



Peninsula Clean Energy Board of Directors Meeting

December 19, 2019

Agenda

- Call to order / Roll call
- Public Comment
- Action to set the agenda and approve consent items

Regular Agenda

1. Chair Report (Discussion)

Regular Agenda

2. CEO Report (Discussion)

Staffing Update



Welcome to Sapna Dixit and Jerry Gottheil!

- Sapna, Strategic Accounts Manager, started December 3
- Jerry, Marketing Communications Manager started December 12

Other hires:

- We have hired one of the Renewable Energy Analysts who will start on January 9.

Other open positions:

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

PCE Strategic Planning

- ❖ Strategic Planning Board Subcommittee
 - Conference call with consultant on December 16
 - Board members Donna Colson, Rick DeGolia, Giselle Hale, and Laura Parmer-Lohan
 - Reviewed Stakeholder Interview results
 - Discussed and finalized Strategic Planning retreat agenda (at your places)

- ❖ Strategic Planning Retreat:
 - Saturday, January 11, 2020
 - 8 am to 1 pm
 - Orrick, 1000 Marsh Road, Menlo Park

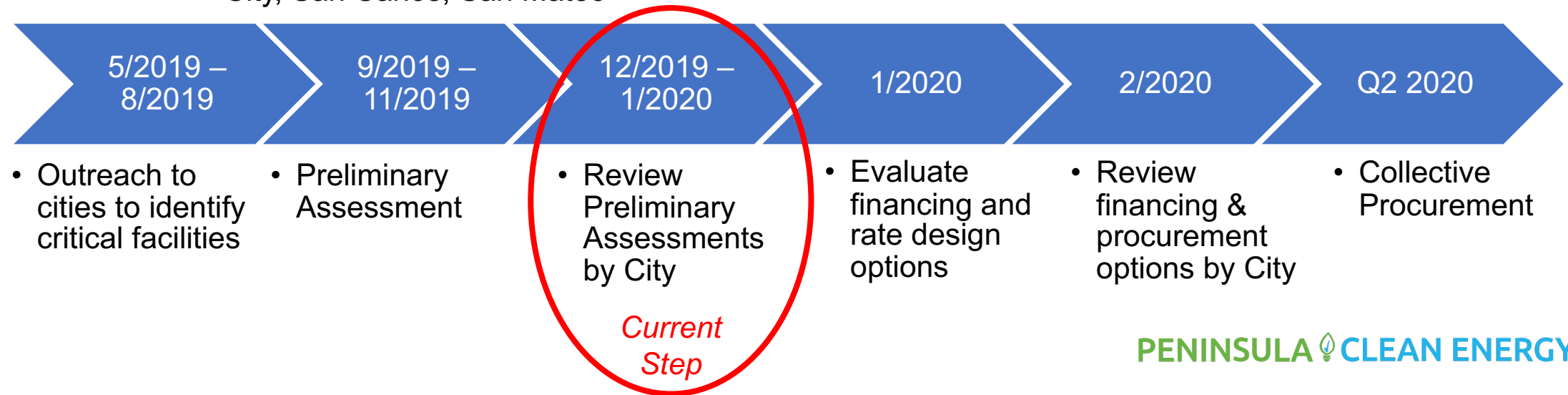
Resiliency Activities

- Board Resiliency Subcommittee met today
- Reviewed and provided input to proposed three-year resiliency plan for up to \$10 million
- Plan to be presented to PCE board in January 2020



Resilient Solar for Critical Facilities

- Q3 2018: Peninsula Clean Energy, in partnership with EBCE, was awarded a \$300k, 12-month BAAQMD grant to identify critical facilities in Alameda and San Mateo County and do preliminary assessments for backup power from solar + storage
- Q2 2019: PCE outreach to cities and county to identify potential facilities for assessment
 - May 2019: PCE presented this program at RICAPS meeting
 - June 2019 – August 2019: Outreach directly to city representatives to gather a list of prospective facilities throughout the County
- 11 cities responded to this request by identifying 118 prospective critical facility sites:
 - Belmont, Brisbane, Colma, Foster City, Half Moon Bay, Hillsborough, Millbrae, Pacifica, Redwood City, San Carlos, San Mateo



Preliminary Assessment

- Program technical consultant (ARUP) completed a facility screening process
- Each facility was scored according to 4 screening criteria
 - *Hazard Score*: Accounts for the range and severity of hazards faced by each site according to its location
 - *Service Score*: Ranks facilities based on number of people served in the immediate area
 - *Priority Zone Score*: Additional recognition for sites located within either Disadvantaged Communities (DAC) zones, Low Income zones, or both
 - *Solar Feasibility*: High-level analysis of solar photovoltaic (PV) feasibility based on roof area and shading using Google's Project Sunroof tool
- Based on this preliminary assessment, staff recommend filtering the list of sites from 118 to 90; these sites will be further studied for financial viability
- For cities that did not participate in the initial request to identify sites, please contact us to express your interest. There may be opportunities to participate in a joint procurement or a future round of scoping and analysis.

PCE Staff will be reaching out to city representatives at each of the 10 cities to schedule a meeting to review city-specific results of the initial assessment and staff recommendations for next steps.

Staff's goal is to complete these meetings by end of January.

Power Procurement Update

Existing Renewables RFP for 2-8 year terms

- Proposals received on December 16
- Received bids from 9 firms
- Evaluation underway; expected decisions in January

Long-Term PPA for Solar + Storage

- Expect to bring to board for approval in January

Reach Codes Status Update

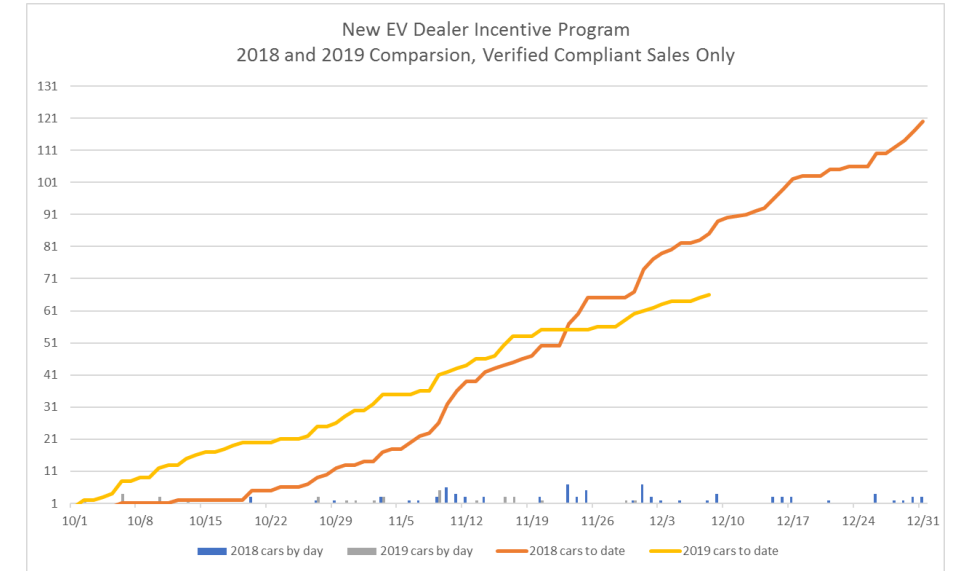
PCE Service Territory	Overall Status
Atherton	Declined
Belmont	Exploring
Brisbane	ADOPTED - elec reqd + EV
Burlingame	LOI, Exploring
Colma	LOI, Exploring
County of San Mateo	Considering - elec reqd + EV
Daly City	LOI, Exploring
East Palo Alto	Considering - elec reqd + EV
Foster City	Exploring
Half Moon Bay	Exploring
Hillsborough	LOI, Exploring
Menlo Park	ADOPTED - elec reqd
Millbrae	LOI, Exploring
Pacifica	ADOPTED - elec reqd
Portola Valley	Considering - elec preferred
Redwood City	Considering - elec reqd + EV
San Bruno	LOI, Exploring
San Carlos	Adopted - prewiring
San Mateo	ADOPTED - elec preferred + EV
South San Francisco	Exploring
Woodside	Declined

Santa Clara County	Overall Status
Campbell	Considering gas ban
County of Santa Clara	Considering elec preferred
Cupertino	ADOPTED - elec reqd + EV
Gilroy	Declined
Los Altos	Considering gas ban
Los Altos Hills	Considering elec reqd
Los Gatos	ADOPTED - elec reqd + EV
Milpitas	ADOPTED - elec preferred + EV
Monte Sereno	ADOPTED - elec prewire + EV
Morgan Hill	ADOPTED - NG ban
Mountain View	ADOPTED - elec reqd + EV
Palo Alto	ADOPTED - elec reqd
San Jose	ADOPTED - NG ban (low rise)
Santa Clara	Exploring
Saratoga	ADOPTED - elec reqd + EV
Sunnyvale	Exploring

EV Incentive Program Updates

New Dealer Incentive Program launched on October 1 and runs until December 31

- Results as of 12/9:
 - 66 verified sold, 48 pending
 - Expected total ~120
 - Issues: GM supply issues, phase out of GM Volt, GM loss of incentives, lower overall car sales



DriveForward Electric Used EV Program

- Results as of 12/10:
 - 27 vehicles sold
 - CO2 avoided over 10 years: 1400 Tons
 - Total client savings: \$35,600+ /year

Legislative/Regulatory Update

Meeting with State Senator Jerry Hill, December 3.
Attended by board members Rick Bonilla, Donna Colson, John Keener, Marty Medina, and Pradeep Gupta, and staff members Shayna Barnes, Jan Pepper, and Joe Wiedman.

Meeting with State Assembly Member Marc Berman, December 18, with SVCE.

Attended by PCE board member Jeff Aalfs, and staff members Shayna Barnes, Jan Pepper, and Joe Wiedman.

Meetings with State Senator Scott Wiener and State Assembly Member Phil Ting are being scheduled for early 2020.

Meetings with Board Members

- ❖ Woodside – December 10 with Daniel Yost, Ned Fluet (Mayor) Chris Shaw, and Town Manager Kevin Bryant (CM)
- ❖ Others will be scheduled in the New Year after city reorganizations

Gridshift Hackathon – Jan 31/Feb 1

- SVCE hosting and PCE sponsoring along with EBCE, SJCE, City of Palo Alto and Powerhouse
- <https://gridshift.splashthat.com/>
- The challenges will focus on resiliency, equity, access to clean energy, and electric transportation
- Opportunity for one interested board member to judge
- Saturday, February 1 in San Francisco
 - 6:00-6:30pm Dinner
 - 6:30-8:45pm Pitches to Judges - 3 min per team and 30 sec Q&A
 - 8:45-9:15pm Happy Hour (Judges Deliberate)
 - 9:15-9:30pm Winners Announced

Upcoming Meetings

- Citizens Advisory Committee:
 - January 9 at 6:30 p.m.
- Executive Committee:
 - January 13 at 8:00 a.m.
- Board of Directors:
 - January 11 Special Meeting – Strategic Planning Retreat from 8:00 a.m. to 1:00 p.m.
 - January 23 at 6:30 p.m. (Regular Meeting)



Regular Agenda

3. Citizens Advisory Committee Report (Discussion)

Regular Agenda

4. Audit and Finance Committee Report (Discussion)

Regular Agenda

5. Approve Amendment to Extend Calpine Agreement (Action)



Calpine Contract Amendment

Calpine Energy Services Agreement

- Current Agreement - 2-year Agreement valid through June 30, 2020
- Options:
 1. Rolling Renewal
 2. Amend and Extend
 3. New RFP
 - Other Data Management providers still on a learning curve
- Pursued Joint Negotiation with SVCE

Current Agreement Highlights

- \$1.05 per active meter per month
- AMI Based SQMD Settlement Services (Jan 2019)
- Dedicated team of PCE-only Call Center agents M-F, 7AM-7PM
- Unlimited rate changes per year

Amendment Highlights

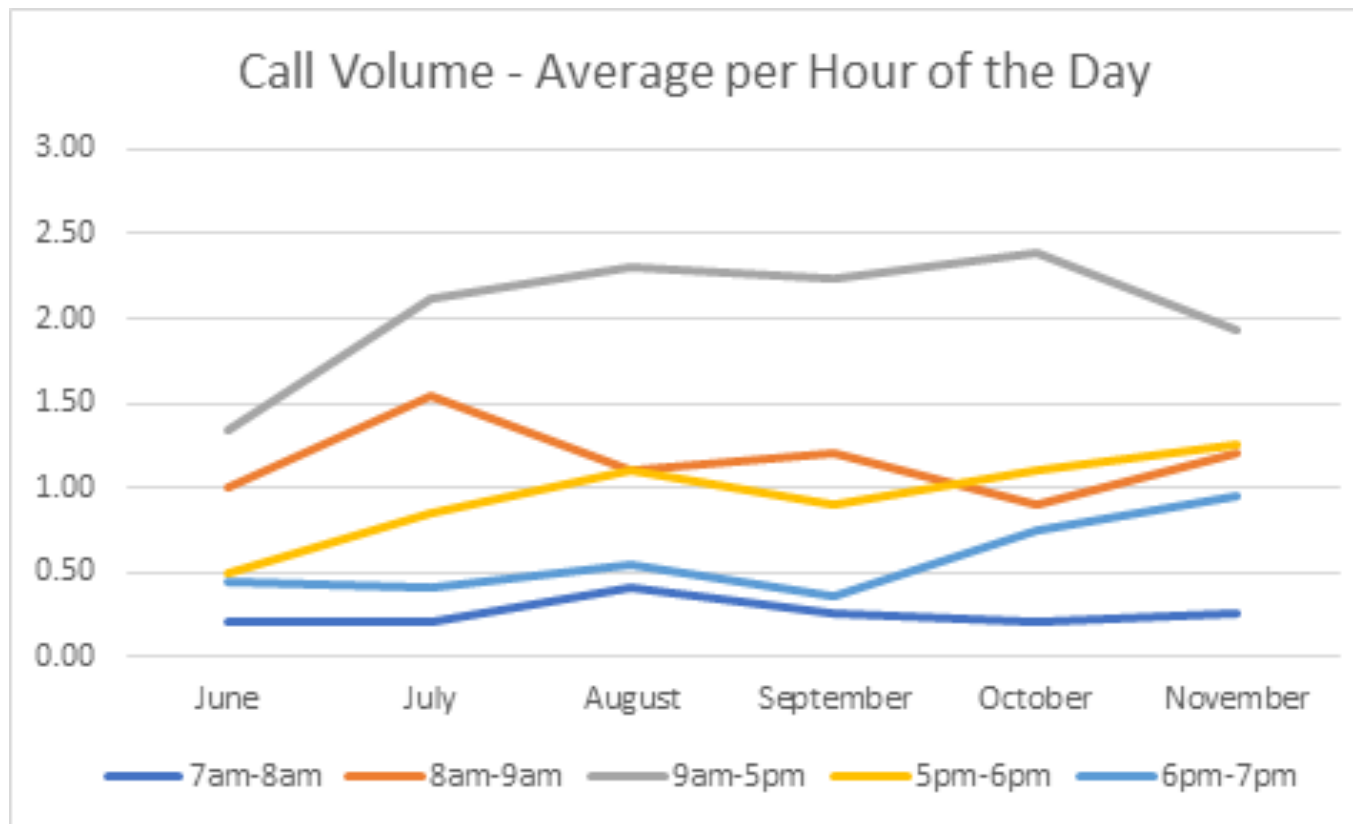
- New pricing structure
 - \$25K per month plus \$0.85 per active meter
 - ~\$0.93 per active meter per month (~10% savings)
 - Pricing fixed for contract term (5 years)
 - Option to 'buy-out' year three and four

Average Cost per Active Meter

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

Amendment Highlights

- New pricing structure
 - \$25K per month plus \$0.85 per active meter
 - ~\$0.93 per active meter per month (~10% savings)
 - Pricing fixed for contract term (5 years)
 - Option to 'buy-out' year three and four
- **Move Call Center hours back to M-F, 8AM-5PM**
 - Two dedicated PCE agents along with a shared pool of agents with SVCE and SJCE
 - Option to extend call center hours of increase dedicated agents for additional cost



Month	7am-8am	8am-9am	9am-5pm	5pm-6pm	6pm-7pm
November	4	20	214	10	9
October	4	31	340	17	8
September	8	22	370	22	11
August	5	24	359	18	7
July	4	18	382	22	15
June	5	24	310	25	19

Amendment Highlights

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 - Option to 'buy-out' year three and four
- Move Call Center hours back to M-F, 8AM-5PM
 - Two dedicated PCE agents along with a shared pool of agents with SVCE and SJCE
 - Option to extend call center hours of increase dedicated agents for additional cost
- **Include one 'structural' and three 'value only' rate changes annually**
 - **Additional rate changes billed on a sliding scale of complexity**

Amendment Highlights

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

Recommend Approving Amendment

- Increase contract NTE value by \$15M
 - Current NTE is \$10 million – increase to \$25 million
- 5-year extension beginning January 1, 2020
 - Option to buy-out contract early after year 3 or year 4 if desired by payment of termination fee equal to approx. \$325K after year 3 or approx. \$160K after year 4 (difference between 3 year vs. 5 year commitment price)

Regular Agenda

6. Review and Adopt Proposed Policy Principles for PG&E Reorganization (Action)

Proposed Policy Principles for PG&E Reorganization

- Executive Committee reviewed proposed principles for publicly owned option
- Comments from Dan Richard
- Action by board to adopt principles

Regular Agenda

7. CPUC Process for Setting PG&E's 2020 PCIA (exit fee) Rates (Discussion)

IOU Rate Change Acronyms

Energy Resource Recovery Account (ERRA) Forecast

- Annual Application process forecasting next year's rates

Energy Resource Recovery Account (ERRA) Compliance

- Annual Application process reviewing last year's generation costs

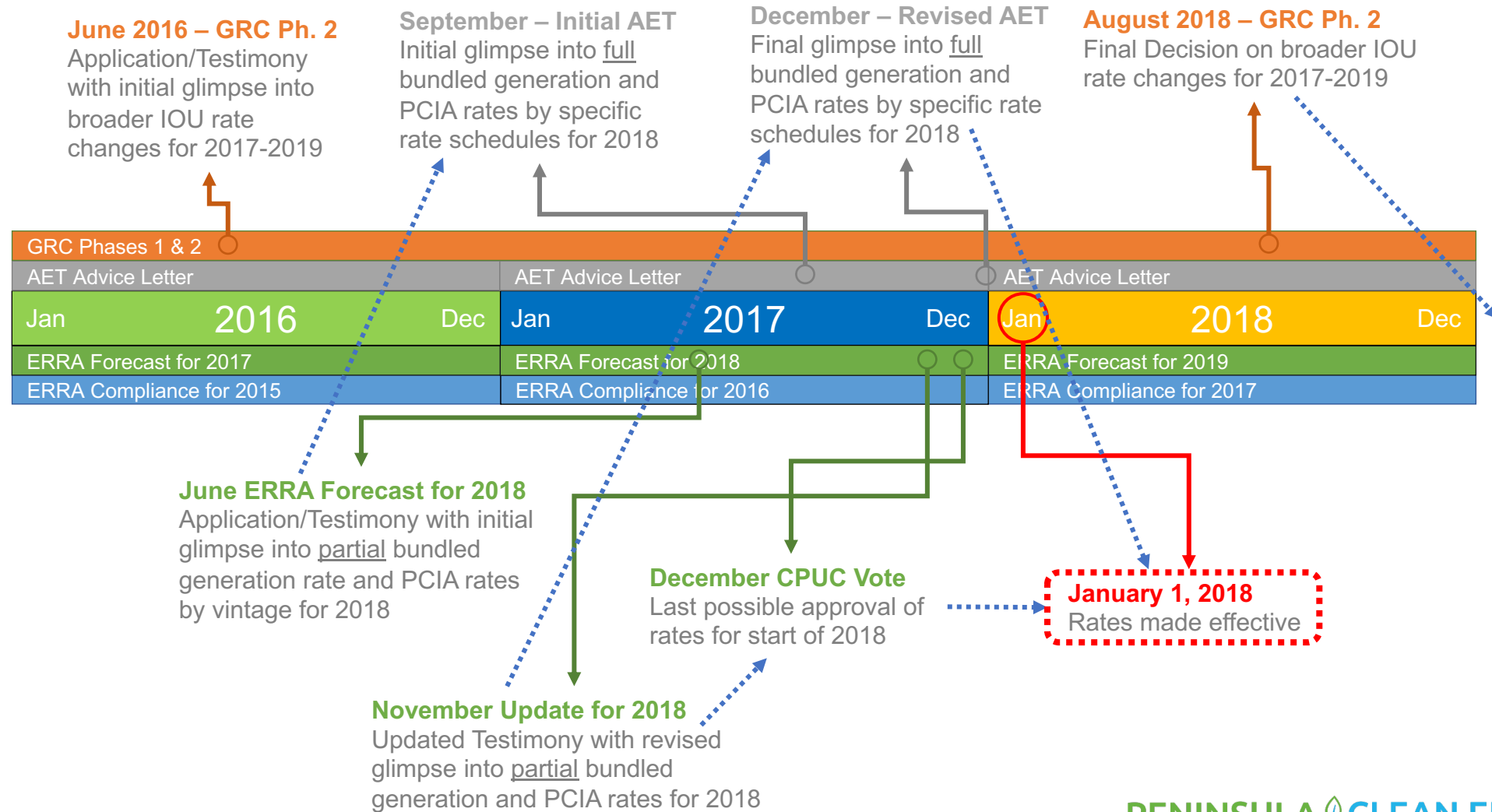
Annual Electric True-Up (AET)

- Annual Advice Letter process summarizing authorized rate changes

General Rate Case (GRC)

- 3-Year Application process with two phases
- Phase 1 – Addresses overall IOU revenue requirements by lines of business (Elec. Gen, Elec. Dist., & Gas)
- Phase 2 – Addresses how IOU revenue requirements are allocated by customer classes

Normal PG&E Rate Change Timeline



PCIA Rulemaking – R.17-06-026

- Timing** Started in June 29, 2017 and remains active
- Phase 1** Methodology changes – Concluded on October 11, 2018
Resulted in Decision D.18-10-019
- Phase 2** Additional changes via Working Groups (WGs) – Ongoing
- **WG 1 – Benchmark True-Up & Other Benchmarking Issues**
Partially resolved with Decision D.19-10-001
 - **WG 2 – Prepayment**
Resolved by early 2020
 - **WG 3 – Portfolio Optimization, Cost Reduction, Allocation & Auction**
Resolved by mid-2020

PCIA Rulemaking – R.17-06-026

Substance

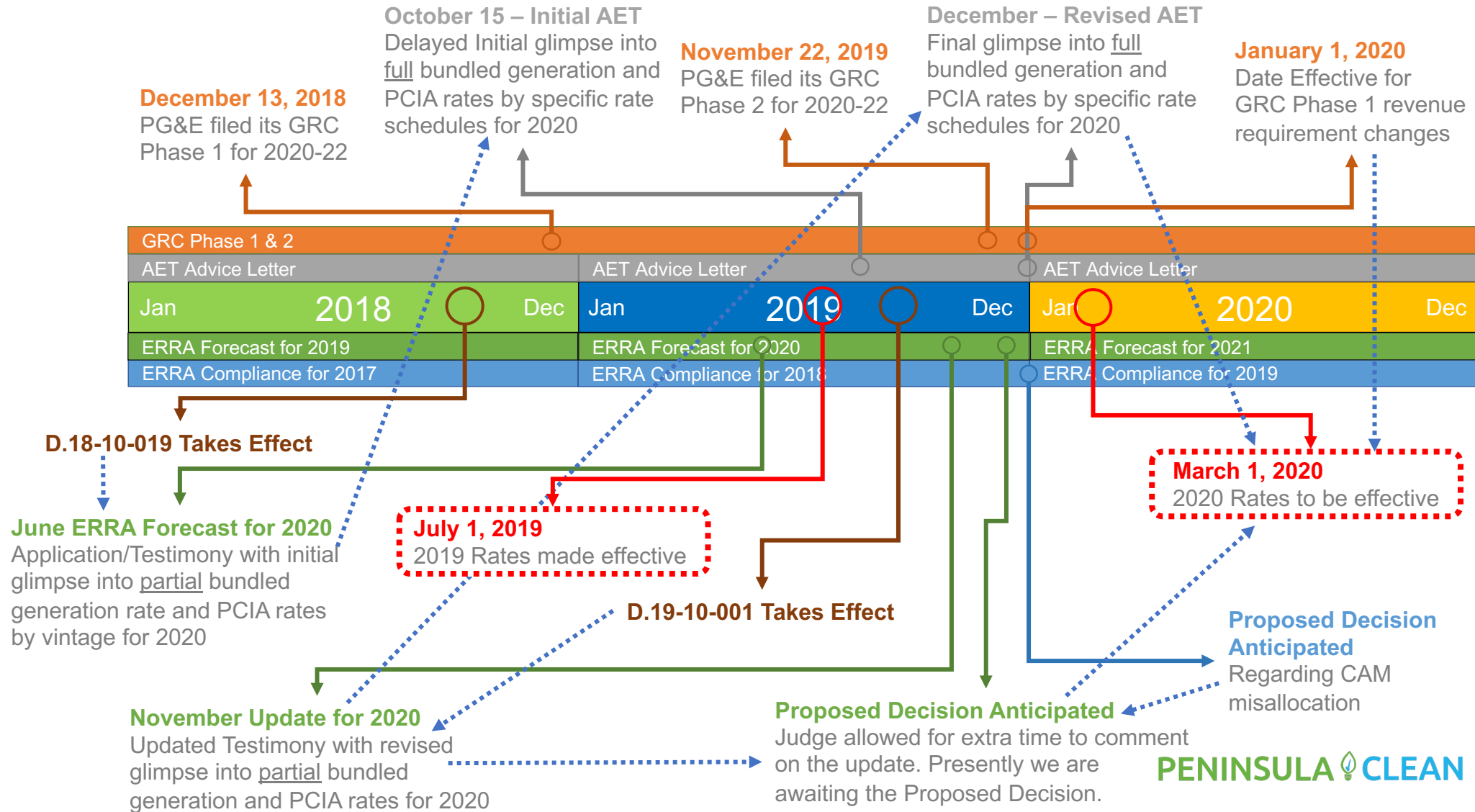
D.18-10-019 – Wholesale Changes

- Adopts new valuation of brown, green, and capacity benchmarks
- Changes PCIA allocation by customer classes by using GRC allocators
- Establishes a true-up of forecasted valuation with actual market transactions
- Clarifies the duration of cost recovery for Utility Owned Generation
- Creates a ±0.5¢/kWh cap to annual PCIA rate changes
- Requires balancing accounts and triggers to contain over/under-collections

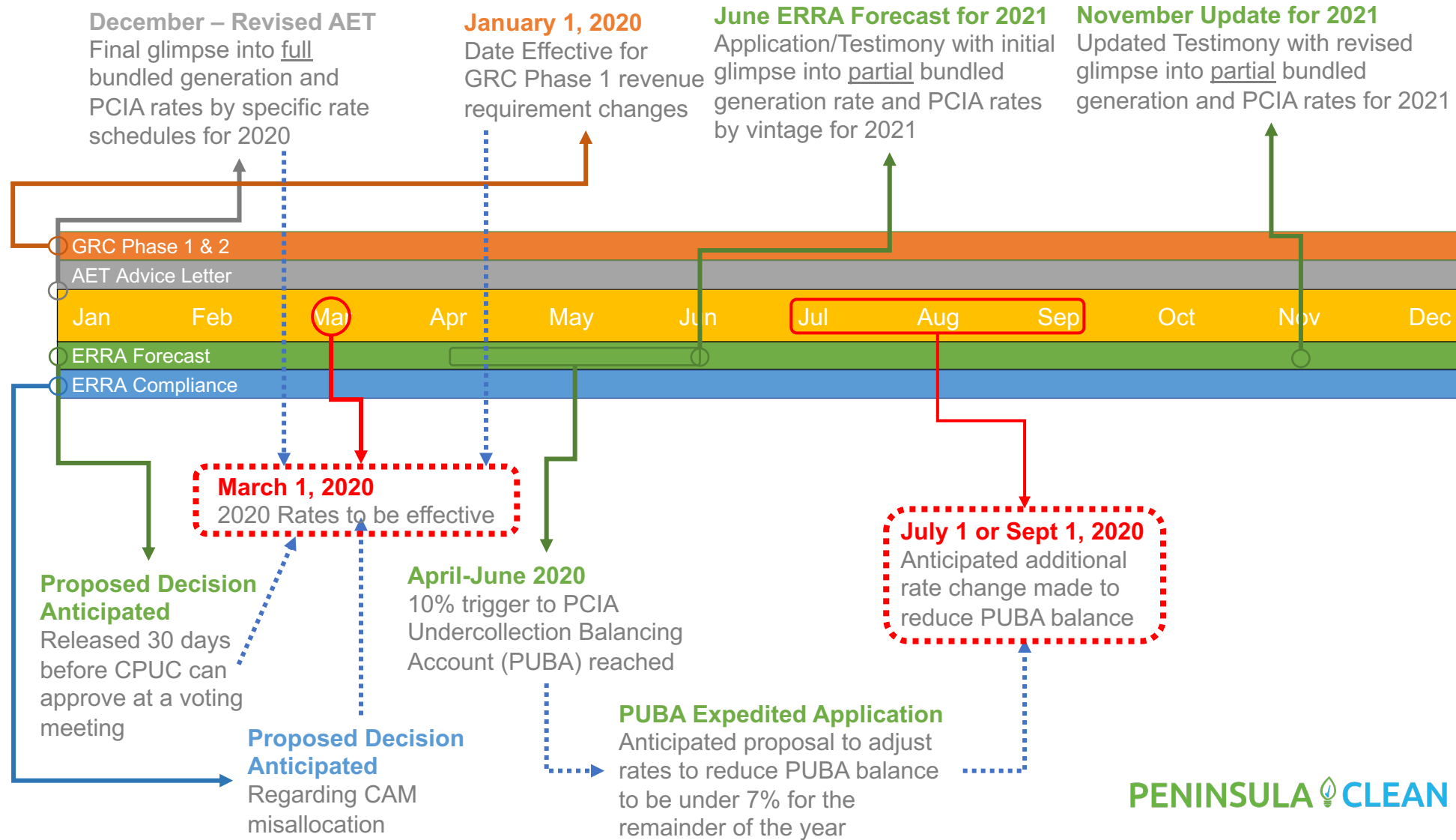
D.19-10-001 – Further Refinements

- Clarifies valuation for green and capacity benchmarks
- Changes PCIA allocation by vintage to account for historic load departures
- Expands upon the details of the true-up process

Present PG&E Rate Change Timeline



2020 PG&E Rate Change Timeline



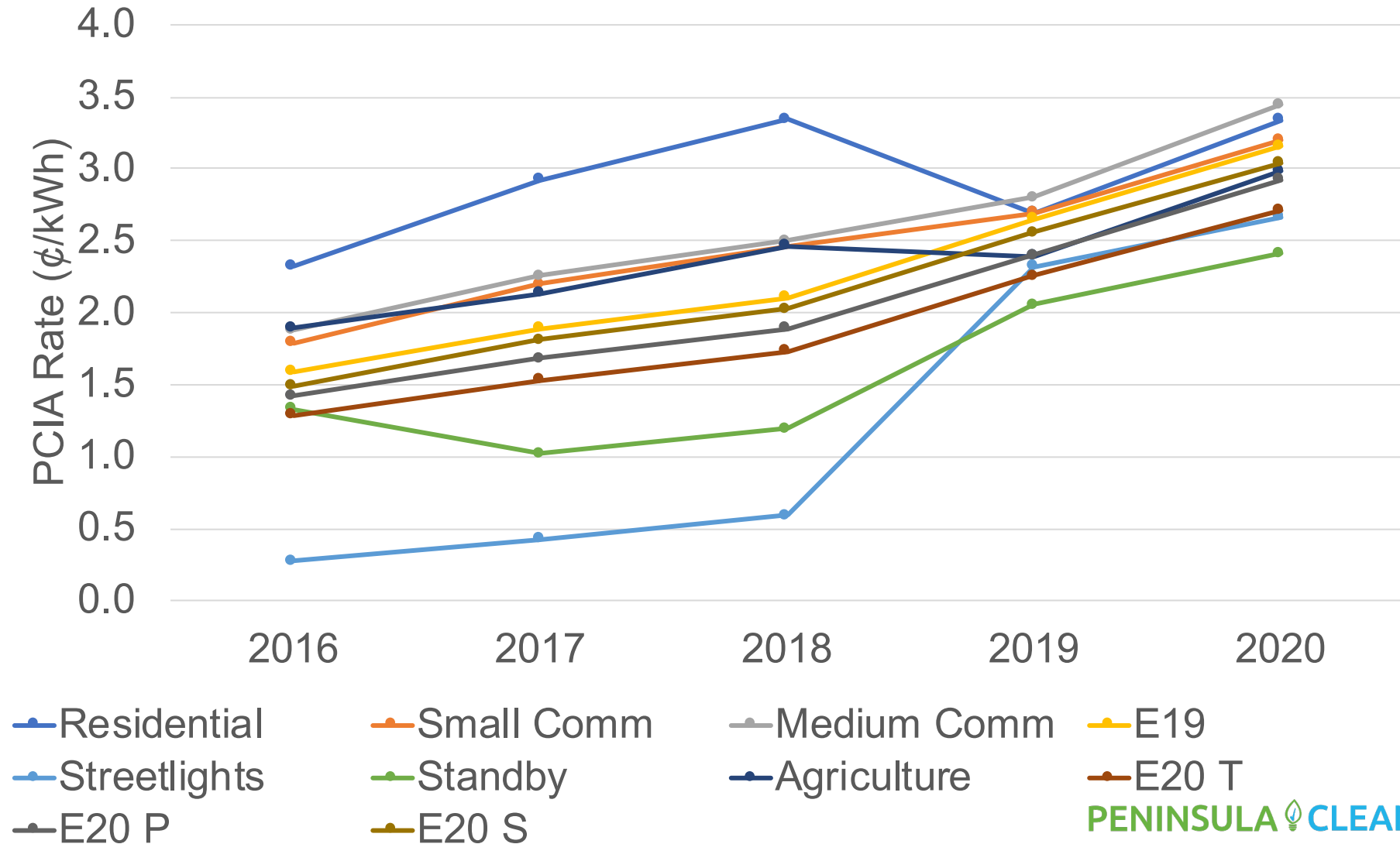
2020 PG&E PCIA Rate Outlook

	2019 PCIA (¢/kWh)	“Capped” PCIA for 2020	Δ
Residential	2.70	3.34	0.65
Small Comm	2.69	3.20	0.51
Medium Comm	2.80	3.45	0.64
E19	2.65	3.16	0.51
Streetlights	2.32	2.66	0.34
Standby	2.05	2.41	0.36
Agriculture	2.39	2.99	0.59
E20 T	2.26	2.71	0.46
E20 P	2.40	2.92	0.52
E20 S	2.56	3.04	0.48
System Average	2.68	3.18	0.50

Uncapped Rates for 2020 RRQ			
PG&E Proposed	Adjusted for CAM	JCCA Proposed	Δ
4.72	4.64	4.20	-0.52
4.52	4.44	4.02	-0.50
4.87	4.79	4.33	-0.54
4.46	4.39	3.97	-0.49
3.76	3.70	3.35	-0.41
3.41	3.35	3.04	-0.37
4.22	4.15	3.75	-0.47
3.83	3.77	3.41	-0.42
4.13	4.06	3.67	-0.46
4.30	4.22	3.82	-0.48
4.52	4.44	4.02	-0.50

1. These are NOT the rates that the trigger would impose
2. The trigger will adjust for $\pm 3\%$ of the under/over-collection (i.e. 10% \rightarrow 7% of the overall revenue requirement)
3. The uncapped rates will impact how soon the trigger occurs

Historic PG&E PCIA Rates



Questions?

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Regular Agenda

8. Board Members' Reports (Discussion)

Regular Agenda

Adjourn