and terms:

Contractor's cost for the services listed in Exhibit A is \$25,000 per month plus \$0.85 per active meter per active account per month ("Cost for the Services"). Travel and all start-up costs are included in this price.

#### **Rate Change Pricing**

Additional Rate Changes beyond those included in the per meter per active account pricing noted above will be provided to PCEA per the following price schedule:

Rate Change Type	Number of Billing Determinants Affected								
	Up to 50	51 to 250	251 to 500	501 to 1,000	1,001 to 1,500	1,501 to 3,000	3,001 to 4,500	4,501+	Hourly
Value Only Change	\$1,000	\$2,000	\$3,000	\$5,000	\$7,500	\$10,000	\$ 13,000	\$15,000	
Structural Rate Change	\$1,000	\$2,500	\$5,000	\$7,500	\$10,000	\$15,000	\$ 20,000	\$30,000	
Custom Rates (2 hours included of preliminary consultation)									\$150 / hr

#### **Service Option Pricing**

Service Option	Per meter per month fee
Extended Contact Center hours (7am – 7pm PPT)	\$ 0.04
Dedicated Contact Center agents	\$ 0.01

#### **Additional Deliverable Pricing**

The Fees defined in Exhibit B include only those service and items expressly set forth in Exhibit A of this Agreement. Unless otherwise agreed to by PCEA and the Contractor, the cost of additional deliverables provided by Contractor to PCEA shall be passed through directly to PCEA without mark-up using a labor rate of \$150.00 per hour, ("Labor Rate").



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** December 12, 2019  
**COMMITTEE MEETING DATE:** December 19, 2019  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Jan Pepper, Chief Executive Officer  
**SUBJECT:** Review and Adopt Proposed Policy Principles for PG&E Reorganization (Action)

**BACKGROUND:**

At the November 21, 2019 Peninsula Clean Energy Board Meeting, Board members were provided with a number of documents regarding a publicly-owned option for the future of PG&E when it emerges from bankruptcy (<https://www.peninsulacleanenergy.com/wp-content/uploads/2019/11/Item-6-PGE-Bankruptcy-handout-packet.pdf>). The Board asked staff to provide draft principles to guide its discussion and development of PCE's own publicly-owned option principles.

At the December 9, 2019 Executive Committee meeting, PCE staff presented the Customer-Owned Utility Operating Principles, as distributed by San Jose Mayor Sam Liccardo, along with suggested edits to those principles (shown as a redline draft and as a clean copy in Attachment 1). The Executive Committee provided additional input, which is reflected in the attached document as redline and highlighted in yellow. The Executive Committee also reviewed the board policy principles adopted by Marin Clean Energy (Attachment 2) and Sonoma Clean Power (Attachment 3) but did not feel the need to incorporate any of the principles from those documents into that proposed to the PCE Board today.

PCE staff recommends that the board adopt the proposed policy principles as edited by PCE staff and the Executive Committee. These edits will be forwarded to Mayor Sam Liccardo as PCE's suggestions to strengthen the proposed policy principles.

## **ATTACHMENT 1 (REDLINE)**

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# **CUSTOMER-OWNED UTILITY - OPERATING PRINCIPLES**

## **Proposed Peninsula Clean Energy edits to “San Jose” Customer-Owned Utility Operating Principles (dated December 6, 2019)**

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### **Geographic Inclusion and Equity**

- The customer-owned utility will not seek to sever any geographic portion of the current PG&E service area.
- Governance and operations will prioritize ensuring that no disparate negative impact is borne by any specific region, county, or city, as a result of the transformation of the utility from investor-owned to customer-owned.

### **Governing Board Responsibilities and Selection Process**

- The fiduciary duty of the Governing Board will be to the customer-owners.
- The Governing Board will support exploration of a capital structure required to publicly own the assets, and to manage the financing and existing liabilities.
- Governing Board will assume ratemaking and capitalization responsibilities in place of CPUC regulation.
- Interim Governing Board nominees will be presented in the Bankruptcy Process.
- Selection of Governing Board members will be through a two-step process, with a nominating committee patterned on the CAISO selection process, vetting candidates for election.
- Governing Board will oversee the management of the organization, hire and/or retain senior management.
- Organization charter will require board members to meet qualification requirements of competence, independence, and specific skill sets (e.g., utility expertise, safety, cyber-security, infrastructure, management).

### **Labor and Workforce**

- The customer-owned utility will preserve existing PG&E labor contracts and preserve the existing skilled workforce.
- The customer-owned utility will commit to maintaining and growing a skilled workforce that is focused on improving the safety and reliability of



the utility's infrastructure, as well as improving customer service and affordability.

## Power Supply Procurement

- Primary responsibility for power supply procurement in areas where qualified Community Choice Aggregators (CCA's) already procure power will shift to those qualified CCAs, who will become the provider of last resort (POLR) in their territory. "Qualified" CCAs will meet good utility practices, including adopting risk management policies and procedures, maintaining a bond rating, retaining adequate operating reserves, and establishing limits on uses of ratepayer funds.
- The customer-owned utility will proactively support and will not oppose or hinder new CCA formation over the next 5 years.
- The customer-owned utility will serve the remaining customers whose communities choose not to form a CCA.
- The customer-owned utility will support options to reduce costs for all ratepayers including options to reduce and stabilize, and eventually phase out, the Power Charge Indifference Adjustment (PCIA) and other non-bypassable utility charges. The customer-owned utility will support State climate goals and be subject to all State requirements requiring renewable energy procurement, energy efficiency initiatives, and emission reductions as they relate currently to the investor-owned utilities.
- Existing contracts with independent power producers would be maintained and respected. Subject to mutual agreement of the parties, contracts will be renegotiated to benefit customers.
- The customer-owned utility will support local efforts to administer and implement public purpose programs such as energy efficiency and renewable energy incentives programs funded through the public goods charge.

## Public Accountability

- Notwithstanding "private" entity legal status, the customer-owned utility will operate as though it were a public agency with regard to transparency and accountability of decision-making. That includes:
  - Adherence with applicable public record and open meeting rules, including the Brown Act and Public Records Act.
  - Prohibitions on organized political contributions.
  - Outreach to underserved communities.

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**Moved up [1]:** Primary responsibility for power supply procurement in areas where qualified Community Choice Aggregators (CCA's) already procure power will shift to those qualified CCAs, who will become the provider of last resort (POLR) in their territory. "Qualified" CCAs will meet good utility practices, including adopting risk management policies and procedures, maintaining a bond rating, retaining adequate operating reserves, and establishing limits on uses of ratepayer funds.

**Moved up [2]:** The customer-owned utility will serve the remaining customers whose communities choose not to form a CCA.

**Moved up [3]:** <#>The customer-owned utility will support new CCA formation and options to reduce costs for all ratepayers including options to reduce and stabilize the Power Charge Indifference Adjustment (PCIA) and other non-bypassable utility charges.¶

- Goals for supplier diversity including women, minority, disabled veteran, and LGBTQ contracting and employment.
- Other important public policy objectives.

### **Rate and Credit Quality**

- The customer-owned utility will be committed to low-cost financing for capital investments needed to maintain the grid, adhere to safety and reliability standards, realize energy policy objectives, and improve customer affordability.
- By charter, the organization will be required to maintain investment-grade credit quality.
- The current balance of rate allocation between urban and rural customers will be maintained.
- The customer-owned utility will commit to ensuring continued rate discounts for low-income residents (through the CARE program and similar initiatives).
- The customer-owned utility will continue to offer ~~the same~~ Net Energy Metering (NEM) ~~rates~~ programs for customers with on-site generation solar as did PG&E. The customer-owned utility will fully grandfather NEM rates for existing NEM customers and any future changes to NEM will apply only prospectively for new NEM installations.
- As a not-for-profit, rates will not include any profit. Rates will be set to maintain adequate reserves and all excess revenues will be reinvested into maintaining the grid, adhering to safety and reliability standards, and reducing customer costs.
- The customer-owned utility will fully support the development of distributed energy generation and storage by CCAs and other third parties, including local micro-grids and community solar.

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### **Safety and Response**

- The customer-owned utility will be subject to state agency standards and oversight relating to health, safety, and wildfire protection.
- The customer-owned utility will develop a transparent, prioritized capital investment plan to address infrastructure needs of both the distribution and transmission system to prevent wildfires, reduce, and ultimately eliminate, Public Safety Power Shutoff (PSPS) events, and improve overall system reliability.
- Required PSPS events will be based on best practices, with a transparent decision-making structure, emphasis on coordination with

local first responder and emergency service agencies, and high-quality customer communication.

**Deleted:** <#>The customer-owned utility will fully support the development of distributed energy generation and storage by CCAs and other third parties, including local micro-grids.<sup>¶</sup>

## **ATTACHMENT 1 (CLEAN)**

# **CUSTOMER-OWNED UTILITY - OPERATING PRINCIPLES**

**Proposed Peninsula Clean Energy edits to “San Jose” Customer-Owned Utility Operating Principles (dated December 6, 2019)**

### **Geographic Inclusion and Equity**

- The customer-owned utility will not seek to sever any geographic portion of the current PG&E service area.
- Governance and operations will prioritize ensuring that no disparate negative impact is borne by any specific region, county, or city, as a result of the transformation of the utility from investor-owned to customer-owned.

### **Governing Board Responsibilities and Selection Process**

- The fiduciary duty of the Governing Board will be to the customer-owners.
- The Governing Board will support exploration of a capital structure required to publicly own the assets, and to manage the financing and existing liabilities.
- Governing Board will assume ratemaking and capitalization responsibilities in place of CPUC regulation.
- Interim Governing Board nominees will be presented in the Bankruptcy Process.
- Selection of Governing Board members will be through a two-step process, with a nominating committee patterned on the CAISO selection process, vetting candidates for election.
- Governing Board will oversee the management of the organization, hire and/or retain senior management.
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- The customer-owned utility will preserve existing PG&E labor contracts and preserve the existing skilled workforce.
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- The customer-owned utility will support local efforts to administer and implement public purpose programs such as energy efficiency and renewable energy incentives programs funded through the public goods charge.

### **Public Accountability**

- Notwithstanding "private" entity legal status, the customer-owned utility will operate as though it were a public agency with regard to transparency and accountability of decision-making. That includes:
  - Adherence with applicable public record and open meeting rules, including the Brown Act and Public Records Act.
  - Prohibitions on organized political contributions.
  - Outreach to underserved communities.

- Goals for supplier diversity including women, minority, disabled veteran, and LGBTQ contracting and employment.
- Other important public policy objectives.

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- The customer-owned utility will commit to ensuring continued rate discounts for low-income residents (through the CARE program and similar initiatives).
- The customer-owned utility will continue to offer Net Energy Metering (NEM) programs for customers with on-site generation. The customer-owned utility will fully grandfather NEM rates for existing NEM customers and any future changes to NEM will apply only prospectively for new NEM installations.
- As a not-for-profit, rates will not include any profit. Rates will be set to maintain adequate reserves and all excess revenues will be reinvested into maintaining the grid, adhering to safety and reliability standards, and reducing customer costs.
- The customer-owned utility will fully support the development of distributed energy generation and storage by CCAs and other third parties, including local micro-grids and community solar.

### **Safety and Response**

- The customer-owned utility will be subject to state agency standards and oversight relating to health, safety, and wildfire protection.
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- Required PSPS events will be based on best practices, with a transparent decision-making structure, emphasis on coordination with

local first responder and emergency service agencies, and high-quality customer communication.

## Attachment 2

From MCE Board meeting discussion of November 21, 2019

### Proposed Policy Principles for PG&E Reorganization

- Safety Improvements
  - Aggressive vegetation management practices must be implemented immediately and verified on a biannual basis throughout the service area
  - Biannual inspections of transmission system should be required
  - Sectionalizing the grid should occur in order to limit the impact of PSPS events
  - Prioritizing the adoption of Distributed Energy Resources in partnership with Community Choice Aggregators to minimize need for high-voltage transmission lines
  - Improve safety enforcement should be employed by public agencies
  - PG&E should be split into affiliates and subsidiaries along functional and geographic lines
  - There should be a commitment to living wages and worker's rights
- Wildfire Liability Costs
  - Consider potential pathway to limit inverse condemnation liability rules for good actors
  - Ensure grid repair and capital improvement costs are shared across all of PG&E's currently existing service area
  - Ensure future fire liabilities for a period of ten years are shared across all of PG&E's currently existing service area
- Public Control and Transparency
  - PG&E should no longer function as an investor-owned utility and should transition to a consumer-owned cooperative such as a mutual benefit corporation. PG&E should be required to cooperate in the transition to the new structure.
  - Decision-making should occur primarily by elected or appointed officials subject to Brown Act and Public Records Act rules
  - Access to low cost of capital for public agencies should be leveraged for grid improvements
- Power Supply Procurement
  - PG&E should exit the generation business
  - Require the expeditious sale of PG&E's generation assets to create cash infusion and to avoid poor management of stranded assets



## ATTACHMENT 3

### **PROPOSED CORE PRINCIPLES FOR ADVOCACY RELATING TO THE ELECTRIC TRANSMISSION AND DISTRIBUTION GRID (As developed by SCP Board, Dec 2019)**

#### **1. No region left behind**

- (a) Grid infrastructure repair costs should be shared equitably across all of PG&E's existing territory (e.g., through ongoing bill fees)
- (b) Future fire liabilities shared across at least all of PG&E's existing territory (e.g., through state insurance)

#### **2. Refocus regulator on safety and rates**

- (a) Require CPUC to rebuild capacity to regulate safety (e.g., by hiring grid engineers and first responders)
- (b) Require CPUC to rebuild capacity to analyze and set investor-owned rates (e.g., by hiring accountants and financial auditors)
- (c) Ensure a significant majority of funding and staff at the CPUC are dedicated to safety and rates (e.g., set a minimum threshold for funding and staff at 90% of energy division budget and headcount) rather than the current focus on policy.

#### **3. Financially capable of quickly repairing the grid**

- (a) Able to raise the billions of dollars needed to replace or repair large portions of the transmission and distribution grid.

#### **4. Maintain affordability**

- (a) Low cost of capital. (Typical national utility cost of equity is between 7 and 9%. PG&E's current cost of equity is 12% with a request to raise to 16%.)
- (b) Remove profit motive OR structure to ensure a reasonable (e.g., 4% to 5%) profit.

#### **5. Financial and Operational Transparency**

- (a) Open book operation. All finances are 100% publicly disclosed. Budgeting and Operational decisions around maintenance and capital investments should be disclosed to the public.
- (b) Full-time auditor team works inside accounting department of for-profit utility with access to view all accounts and financial transactions.

## **6. Protect workers by preserving labor agreements and benefits**

(a) Honor existing union contracts and pensions

## **7. Governance with strong public interest**

DISCUSS: Given fiduciary responsibility of corporate boards chartered in Delaware, this may be a difficult to achieve for any for-profit model. Consider alternatives to this principle possibly relating to better public input and/or performance-based returns on investment.



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 11, 2019  
**BOARD MEETING DATE:** December 19, 2019  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority (PCE) Board of Directors  
**FROM:** Jeremy Waen, Manager of Regulatory Affairs  
**SUBJECT:** CPUC Process for Setting PG&E's 2020 PCIA (Exit Fee) Rates

**SUMMARY:**

Jeremy Waen will present on the CPUC's processes spanning multiple regulatory proceedings to establish PG&E's annual changes to Power Charge Indifference Adjustment (PCIA) and bundled electricity customers' generation rates. Jeremy's presentation will provide: (i) an overview of relevant ratesetting proceedings, (ii) highlight significant changes to the PCIA calculations due to recent policy changes, (iii) explain procedural abnormalities specific to the 2020 rate change timeline, (iv) provide a preview of what PCIA rates will likely be for PCE's customers in 2020, and (v) discuss additional potential PCIA rate changes that may take effect later on in 2020.

**FISCAL IMPACT:**

Not applicable.



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, November 21, 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 6:34 p.m.

**ROLL CALL**

**Present:** Carole Groom, County of San Mateo  
Jeff Aalfs, Town of Portola Valley, *Chair*  
Rick DeGolia, Town of Atherton, *Vice Chair*  
Julia Mates, City of Belmont  
Catherine Mahanpour, City of Foster City  
Harvey Rarback, City of Half Moon Bay  
Laurence May, Town of Hillsborough  
Catherine Carlton, City of Menlo Park  
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  
Flor Nicolas, City of South San Francisco  
Daniel Yost, Town of Woodside  
John Keener, Director Emeritus

**Absent:** County of San Mateo  
City of Brisbane  
City of Burlingame  
Town of Colma  
City of Daly City  
City of East Palo Alto  
City of Millbrae

**Staff:** Jan Pepper, Chief Executive Officer

Andy Stern, Chief Financial Officer  
Leslie Brown, Director of Customer Care  
Rafael Reyes, Director of Energy Programs  
KJ Janowski, Director of Marketing and Community Affairs  
Kirsten Andrews-Schwind, Senior Manager of Community Relations  
Siobhan Doherty, Director of Power Resources  
Jennifer Stalzer Kraske, Deputy County Counsel  
Shayna Barnes, Administrative Assistant  
Anne Bartoletti, Board Clerk/Office Manager/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 / Bonilla

**Motion passed unanimously 14-0 (Absent: County of San Mateo, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Millbrae)**

**REGULAR AGENDA**

**1. CHAIR REPORT**

Jeff Aalfs—Chair—reported that four Board members, a Director Emeritus, and several PCE staff members, attended the CalCCA annual summit. He reported increased participation by elected officials, and that electeds are turning to CCAs (Community Choice Aggregator) for solutions.

**2. CEO REPORT**

Jan Pepper—Chief Executive Officer—provided updates on staffing, reach codes, and the strategic planning process. Jan reported that recent resiliency activities include an RFP (Request for Proposal) for Distributed Resource Adequacy Capacity issued on November 5, 2019, and a \$10 million 3-year resiliency plan that will be presented to the Board in January 2020.

**3. CITIZENS ADVISORY COMMITTEE REPORT**

Desiree Thayer—Chair—reported that the CAC received a presentation on “Establishing a Community Microgrid” by Bob O’Hagan of Clean Coalition, and that Clean Coalition is open to presenting to PCE’s Board.

**4. AUDIT AND FINANCE COMMITTEE REPORT**

Laurence May reported that the Committee members reviewed the audit and met with the auditor. He reported that there was a consensus by the Committee to recommend approval of the audited financial statements for Fiscal Year 2018-2019.

**5. APPROVE FISCAL YEAR 2018-2019 AUDITED FINANCIAL STATEMENTS**

Andy Stern—Chief Financial Officer—reported that the auditors, Pimenti & Brinker LLP, presented the audited financial statements to the Audit and Finance Committee, and the auditors had a clean opinion for the year ended June 30, 2019 with no adjustments. Andy reported that the Audit and Finance Committee reached a consensus to recommend approval of the audited financial statements for Fiscal Year 2018-2019

Motion Made / Seconded: Bonilla / May

**Motion passed unanimously 15-0 (Absent: County of San Mateo, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Millbrae)**

**6. PG&E BANKRUPTCY STATUS AND UTILITY RESTRUCTURING ACTIVITIES**

Jan Pepper reviewed several handouts from Mayor of San Jose, Sam Liccardo, which covered the concept of restructuring PG&E into a customer-owned utility. The handouts included discussion of customer owned-utility operating principles, challenges, and support from elected officials. Board members discussed the difference between a customer-owned option versus municipalization, and how the restructuring might be part of a reorganization plan for PG&E that will be submitted to the bankruptcy court, or legislators, or both.

**PUBLIC COMMENT:**

Mark Roest, Sustainable Energy Inc.  
Ted Howard

**7. APPROVE 2020 BOARD OF DIRECTORS MEETING SCHEDULE**

Jan Pepper reviewed the draft 2020 Board of Director Meeting Schedule.

Motion Made / Seconded: Groom / Mates

**Motion passed unanimously 15-0 (Absent: County of San Mateo, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Millbrae)**

**8. BOARD MEMBERS' REPORTS**

Daniel Yost reported that he's a member of Environmental Entrepreneurs, and he recommended "Designing Climate Solutions: A Policy Guide for Low-Carbon Energy" by Hal Harvey.

Giselle Hale reported on a recent Connect 19 event entitled "Communities and Technology: Imagining our Future".

John Keener reported that, as we get closer to 100% GHG (greenhouse gas) free and 100% renewable energy, the next easy thing to reduce CO2 emissions is the shift to electric vehicles.

Harvey Rarback reported that he visited the Zoox headquarters in Foster City, and that they are building an autonomous self-driving ride-hailing vehicle that does bi-directional charging.

## **ADJOURNMENT**

Meeting was adjourned at 8:02 p.m.



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 6, 2019

**BOARD MEETING DATE:** December 19, 2019

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Karen Janowski, Director of Marketing and Community Affairs &  
Leslie Brown, Director of Customer Care

**SUBJECT:** Update on Marketing, Outreach Activities, and Customer Care

**BACKGROUND:**

The Marketing and Communications Team manages press coverage, public relations, local programs marketing, community outreach, online and social media presence, and responding to customer requests.

**DISCUSSION:**

**Staffing/Resource Update**

- Jerry Gottheil has been hired as Marketing Communications Manager starting 12/11/19. Jerry's extensive marketing experience includes GreenVolts and JDS Uniphase as well as virtual reality and internet-of-things security startups. He also formerly worked for PG&E.
- Darren Goode has been engaged as a public relations specialist. Darren has an extensive communications background in energy and the environment, including past work with clean energy focused non-profit, ClearPath, and as an energy and environment reporter for "The Hill."
- Sapna Dixit started on 12/3/19 as Strategic Accounts Manager and will be focused on building relationships with PCE's largest commercial customers. Sapna has 7 years' experience with PG&E, most recently supporting economic development and advanced energy projects with a similar customer base at PG&E.



## **EV Discount Program Marketing**

Sales/leases through this program are lagging behind the target of 250 vehicles.

Several factors appear to be contributing to the shortfall including:

- Overall U.S. vehicle sales for light-passenger sedan sales are down YTD 9.8% vs. increase in SUV sales of 3.4% YTD. This reflects a preference for SUVs. There are no EV SUVs in the program.
- Sales of Chevrolet models that were popular last year appear to have been adversely affected by the reduction in federal incentives and availability issues related to the recent GM strike.

See also the Programs Update.

Efforts to boost response before program end date of 12/31/19 include:

- Postcard mailer dropped to 193K residential customer addresses on 12/4/19
- Increase in media spending on the digital ad campaign (Google Ads and Facebook/Instagram) geotargeted and focused on those interested in purchasing a new vehicle (runs through mid-December)
- Geotargeted TV spots on major Comcast channels continue through mid-December. View and share the video ads at <https://www.facebook.com/pencleanenergy/videos/758221017937075/> or <https://www.youtube.com/watch?v=JQIhQtP7yQ>
- Included in newsletter to ~1.4K subscribers on 11/25/19. Additional email blast to ~3K (express permission) customers on 12/6/19.
- Boosted social media posts on Facebook, Twitter
- Posts on Nextdoor by staff who reside in San Mateo County
- Email sent to all San Mateo County Ride & Drive participants
- Additional requests for outreach via partner and municipal channels (Please continue to share information where opportunities exist. Communicating about this opportunity may help your city achieve your climate action measures. If you would like sample posts or other digital assets that you can share, contact KJ at [kjanowski@peninsulacleanenergy.com](mailto:kjanowski@peninsulacleanenergy.com).)

Thank you to all the many cities and partners that have already shared information about this program.

## **Joint Rate Mailer**

The joint rate mailers comparing Peninsula Clean Energy rates with PG&E rates are expected to be mailed by 12/13/19, ahead of the extended deadline of January 1, 2020.

## **Recent Media Coverage**

Peninsula Clean Energy has been covered by the press in the following recent articles. Full coverage is available at [www.peninsulacleanenergy.com/news-media/](http://www.peninsulacleanenergy.com/news-media/).

- [“San Mateo County will have completely green power by 2025, local agency says”](#), Peninsula Press, December 2019

- ["San Mateo County agency to buy solar backup batteries for residents with medical needs"](#), Stanford Journalism (You Tube), November 2019
- ["Opinion: How Silicon Valley is rising to climate challenge"](#), The Mercury News, November 2019
- ["Leading the way to a greener tomorrow"](#), San Mateo Daily Journal, November 2019
- ["Inside California Community Energy Providers' Groundbreaking Solar-Storage Plan"](#), Greentech Media, November 2019
- ["Calling all California solar and storage developers – 6,000+ systems, 32 MW+ request for proposals"](#), PV Magazine, November 2019
- ["A Good Trade to Keep the Lights on in San Francisco's Bay Area"](#), Microgrid Knowledge, November, 2019
- ["Renewable Energy Update – November 2019 #2"](#), JD Supra, November 2019
- ["Youth Climate Ambassadors Program accepts applications"](#), California Patch, November 2019
- ["Local Community Energy Agencies Kick Off Program to Provide Resilient Solar Power"](#), The Silicon Valley Voice, November 2019
- ["Alternatives to PG&E"](#), ABC 7 News KGO, November 2019
- ["Microgrid Industry to California: Help Us Help You"](#), Microgrid Knowledge, November 2019
- ["PG&E power outages prompt new impetus for renewables"](#), Institute for Energy Economics & Financial Analysis, November 2019
- ["California CCAs seek distributed energy storage to keep the lights on"](#), PV Magazine, November 2019
- ["CCAs, public power utility issue RFP to offset shutoffs"](#), American Public Power Association, November 2019
- ["Bay Area CCAs Solicit 30MW of Distributed Batteries to Weather Grid Outages"](#), Greentech Media, November 2019
- ["Bay Area Public Energy Agencies Aim to Provide Local Resiliency"](#), Efficient Government, November 2019
- ["Bay Area Orgs To Create Backup Power System For Future Shutoffs"](#), California Patch, November 2019
- ["Four Bay Area Community Energy Agencies Kick Off New Program to Provide Local Resiliency"](#), Morningstar, November 2019
- ["Energy groups seek RFPs for solar+storage resilience systems in Bay Area"](#), Solar Power World, November 2019
- ["Bay area energy agencies launch storage solicitation amid PG&E power shutoffs"](#), Utility Dive, November 2019
- ["PG&E outages prompt clean energy programs to focus on solar, batteries"](#), San Francisco Chronicle, November 2019
- ["Four Bay Area Community Energy Agencies Kick Off New Program to Provide Local Resiliency"](#), Public Radio International, November 2019
- ["Peninsula Clean Energy Commits \\$10 Million For Backup Battery Program in San Mateo County \(Chinese\)"](#), World Journal, November 2019
- ["Five Things To Know About Microgrids"](#), Cal Matters, November 2019
- ["How Microgrids Could Keep CA Lights On During Utilities Shutoffs"](#), Patch, November 2019

### **Green Power Partnerships and Communities**

As of 12/9/19, 31 of the 37 annual reports have been completed. The total of 37 reports includes 16 Green Power Partners (for those communities that are receiving ECO100 for their municipal accounts) and 21 Green Power Communities (which includes all Peninsula Clean Energy jurisdictions). The EPA will be reaching out to the designated contact from each city and the county around the anniversary date of when they joined the Partnership. This should be happening within the next month. Once this contact is made by the EPA, Peninsula Clean Energy will submit the updated yearly reports. The energy usage data for the remaining 6 reports (2 each for Colma, Half Moon Bay and Portola Valley) are being compiled in order to complete the annual reports by each city's anniversary date.

### **Community Outreach and Events**

Upcoming events include:

22-Dec	Hanukkah Festival	Redwood City
10-Jan	Burlingame Chamber Annual Meeting	Burlingame
17-Jan	SAMCEDA – Skyline College Success Summit	San Bruno
23-Jan	Half Moon Bay Chamber Recognition Awards Dinner	Half Moon Bay
26-Jan	Millbrae Lunar New Year	Millbrae
31-Jan to 1-Feb	Gridshift Hackathon (with SVCE and others)	San Francisco

### **ECO100 Statistics**

Total ECO100 accounts at end of November: 5817 [net increase of 31]  
ECO100 accounts added in the month: 47  
ECO 100 accounts dropped in the month: 16  
Total ECO100 accounts at the end of October: 5786

### **Enrollment Statistics**

Opt-out rates decreased in November compared to October, and we are continuing to enjoy a significant decrease in opt-outs overall as compared to 2018. As of November 30<sup>th</sup> 2019 cumulative opt-outs for the year are 619; at the same point last year the cumulative opt-outs for 2018 were 1330. The opt-out rate adjusted for move-in/move-outs is 2.52% and our overall participation rate is 97.5% of eligible accounts as of the end of November.

Opt-Outs by City

<b>OPT OUT BY CITY/POPULATION</b>			
<b>CITY</b>	<b>Eligible Accts</b>	<b>Total</b>	<b>TOTAL OPT OUT %</b>
<b>ATHERTON INC</b>	2,706	<b>44</b>	<b>1.63%</b>
<b>BELMONT INC</b>	11,962	<b>312</b>	<b>2.61%</b>
<b>BRISBANE INC</b>	2,549	<b>51</b>	<b>2.00%</b>
<b>BURLINGAME INC</b>	15,400	<b>333</b>	<b>2.16%</b>
<b>COLMA INC</b>	758	<b>11</b>	<b>1.45%</b>
<b>DALY CITY INC</b>	33,954	<b>1149</b>	<b>3.38%</b>
<b>EAST PALO ALTO INC</b>	7,936	<b>287</b>	<b>3.62%</b>
<b>FOSTER CITY INC</b>	14,806	<b>302</b>	<b>2.04%</b>
<b>HALF MOON BAY INC</b>	4,970	<b>147</b>	<b>2.96%</b>
<b>HILLSBOROUGH INC</b>	4,041	<b>90</b>	<b>2.23%</b>
<b>MENLO PARK INC</b>	15,791	<b>239</b>	<b>1.51%</b>
<b>MILLBRAE INC</b>	9,366	<b>285</b>	<b>3.04%</b>
<b>PACIFICA INC</b>	15,455	<b>565</b>	<b>3.66%</b>
<b>PORTOLA VALLEY INC</b>	1,680	<b>111</b>	<b>6.61%</b>
<b>REDWOOD CITY INC</b>	35,169	<b>776</b>	<b>2.21%</b>
<b>SAN BRUNO INC</b>	16,509	<b>667</b>	<b>4.04%</b>
<b>SAN CARLOS INC</b>	14,687	<b>369</b>	<b>2.51%</b>
<b>SAN MATEO INC</b>	44,523	<b>1165</b>	<b>2.62%</b>
<b>SO SAN FRANCISCO INC</b>	25,237	<b>923</b>	<b>3.66%</b>
<b>UNINC SAN MATEO CO</b>	24,574	<b>712</b>	<b>2.90%</b>
<b>WOODSIDE INC</b>	2,294	<b>41</b>	<b>1.79%</b>
<b>Grand Total</b>	<b>304,367</b>	<b>8579</b>	<b>2.82%</b>
<b>Adjusted Total</b>	<b>304,016</b>	<b>7,674</b>	<b>2.52%</b>

There are now just under 5,900 accounts enrolled in ECO100. In addition to the County, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of December 9, 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

<b>City</b>	<b>ECO100</b>	<b>Active Accounts</b>	<b>Opt-Up %</b>
Atherton	52	2,650	1.96%
Belmont	179	11,662	1.53%
Brisbane	88	2,495	3.53%
Burlingame	335	15,068	2.22%
Colma	30	751	3.99%
Daly City	82	32,861	0.25%
East Palo Alto	22	7,642	0.29%
Foster City	310	14,480	2.14%
Half Moon Bay	104	4,836	2.15%
Hillsborough	66	3,950	1.67%
Menlo Park	471	15,537	3.03%
Millbrae	103	9,104	1.13%
Pacifica	153	14,916	1.03%
Portola Valley	1,507	1,581	95.32%
Redwood City	689	34,412	2.00%
San Bruno	88	15,863	0.55%
San Carlos	293	14,328	2.04%
San Mateo	651	43,375	1.50%
So. San Francisco	97	24,326	0.40%
Uninc. San Mateo Co	519	23,871	2.17%
Woodside	54	2,248	2.40%
<b>Grand Total</b>	<b>5,893</b>	<b>295,956</b>	<b>1.99%</b>



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 6, 2019  
**BOARD MEETING DATE:** December 19, 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 November and December Regulatory and Legislative Activities

**SUMMARY:**

Late November and early December were markedly slower for the regulatory and legislative team as the prior month had over twenty filings for the Commission and other agencies to digest. As discussed in more detail below, PCE, as part of CalCCA (California Community Choice Association), a coalition of CCAs (Community Choice Aggregators) or on its own behalf, submitted six 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 five other stakeholder meeting, as detailed below.

**DEEPER DIVE:**

Regulatory Advocacy and Outreach

**A.18-12-009 – PG&E 2020 General Rate Case (GRC)** – PG&E filed their 2020 GRC on Thursday, December 13, 2018. PCE and several other CCAs (collectively the "Joint CCAs") have been active in the docket raising a number of concerns with the application including the recovery of certain hydro generation costs as a non-bypassable charge, PG&E's proposed grid modernization plan, categorization of certain costs coming out of the decommissioning of Diablo Canyon Nuclear Power Plant, and treatment of decommissioning reserves. Testimony in the case was filed in July 2019 and hearings were held in October 2019. On November 25, 2019 the ALJ issued an e-mail ruling suspending the remaining schedule for this case in response to a request made by Pacific Gas & Electric Company (PG&E), Public Advocates Office (CalPA), and The Utility Reform Network (TURN) to allow for additional time to negotiate a settlement on certain issues within the case. On December 2, 2019 the ALJ issued a second e-mail ruling updating the remaining schedule allowing for settlement negotiations to continue through

December before resuming the Opening and Reply Brief deadlines in January 2020. The Joint CCAs are continuing to explore the merits of engaging in these settlement negotiations.

**R.19-11-009 – Resource Adequacy OIR** – On November 13, 2019, the Commission released its latest rulemaking concerning the resource adequacy program to continue refinement and review of the program. On December 3, 2019, CalCCA filed opening comments on the OIR discussing the scope and schedule. In particular, CalCCA's comments focused on: 1) the potential need for structural changes to the State's RA Program, 2) refinements needed to the existing RA Program, and 3) refinements specifically to how the Local and Flexible RA procurement obligations are defined. CalCCA does not plan to submit reply comments, but its representatives will be attending the Prehearing Conference (PHC) on December 16, 2020. Jeremy Waen will be in attendance.

**R.16-02-007 – Integrated Resource Planning (IRP)** – The IRP docket has had a number of critical events in recent week, with three key developments. First, on November 13, 2019, the CPUC voted out its final decision on the procurement requirements, which includes an allocation of 55MW of additional system RA to be procured by Peninsula Clean Energy by August 1, 2023 (with interim targets of 27.5 MW for 2021 and 41.2 MW for 2022). Second, November 8, 2019, the CPUC released the Reference System Portfolio, which forecasts a heavy reliance on solar and storage to meet the state's energy needs through 2030.

**A.19-06-001 – PG&E 2020 ERRA Forecast** – As reported in prior Board memos, PCE staff has taken a lead role in reviewing PG&E's 2020 ERRA Forecast which is where the PCIA for 2020 is established. Evidentiary hearings and briefing were held in October. As noted, the Joint CCAs' are challenging \$820 Million of PG&E's proposed revenue requirement for its generation rates effective January 1, 2020. Unlike in years past, PG&E has already agreed with the Joint CCAs that an estimated \$605 Million reduction in PG&E's proposed revenue requirement is reasonable.

On November 8, 2019, PG&E issued the update to its testimony (the November Update) requesting a revised revenue requirement and therefore adjusted bundled generation rates and PCIA rates for 2020. In this November Update PG&E seeks to increase the revenues recovered from unbundled customers via the PCIA by an additional \$330 Million, while also claiming that there will be \$611.4 Million undercollection of PCIA-eligible revenues from departing load customers due to 2019 rates. Such an undercollection could result in a second adjustment to PCIA rates within 2020 through a trigger mechanism if the balance exceeds 10% of the overall revenue requirement.

On December 6, 2019 the Joint CCAs submitted their comments in response to PG&E's November Update. These comments critique numerous elements of PG&E's revenue request and argue for a 13% or \$219 Million reduction in the overall request. If all of the Joint CCAs' recommended changes are adopted the resultant uncapped PCIA rates in 2020 for PCE's customers would be approximately 16% lower than what was presented in PG&E's November Update. Regardless of whether the Joint CCAs' changes are adopted or not, the 2020 PCIA rates will be limited by the \$0.005/kWh cap now required by the PCIA OIR. Presently, it looks as though PG&E will revise its bundled generation rates and PCIA rates due to this case on March 1, 2020. Whether or not PG&E will seek to adjust its PCIA rate further in 2020 due to the undercollection balance reaching the 10% trigger threshold remains to be seen and will be

addressed sometime next year. Jeremy Waen continues to lead the joint efforts in the docket to achieve a good outcome.

***R.18-07-005 – Disconnections Rulemaking*** – On December 6, 2019, CalCCA filed comments responding to a ruling by the assigned administrative law judge concerning the Commission's ongoing efforts to reduce utility disconnections. CalCCA's comments supported the development of pilot programs to test methods for reducing disconnections and provided specific technical comments on the pilots that have been proposed to ensure they are as successful as possible.

***No docket – Protest to PG&E Advice Letter 5679-E*** – On November 21, 2019, PCE and several other CCAs filed a protest to PG&E's Advice Letter 5679-E in which PG&E requested over \$20 million in cost recovery for its online rate comparison tool. Because PG&E's tool did not work for CCAs during the 2015-2016 timeframe, the Commission, in Decision No. 19-09-004, agreed that CCA customers should not pay costs related to the comparison tool. The CCAs argued that the decision requires PG&E to identify the costs for the tool incurred during the relevant timeframe and include those costs in PG&E's generation rates, not its distribution rates. The CCAs requested that the Commission staff carefully scrutinize PG&E's proposed allocation of costs between distribution and generation rates because PG&E's original advice letter did not contain sufficient information for CCAs to review PG&E's allocation.

***No docket – Informal Comments on PG&E's Oct. 26-29 PSPS*** – On November 25, 2019, CalCCA submitted informal comments to the Commission regarding the impacts of PG&E's back-to-back PSPS events during October 26 and October 29. Based on the CCA's collective experiences with PG&E's PSPS events, the informal comments discussed that fact that: (1) PG&E's decision-making process on PSPS events is grossly unreasonable and contrary to the public interest; (2) PG&E's customer impact reporting is inadequate in regards to both event time, place, and duration; (3) PG&E has made misleading statements on the number of customers impacted by PSPS by conflating customer accounts with actual customers; and (4) PG&E's notices to customers still require significant work for both vulnerable customers, the general public, local governments, and CCAs remains inadequate. The informal comments also provided an illustrative sampling of PSPS impacts on customers and communities. Finally, the informal comments discussed measures that can be taken to lessen the impact of PSPS events including sectionalization, better coordination of community assistance and other topics.

#### Legislative Advocacy and Outreach

On November 18, 2019, Joseph Wiedman attended an Oversight Hearing of the California Senate's Committee on Energy, Utilities and Communications titled: Electric Utility Power Shutoffs: Identifying Lessons Learned and Actions to Protect Californians. The hearing featured over 20 speakers from the investor-owned utilities, the Governor's office, and other government stakeholders. While a lot of frustration with the utilities was expressed, particularly towards PG&E, there was no discussion of solutions. PCE legislative team anticipates further hearings on the topic of Public Safety Power Shutoffs in the coming months. Staff also expects numerous bills on PSPS and related topics. Senator Wiener has carried over SB 387 from last year's session. Among other things, SB 387 would require the CPUC to establish a process for consumers to submit claims for damages stemming from an intentional power shutoff, would levy hourly penalties during a power shutoff, require reporting on the state of the IOUs' energy delivery systems, and also prohibit the IOUs from marketing against distributed energy resources, municipalization and against other forms of customer choice.



On December 3, 2019, Jan Pepper, Rick Bonilla, Marty Medina, Donna Colson, Pradeep Gupta, John Keener, Joseph Wiedman, and Shayna Barnes met with Senator Jerry Hill and his staff. The group discussed the recent PG&E PSPS events that occurred in San Mateo County, PCE's resiliency efforts related to mitigating PSPS, and the Senator's views on how Sacramento is viewing energy related issues at this time.

**FISCAL IMPACT:**

Not applicable.



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** Dec. 13, 2019  
**BOARD MEETING DATE:** Dec. 19, 2019  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy  
Rafael Reyes, Director of Energy Programs

**SUBJECT:** Community Programs Report

**SUMMARY**

The following programs are in progress, and detailed information is provided below:

1. Building and EV Reach Codes
2. Electric Vehicle Charging Incentive Program
3. New EV Dealer Incentive Program
4. Low-Income EV Incentive Program (DriveForward Electric)
5. EV Ride and Drives
6. PCE/EBCE Resilient Solar for Critical Facilities
7. MUD Low-Power EV Charging Pilot
8. Community Pilots

**DETAIL**

**1. Building and EV Reach Codes**

In a joint project with Silicon Valley Clean Energy (SVCE), PCE is working with local governments to support the adoption of low-carbon and EV ready building reach codes to correlate with the adoption of the 2019 triannual California building code standards. The final measures and the draft code language have been released and are available on the project website ([www.PeninsulaReachCodes.org](http://www.PeninsulaReachCodes.org)).

The cities of Brisbane, Menlo Park, Pacifica and San Mateo have adopted codes. PCE staff and consultants provided support for each municipality. Engagement with agency

staff and Council presentations are ongoing. Most agencies in San Mateo County are considering some kind of reach code. For building electrification the approach taken by Menlo Park has garnered the most interest. On electric vehicle code, approaches vary. Over 30 agencies across San Mateo and Santa Clara counties are exploring reach codes. Below is a sampling of agencies across PCE and SVCE territories:

City	Buildings			Electric Vehicles
	Choice All-Electric or High Efficiency Mixed-Fuel	All-Electric with Limited Gas Usage	Natural Gas Ban	
Burlingame		Exploring		EV Ready code (PCE model)
Brisbane		ADOPTED		Aggressive EV Ready code
Menlo Park		ADOPTED		Increase chargers & EV Capable (2018)
Milpitas	ADOPTED			Increase chargers & EV Capable
Morgan Hill			ADOPTED	
Mountain View		ADOPTED		Aggressive EV Ready code
Pacifica		ADOPTED		Increase chargers (2017)
Palo Alto		ADOPTED		Aggressive EV Ready code
Redwood City		COUNCIL OK		EV Ready code (PCE model)
San Mateo	ADOPTED			Increase chargers & EV Capable
San Jose		ADOPTED	ADOPTED (low rise)	Increase chargers & EV Capable
County of San Mateo		BOARD OK	Proposed	EV Ready code (PCE model)

\* “Council/Board Ok” indicates that the governing board has provided supportive direction to staff.

To address concerns over impacts to affordable housing, PCE and SVCE are developing funding support programs for EV infrastructure in affordable housing (to cover costs above state code). Development projects that are 100% affordable in cities with reach codes would be eligible.

## 2. Electric Vehicle Charging Incentive Program

In December 2018 the Board approved \$16 million over four years for EV charging infrastructure incentives (\$12 million), technical assistance (\$2 million), workforce development (\$1 million), and administrative costs (\$1 million). Subsequent to authorization of funding, PCE successfully applied to the California Energy Commission (CEC) for the CEC to invest an additional \$12 million in San Mateo County for EV charging infrastructure. That application was in conjunction with agencies in Santa Clara County.

The Board delegated execution of contracts with CLEAResult for technical assistance in August and in October with the Center for Sustainable Energy (CSE) for administration support under the CEC’s program known as CALeVIP. The contract with CLEAResult was executed at the end of November while contracting is still underway with CSE.

Of PCE’s \$12 million in incentives, \$8 million will be administered under CALeVIP and \$4 million under a dedicated, complementary PCE program. The dedicated PCE program will address critical market segments not addressed by CALeVIP including

Level 1 charging, assigned parking in multi-family dwellings, affordable housing new construction, and non-grid tied charging for resiliency purposes. PCE staff is working on operational readiness for the dedicated program.

Upon execution of partner contracts staff will initiate detailed planning with partners on outreach, technical assistance and related matters to launch the program in 2020.

### 3. New EV Dealer Incentive Program

This program is one of PCE's two core elements for new EV marketing (the other is the Ride & Drive Program) and is intended to provide time-limited discounts and incentives on EVs to address the up-front cost of which is one of the key barriers to EV adoption.

The program includes participating dealerships which are selected through a competitive process in which dealers were eligible to apply by offering discounts below the Manufacturer's Suggested Retail Price (MSRP) on their EVs. In addition to the discounts offered, PCE provides an added incentive (\$1,000 for battery electric vehicles and \$700 for plug-in hybrids) and a \$250 incentive to participating dealerships per vehicle sold/leased.

In Q4 2018, 120 vehicles were sold/leased yielding an estimated 4,100 tons CO2 emissions avoided over 10 years and \$120,000+ in annual driver savings.

In April 2019, the Board approved the continuation of the New EV Dealer Incentive Program over the next three years (2019-2021) following a 2018 pilot. Each year, PCE staff will select partner dealerships through a competitive process in which dealerships submit a proposal offering discounts to San Mateo County residents during the promotion period (Oct – Dec of each year). In July 2019, the Board approved delegating authority to the Chief Executive Officer to execute agreements with the selected dealerships. Further detail is available below.

#### Participating dealerships & vehicles:

Dealer	City	Vehicle
<b>NEW:</b> Boardwalk Chevrolet	Redwood City	Chevrolet Bolt
Honda of Serramonte	Colma	Honda Clarity Electric, and Honda Clarity Plug-in Hybrid
Nissan of Burlingame	Burlingame	Nissan Leaf
Peter Pan BMW	San Mateo	BMW i3
Putnam Chevrolet	Burlingame	Chevrolet Bolt
Serramonte Ford	Colma	Ford Fusion Energi
<b>NEW:</b> Stewart Chevrolet	Colma	Chevrolet Bolt
Stewart Chrysler Jeep Dodge Ram	Colma	Chrysler Pacific Hybrid
Toyota 101	Redwood City	Toyota Prius Prime

Discount and incentive amounts vary according to vehicle type, model, make, trim, and year and can be found on the PCE website: <https://www.peninsulacleanenergy.com/EV>

The program included significant marketing to all San Mateo County residents, including three sets of postcards to residential accounts, emails, Comcast TV commercial ad, and online ads.

The program began October 1, 2019 and will run through December 31, 2019. Though total vehicle uptake over the promotion period is difficult to project, PCE anticipated higher participation this year and in future years due to a larger number of participating dealers (giving customers more vehicle choices) and higher awareness of the program. Staff's target was to reach a minimum of 250 vehicles this year.

As of December 2, 2019, 65 vehicles have been sold/leased through the program. Actual numbers could be higher due to lag time between dealers selling/leasing a vehicle and submitting the paperwork to PCE. Nevertheless, it is likely that PCE will not reach this year's target of 250 vehicles. Below are a couple of factors for that:

- Chevrolet Bolt availability and incentives – Of the 120 vehicles sold/leased last year, 50 vehicles (42%) alone were Chevrolet Bolts. This year, 12 of the 65 vehicles were Chevrolet Bolts (18%). The reduced number of Bolts could be due to the two following reasons:
  - Incentives – Up until December 31, 2018, the Bolt was eligible for the full \$7,500 federal tax credit. Since then, the credit for the Bolt has been cut in half twice. Since October 1, 2019 (the same day the New EV Dealer Incentive Program started), the federal tax credit for the Bolt is now \$1,875 (a 75% reduction). Those that were aware of the upcoming change, could have rushed to purchase the vehicle in 2018 before the federal tax credit would be cut.
  - Availability – In early September, the United Automobile Workers started a strike against General Motors which lasted for 40 days until end of October. The strike halted production at manufacturing plants which led to a decrease in Bolt availability.
- US vehicle sales are down – Based on available data, new light-passenger sedan sales in the US are down -9.8% YTD compared to last year as more people shift to SUVs, which are up 3.4% YTD compared to last year. PCE does not have EV SUV participating in the program. Staff does not yet have California-specific data but will evaluation when it becomes available.

The above could be some factors why the program does not appear to be on track to reach the target set by staff. Staff will report back on final results when the program ends on December 31, 2019.

#### **4. Low-Income EV Incentive Program (DriveForward Electric)**

Launched in March 2019, the DriveForward Electric program provides an incentive up to \$4,000 for the purchase of used plug-in hybrid electric vehicles (PHEVs) and full battery electric vehicles (BEVs) to low- and moderate- income San Mateo County residents with access to a standard outlet at home or at work. The incentives may be combined with other programs such as Clean Cars for All from the Bay Area Air Quality Management District. When combined with another program, PCE offers \$2,000 as a follow-on rebate.

PCE offers this incentive through Peninsula Family Service's (PFS) DriveForward program, which is a robust program that provides financial coaching and access to financing to help participants purchase reliable used vehicles. Incentive funds are intended to be administered by PFS and to be paid as a check to the dealership as a vehicle down payment from the participant.

PCE has a program web page available at [peninsulacleanenergy.com/driveforwardelectric/](https://peninsulacleanenergy.com/driveforwardelectric/). The program has been live for over six months but with some lessons learned and a dynamic landscape of low income EV incentive programs available, some changes have been implemented to the program.

Key metrics:

- Vehicles sold to-date: 25
- Estimated CO2 emissions avoided over 10 years: 1,300 tons
- Estimated annual total participant savings: \$33,000+

## 5. EV Ride & Drives

This program is one of PCE's two core elements for new EV marketing (the other is the New EV Dealer Incentive Program). It provides for community and corporate events in which community members can test drive a range of EVs. Five events were held in 2018. In February 2019, the Board approved ramping up the program with a 3-year program intended to yield 10 to 25 events per year and to significantly increase social media visibility. PCE has completed thirteen events, with two more scheduled thus far for 2019. The following tables summarize all events to date, number of EV experiences, and scheduled events.

2019 completed events:

Event	Type	Date	EV experiences*
STEAM Fest	Community	April 27, 2019	125
Genentech	Workplace	April 29, 2019	255
Visa	Workplace	May 8, 2019	261
Colma Community Fair	Community	July 13, 2019	67
Facebook Community Festival	Community	August 17, 2019	287

Burlingame on the Avenue	Community	August 18, 2019	107
Oracle	Workplace	August 21, 2019	172
Foster City Summer Days	Community	August 24, 2019	152
San Mateo County Center /Downtown Redwood City	Workplace/Community	September 10, 2019	83
Burlingame Fall Fest	Community	October 26, 2019	45
Illumina Campus	Workplace	November 5, 2019	165
Millbrae Disaster Preparedness Day	Community	November 16, 2019	96
YouTube	Workplace	December 3, 2019	64
<b>TOTAL</b>			<b>1879</b>

\*EV experiences refer to the total number of test drives and passenger rides.

Scheduled events:

<b>Event</b>	<b>Type</b>	<b>Date</b>
Oracle (2 <sup>nd</sup> event)	Workplace	December 17, 2019
Visa (2 <sup>nd</sup> event)	Workplace	December 12, 2019

Events include pre-test drive, post-test drive, and six-month trailing surveys to document changes in customer perception towards EVs and actions taken after the EV experience. Key findings from those surveys, from 2018 and 2019 events, are summarized below:

Day-of Survey Results:

Sample pool: 1,223 pre-test drive respondents, 759 post-test drive respondents

<b>Metric</b>	<b>Result</b>
Identified as San Mateo County residents	53%
Had their first EV experience at event	65%
Stated their overall opinion of EVs is better or somewhat better after test drive	89%

Six-month trailing survey:

Sample pool: 167 respondents (25% response rate)

<b>Metric</b>	<b>Result</b>
Acquired an EV after the event	22% (30 total: 31 purchases, 6 leases)
Of those who didn't acquire an EV, those who said they would "definitely" or "likely" acquire an EV as their next vehicle	71%

## 6. Resilient Solar for Critical Facilities

In Q3 2018, East Bay Community Energy (EBCE), in partnership with Peninsula Clean Energy (PCE), was awarded a Bay Area Air Quality Management District grant for a scoping study to identify community shelter critical facilities in the counties of Alameda and San Mateo. These counties provide emergency services during natural disasters and do preliminary assessments for solar+storage resilience projects. Solar+storage at critical facilities can provide a cleaner and more reliable power source than diesel generators and reduce operating costs for the facilities.

This a \$300k, 12-month scoping project that will: 1) identify a subset of critical facilities in San Mateo and Alameda counties that serve as community shelters and/or emergency response hubs during disasters (e.g. police and fire depts, recreation centers, libraries, etc); 2) narrow down that list to select priority sites based on some criteria and conduct some assessments at a subset of those sites that are representative of the entire list; 3) develop a financial model (e.g. rate design or financial incentive) that results in affordable and widespread deployment of resilient solar systems; and 4) design and assist in the collective procurement for solar+storage installations at priority critical facilities to reduce costs for interested agencies.

This project has initiated, and PCE has collected sites from 10 municipalities to serve as a preliminary list of prospective facilities. These facilities were studied for their solar potential, to understand their risk of fault as a result of natural disasters, and to evaluate their proximity to customer population. Based on a scoring matrix developed by our partners at Arup Group, we have established 92 facilities that are potentially viable. Peninsula Clean Energy will be meeting with municipalities to provide an update and review the results of this study.

The overall scoping study performed will serve as a basis for assessing the full scope of a prospective procurement. EBCE and PCE are planning to release a Request for Information (RFI) in January 2020 to field industry perspectives on potential resiliency solutions, and how to organize procurement for multiple municipalities under one structure.

This project is managed within the Power Resources team.

## **7. MUD Low-Power EV Charging Pilot**

This pilot program will foster new low-power charging technology solutions, pilot them in multi-unit dwellings (MUDs), and assess the technologies and document the results. Energy Solutions was selected as the consultant partner as part of a competitive bid process. The project was kicked off in August. Energy Solutions is currently doing a needs assessment, including various MUD owners and managers, and assessing the current market of known technologies.

## **8. Community Pilots**



PCE awarded grants of up to \$75,000 each for six innovative local pilot projects to reduce greenhouse gas emissions, support low-income customers, and advance electric transportation. Below is the status of each pilot project:

<b>Pilot</b>	<b>Status</b>
<b>Refrigerator Recycling – ARCA</b>  Old refrigerator recycling program to capture high impact GHG sources.	Program live since mid-April. 115 requests have been made as of end of November (98 units collected, 17 pending collection). Program will run until 350 units are recycled. Website: <a href="http://www.peninsulacleanenergy.com/fridge">www.peninsulacleanenergy.com/fridge</a>
<b>Peninsula Climate Comfort – Ardenna</b>  Pilot for electrification retrofits for up to 5 homes for in-depth technical and financial assessment as development of financing strategy.	Application closed April 7. 62 complete applications received. Ardenna has selected 5 case study participants. Homes are located in San Mateo, Brisbane, East Palo Alto, Redwood City, and Burlingame and have diverse attributes (age, size, etc.). Feasibility assessments have been received by each home. One homeowner is moving forward, two are maybes, and the two others have stated will not take action at the moment. Website: <a href="http://www.climate-comfort.com">www.climate-comfort.com</a>
<b>Healthy Home Connect – Build It Green (newly acquired by Franklin Energy)</b>  Upgrade 10-16 low-income homes that would otherwise be disqualified from existing energy saving assistance programs using PCE gap funding.	Outreach and Hayward Score assessments on 35 homes has been completed. Program aimed to provide healthy home upgrades & remediations to 10-16 homes. Build it Green expects to complete 14 – 5 of these have been completed, 3 are under construction, 3 scheduled, and 2 on hold due to homeowner travel.
<b>Community Resiliency at Faith Institutions – Interfaith Power &amp; Light</b>  Recruit and develop plans to equip select number of faith institutions to be community hubs with clean energy back up power.	3 sites received solar plus storage bids from local developers, ranging between 20-25 kW PV arrays and ~10-40 kWh storage.  3 emergency preparedness meetings held at local congregations with ~40-55 attendees
<b>Low to Moderate Income Community Car Sharing</b>  Deploy a select number of battery electric vehicles (EVs) to be used for car sharing within a low to moderate income community apartment complex.	Contracting between PCE and Envoy is still underway. Envoy identified promising candidate site in East Palo Alto. Potential to incorporate CEC funded vehicles via grant received by Envoy.

<b>A Roadmap for Municipal Green Fleets – County Office of Sustainability</b>  Develop a clean fuel fleet toolkit for local governments, acquire pilot vehicles and scooters, and provide technical assistance to jurisdictions interested in electrifying their fleets.	Identified a hybrid vehicle (25 e-mi range) for San Mateo County Sheriff use and 8 e-bikes to be sourced for Parks department to replace current diesel vehicles.  The team is evaluating a tool for fleet managers to assess duty cycles for applicability of EVs.
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**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** December 6, 2019

**BOARD MEETING DATE:** December 19, 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 – December 2019

**BACKGROUND:**

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

<b>Execution Month</b>	<b>Purpose</b>	<b>Counterparty</b>	<b>Term</b>
November	Purchase of PCC1	Clean Power Alliance	1 month
November	Purchase of GHG Free Energy	Marin Clean Energy	1 month

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.

Peninsula Clean Energy  
Quarterly Finance Report  
As of  
September 30, 2019

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
September, 2019  
(\$000s)

Net Position Balance

<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	(\$1,044)
June 30, 2017	Audited	\$21,711
June 30, 2018	Audited	\$85,365
June 30, 2019	Audited	\$140,141
September 30, 2019	Unaudited Actual	\$167,937
June 30, 2020	Budget	\$167,992

Change in Net Position

<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	(\$1,044)
FY2016-2017	Audited	\$22,755
FY2017-2018	Audited	\$63,655
FY2018-2019	Audited	\$54,774
September 30, 2019	Unaudited YTD Actual	\$27,798
FY2019-2020	Budget	\$33,205

Revenues

<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$0
FY2016-2017	Audited	\$93,129
FY2017-2018	Audited	\$244,738
FY2018-2019	Audited	\$259,782
September 30, 2019	Unaudited YTD Actual	\$85,338
FY2019-2020	Budget	\$267,782

Cash/Investments Balance

<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	\$3,833
June 30, 2017	Audited	\$18,882
June 30, 2018	Audited	\$66,889
June 30, 2019	Audited	\$127,235
September 30, 2019	Unaudited Actual	\$155,490
June 30, 2020	Budget	\$159,103

Cost of Electricity

<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	\$0
June 30, 2017	Audited	\$64,501
June 30, 2018	Audited	\$170,135
June 30, 2019	Audited	\$194,035
September 30, 2019	Unaudited Actual	\$54,749
June 30, 2020	Budget	\$216,549

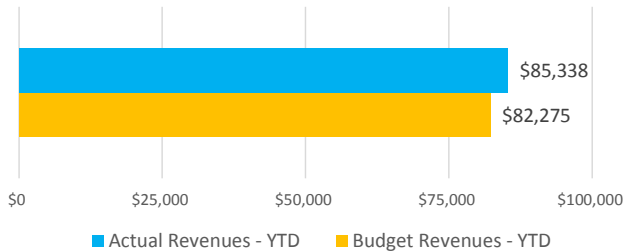
Total Operating Expenses

<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$1,041
FY2016-2017	Audited	\$70,104
FY2017-2018	Audited	\$180,970
FY2018-2019	Audited	\$206,894
September 30, 2019	Unaudited YTD Actual	\$58,141
FY2019-2020	Budget	\$236,809

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
September, 2019  
(\$'000s)

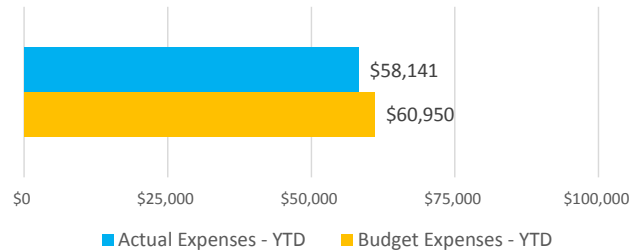
YTD Revenues

YTD Revenues - Actual vs. Budget



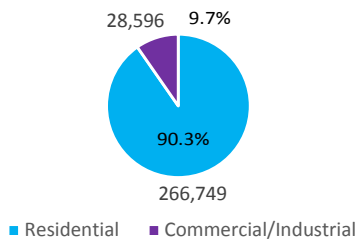
YTD Expenses

YTD Expenses - Actual vs. Budget



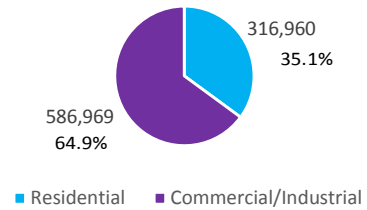
Customer Accounts

Customer Accounts

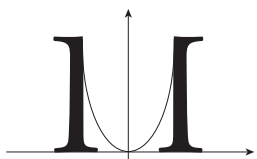


Energy Used

YTD Energy Used (MWh)



- Revenues were \$3.1MM above budget in Q1 mostly as a result that rates were higher than budgeted. PG&E's final rates that became effective as of July 1, 2019 became available after the Board approved the FY2019-2020 budget. Revenues are expected to remain above budget through the remainder of the year unless a revised PCIA is adopted after January 1 that is more than the \$0.005 rate increase assumed in the approved budget.
- Total Expenses were \$2.8MM below budget in Q1 largely due to favorable electricity costs as energy costs have remained relatively low and stable. Hedging strategies implemented on a quarterly basis have helped to maintain predictable costs.



## 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 statement of net position as of September 30, 2019, and the statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended, 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  
October 31, 2019





# PENINSULA CLEAN ENERGY AUTHORITY

## STATEMENT OF NET POSITION

As of September 30, 2019

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 31,681,034
Accounts receivable, net of allowance	27,952,863
Investments	110,771,125
Other receivables	218,462
Accrued revenue	16,521,548
Prepaid expenses	1,947,952
Deposits	275,570
Restricted cash	13,038,299
Total current assets	<u>202,406,853</u>

#### Noncurrent assets

Capital assets, net of depreciation	347,497
Deposits	135,355
Total noncurrent assets	<u>482,852</u>
Total assets	<u>202,889,705</u>

### LIABILITIES

#### Current liabilities

Accounts payable	976,756
Accrued cost of electricity	27,241,608
Accrued payroll	232,895
Other accrued liabilities	214,637
Supplier deposits - energy suppliers	3,720,987
User taxes and energy surcharges due to other governments	1,000,805
Total current liabilities	<u>33,387,688</u>

#### Noncurrent liabilities

Supplier deposits - energy suppliers	<u>1,564,605</u>
Total liabilities	<u>34,952,293</u>

### NET POSITION

Investment in capital assets	347,497
Restricted for security collateral	13,038,299
Unrestricted	<u>154,551,616</u>
Total net position	<u><u>\$ 167,937,412</u></u>

**PENINSULA CLEAN ENERGY AUTHORITY**

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

**July 1, 2019 through September 30, 2019**

**OPERATING REVENUES**

Electricity sales, net	\$ 84,645,599
Green electricity premium	692,523
Total operating revenues	<u>85,338,122</u>

**OPERATING EXPENSES**

Cost of electricity	54,749,076
Staff compensation and benefits	904,479
Data manager	950,257
Service fees - PG&E	313,306
Consultants and other professional fees	322,891
Legal & legislative services	268,323
Communications and noticing	230,300
General and administration	326,201
Program incentives	54,000
Depreciation	22,179
Total operating expenses	<u>58,141,012</u>
Operating income (loss)	<u>27,197,110</u>

**NONOPERATING REVENUES (EXPENSES)**

Miscellaneous income	1,846
Interest and investment income	622,328
Interest and related expense	(23,000)
Total nonoperating revenues (expenses)	<u>601,174</u>

**CHANGE IN NET POSITION**

	27,798,284
Net position at beginning of period	<u>140,139,128</u>
Net position at end of period	<u>\$ 167,937,412</u>

# PENINSULA CLEAN ENERGY AUTHORITY

## STATEMENT OF CASH FLOWS

July 1, 2019 through September 30, 2019

### CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 81,132,701
Receipts from supplier security deposits	8,137
Tax and surcharge receipts from customers	1,343,107
Payments to purchase electricity	(49,552,497)
Payments for staff compensation and benefits	(893,044)
Payments for data manager	(950,821)
Payments for service fees - PG&E	(208,771)
Payments for consultants and other professional fees	(432,127)
Payments for legal services	(294,252)
Payments for communications and noticing	(197,680)
Payments for general and administration	(328,568)
Payments for program incentives	(55,132)
Payments for return of supplier security deposits	(600,000)
Tax and surcharge payments to other governments	(1,249,871)
Net cash provided (used) by operating activities	<u>27,721,182</u>

### CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Interest and related expense payments	<u>(23,000)</u>
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### CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(55,468)</u>
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### CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment sales	36,077,207
Investment income received	487,645
Purchase of investments	(81,527,676)
Net cash provided (used) by investing activities	<u>(44,962,824)</u>

Net change in cash and cash equivalents	(17,320,110)
Cash and cash equivalents at beginning of period	62,039,443
Cash and cash equivalents at end of period	<u><u>\$ 44,719,333</u></u>

### Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 31,681,034
Restricted cash	13,038,299
Cash and cash equivalents	<u><u>\$ 44,719,333</u></u>

**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF CASH FLOWS (continued)**

**July 1, 2019 through September 30, 2019**

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

Operating income (loss)	\$ 27,197,110
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	22,180
Revenue reduced for uncollectible accounts	231,036
Nonoperating miscellaneous income	1,846
(Increase) decrease in accounts receivable	(4,122,026)
(Increase) decrease in other receivables	21,425
(Increase) decrease in accrued revenue	(360,127)
(Increase) decrease in prepaid expenses	2,361,666
Increase (decrease) in accounts payable	(50,418)
Increase (decrease) in accrued payroll and related	14,470
Increase (decrease) in accrued cost of electricity	2,812,652
Increase (decrease) in accrued liabilities	44,299
Increase (decrease) in user taxes and energy surcharges due to other governments	138,932
Increase (decrease) in supplier security deposits	(591,863)
Net cash provided (used) by operating activities	<u>\$ 27,721,182</u>



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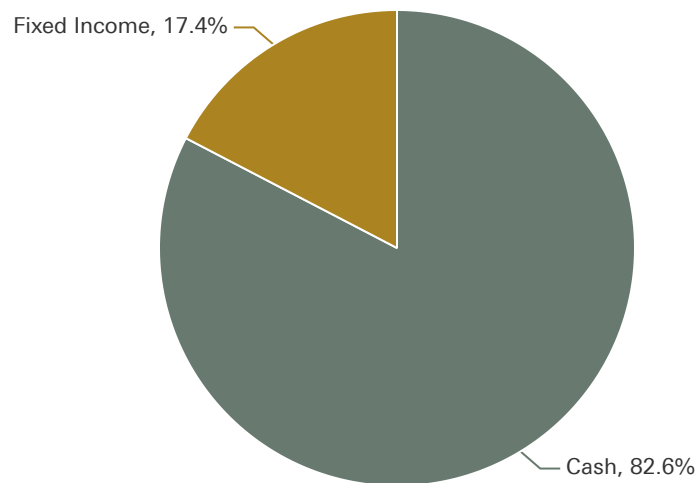
Investment Portfolio Review

Peninsula Clean Energy Authority

*September 30, 2019*



## Asset Allocation



ASSET TYPE	\$	%
Cash	\$104,000,506	82.6%
Fixed Income	\$21,854,476	17.4%
<b>Total</b>	<b>\$125,854,982</b>	<b>100.0%</b>

## Portfolio Performance

ASSET TYPE	QTD	YTD	ITD*
Cash	0.5%	1.7%	2.1%
Fixed Income	0.5%		1.6%
<b>Total</b>	<b>0.5%</b>	<b>1.6%</b>	<b>2.0%</b>

## Portfolio Activity

TRANSACTIONS	QTD	YTD	ITD*
Starting Value	\$95,336,921	\$100,786,842	\$40,000,000
Additions / Withdrawals	\$30,000,000	\$23,500,000	\$83,500,000
Gain / Loss	\$38,002	\$111,620	\$350,313
Income / Expenses	\$474,746	\$1,365,463	\$1,913,610
Change in Accrued Income	\$5,313	\$91,057	\$91,059
Current Value	\$125,854,982	\$125,854,982	\$125,854,982

\*Inception date is 04-20-2018

## Net Contributions vs. Market Value

