



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, February 27, 2020
6:30 pm**

Peninsula Clean Energy, 2075 Woodside Road,
Redwood City, CA 94061

Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Anne Bartoletti, Board Clerk, at least 2 working days before the meeting at abartoletti@peninsulacleanenergy.com. Notification in advance of the meeting will enable the PCEA to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it. Attendees to this meeting are reminded that other attendees may be sensitive to various chemical based products.

If you wish to speak to the Board, please fill out a speaker's slip located on the tables as you enter the Board meeting room. If you have anything that you wish to be distributed to the Board and included in the official record, please hand it to a member of PCEA staff who will distribute the information to the Board members and other staff.

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

This item is reserved for persons wishing to address the Board on any PCEA-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda and/or Closed Session Agenda; 3) Chief Executive Officer's or Staff Report on the Regular Agenda; or 4) Board Members' Reports on the Regular Agenda. Public comments on matters not listed above shall be heard at the time the matter is called.

As with all public comment, members of the public who wish to address the Board are requested to complete a speaker's slip and provide it to PCEA staff. Speakers are customarily limited to two minutes, but an extension can be provided to you at the discretion of the Board Chair.

ACTION TO SET AGENDA and TO APPROVE CONSENT AGENDA ITEMS

This item is to set the final consent and regular agenda, and for the approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.

REGULAR AGENDA

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Citizens Advisory Committee Report (Discussion)
4. Audit and Finance Committee Report (Discussion)
5. State Legislative Advocacy (Discussion)
6. Approve Revised Reserves Policy (Action)
7. Schools Program Update (Discussion)
8. Approve Grant for San Mateo County Office of Education (SMCOE) San Mateo Environmental Learning Collaborative (SMELC) Clean Energy Teacher Fellowship Program (Action)
9. Approve Grant for San Mateo County Office of Education (SMCOE) San Mateo Environmental Learning Collaborative (SMELC) Clean Energy Administrator Fellowship Program (Action)
10. Board Members' Reports (Discussion)

CONSENT AGENDA

11. Approve Extension of Contract with Pacific Energy Advisors (PEA) (Action)
12. Approve JPA (Joint Powers Authority) Voting Shares (Action)
13. Approve NEM (Net Energy Metering) Cash Out Cap (Action)
14. Approval of the Minutes for the January 11, 2020 Special Meeting (Action)
15. Approval of the Minutes for the January 23, 2020 Meeting (Action)

INFORMATION ONLY REPORTS

16. Marketing and Outreach Report
17. Regulatory and Legislative Report
18. Community Energy Programs Report

19. Procurement Report

20. Resiliency Strategy Report

21. Financial Reports for Quarter 2, Fiscal Year 2019-2020

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: February 18, 2020
BOARD MEETING DATE: February 27, 2020
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 a Senior Renewable Energy Analyst will be added to the PCE team in March.

Current open positions which can be found on the PCE website under "Join Our Team":

- Regulatory Analyst
- Manager, DER Strategy

PCE Strategic Planning Activities

The Gallagher Consulting Group (GCG) facilitated the Board's Strategic Planning Retreat in January, and facilitated the Senior Staff Strategic Planning Retreat on February 5th. PCE staff are actively engaged in fleshing out the planning document and providing additional feedback to GCG. GCG will then develop a draft plan document to review with the Strategic Planning Subcommittee in early March, so that the plan can be reviewed by the full Board in March.

Other Meetings and Events Attended by CEO

Spoke on a panel at the CCA Infocast Conference: "Impacts of PG&E Bankruptcy on CCA and Utility Relationships" on January 23.

Participated in Climate Leadership in San Mateo County 2.0 on January 29.

Attended and presented opening remarks at the SMELC Clean Energy/Clean Water Capstone Event on February 3.

Attended the Joint Venture Silicon Valley (JVSV) State of the Valley on February 14.



**PENINSULA CLEAN ENERGY
Board Correspondence**

DATE: February 19, 2020
BOARD MEETING DATE: February 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Andy Stern, Chief Financial Officer, Peninsula Clean Energy
SUBJECT: Approve Revised Financial Reserves Policy

RECOMMENDATION:

Approve revised Financial Reserves Policy.

BACKGROUND

Peninsula Clean Energy (PCE) adopted the current Financial Reserves Policy on June 28, 2018. That policy requires staff to review the policy annually. At the time of the policy adoption, PCE's total cash balance was approximately \$65 million representing approximately 135 days of cash on hand. The Board's Audit & Finance Committee (A&FC) met on February 10, 2020 to review the current policy structure and required size of reserves. At that meeting, PCE staff recommended establishing a single reserve set at 180 days, and increasing that gradually to 210 days by June 30, 2024. The AF&C provided input and direction to set a single reserve at 180 days, and to review annually whether it made sense to adjust toward an end goal of 210 days.

The current reserve policy is summarized as follows:

PCE will maintain reserves at the following funding levels:

Operating / Working Capital Reserve equal to 120 days of operating expenses, including power supply expenses:

- The Operating / Working Capital Reserve includes the Rate Stabilization/ Contingency Reserve equal to 15% of projected revenues to mitigate volatility in the power markets and the Power Charge Indifference Adjustment (PCIA).

- If the Rate Stabilization Reserve calculation exceeds 120 days of operating expenses, the Operating Reserve will be increased accordingly.

DISCUSSION:

Financial reserves, held as cash, are required to provide liquidity and to mitigate volatility in operations or expenses. The electricity markets are historically volatile. While PCE invests significantly in measures and structures to limit that volatility, the energy markets are volatile and PCE is subject to many of those volatile elements in addition to regulatory risks.

PCE staff have reviewed the current Financial Reserves Policy and evaluated the levels and structure of the required reserves. The current reserve structure was established when the organization was still relatively new and had a smaller cash balance and a limited operating history. Since that time, PCE's operations have grown substantially and have become significantly more complex. Staff believes that higher reserves are important to provide adequate liquidity based on the larger size and complexity of the organization and adequate protection from more complex/unanticipated expenses.

Current Reserve Structure

The current policy set an Operating/Working Capital Reserve to be equal to 120 days of operating expenses (including power supply expenses, the largest expense category). In addition, the reserve policy requires a separate calculation of 15% of projected revenues for a separate Rate Stabilization Reserve. However, the Rate Stabilization Reserve is only applicable if that calculated amount exceeds the required 120 days of operating expenses. Per the policy, in the event that the Rate Stabilization Reserve amount exceeds the 120-day level, the required total reserve would be adjusted upwards to reflect the calculated Rate Stabilization Reserve amount. From a practical standpoint, this would never happen unless revenues were more than twice the level of total expenses.

Specific Reserves versus General Reserve

Some large utility entities maintain separate reserves for specific purposes; e.g. rate stabilization. However, in PCE's current operation structure, having such a reserve structure does not provide the same value. Other large, utility organizations often have bond covenants to meet as part of issued debt. To do that, they often maintain specific reserves to draw down from to "manage" the annual income statement to meet such covenants. PCE's Board has the right and opportunity to set rates at any level at any time. In the event that the Board decided that recommended rates were too high, PCE's Board could decide to budget for less positive change in net position (or budget for a loss) in order to not pass along rate changes. Having a reserve for this purpose would not change the accounting treatment nor change the decision to have lower rates. However, having larger reserves does enable the organization to withstand losses (or less income) if that decision was made.

Reserve Level

There is no "right" level of reserve. However, staff has discussed options and researched comparable CCAs to provide guidance for its recommended level. Rating agencies rate organizations like PCE on a number of criteria; days of cash on hand is one of those criteria. A few data points are as follows:

- Rating agencies believe that more reserves are always better
- Rating agencies appear to be raising their levels of days cash on hand required by CCAs for each rating level
- Having a reserve level that is not met would be scrutinized and require explanation

- On November 21, 2019, MCE increased its liquidity target to 240 days by FY2021-22 from the prior target of 140 days (projected current year is 158 days)

Recommendation

Based on the direction of the Board's Audit & Finance Committee, PCE staff is recommending that we have just one, easily understandable reserve set at 180 days of operating expenses as cash on hand.

FISCAL IMPACT:

No fiscal impact.

ATTACHMENTS

1. Current Financial Reserves Policy #18 (Redlined)
2. Proposed/Revised Financial Reserves Policy #18

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION APPROVING REVISION TO THE FINANCIAL RESERVES POLICY
(POLICY #18) INCREASING THE FINANCIAL RESERVE AMOUNT**

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

WHEREAS, the Board of the Peninsula Clean Energy Authority approved a financial reserves policy on June 28, 2018 identified as Policy #18; and

WHEREAS, the financial reserves policy approved on June 28, 2018 sets a financial reserve policy of 120 days of operational expenses as cash on hand; and

WHEREAS, the PCE Board of Directors has determined that the reserve levels established when Policy #18 was adopted are not sufficient to provide the financial stability and contingency protection required for the current organization in the event of material, unexpected expenditures; and

WHEREAS, the PCE Board of Directors desires to increase the reserve policy to 180 days of operational expenses as cash on hand; and

NOW, THEREFORE, IT IS HEREBY RESOLVED that the Board approves the revised PCE Financial Reserves Policy dated February 27, 2020.

* * * * *



Policy Number: 18
Original Adoption Date:
June 28, 2018
Revised: February 27, 2020

Subject: Financial Reserves Policy

Purpose: Peninsula Clean Energy (PCE) will maintain Financial Reserves as described in this policy to:

- Meet PCE's strategic objectives
- Secure favorable commercial terms with vendors, including power producers
- Secure future stand-alone PCE credit rating
- Provide a contingency to provide rate stability for PCE customers
- Provide a source of funds for unanticipated expenditures

Policy Guidelines: PCE will maintain cash reserves at the following funding level;

- Operating / Working Capital Reserve equal to ~~one hundred eighty (180)~~ days of total operating expenses (including power supply expenses) held as unrestricted cash. Unrestricted cash is equal to total cash less:
 - cash held in restricted accounts (as collateral or by covenant), and
 - estimated future fiscal year commitments for Community Energy programs that have been approved by the Board.

Spending Authority: Authority to spend from the reserves must align with Board approved budgets and must be approved by the Board.

Review of Policy: PCE staff will review the Reserve Policy annually to ensure it meets the needs of the agency.

Deleted: the

Deleted: s

Deleted: 120

Deleted: ,

Deleted: ;

Deleted: <#>The Operating / Working Capital Reserve includes the Rate Stabilization/ Contingency Reserve equal to 15% of projected revenues to mitigate volatility in the power markets and the Power Charge Indifference Adjustment (PCIA).¶
<#>If the Rate Stabilization Reserve calculation exceeds 120 days of operating expenses, the Operating Reserve will be increased accordingly.¶



Policy Number: 18

Original Adoption Date:

June 28, 2018

Revised: February 27, 2020

Subject: Financial Reserves Policy

Purpose: Peninsula Clean Energy (PCE) will maintain Financial Reserves as described in this policy to:

- Meet PCE's strategic objectives
- Secure favorable commercial terms with vendors, including power producers
- Secure future stand-alone PCE credit rating
- Provide a contingency to provide rate stability for PCE customers
- Provide a source of funds for unanticipated expenditures

Policy Guidelines: PCE will maintain cash reserves at the following funding level:

- Operating / Working Capital Reserve equal to one hundred eighty (180) days of total operating expenses (including power supply expenses) held as unrestricted cash. Unrestricted cash is equal to total cash less:
 - cash held in restricted accounts (as collateral or by covenant), and
 - estimated future fiscal year commitments for Community Energy programs that have been approved by the Board

Spending Authority: Authority to spend from the reserves must align with Board approved budgets and must be approved by the Board.

Review of Policy: PCE staff will review the Reserve Policy annually to ensure it meets the needs of the agency.



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: February 14, 2020
BOARD MEETING DATE: February 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Karen Janowski, Director of Marketing and Community Affairs

SUBJECT: Approve Grant Funds for San Mateo County Office of Education (SMCOE) San Mateo Environmental Learning Collaborative (SMELC) Clean Energy Teacher Fellowship

RECOMMENDATION:

Approve up to \$90,000 in grant funding for the 2020-21 San Mateo County Office of Education San Mateo Environmental Learning Collaborative [Clean Energy Teacher Fellowship](#) program.

DISCUSSION:

BACKGROUND

The San Mateo Environmental Learning Collaborative (SMELC) Clean Energy Teacher Fellowship is a paid fellowship program that helps teachers build capacity for developing lesson plans aimed at increasing environmental literacy, academic success, and civic engagement for a carbon free energy future.

Peninsula Clean Energy previously provided \$25,000 in grant funds for a 2019-20 pilot year of the SMELC Clean Energy Teacher Fellowship. Thirteen teachers completed the program and developed clean energy units of study. The pilot reached 970 students.

School	District	Grade Level	Subject Area	Number of Students Reached
Summit Public Schools: Shasta	Jefferson Union	10	Science	146

Bayshore School	Bayshore Elementary	7-8	Science	100
Borel Middle School	San Mateo – Foster City	6-7	Social Studies and AVID	185
Foster City Elementary School	San Mateo – Foster City	K-5	P.E.	48
Aragon High School	San Mateo Union	9-12	Science	100
Ormondale Elementary	Portola Valley	K	All	17
La Entrada	Las Lomitas	7	Science	145
Hillview Middle School	Menlo Park City	6-8	Science	95
Hoover Elementary School	Redwood City	K-1	All	20
Willow Oaks School	Ravenswood City	2-3	All	22
Willow Oaks School	Ravenswood City	4	All	32
Arroyo School	San Carlos	4	All	30
Arroyo School	San Carlos	4	All	30
Total Students Reached				970

The San Mateo County Office of Education has asked Peninsula Clean Energy to fund up to \$90,000 to expand the 2020-21 SMELC Clean Energy Teacher Fellowship.

Peninsula Clean Energy's support of this program aligns with our goals to support workforce development, build brand awareness, encourage participation with our programs, and increase environmental literacy throughout the County. School sites are a target audience for Peninsula Clean Energy's Electric Vehicle Charging Infrastructure and energy resiliency projects.

PROGRAM OVERVIEW

Teachers of all grades (TK-12) and subjects in San Mateo County are encouraged to apply for the 2020-21 Clean Energy Fellowship. The target participation is 40 teachers, which has an estimated potential to reach 2,500 students per year. Teachers will be provided a \$1,000 stipend and will be eligible for 3 Continuing Education Units.

There are four main components to the Fellowship:

- **Energy Summer Institute:** Professional learning intensive about energy issues that centers around building knowledge and skills, and unit design for implementation in the Fall Semester. The Institute curriculum is being co-developed with SMCOE, Peninsula Clean Energy, and other community partners. There will be two Summer Institutes offered to teachers throughout the

summer. The first Summer Institute will be June 15-19, and the second Summer Institute will be August 3 -7.

- **Fall Semester Guided Implementation & Practice:** Ongoing support through coaching, content knowledge development, and collaboration in the Fall Semester.
- **February 2021 Final Deliverables:** A finalized and piloted unit of study about energy, reflection presentation, and completion ceremony.
- **Ongoing Community Partner Support:** Support for establishing a partnership with community and environmental education partners. Partners include San Mateo Energy Watch, Clean Coalition, Strategic Energy Innovations, and CuriOdyssey.

Clean Energy Teacher Fellowship	
Grades	TK/K - 12
Teacher Subjects	All
Stipend	\$1,000 per teacher
Summer Institute	2 Institutes (4 days each)
Unit Focus	Standards aligned problem-based learning unit focused on Energy Issues
Professional Development	Eligibility for 3 Continuing Education Units

ESTIMATED BUDGET

Item	Peninsula Clean Energy	SMCOE	Description
Marketing and Outreach	-	\$6,000	Website, newsletters, and creation of video from pilot program.
Administrative Support	-	\$2,000	Registration, coordinating logistics, etc.
Program Planning and Facilitation	\$6,000	\$15,000	Development and program facilitation: planning fee, facilitation fee
Workshop and Capstone Event	\$4,000	\$5,000	Materials, food, and beverage
Teacher Stipend	Up to \$40,000	-	\$1,000 stipend for each Clean Energy Teacher Fellow upon completion
Instructional Coaching Services	\$30,000	-	Instructional Coaching for fellows
Program Evaluation	\$10,000	-	Program Evaluation
Indirect Expenses (12.64%)	-	\$14,915	SMCOE
Total Amount Requested	Up to \$90,000	\$42,915	Subtotals from Each Contributor
Total for Program	\$132,915		

PROGRAM EVALUATION

Success of this program will be measured by a number of metrics that seek to evaluate both the impact on the fellows, and the greater impact of the project on the community. The following are general categories and strategies:

- Fellowship Participant Evaluation: A pre and post survey (as well as feedback from monthly workshops) for the participants will evaluate program outcomes in regard to knowledge base and skill development.
- Unit of Study Impact: Fellows will be required to gather metrics from their Unit of Study such as: number of students served, increased awareness of environmental issues, self-reported change in behavior, greenhouse gas emissions reductions, etc.

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION APPROVING GRANT FUNDS FOR THE SAN MATEO COUNTY
OFFICE OF EDUCATION SAN MATEO ENVIRONMENTAL LEARNING
COLLABORATIVE (SMELC) 2020-21 CLEAN ENERGY TEACHER FELLOWSHIP IN
AN AMOUNT NOT TO EXCEED \$90,000.**

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

WHEREAS, Peninsula Clean Energy was formed on February 29, 2016; and

WHEREAS, Peninsula Clean Energy established goals to help students and teachers increase their understanding of Peninsula Clean Energy, equip students and teachers with an understanding of their electric bill, and increase their understanding of electricity content, usage, conservation and greenhouse gas emission reduction; and

WHEREAS, Peninsula Clean Energy previously provided \$25,000 in grant funds to the San Mateo County Office of Education for a 2019-20 pilot-year of the SMELC Clean Energy Teacher Fellowship to meet Peninsula Clean Energy's goals; and

WHEREAS, the 2019-20 Clean Energy Teacher Fellowship program reached 13 teachers and 970 students; and

WHEREAS, San Mateo County Office of Education seeks funding to expand the Clean Energy Teacher Fellowship; and

WHEREAS, expansion of the Clean Energy Teacher Fellowship can continue to achieve Peninsula Clean Energy's goals; and

WHEREAS, Peninsula Clean Energy Board of Directors delegated Chief Executive Officer authority to execute contracts in an amount not to exceed \$100,000; and

WHEREAS, the contract for the 2020-21 SMELC Teacher Fellowship is within the Chief Executive Officer's authority to execute; and

WHEREAS, the cumulative dollar amount of the 2020-21 SMELC Teacher Fellowship and the SMELC Administrator Fellowship exceeds the Chief Executive Officer's contract execution authority of \$100,000.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves grant funds for the San Mateo County Office of Education San Mateo Environmental Learning Collaborative 2020-21 Clean Energy Teacher Fellowship in an amount not to exceed \$90,000.

* * * * *



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: February 14, 2020
BOARD MEETING DATE: February 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Karen Janowski, Director of Marketing and Community Affairs

SUBJECT: Approve Grant Funds for San Mateo County Office of Education (SMCOE)
San Mateo Environmental Learning Collaborative (SMELC) Clean Energy
Administrator Fellowship

RECOMMENDATION:

Approve up to \$50,000 in grant funding for the 2020 San Mateo County Office of Education San Mateo Environmental Learning Collaborative (SMELC) [Administrator Fellowship](#) program.

DISCUSSION:

BACKGROUND

The San Mateo County Office of Education has asked Peninsula Clean Energy to fund up to \$50,000 for the 2020 SMELC Administrator Fellowship (January - December 2020).

Peninsula Clean Energy's support of this program aligns with our goals to support workforce development, build brand awareness, encourage participation with our programs, and increase environmental literacy throughout the County. School sites are a target audience for Peninsula Clean Energy's Electric Vehicle Charging Infrastructure and energy resiliency projects.

PROGRAM OVERVIEW

The SMELC Administrator Fellowship is a year-long paid fellowship program that supports administrators and educational leaders to drive environmental transformation across their school community. At the core of this program is the development and

implementation of an Action Plan that greens one aspect of the facilities and operations within the Fellow's school or district and is leveraged in curriculum and instruction as an opportunity for learning. Each Fellow will be provided with a \$2,500 stipend and will be eligible for Continuing Education Units.

There are four main components to the Fellowship:

- **7 Program Workshops** – Workshops will focus on developing knowledge and skills for leading projects focused on whole school sustainability integration, environmental literacy, and Climate Ready schools.
- **Develop and Implement Action Plan** - With support from program facilitators and coaches, each fellow will develop an action plan that does one or more of the following:
 - greens one aspect of their school/district's facilities and operations, and utilizes these efforts in the curriculum as an opportunity for learning;
 - develops and implements a strategic plan for integrating environmental literacy into the curriculum and instruction for all students at every grade level;
 - supports a project that prepares the school/district to be Climate Ready in one focus area (high heat, floods, wildfires, etc).
- **Case Study Write-Up and Presentation** - All participants of the program will submit a final case study reflection that includes the Action Plan, details of implementation, measured impact, and reflections on lessons learned. This information will be shared through a December 2020 Capstone Presentation.

This program launched in January 2020. Fifteen fellows have been accepted into the program.

Title	School	City
Vice Principal	Fernando Rivera Middle School	Daly City
Principal	Garden Village Elementary School	Daly City
Principal	Lincoln Elementary School	Burlingame
Science Teacher on Assignment	Millbrae Elementary School District	Millbrae
Principal	Belle Air Elementary School	San Bruno
Principal	Rollingwood Elementary School	San Bruno
Principal	Portola Elementary	San Bruno
Counselor	LEAD Elementary	San Mateo
Science Teacher on Assignment	Belmont-Redwood Shores Elementary School District	Belmont/Redwood City
Principal	Tierra Linda Middle School	San Carlos
Principal	Central Middle School	San Carlos
AP-Environmental Science Teacher	Aragon High School	San Mateo
Science Teacher on Assignment	Sequoia Union High School District	Redwood City
Sustainability Coordinator	Nueva School	Hillsborough/San Mateo

Class Advisor	El Camino High School	South San Francisco
---------------	-----------------------	---------------------

EVALUATION METRICS

Success of this program will be measured by a number of metrics that seek to evaluate both the impact on the fellows, and the greater impact of the project on the community.

The following are general categories and strategies:

- Fellowship Participant Evaluation: A pre and post survey (as well as feedback from monthly workshops) for the participants will evaluate program outcomes in regard to knowledge base and skill development.
- Community Impact Assessment: Fellows will be required to gather metrics from community action projects, such as: number of students served, greenhouse gas emission reductions, increased awareness of environmental issues, self-reported change in behavior, etc.

ESTIMATED BUDGET

Item	Peninsula Clean Energy	SMCOE	Description
Administrative Support	-	\$2,000	Registration, coordinating logistics, etc.
Program Planning and Facilitation	\$12,500	\$17,500	Development and program facilitation: planning fees, facilitation fees
Workshop and Capstone Event	-	\$5,000	Materials, food, and beverage
Administrator Stipend	Up to \$37,500	-	\$2,500 per fellow completing program
Other Partner services	-	\$7,000	Guest Speakers, Program Evaluation, etc.
Indirect Expenses (12.64%)	-	\$10,302	Required to calculate by SMCOE
Total Amount Requested	Up to \$50,000	\$41,802	
Total for Pilot	\$91,802		

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION APPROVING GRANT FUNDS FOR THE SAN MATEO COUNTY
OFFICE OF EDUCATION SAN MATEO ENVIRONMENTAL LEARNING
COLLABORATIVE (SMELC) 2020 CLEAN ENERGY ADMINISTRATOR
FELLOWSHIP, IN AN AMOUNT NOT TO EXCEED \$50,000.**

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

WHEREAS, Peninsula Clean Energy was formed on February 29, 2016; and

WHEREAS, the San Mateo County Office of Education seeks funding for the 2020 SMELC Administrator Fellowship; and

WHEREAS, the SMELC Administrator Fellowship aligns with Peninsula Clean Energy's goals to support workforce development, build brand awareness, encourage participation with energy programs, and increase environmental literacy throughout the San Mateo County; and

WHEREAS, the Peninsula Clean Energy Board of Directors delegated the Chief Executive Officer authority to execute contracts in an amount not to exceed \$100,000; and

WHEREAS, the not to exceed \$50,000 contract for 2020 SMELC Administrator Fellowship is within Chief Executive Officer's authority to execute; and

WHEREAS, the cumulative dollar amount of the 2020-21 SMELC Teacher Fellowship and the SMELC Administrator Fellowship exceeds the Chief Executive Officer's contract execution authority of \$100,000.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves grant funds for the San Mateo County Office of Education San Mateo Environmental Learning Collaborative 2020 Administrator Fellowship in an amount not to exceed \$50,000.

* * * * *



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: February 13, 2020
BOARD MEETING DATE: February 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer

SUBJECT: Authorize an Amendment to the Agreement with Pacific Energy Advisors (PEA) to provide professional services through December 31, 2019, increasing the amount by \$100,000.

RECOMMENDATION:

Authorize an Amendment to the Agreement with Pacific Energy Advisors (PEA) to provide professional services through December 31, 2021, increasing the amount by \$100,000.

BACKGROUND:

PCE has ongoing needs for implementation and operational support for its programs and to ensure the reliability of electric service.

DISCUSSION:

In October 2016 PCE and PEA executed an agreement for implementation and operational support for PCE's programs. The initial PCE/PEA services agreement was for \$95,000. The agreement has been amended three times since then:

- In April 2017, the agreement was amended to extend the agreement to June 30, 2018, and add an additional \$100,000 to the agreement, for a total of \$195,000.
- In December 2017, the agreement was amended to extend the agreement to December 31, 2018 and add an additional \$100,000 to the agreement for a total of \$295,000.
- In December 2018, the agreement was amended to extend the agreement to December 31, 2019 and add an additional \$100,000 to the agreement for a total of \$395,000.

The current term of the agreement ended on December 31, 2019, but it is the desire of the parties to continue receiving/providing those professional services. Therefore, it is requested that an additional \$100,000 be added to the agreement, and for the agreement term to be extended to December 31, 2021.

PEA has unique capabilities to provide operational support to PCE. It has provided operational support services since before PCE's formation and has been advising most of the active CCAs in California. PEA has a valuable skill set and direct experience with program implementation, operations, and compliance issues relevant to California CCAs.

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER
TO EXECUTE AN AMENDMENT TO THE AGREEMENT WITH PACIFIC ENERGY
ADVISORS FOR IMPLEMENTATION AND OPERATIONAL SUPPORT SERVICES
WITH TERMS CONSISTENT WITH THOSE PRESENTED IN A FORM APPROVED
BY THE GENERAL COUNSEL.**

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

WHEREAS, the Peninsula Clean Energy Authority (“Peninsula Clean Energy” or
“PCE”) was formed on February 29, 2016; and

WHEREAS, PCE’s Phase I service launch occurred in October 2016 and the
Phase II service launch occurred in April 2017; and

WHEREAS, in October 2016, PCE and Pacific Energy Advisors (“Contractor”)
executed an agreement for implementation and operational support to PCE in an initial
amount of \$95,000; and

WHEREAS, the Agreement was amended in April 2017, to extend the term of

the agreement to June 30, 2018, and add an additional \$100,000 to the agreement for a total of \$195,000; and

WHEREAS, the Agreement was amended in December 2017, to extend the term of the agreement to December 31, 2018, and add an additional \$100,000 to the agreement for a total of \$295,000; and

WHEREAS, the Agreement was amended in December 2018, to extend the term of the agreement to December 31, 2019, and add an additional \$100,000 to the agreement for a total of \$395,000; and

WHEREAS, Contractor has unique capabilities to provide operational support to PCE; and

WHEREAS, Contractor has been providing implementation and operational services to PCE since before PCE's launch in October 2016; and

WHEREAS, staff is presenting to the Board for its review an amendment to the Agreement, reference to which should be made for further particulars; and

WHEREAS, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned amendment to the Agreement.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to:

Execute an amendment to the Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel.

* * * * *

**THIRD AMENDMENT TO AGREEMENT
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND
PACIFIC ENERGY ADVISORS, INC.**

THIS THIRD AMENDMENT TO THE AGREEMENT, entered into this [REDACTED] day of February, 2020, by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and Pacific Energy Advisors, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA;

WHEREAS, the parties entered into an Agreement for implementation and operational support services for the Peninsula Clean Energy program on October 27, 2016 for the period of October 26, 2016 to April 30, 2017 in an amount not to exceed \$95,000 and wish to extend the term of the agreement and increase the amount;

WHEREAS, the parties entered into an Amendment to the Agreement in April 2017 to extend the term of such Agreement as well as PCEA's not to exceed fiscal obligation to an amount of \$195,000;

WHEREAS, the parties entered into a Second Amendment to the Agreement in December 2017 to extend the term of such Agreement as well as PCEA's not to exceed fiscal obligation to an amount of \$295,000; and

WHEREAS, the parties entered into a Third Amendment to the Agreement in December 2018 to extend the term of such Agreement as well as PCEA's not to exceed fiscal obligation to an amount of \$395,000; and

WHEREAS, the parties therefore wish to further amend the Agreement to enable Contractor to furnish additional support services to PCEA.

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

1. Section 2. Payments is deleted in its entirety and replaced with the following:

2. Payments

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. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed by Contractor is inconsistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. However, PCEA shall not unreasonably withhold any Contractor payment, and PCEA shall be responsible for communicating in writing the basis for any withheld payment. In no event shall PCEA's total fiscal obligation under this Agreement exceed four hundred ninety-five thousand dollars (\$495,000). In the event that PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by PCEA at the time of contract termination or expiration.

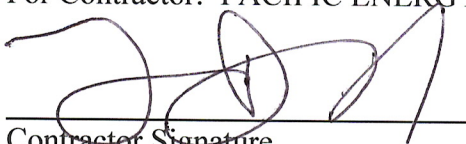
2. Section 3. Term is deleted in its entirety and replaced with the following:

Subject to compliance with all terms and conditions, the term of this Agreement shall be from October 26, 2016, through December 31, 2021.

3. Original Exhibits A & B are deleted in their entirety and are replaced with revised Exhibit A (rev. February 7, 2020) and Revised Exhibit B (rev. February 7, 2020), attached hereto.
4. All other terms and conditions of the original Agreement between PCEA and Contractor as well as any Amendment thereto not in conflict shall remain in full force and effect.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Contractor: PACIFIC ENERGY ADVISORS, INC.


Contractor Signature

February 7, 2020
Date

Kirby Dusel
Contractor Name (please print)

PENINSULA CLEAN ENERGY AUTHORITY

By: _____
Janis Pepper, CEO, Peninsula Clean Energy Authority

Date:

Revised Exhibit A (rev. February 7, 2020)

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services to PCEA, subject to mutually agreeable schedules for completion of such services. Contractor and PCEA acknowledge that successful completion of certain services may require time-sensitive action by PCEA (for example: approval and/or submittal of requisite regulatory documents that may be prepared by Contractor on behalf of PCEA during the term of this Agreement) to ensure conformance with applicable deadlines and schedules. Contractor will notify PCEA when such time-sensitive actions are required. To the extent that such actions are not timely completed by PCEA, Contractor shall not be liable for missed deadlines and/or PCEA's regulatory compliance. During the term of Agreement, services to be performed by Contractor shall include the following:

Other Implementation, Operations and Staff Augmentation Support, as needed:

- Yet-to-be defined technical support activities that may be necessary to promote the successful implementation and ongoing operation of PCEA.
- Prior to the performance of such as-needed technical support, PCEA and Contractor will discuss and agree upon the desired scope of services to be provided by Contractor.

Revised Exhibit B (rev. February 7, 2020)

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:

Payment: In performance of this work, PCEA shall reimburse Contractor for actual time spent in completion of the Scope of Services, as specified in Exhibit A, in consideration of the Contractor's professional services rate schedules:

Contractor's Professional Services Rate Schedule:

Staff	Hourly Rate
John Dalessi	\$325
Kirby Dusel	\$315
Sam Kang	\$285
Brian Goldstein	\$285
Dona Stein	\$250
Alden Walden	\$175

All time shall be billed to PCEA by Contractor in one-tenth hour increments in an amount not to exceed \$495,000. Contractor shall invoice PCEA for all services rendered on a monthly basis plus out of pocket expenses associated with the project. Such expenses shall include things like mileage at the current IRS mileage reimbursement rate, bridge tolls, parking, printing/copying, and meeting expenses associated with the project. Source documentation supporting billed costs must be submitted with invoice. PCEA shall pay Contractor within thirty (30) days of invoice receipt. Any additional work will require a separate Agreement signed by both parties.



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: February 12, 2020
BOARD MEETING DATE: February 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: JPA (Joint Powers Authority) Weighted Voting Shares Allocation

RECOMMENDATION:

Approve recalculated weighted voting shares based on 2019 annual energy consumption.

BACKGROUND:

As the Board is aware, the Joint Powers Authority (JPA) creating Peninsula Clean Energy has a “weighted” voting option. Votes are first taken by simple majority vote. Voting automatically ends if the majority votes against an agenda item. However, if there is a majority vote for approval of an agenda item, a “weighted” vote by shares can be called by any Board member. Weighted votes are covered by Section 3.7 of the Joint Powers Authority:

3.7 Voting In general, as described below in Section 3.7.3, action by the Authority Board will be taken solely by a majority vote of the Directors present. However, as described below in Section 3.7.4, upon request of a Director, a weighted vote by shares will also be conducted. When such a request is made, an action must be approved by both a majority vote of Directors present and a majority of the weighted vote by shares present. No action may be approved solely by a vote by shares.

Specifically, sections 3.7.1, 3.7.2, 3.7.3 and 3.7.4 state the following:

3.7.1 Voting Shares

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

3.7.2. Exhibit Showing Voting Shares. The initial voting shares will be set forth in Exhibit D. Exhibit D shall be revised no less than annually as necessary to account for changes in the number of Parties and changes in the Parties' Annual Energy Use. Exhibit D and adjustments shall be approved by the Board.

3.7.3. Approval Requirements Relating to CCA Program. Except as provided in Sections 3.7.4 and 3.7.5 below, action of the Board shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.4. Option for Approval by Voting Shares. Notwithstanding Section 3.7.3, any Director present at a meeting may demand that approval of any matter related to the CCA Program be determined on the basis of both voting shares and by the affirmative vote of a majority of Directors present at the meeting. If a Director makes such a demand with respect to approval of any such matter, then approval of such matter shall require the affirmative vote of a majority of Directors present at the meeting and the affirmative vote of Directors having a majority of voting shares present, as determined by Section 3.7.1 except as provided in Section 3.7.5.

If, pursuant to the weighted vote of the present members, the item is rejected or approved, the weighted vote prevails. In other words, the weighted vote can serve as a possible veto of the simple majority vote. To date, no weighted vote has ever been called in a meeting of the PCE Board of Directors.

DISCUSSION:

Staff has recalculated the weighted shares based on usage from 2019 and prepared revised Exhibits C and D to be attached to the Joint Powers Authority. The JPA states that the values for Annual Energy Use will be designated in Exhibit C and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year. These adjustments shall be approved by the Board. The Exhibits C and D Annual Energy Use and Voting Shares were last updated and approved by the Board on May 23, 2019.

The table below includes the energy consumption and weighted shares for each service territory or member of the JPA based on data sourced from billing data provided by PCE's Data Management Provider, Calpine Energy Solutions, based on billing records for 2019. In previous years staff has relied on annual energy reports from PG&E, specifically the Item 16 report. However, those reports are not typically available in time to meet the March 1 update deadline as outlined in the JPA thus staff has used a

different data set to update the Exhibits C and D for 2019. The data provided by Calpine for 2019 is statistically similar to the data previously provided by the PG&E Item 16 reports. Staff is requesting Board approval of this revised schedule:

Service Territory	2019 Usage (kWh)	Distribution Weight (%)
SO. SAN FRANCISCO INC	532,388,027	15.0%
REDWOOD CITY INC	460,738,949	13.0%
SAN MATEO INC	455,573,749	12.8%
MENLO PARK INC	308,460,073	8.7%
DALY CITY INC	243,291,349	6.8%
UNINC SAN MATEO CO	222,983,216	6.3%
BURLINGAME INC	198,756,254	5.6%
FOSTER CITY INC	190,728,178	5.4%
SAN CARLOS INC	163,442,496	4.6%
SAN BRUNO INC	129,717,930	3.6%
PACIFICA INC	97,587,432	2.7%
BELMONT INC	89,195,196	2.5%
MILLBRAE INC	75,405,792	2.1%
EAST PALO ALTO INC	68,447,496	1.9%
ATHERTON INC	65,727,421	1.8%
BRISBANE INC	59,659,771	1.7%
HILLSBOROUGH INC	56,982,438	1.6%
HALF MOON BAY INC	56,012,496	1.6%
WOODSIDE INC	40,649,092	1.1%
PORTOLA VALLEY INC	22,346,641	0.6%
COLMA INC	19,722,467	0.6%
Grand Total	3,557,816,466	100%

Exhibits C and D
Annual Energy Use and Voting Shares

ANNUAL ENERGY USE WITHIN PENINSULA CLEAN ENERGY JURISDICTIONS AND VOTING SHARES		
Twelve Months Ended December 2019		
<u>Party</u>	<u>Total kWh</u>	<u>Voting Share</u>
SO SAN FRANCISCO INC	532,388,027	15.0%
REDWOOD CITY INC	460,738,949	13.0%
SAN MATEO INC	455,573,749	12.8%
MENLO PARK INC	308,460,073	8.7%
DALY CITY INC	243,291,349	6.8%
UNINC SAN MATEO CO	222,983,216	6.3%
BURLINGAME INC	198,756,254	5.6%
FOSTER CITY INC	190,728,178	5.4%
SAN CARLOS INC	163,442,496	4.6%
SAN BRUNO INC	129,717,930	3.6%
PACIFICA INC	97,587,432	2.7%
BELMONT INC	89,195,196	2.5%
MILLBRAE INC	75,405,792	2.1%
EAST PALO ALTO INC	68,447,496	1.9%
ATHERTON INC	65,727,421	1.8%
BRISBANE INC	59,659,771	1.7%
HILLSBOROUGH INC	56,982,438	1.6%
HALF MOON BAY INC	56,012,496	1.6%
WOODSIDE INC	40,649,092	1.1%
PORTOLA VALLEY INC	22,346,641	0.6%
COLMA INC	19,722,467	0.6%
Grand Total	3,557,816,466	100%

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION ADOPTING AN UPDATED WEIGHTED VOTING SHARES
ALLOCATION FOR EXHIBITS C AND D TO THE JOINT POWERS AUTHORITY
(JPA) AGREEMENT BASED ON 2019 ENERGY USAGE**

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

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

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

WHEREAS, Peninsula Clean Energy Authority staff has re-calculated the weighted voting allocation based on 2019 energy usage.

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

* * * * *



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: February 19, 2020
BOARD MEETING DATE: February 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Leslie Brown, Director of Customer Care
SUBJECT: Approve NEM (Net Energy Metering) Cash-out Cap

BACKGROUND:

Since beginning its service Peninsula Clean Energy has offered a very generous NEM program, crediting excess generation at the ECO100 rate and issuing checks to customers during the annual cash-out period in April for all excess generation credits in excess of \$100, without a cap. Most other CCA's have implemented a cap on excess NEM payments (with an upper limit of \$5,000). To date PCE has issued cash-out checks in excess of \$5,000 to a handful of customers, and while Peninsula Clean Energy values the investment its customers have made in installing solar electric systems, and wants to continue to encourage customers to invest in such projects, it is prudent to consider implementing a cap on payouts for excess generation to limit PCE's exposure to unlimited payouts in the future.

DISCUSSION:

To date Peninsula Clean Energy has maintained a very generous NEM program, crediting customers at the ECO100 rate for excess generation and allowing customers to cash out those credits at their full retail value during the annual cash-out period in April when the balance exceeds \$100. Peninsula Clean Energy currently has close to 12,000 NEM customers, most of whom do not generate enough excess energy to receive annual cash-out payments. In 2018 PCE issued checks totaling \$402,347 to 920 customers and in 2019 a total of \$666,296 to 1,737 customers. The average cash-out payment is around \$400 but there are a handful of customers who receive payments in excess of \$5,000 each year. Most of the customers currently receiving the largest payments are schools and municipal customers. In proposing a NEM cash-out cap it is not our intent to impact the payouts that these customers have historically earned but rather to guard against large commercial system that could generate an excessively large NEM payments. To protect against this future possibility, PCE staff is proposing the adoption of an annual NEM cash-out cap of \$20,000 per NEM account. In the case of a school district where there may be systems installed at several school sites, the NEM cap would be evaluated per site and not for the district as a whole.

Most other CCA's limit the cash-out potential of their NEM customers with a payout cap (\$5,000 in many cases) or by re-calculating the excess credits at a lower rate, similar to PG&E's Net Surplus Compensation program which uses a lower 'wholesale equivalent' rate for annual excess solar generation compensation. To date PCE has been an outlier by not having a payout limit. By adopting this proposed cap, Peninsula Clean energy would still have the most generous NEM program by far but would also have some guardrails in place to limit total potential NEM payments.

FISCAL IMPACT:

Instituting a \$20,000 NEM cash-out cap would not impact PCE customers historical NEM cash-out payments but would provide some fiscal certainty around potential NEM liabilities going forward.

RECCOMENDATION:

PCE Staff recommends adopting a Resolution to adopt an annual NEM cash-out cap of \$20,000 per customer to begin with this next NEM accrual year (which starts on each customer's first billing cycle beginning after April 1, 2020) and continuing annually unless otherwise amended by the Board.

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION ADOPTING A NET ENERGY METERING (NEM) CASH-OUT CAP OF
\$20,000 PER NEM ACCOUNT PER YEAR TO BE EFFECTIVE WITH THE NEXT NEM
ACCRUAL YEAR**

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

WHEREAS, Peninsula Clean Energy offers an annual NEM cash-out payment
for customers with generation credits over \$100; and

WHEREAS, there has not historically been a cap in place to limit those payouts:
and

WHEREAS, Peninsula Clean Energy Authority staff recommends implementing
an annual payout cap of \$20,000 per NEM Account.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the
Board adopt an annual NEM cash-out limit of \$20,000 per NEM Account beginning with
the next NEM accrual year (starts on each customer's first billing cycle that begins after
April 1, 2020) and renewing annually unless amended by the Board.

* * * * *



**SPECIAL MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Saturday, January 11, 2020
MINUTES**

Orrick
1000 Marsh Rd, Menlo Park, CA 94025
8:00 a.m.

CALL TO ORDER

Meeting was called to order at 8:02 a.m.

ROLL CALL

Present: Dave Pine, County of San Mateo
Carole Groom, County of San Mateo
Jeff Aalfs, Town of Portola Valley, *Chair*
Rick DeGolia, Town of Atherton, *Vice Chair*
Clay Holstine, City of Brisbane
Donna Colson, City of Burlingame
Raquel "Rae" Gonzalez, Town of Colma
Carlos Romero, City of East Palo Alto
Catherine Mahanpour, City of Foster City
Harvey Rarback, City of Half Moon Bay
Laurence May, Town of Hillsborough
Catherine Carlton, City of Menlo Park
Ann Schneider, City of Millbrae
Deirdre Martin, City of Pacifica
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Laura Parmer-Lohan, City of San Carlos
Joe Goethals, City of San Mateo
Daniel Yost, Town of Woodside
John Keener, Director Emeritus
Pradeep Gupta, Director Emeritus

Absent: City of Belmont
City of Daly City
City of South San Francisco

Alternates Observing or Participating upon the departure of Director:

John Goodwin, Town of Colma
Shawn Christianson, Town of Hillsborough
Betsy Nash, City of Menlo Park
Giselle Hale, City of Redwood City

Staff:

Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
Siobhan Doherty, Director of Power Resources
Joseph Wiedman, Director of Legislative and Regulatory Affairs
Rafael Reyes, Director of Energy Programs
KJ Janowski, Director of Marketing and Community Affairs
Leslie Brown, Director of Customer Care
Kirsten Andrews-Schwind, Senior Manager, Communications & Outreach
Jerry Gottheil, Manager of Marketing Communications
Peter Levitt, Associate Manager of Distributed Energy Resources (DER)
Phillip Kobernick, Clean Energy Programs Manager
Sara Maatta, Renewable Energy & Compliance Manager
David Silberman, General Counsel
Jennifer Stalzer Kraske, Deputy County Counsel
Ilana Parmer Mandelbaum, Deputy County Counsel
Shayna Barnes, Administrative Associate
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO
Annie Gallagher, Gallagher Consulting Group, Inc.
Melissa Jackson, Gallagher Consulting Group, Inc.

A quorum was established.

SPECIAL MEETING AGENDA

8:00 AM CALL TO ORDER AND PUBLIC COMMENT

- **WELCOME, PUBLIC COMMENT**

Jeff Aalfs—Chair—welcomed attendees and reflected on the progress Peninsula Clean Energy has made the past three years.

SWEARING IN OF NEW BOARD MEMBERS

Jennifer Stalzer Kraske—Deputy County Counsel—presided over the official swearing-in of new Board members and Alternates.

PUBLIC COMMENT:

James Tuleya, Carbon Free Silicon Valley
Diane Bailey, Menlo Spark
Tom Kabat, Menlo Spark
Mark Roest, SeaWave Battery

- **OBJECTIVES AND AGENDA**

Donna Colson—Chair, Strategic Planning Subcommittee—thanked members of the Strategic Planning Subcommittee, and thanked Annie Gallagher and Melissa Jackson of Gallagher Consulting Group, Inc (GCG). Annie Gallagher reviewed the session objectives, and thanked the Strategic Planning Subcommittee, Board members, Citizen Advisory Committee (CAC) members, and staff for their feedback and participation in interviews.

- **SETTING THE FOUNDATION: TRENDS AND ENVIRONMENT**

Annie Gallagher presented an overview CCA (Community Choice Aggregator) accomplishments at the national and state levels, and outlined challenges facing CCAs. Jan Pepper – CEO, Peninsula Clean Energy - outlined progress toward Peninsula Clean Energy strategic goals.

Annie reported that strategic planning stakeholder interviews were conducted with Board members, staff, and members of the Citizens Advisory Committee (CAC), and she outlined Peninsula Clean Energy’s strengths, challenges, and recommendations.

- **THE BIG PICTURE**

Annie Gallagher divided the Board into three groups and presented instructions for an exercise to create a vision statement for Peninsula Clean Energy. Upon completion of the exercise, the three groups reported the following draft vision statements:

- Accelerate a fossil-free future on the peninsula and beyond.
- Creating a sustainable world by making the clean energy choice the easy choice.
- Create a carbon-free county within a carbon-free world.

Draft vision statements will be refined by GCG, Peninsula Clean Energy staff, and the Strategic Planning Subcommittee in future strategic planning sessions.

10:00 – 10:15 AM BREAK

10:00 AM DISCUSSION OF KEY STRATEGIC ISSUES

- **GROUP A: ADVOCACY / INNOVATION AND THOUGHT LEADERSHIP**

Co-leaders: Rick DeGolia and Laura Parmer-Lohan

Facilitator: Annie Gallagher

Recorders: Joe Wiedman and Siobhan Doherty

1. ADVOCACY

Group A reported that the organization is positioned to take a more pro-active, leadership role in advocacy. Recommendations include developing a local advocacy plan for outreach and education that leverages Board members’ connections to their cities, and advancing state level advocacy through CalCCA (California Community Choice Association) and outreach to state lawmakers and the CPUC (California Public Utilities Commission).

2. INNOVATION AND THOUGHT LEADERSHIP

Group A recommended changing a current goal of 100% renewable energy by 2025 to 100% clean energy by 2025 on a time coincident basis. Additional recommendations include that CalCCA should be the voice at the state level leading the CCA movement,

and as a key CalCCA partner Peninsula Clean Energy should share best practices, leverage the innovation culture in Silicon Valley, and explore and support innovation and innovative companies.

- **GROUP B: COMMUNITY ENERGY PROGRAMS AND MARKETING**

Co-leaders: Donna Colson and Giselle Hale

Facilitator: Melissa Jackson

Recorders: Rafael Reyes and KJ Janowski

1. **COMMUNITY ENERGY PROGRAMS**

Group B agreed that transportation is the single biggest contributor to GHG (greenhouse gas) and that programs should continue that focus around EV (electric vehicle) infrastructure. Recommendations also include collaborating with other agencies, working with building contractors, and continuing community pilots.

2. **MARKETING**

Group B reported that Peninsula Clean Energy should be the 'go to' resource and community leader on green energy issues, and marketing should educate, drive program participation, and support advocacy. Recommendations include securing better customer data, outreach to schools/cities/business customers to build community, and developing marketing campaigns to tell how Peninsula Clean Energy is making the world better.

12:00 PM WORKING LUNCH

- **FULL GROUP DISCUSSION**

Organizational Excellence

The full group discussion brought recommendations to support underserved communities, new CCAs, new technologies and innovations, and new ways to engage the Board and the CAC.

Implementation Factors, Next Steps and Wrap Up

Annie Gallagher reported that a strategic planning retreat will be held with Peninsula Clean Energy staff to operationalize the strategic plan, and that the Board's Strategic Planning Subcommittee will review and enhance the draft plan before it is presented to the full Board.

Jan Pepper, Donna Colson, and Jeff Aalfs thanked attendees, Annie Gallagher and Melissa Jackson of Gallagher Consulting Group, the Board, the CAC, and members of the public.

PUBLIC COMMENT:

Tom Kabat, Menlo Spark

ADJOURNMENT

Meeting was adjourned at 1:00 p.m.



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, January 23, 2020
MINUTES**

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

CALL TO ORDER

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

ROLL CALL

Present: Dave Pine, County of San Mateo
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
Clay Holstine, City of Brisbane
Donna Colson, City of Burlingame
Roderick Daus-Magbual, City of Daly City
Carlos Romero, City of East Palo Alto
Sam Hindi, City of Foster City
Betsy Nash, City of Menlo Park
Wayne Lee, City of Millbrae
Deirdre Martin, City of Pacifica
Ian Bain, City of Redwood City
Marty Medina, City of San Bruno
Laura Parmer-Lohan, City of San Carlos
Flor Nicolas, City of South San Francisco
Daniel Yost, Town of Woodside
Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent: Town of Colma
City of Half Moon Bay
Town of Hillsborough
City of San Mateo

Staff: Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
Siobhan Doherty, Director of Power Resources
Rafael Reyes, Director of Energy Programs
Sara Maatta, Renewable Energy and Compliance Analyst
Kirsten Andrews-Schwind, Senior Manager of Community Relations
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

SWEARING IN OF NEW BOARD MEMBERS

Jennifer Stalzer Kraske—Deputy County Counsel—presided over the official swearing-in of new Board members and Alternates.

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Lee / Yost

Motion passed unanimously 15-0 (Absent: Colma, Foster City, Half Moon Bay, Hillsborough, Menlo Park, San Carlos, San Mateo)

REGULAR AGENDA

1. CHAIR REPORT

Jeff Aalfs—Chair—announced that the Wright Solar Project is online, and he thanked everyone involved. Jeff reported that there will be a recruitment effort to fill a few seats on the Citizens Advisory Committee (CAC) whose terms are expiring. He requested volunteers to serve on a CAC Recruitment subcommittee, and Wayne Lee, Marty Medina, and Carole Groom volunteered.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—introduced new employee Sara Maatta, Renewable Energy and Compliance Analyst, and provided an update on staffing. Jan also provided an update on the strategic planning process, Reach Codes, EV incentive program results, and resilient solar for critical facilities.

3. CITIZENS ADVISORY COMMITTEE REPORT

Desiree Thayer—Chair—reported that the CAC received an update on PG&E restructuring activities and the Strategic Planning process. She reported that there is interest among the CAC members in building electrification of existing buildings.

4. APPROVE PENINSULA CLEAN ENERGY POLICY REGARDING POTENTIAL PG&E ALLOCATION OF GHG-FREE (LARGE HYDRO AND NUCLEAR) RESOURCES TO CCAS (COMMUNITY CHOICE AGGREGATORS)

Siobhan Doherty—Director of Power Resources—reported that PG&E owns or contracts for GHG (greenhouse gas) free energy, and that CCA customers pay for these resources through the PCIA (Power Charge Indifference Adjustment). She reported that PG&E will allocate large hydro and nuclear resources to all load serving entities (LSEs) in their territory, and the LSE has 30 days to reject or accept one, the other, or both allocations.

Siobhan outlined available options and scenarios. Board members discussed GHG goals, the yearly Power Content Label, perceptions of large hydro and nuclear resources, the definitions of renewable versus GHG-free, and the cost impact of accepting or rejecting any of the allocations.

PUBLIC COMMENT:

Michael Closson
Diane Bailey
Gladwyn DeSouza
Mark Roest, SeaWave Battery
Ted Howard

Motion Made / Seconded: DeGolia / Bain

Motion to accept allocations of large hydro and nuclear, and have staff determine the cost savings of not having to purchase GHG free resources and recommend where the funds saved should be applied. Motion passed as modified on a Roll Call vote 10-8 (In Favor: County of San Mateo, Atherton, Belmont, Brisbane, Burlingame, Foster City, Millbrae, Redwood City, San Bruno, Woodside. Opposed: County of San Mateo, Daly City, East Palo Alto, Menlo Park, Pacifica, Portola Valley, San Carlos, South San Francisco. Absent: Colma, Half Moon Bay, Hillsborough, San Mateo)

Jeff Aalfs confirmed with legal counsel that a passing vote does not require a majority of the entire Board, just a majority of the Board members present. A Board member asked about weighted voting, that it is an option, not often used. No action was taken.

Staff confirmed with legal counsel that staff will return to the Board when the actual allocations and cost implications of the PG&E allocations are specifically identified.

5. APPROVE RESILIENCY STRATEGY

Siobhan Doherty reported that in October 2019, the Board approved committing up to \$10 Million over three years to develop programs to address Public Safety Power Shutoff (PSPS)

events, and the Board requested a detailed strategy. Siobhan reviewed the impact of the PSPS, and the risks of other potential environmental threats.

Siobhan introduced an Energy Resiliency Strategy and outlined strategic objectives, priority program areas, metrics for success, and budget estimates. She provided an overview of programs focused on medically fragile customers, municipal Community Response Centers (CRCs), critical facilities and infrastructure, and distributed RA (resource adequacy). Board members discussed collaboration with cities, and options for solar and storage.

PUBLIC COMMENT:

Mark Roest, SeaWave Battery

Motion Made / Seconded: Yost / Mates

Motion passed unanimously 17-0 (Absent: Colma, Half Moon Bay, Hillsborough, Pacifica, San Mateo)

6. APPROVE REACH CODE ASSISTANCE EXTENSION AND CONSUMER BUILDING ELECTRIFICATION AWARENESS PROGRAM

Rafael Reyes—Director of Energy Programs—provided a summary of reach code support delivered to-date, and additional needs that were identified like broader training and more technical assistance. Rafael also outlined a program to focus on building electrification awareness that would showcase all-electric buildings and technologies, and engage consumers on all-electric options.

Board members discussed the need for continued support for municipalities still considering adopting new reach codes, and the need for increased awareness and acceptance of all-electric options.

PUBLIC COMMENT:

Diane Bailey, Menlo Spark

Motion Made / Seconded: Colson / Pine

Motion passed unanimously 17-0 (Absent: Colma, Half Moon Bay, Hillsborough, Pacifica, San Mateo)

7. APPROVE AMENDMENT TO ENERGY SUPPLY PROCUREMENT AUTHORITY POLICY 15

Chelsea Keyes—Power Resources Manager—reported on changes to Resource Adequacy (RA) requirements, and the increasing volume of contracts necessary to meet those requirements. Chelsea reviewed recommended amendments to the Energy Supply Procurement Authority Policy 15. Board members discussed the volume and potential dollar amounts of RA contracts.

Motion Made / Seconded: Lee / Bain

Motion passed unanimously 17-0 (Absent: Colma, Half Moon Bay, Hillsborough, Pacifica, San Mateo)

8. BOARD MEMBERS' REPORTS

No reports.

ADJOURNMENT

Meeting was adjourned at 9:36 p.m.



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: February 14, 2020

BOARD MEETING DATE: February 27, 2020

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, Community Affairs, and Custom Care Teams are responsible for enhancing Peninsula Clean Energy's brand reputation, educating and engaging customers, driving participation in programs, and ensuring customer satisfaction. Tactics include community outreach, content creation and storytelling through owned (e.g. online, social media), earned (e.g. public relations), and paid media (advertising), schools engagement programs, and customer care.

DISCUSSION:

Schools Engagement Update

Peninsula Clean Energy's Marketing Team has been implementing a range of engagement efforts with schools and youth:

- One Planet Schools Challenge Sponsorship
- The Next Big Think Partnership
- Peninsula Clean Energy 'Kids & Schools' webpages
- Energy Dashboard Pilot
- Student Activity Packet
- Youth Climate Ambassadors Leadership Program

One Planet Schools Challenge Sponsorship

[One Planet Schools Challenge](#) identifies leaders who are doing meaningful sustainability work at districts and sites, and recognizes them for their impact on the greater community. This recognition and awards program fosters a culture of sustainability in school communities across the county by providing a structure and roadmap for achieving the vision of whole-school sustainability integration. Peninsula Clean Energy pledged to sponsor the 2020 Zero Carbon Energy award for projects increasing energy efficiency and increasing renewable energy usage at a school or district.

The Next Big Think Partnership

As a Partner, Peninsula Clean Energy hosts a “clean energy” table for students and parents at the annual The Next Big Think event and presents a Special Award for outstanding renewable energy projects. Over the past two years, we have cumulatively reached 470 parents and students through participation in [The Next Big Think](#). Peninsula Clean Energy will continue the partnership in 2020.

Peninsula Clean Energy Kids & Schools Webpages

Peninsula Clean Energy maintains a “Kids & Schools” tab on its website for students and educators to find and utilize energy-related education and activities. Content includes:

- [Climate change impacts & factors](#)
- [Local climate action efforts](#)
- [Peninsula Clean Energy-developed teacher resources](#)
- [Sustainability resource references](#)

Energy Dashboard Pilot

In 2019, Peninsula Clean Energy provided \$34,500 to the San Mateo County Office of Education for the development, implementation, and facilitation of an online energy dashboard pilot in the San Carlos School District. The dashboard visually displays utility usage data. Teachers get access to the data for use in curriculum, which is the most equitable approach to exposing students to this type of data as it does not exclude students who may not currently have access to data or a residence to analyze. Pilot ends in December 2020.

Student Activity Packet

To help educators, Peninsula Clean Energy has created a math and science activity packet designed to make teaching about climate change more accessible and easier. Students learn how climate change impacts San Mateo County as well as our local transition to clean electricity and calculate the environmental and economic impacts of everyday energy choices. [Available on our website](#). Peninsula Clean Energy, in partnership with the SMCOE, has been distributing it to teachers in San Mateo County.

Youth Climate Ambassadors Leadership Program

Supporting the movement of schools and youth taking action on climate change, Peninsula Clean Energy is in the process of providing grant funds to sponsor a new

[Youth Climate Ambassadors Leadership Program](#). The program is a yearlong youth leadership program that supports grade ninth to eleventh grade students in becoming environmental sustainability change-makers in their schools and the greater community.

News & Media

Wright Solar Project coming online was announced via [press release](#) on January 22, 2020. Full coverage of Peninsula Clean Energy in the news can be found on our [News & Media](#) webpage.

Community Outreach and Events

Visit our [Events Calendar](#) for a list of upcoming outreach events!

ECO100 Statistics

Total ECO100 accounts at end of January:	5932 [net increase of 37]
ECO100 accounts added in the month:	66
ECO 100 accounts dropped in the month:	29
Total ECO100 accounts at the end of December:	5895

Enrollment Statistics

Opt-out rates slightly increased in January 2020 (75) compared to December 2019 (54), and the opt-out rate stayed the same as January 2019 with 75 opt-outs for the month. The opt-out rate adjusted for move-in/move-outs is 2.57% and our overall participation rate is 97.4% of eligible accounts as of the end of January.

Opt-Outs by City

CITY	Eligible Ac	Total	TOTAL OPT OUT %
ATHERTON INC	2,712	44	1.62%
BELMONT INC	11,976	316	2.64%
BRISBANE INC	2,546	52	2.04%
BURLINGAME INC	15,429	337	2.18%
COLMA INC	765	11	1.44%
DALY CITY INC	34,180	1171	3.43%
EAST PALO ALTO INC	7,946	297	3.74%
FOSTER CITY INC	14,817	304	2.05%
HALF MOON BAY INC	4,986	150	3.01%
HILLSBOROUGH INC	4,044	92	2.27%
MENLO PARK INC	15,826	246	1.55%
MILLBRAE INC	9,366	286	3.05%
PACIFICA INC	15,443	582	3.77%
PORTOLA VALLEY INC	1,683	112	6.65%
REDWOOD CITY INC	35,199	789	2.24%
SAN BRUNO INC	16,514	676	4.09%
SAN CARLOS INC	14,696	374	2.54%
SAN MATEO INC	44,599	1182	2.65%
SO SAN FRANCISCO INC	25,288	937	3.71%
UNINC SAN MATEO CO	24,569	720	2.93%
WOODSIDE INC	2,287	41	1.79%
Grand Total	304,871	8,719	2.86%
Adjusted Total	304,016	7,814	2.57%

Table reflects data as of 2/05/2020

In addition to the County, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of February 14, 2020, 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 ECO100 Opt-Up Rate

City	Active Accounts	ECO100 Opt-Up %
Atherton	2,641	2.08%
Belmont	11,633	1.52%
Brisbane	2,488	3.46%
Burlingame	15,050	2.25%
Colma	745	4.03%
Daly City	32,917	0.26%
East Palo Alto	7,632	0.29%
Foster City	14,447	2.19%
Half Moon Bay	4,806	2.23%
Hillsborough	3,948	1.65%
Menlo Park	15,544	3.04%
Millbrae	9,084	1.13%
Pacifica	14,868	1.05%
Portola Valley	1,575	93.65%
Redwood City	34,330	2.07%
San Bruno	15,832	0.57%
San Carlos	14,304	2.09%
San Mateo	43,320	1.53%
So. San Francisco	24,300	0.42%
Uninc. San Mateo Co	23,646	2.27%
Woodside	2,244	2.45%
Grand Total	295,354	2.01%

Table reflects data as of 2/05/2020



**PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence**

DATE: February 14, 2020
BOARD MEETING DATE: February 27, 2020
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 January and February Regulatory and Legislative Activities

SUMMARY:

Late January and early February saw a sharp uptick in regulatory and legislative activity as the Commission and Legislature move forward with 2020 activities coming out of the typical holiday lull. 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 eight 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 thirteen other stakeholder meetings, 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 over the last year 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. On January 6, 2020 the Joint CCAs submitted their Opening Brief in this case pressing the legal case to support the issues raised in testimony by the Joint CCAs technical witnesses. The Joint CCAs submitted their Reply Brief on January 27, 2020. Because there is a pending settlement agreement on issues raised by other parties, on January 21, 2020, the Joint CCAs submitted comments on the settlement. Due to some attempts by PG&E to revise the factual record of the case after legal briefing, on February 11 the Joint CCAs were compelled to submit a sur-reply brief calling out PG&E's inappropriate behavior within the case along with a motion requesting for the judge to admit the sur-reply into the record. Based on this schedule PCE staff anticipates the Commission reaching a final decision in this case in April or May 2020.

R.16-02-007 –Integrated Resource Planning (IRP) – On January 16, Doug Karpa attended a workshop in the filing requirements for the IRP proceeding. On February 3, 2020, Jeremy Waen and Doug Karpa attended a CPUC workshop on cost allocation proposals for backstop procurement for the 3300MW capacity ordered in Decision No. 19-11-016. Although PCE is self-procuring its share, some proposals may have competitive implications if other load serving entities are able to avoid applying these costs to their generation rates. On January 24, 2020, the assigned administrative law judge issued a ruling allowing load serving entities to file updated load forecasts to account for Direct Access departures in ongoing planning efforts. On February 18, 2020, PCE filed its status report indicating well-advanced efforts to procure more than three times its allocated share as part of ongoing procurement activities.

R.19-03-009 – Direct Access – The CPUC continues to implement SB 237 (Hertzberg) with the development of a report on recommendations concerning direct access expansion due to the Legislature on June 1, 2020. To develop that report, as reported previously, the Commission held a workshop on January 8, 2020. Following up on the workshop, parties filed informal post-workshop comments on January 17, 2020. A group of CCAs led by Silicon Valley Clean Energy filed comments stressing that publicly available data demonstrated that unfettered expansion of direct access would be inconsistent with the state's greenhouse gas emissions reduction goals, would increase criteria and toxic air pollutants, could undermine electric system reliability and would shift costs to bundled customers and CCA customers. The Joint CCAs provided data to support our claims. On January 22, 2020, the Joint CCAs filed reply comments which responded to opening comments from the other parties. CCAs focused on amplifying the concerns raised by TURN about environmental impacts of direct access expansion and responding to claims by direct access providers that the Commission could rely on Commission programs to meet state greenhouse gas and pollution reduction goals even if certain direct access providers were not building new renewable resources and/or not complying with the renewable portfolio standard and other policies.

R.17-09-020 & R.19-11-009 – Resource Adequacy – The conclusion of the Commission's older rulemaking to consider Resource Adequacy (RA) reform remains pending as we await a Proposed Decision to address the multi-party settlement proposal on central buying matters that Jeremy Waen helped lead during 2019. In parallel the Commission is starting a new rulemaking (R.19-11-009) to consider the next multi-year cycle of RA policy reform. This case has kicked off with the convening of (i) several working groups on February 12-13, 2020, and (ii) a workshop on February 14, 2020 to consider further reform to Import RA rules.

R.19-09-009 – SB 1339 Implementation (microgrids) – Following up on the Prehearing Conference held on December 17, 2019, Assigned Commissioner Shiroma issued a scoping memo which formalized the scope and schedule for the docket on December 20, 2019. The commissioner established two tracks for the docket. Track 1 will address near term activities the Commission can take in advance of the 2020 fire season starting to increase resiliency within the service territories of the three large investor-owned utilities (IOUs). Track 2 will focus on the more complex issues around implementation of SB 1339 including developing standards, tariffs, rates and other mechanisms to reduce barriers to microgrids implementation. Track 3 of the docket was established to address ongoing implementation issues related to SB 1339 as well as any future reliance planning activities. To get ahead of the coming wildfire season, Track 1 was placed on a very accelerated timeframe with Energy Division Staff and the IOUs required to file proposals that are consistent with the scope of Track 1 on January 21, 2020. Staff's proposals largely focused on modifications to existing tariffs and IOU processes that could speed up interconnection of behind the meter resources and ensuring local governments, including community choice aggregators, have access to distribution system information necessary for local governments to develop resiliency strategies via a dedicated, secure portal. Each of the IOUs also filed their proposals on January 21, 2020. PG&E's was the most extensive consisting of four proposals (1) Distributed Generation-Enabled Microgrids which would install generation at select substations to keep circuits energized during a transmission level Public Power Safety Shutoff while also providing resource adequacy during times when the distribution grid is operational; (2) a Make Ready Program which would install interconnection equipment at PG&E substations so that the substations were able to stay energized using temporary diesel generation; (3) a Temporary Generation Program which would allow PG&E to engage in forward contracting of mobile diesel generators; and (4) a Community Microgrid Enablement Program to provide technical and financial support to local communities seeking to deploy microgrids. Southern California Edison requested authorization to invest in microgrids on a pilot basis. San Diego Gas & Electric filed a very limited proposal asking for authorization to purchase a microgrids control system and to invest in charging stations that would operate during a PSPS event. On January 30, 2020, a group of CCAs led by PCE filed opening comments on the Staff Proposal and the IOU's proposals. The Joint CCA comments identified many issues with PG&E's proposals including a lack of outreach and collaboration with CCAs and local communities. The Joint CCA comments focused on demonstrating the need for collaboration with CCAs because CCAs are the primary energy provider in their service territories and are ideally positioned to assist local communities in increasing resiliency and have resources to do so. The Joint CCAs strongly supported the Staff Proposals particularly regarding access to necessary distribution system information. Interest in the docket was extremely high with over 40 parties filing comments. Reply Comments were filed by the Joint CCAs on February 6, 2020. The Joint CCA reply comments homed in on the broad support among parties for local governments, including CCAs, having access to distribution system information necessary to propose microgrids while also continuing to support the staff proposal. Consistent with the quick pace of Track 1, PCE staff anticipates a proposed decision on Track 1 issues to be released very soon. Joe Wiedman is leading this effort at PCE and with the Joint CCAs.

R. 17-06-026 PCIA – Doug Karpa has continued extensive work as co-lead for CalCCA on Working Group 3 (Portfolio Optimization, Cost Reduction, Allocation and Auction). On January 22, 2020, the ALJ extended the deadline for the Final Report to February 21, 2020. The report provided stakeholders with consensus points among the working group participants on a wide range of topics including allocation of Renewable Portfolio Standard energy, Greenhouse Gas-Free energy, and Local, Flex and System RA to Load Serving Entities whose customers pay PCIA. In addition, the Working Group 3 report includes a process for Load Serving Entities to pursue taking over entire contracts for resources in the IOU portfolio.

R. 14-07-002 – Net Metering – On January 28, 2020, Assigned Commissioner Guzman-Aceves issued a ruling regarding implementation of the Disadvantaged Communities Green Tariff which proposed directing PG&E to prioritize enrollment of customers identified as being at high risk of disconnection of electric service for automatic enrollment in PG&E's Disadvantaged Communities Green Tariff. On February 10, 2020, a group of CCAs led by PCE filed comments supporting the concept of targeting customers at risk of disconnections for enrollment in the Disadvantaged Communities Green Tariff program. The comments noted that CCAs are keenly interested in the topic given PG&E's operational experience in addressing customers with financial needs. The comments also discussed efforts by CCAs to incorporate similar proposals into their programs.

ISO Activities – Jeremy Waen and Doug Karpa are also continuing to monitor several California Independent System Operator (CAISO) stakeholder initiatives to advise CalCCA on potential engagement because these initiatives may impact RA and IRP policy as well. These initiatives include: 1) Resource Adequacy (RA) Enhancements, 2) Hybrid Resources, 3) Maximum Import Capability (MIC) Stabilization and Multi-Year Allocation, and 4) Capacity Procurement Mechanism (CPM) Soft Offer Cap. On January 7-8, 2020, Jeremy Waen attended two-days of meetings at the CAISO relating to its ongoing RA Enhancements Initiative. On January 14, 2020 CalCCA submitted comments on Hybrid Resources initiative's second straw proposal. On January 17, 2020, Jeremy Waen and Doug Karpa attended an all-day CalCCA-CAISO coordination meeting where both organizations continued discussions relating to reliability planning and forward procurement efforts by the CCAs. On January 27, 2020 CalCCA submitted comments on RA Enhancements initiative's revised straw proposal. On February 12, 2020 CalCCA submitted comments on the MIC initiative's initial straw proposal. On January 29, 2020, Jeremy Waen attended a meeting at the CAISO that kicked off the MIC Stabilization and Multi-Year Allocation initiative. Changes being considered within this initiative are relevant to the pending RA central buyer settlement proposal advanced by CalCCA and other parties within the Commission's RA proceeding. On February 10-12, 2020, Jeremy Waen attended the CAISO two new stakeholder initiatives, Day-Ahead Market Enhancements (DAME) and Extended Day-Ahead Market (EDAM), to evaluate the relevance of the proposals therein to the CCA community. Jeremy is taking on some additional responsibilities as liaison between the CAISO and CalCCA in an interim manner while CalCCA readjusts its policy staffing arrangements. On February 12-14, 2020, Doug Karpa attended a series of workshops on Resource Adequacy methodologies. These issues include the treatment of hybrid resources, such as combined solar and storage, the treatment of hydro resources, the treatment of solar and wind, and also the methodologies for claiming resource adequacy credit for distributed resources.

Other Activities

On January 10, 2020, Doug Karpa attended CalCCA's Quarterly Regulatory Committee Strategy Meeting. At the meeting, representatives of CCAs discussed ongoing development of processes to coordinate positions and advocacy among CCAs as well as the prioritization of proceedings. In particular, the regulatory committee is strongly focused on the increasing complexity of the cross-over issues of Integrated Resources Planning, Resource Adequacy, and the allocations in PCIA Working Group 3, both at the CPUC and CAISO.

On January 13, 2020, Doug Karpa attended an all CCA meeting with Energy Division staff to discuss the ongoing efforts to meet state reliability needs in the Integrated Resources Planning proceedings and CCAs' role and progress in addressing those reliability needs.

On January 17, 2020, Joseph Wiedman spoke at the Solar, Storage, and Smart Energy Expo in San Francisco. Mr. Wiedman was on a panel titled “Bringing Community Solar to California.” Mr. Wiedman discussed efforts by CCAs to offer community solar programs in California including ongoing development of programs under the CPUC’s Disadvantaged Communities – Green Tariff and Disadvantaged Communities – Community Solar programs.

On January 22-24, Jeremy Waen attended the Community Choice Energy Summit in Sacramento, CA. At the Summit, Mr. Waen spoke on panel titled “Understanding Resource Adequacy (RA) Requirements and the Potential for a Statewide Central Buyer” alongside representatives from The Utility Reform Network (TURN), the Western Power Trading Forum (WPTF), and Monterey Bay Community Energy (MBCE). This panel discussed the many pending policy considerations taking place at the state level as it reconsiders how it conducts RA and reliability planning. Doug Karpa also spoke on a panel on “Lessons Learned from the 2017-18 Integrated Resource Plan (IRP)” alongside representatives of Silicon Valley Clean Energy and the Center for Energy Efficiency and Renewable Technology (CEERT). In addition, he also moderated two panels on “Local Resiliency and Wildfire Mitigation with DERs” and “Procuring via Joint Powers Authorities (JPAs)”

Legislative Advocacy and Outreach

The legislative session is very much underway in Sacramento as legislators work up bills for the coming session. A number of bills were held over from last year – AB 56 (Garcia), SB 350 (Hertzberg), and SB 774 (Stern) – while new bills on energy policy are being developed. The last day for bills to be introduced is February 21, 2020. Below is a high-level summary of bills that have been introduced to date.

Public power safety shutoffs, grid hardening and resiliency, and wildfire risk mitigation continue to be key areas of focus for legislators. On February 12, 2020, Senate President pro Tempore Toni Atkins announced that there will be a series of hearings to support development of a comprehensive Wildfire and Climate Action Plan. Hearings have been taking place since November to inform the effort. As part of the Action Plan, Senators will introduce legislation accomplish the following goals: (1) fast-track electric grid hardening, modernization and reliability and vegetation management; (2) implement public safety power shutoff strategies to avoid another catastrophic year; (3) develop home and community hardening strategies to keep Californians safe; (4) address homeowner insurance non-renewals and stabilize California’s home insurance market; (5) reduce fire risks around neighborhoods to protect people and property; (6) improve community land use planning and emergency preparedness; and (7) train and deploy a resiliency workforce. PCE’s legislative team is engaging with stakeholders to ensure we have a place at the table during the coming discussions. However, larger structural issues in the California energy sector are still on the table including formation of a state agency to procure resource adequacy resources and possibly resources to meet state greenhouse gas reduction goals. Senator Wiener has also introduced legislation that would transition PG&E to a public entity.

On February 13, 2020, Joseph Wiedman met with stakeholders in Sacramento to discuss the coming session and bills that have been introduced to date. Mr. Wiedman met with Nidia Bautista, Chief Consultant to the Senate Energy, Utilities and Communications Committee; Miles Horton, energy staff to Senator Scott Wiener; Meegan Murray, energy staff to Assemblymember Kevin Mullin; and Laura McWilliams, Chief of Staff for Senator Jerry Hill to discuss the Senate announcement and PCE’s priorities for the session. Mr. Wiedman also met

with legislative leadership of CalCCA to discuss development of legislative strategy on energy issues as the session develops.

Measure	Author	Summary
AB 56	Garcia, E	Allows the CPUC to authorize the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to undertake procurement of electricity to meet the state's climate, clean energy, and reliability goals if the PUC makes specified findings.
AB 235	Mayes	Creates the California Wildfire Catastrophe Fund Authority (Authority) as a tax-free means for electric utilities to provide coverage for utility liability costs from wildfires when those costs exceed available insurance.
AB 352	Garcia, E	Creates the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020. This Assembly's version of the bond is expected to be reintroduced as a new bill and this current bill will be abandoned.
AB 1839	Bonta	Seeks to provide a commitment by the state to establish a policy framework of goals and principles to address the negative impacts of climate change and social inequality in California.
AB 1847	Levine	Authorizes the CPUC to appoint a public administrator to an electrical corporation if the commission finds an electrical corporation is not complying with state law or rules, regulations, or other directives from the commission. The public administrator would have oversight authority over the electrical corporation's activities that impact public safety.
SB 45	Allen	Creates the Wildfire Prevention, Safe Drinking Water, Drought Preparedness, and Flood Protection Bond Act of 2020. Places the bond on the November 3, 2020 general election ballot.
SB 246	Wieckowski	Creates a severance tax or extraction tax on oil companies at the rate of 10% of the average price per barrel of California oil or 10% of the average price per unit of gas.
SB 350	Hertzberg	Authorizes the PUC to consider a multiyear centralized resource adequacy mechanism, among other options, to most efficiently and equitably meet specified resource adequacy objectives.
SB 378	Wiener	Establishes various ratepayer protections resulting from PSPS events. Specifically: Requires IOUs to submit annual assessment of fire risk of their equipment as well as condition of equipment and maintenance records; Requires CPUC & PAO to develop procedures for customers, local governments and others to recover costs associated with PSPS events; Protects customers against certain cost increases due PSPS events; Requires earlier notification to cities and counties of pending PSPS events; Creates penalties for IOUs if PSPS events are deemed unreasonable.

SB 524	Stern	Requires the CPUC to direct energy efficiency program administrators to ensure that work is performed by a skilled and trained workforce for projects receiving at least \$50,000 in ratepayer-funded initiatives within a single facility.
SB 605	Hueso	Makes minor changes to the proceeding processes at the California Public Utilities Commission (CPUC) to help reduce delays, while preserving public notification and stakeholder participation.
SB 702	Hill	Authorizes a retail seller the option to rely on the contracts or ownership agreements entered into prior to January 1, 2019, directly by its nonprofit educational institution end-use customer to help satisfy the long-term procurement requirement in the state's renewable portfolio standard.
SB 766	Stern	Expands the list of eligible weatherization measures to include water efficiency measures that result in energy savings, and energy management technologies for publicly owned utilities (POUs), consistent with the existing authorized measures for investor-owned utilities (IOUs).
SB 774	Stern	This bill would state the intent of the Legislature to enact later legislation to require the commission to develop and implement a program to deploy local clean energy generation and storage systems throughout California.
SB 801	Glazer	Requires an electrical corporation to deploy backup electrical resources or provide financial assistance for backup electrical resources to a customer receiving a medical baseline allowance if the customer meets those conditions.
SB 802	Glazer	Require an air district to adopt a rule or revise its existing rules to allow a health facility to construct and operate an emergency backup generator during a deenergization event without having that usage count toward any time limitation.
SB 804	Wiener	Allows publicly owned electric utilities to issue rate reduction bonds, a type of financing mechanism already used by public water and wastewater agencies and, in some cases, investor-owned electric utilities. Rate reduction bonds can help utilities invest in projects such as clean energy development, equipment upgrades, and more in a cost-effective manner that saves ratepayers money.
SB 842	Wilk	Codifies an existing regulation that authorizes the CEC to approve community solar projects for certain housing projects to comply with legislation that requires new home construction to include solar and storage systems. Author notes that as long as the CEC is approving projects the legislation will not be pursued.
SB 847	Dodd	Directs the CPUC to study performance-based rates for IOUs and report back to the legislature.
SB 917	Wiener	Transitions PG&E to a publicly owned utility over a five-year span.

AB ???	Gonzalez	Eliminates Bucket #3 and increases Bucket #1 for RPS compliance.
AB ???	Gray	Increases penalties for assault and/or battery against a utility worker

FISCAL IMPACT:

Not applicable.



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: Feb. 13, 2020

BOARD MEETING DATE: Feb. 27, 2020

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. DriveForward Electric Low-Income EV Incentive Program
5. EV Ride and Drives
6. Resilient Solar for Critical Facilities (see Energy Resiliency memo)
7. MUD Low-Power EV Charging Pilot
8. EV Managed Charging Pilot
9. Community Pilots

DETAIL

1. Building and EV Reach Codes

Background: In 2018 the Board approved a building “reach code” initiative to support local governments in adopting enhancements to the building code for low-carbon and EV ready buildings. The initiative is a joint project with Silicon Valley Clean Energy (SVCE). The program includes small grants to municipalities, technical assistance, and tools, including model codes developed with significant community input. The tools and model code language are available on the project website (www.PeninsulaReachCodes.org).

Status: In PCE territory, Brisbane, Menlo Park, Pacifica, San Mateo and San Mateo County have adopted reach codes. 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	
County of San Mateo		ADOPTED		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
San Mateo	ADOPTED			Increase chargers & EV Capable
San Jose		ADOPTED	ADOPTED (low rise)	Increase chargers & EV Capable

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.

In addition, the Board approved in January 2020 an extension of the reach code technical assistance plus additional elements:

- Education and training for developers and contractors
- Consumer education program on the benefits of all-electric buildings

These new elements are under development and anticipated to launch in Q2 2020.

2. Electric Vehicle Charging Incentive Program

Background: 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.

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 charging for resiliency purposes. PCE staff is working on operational readiness for the dedicated program.

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

Status: Detailed planning for the technical assistance with CLEAResult is underway with an anticipated soft launch of the program in Q2 of 2020. The general program launch is anticipated in Q3 2020.

3. New EV Dealer Incentive Program

Background: 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. In addition, the program provides a "hook" for broad based marketing across the county intended to not only motivate immediate purchases but also increase awareness and interest in EVs to foster future purchases. The program includes participating dealerships which are selected annually 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 April 2019, the Board approved the continuation of the New EV Dealer Incentive Program over three years (2019-2021) following a 2018 pilot.

Status: Impact of the 2019 program is under assessment. A community-wide market study is under development and expected to become available in Q2. The market study is intended to indicate the level of awareness and interest in EVs and provide a comparative to a 2018 baseline study. PCE is also acquiring data on overall EV sales in the County for 2019.

What is known is that personal EV sales declined in 2019 over 2018. 2018 saw a major increase with over double the sales of 2017 (4892 vehicles, 17% of personal vehicle sales in 2018 compared to 2037 vehicles, 8.5% of sales in 2017). This was entirely attributable to the availability of the Tesla Model 3. The Model 3 announcement resulted in considerable pent up demand which affected 2019 EV sales. In addition, there were a number of additional negative market factors in 2019: Chevrolet Bolt supply problems due to General Motor strikes, significant decrease in the federal tax credit incentive for the Bolt, California rebate being reduced, and overall light duty sales down ~10%. One other factor impacting EV sales is that consumer preference favors SUVs where sales

are growing and there are still few electric SUVs, though more will be entering the market in the next couple of years.

However, the PCE program was well received:

- Buyer reported significance of promotion: 46% stated the program was crucial in decision, 38% very important, 12% slightly important.
- Dealer reported significance of promotion: 75% of dealers said the PCE program was a 'high' significance in customer's purchase decisions, 25% said 'medium' significance.

4. DriveForward Electric Low-Income EV Incentive Program

Background: 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. The program operates in partnership with Peninsula Family Service's (PFS) DriveForward program, a robust program that provides financial coaching and access to financing to help participants purchase reliable used vehicles.

Status: The program is under continuous operation. Elements of the program are under evaluation in relation to how best to align with the forthcoming state-wide low-income incentive program known as the Clean Vehicle Assistance Program (CVAP) expected to be launched soon.

Key metrics:

- Vehicles sold to-date: 41
- Estimated CO2 emissions avoided over 10 years: 1,700+ tons
- Estimated annual total participant savings: \$50,000+
- The pipeline includes 8 additional clients that have been approved but have not purchased vehicles

5. EV Ride & Drives

Background: 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. The program generated 14 events and

1,879 experiences in 2019 and a total of 19 events and 3,033 experiences since inception in 2018.

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. Event surveys indicate that the ride and drive was the first EV experience for 65% of participants and 87% report an improved opinion of EVs.

In addition, the six-month trailing survey indicates strong action following the events:

Sample pool: 213 respondents (28% response rate)

Metric	Result
Acquired an EV after the event	20% (42 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%

Status: PCE staff has started planning out events for 2020 and has confirmed 4 events in March and April; and identified about 12 other potential host sites, some repeat from previous years and some new. The following table summarizes these sites:

Event	City	Status	Type	Date
District 5 Together	Daly City	Confirmed	Community	March 28, 2020
Half Moon Bay Earth Day	Half Moon Bay	Confirmed	Community	April 18, 2020
Sony Interactive Entertainment	San Mateo	Confirmed	Workplace	April 21, 2020
Visa	Foster City	Confirmed	Workplace	April 23, 2020
College of San Mateo	San Mateo	Exploring	Workplace/ Community	TBD
The Next Big Think (SMCo Office of Ed STEM Fair)	San Mateo	Exploring	Community	TBD
New Living Expo	San Mateo	Exploring	Community	TBD
East Palo Alto Cinco de Mayo Festival	E. Palo Alto	Exploring	Community	TBD
Foster City Summer Days	Foster City	Exploring	Community	TBD
Facebook Summer Festival	Menlo Park	Exploring	Community	TBD
Oracle	Redwood City	Exploring	Workplace	TBD
Genentech	South SF	Exploring	Workplace	TBD
The Crossroads	San Mateo	Exploring	Workplace	TBD
Facebook	Menlo Park	Exploring	Workplace	TBD
Guidewire Software	San Mateo	Exploring	Workplace	TBD
Illumina	Foster City	Exploring	Workplace	TBD

PCE anticipates completing at least 18 events in 2020. Staff's goal is to host events throughout the county and will particularly focus on finding events in cities where we

have not had events yet. Recommendations on large community events or corporate partners would be very welcome.

6. Resilient Solar for Critical Facilities

For the Resilient Solar project please refer to the Energy Resiliency memo.

7. MUD Low-Power EV Charging Pilot

Background: This project was initially approved by the Board in 2018. This pilot program will foster new low-power charging technology solutions, pilot them in multi-unit dwellings (MUDs), assess the technologies for possible inclusion in PCE's Charging Incentive Program, 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 2019.

Status: Energy Solutions has completed a needs assessment that focused on the various ownership types of MUDs and implications for charging station technology functionality. The team is now wrapping up an assessment of the current market of known low-power technologies and selecting finalists to move on to the pilot stage.

8. EV Managed Charging Pilot

Background: PCE has entered into a contract with FlexCharging to test managed charging through vehicle-based telematics. The system utilizes existing Connected Car Apps and allows PCE to manage EV charging via algorithms with a goal of shifting more charging to occur during off-peak hours.

Status: Phase 1 of the project, which is testing basic functionality of the App and connectivity with Tesla and Nissan vehicles, was kicked off in January 2020 and is estimated to last about 4-6 months. Approximately 15 volunteers are assisting at this phase. If successful, the project will move to a phase 2, which will begin testing incentive structures for behavior change impact.

9. Community Pilots

Background: The Community Pilots program supports small pilots intended to foster program innovation, local engagement and inform PCE program strategy. The Board approved the program in 2018 and 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.

Status: Most of the pilots are entering an assessment phase to identify lessons learned and whether the pilot merits consideration for continuation or scaling.

Below is the status of each pilot project:

Pilot	Status
Refrigerator Recycling – ARCA Old refrigerator recycling program to capture high impact GHG sources.	121 units have been collected plus 7 pending collection as of end of January. Program will run until 350 units are recycled. Website: www.peninsulacleanenergy.com/fridge
Peninsula Climate Comfort – Ardenna Pilot for electrification retrofits for up to 5 homes for in-depth technical and financial assessment as development of financing strategy.	5 case study participants were identified and feasibility assessments done in San Mateo, Brisbane, East Palo Alto, Redwood City, and Burlingame. Only one home moved forward with upgrades of space & water heating by requested time. Two others likely to move forward but timing unclear. Moving to complete measurement & verification plus final report.
Healthy Home Connect – Build It Green (acquired by Franklin Energy) 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 work 14 homes: 7 these have been completed, 4 are under construction, and 3 scheduled.
Community Resiliency at Faith Institutions – Interfaith Power & Light Recruit and develop plans to equip 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
Low to Moderate Income Community Car Sharing Deploy battery electric vehicles 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.
A Roadmap for Municipal Green Fleets – County Office of Sustainability (OOS) Develop a clean fuel fleet toolkit for local governments, acquire pilot vehicles and e-bikes, and provide technical assistance to jurisdictions interested in electrifying their fleets.	San Mateo County Sheriff's office acquired a Fusion Energi PHEV and 8 e-bikes have been deployed into the Parks department, replacing diesel vehicles. OOS has collected baseline data and barrier research from local fleets. The team is evaluating options for EV fleet policy and strategies to assist local fleets for PCE to consider in new programming.



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: February 14, 2020
BOARD MEETING DATE: February 27, 2020
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 – February 2020

BACKGROUND:

This memo summarizes energy procurement agreements entered into by the Chief Executive Officer since the last regular Board meeting in January. This summary is provided to the Board for information purposes only.

DISCUSSION:

The table below summarizes the contracts that have been entered into by the CEO in accordance with the following policy since the last board meeting.

Execution Month	Purpose	Counterparty	Term
February	Purchase of Resource Adequacy	GenOn Energy Management, Inc	4 months
February	Sale of Resource Adequacy	Monterey Bay Community Power	1 month

In January 2020, 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:**

- a. Chief Executive Officer has authority to approve Energy Procurement contracts with terms of twelve (12) months or less, in addition to contracts for Resource Adequacy that meet the specifications in section (b) and in Table 1 below.
- b. Chief Executive Officer has authority to approve Energy Procurement contracts for Resource Adequacy that meet PCE's three (3) year forward capacity obligations measured in MW, which are set annually by the California Public Utilities Commission and the California Independent System Operator for compliance requirements.

Table 1:

Product	Year-Ahead Compliance Obligation	Term Limit
Local Resource Adequacy	In years 1 & 2, must demonstrate capacity to meet 100% of monthly local obligation for years 1 and 2 and 50% of monthly local obligation for year 3 by October 31 st of the prior year	Up to 36 months
System Resource Adequacy	In year 1, must demonstrate capacity to meet 90% of system obligation for summer months (May – September) by October 31 st of the prior year	Up to 12 months
Flexible Resource Adequacy	In year 1, must demonstrate capacity to meet 90% of monthly flexible obligation by October 31 st of the prior year	Up to 12 months

- c. Chief Financial Officer has authority to approve any contract for Resource Adequacy with a term of twelve (12) months or less if the CEO is unavailable and with prior written approval from the CEO.
 - d. 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, the Board Chair, and other members of the Board as CEO deems necessary, has the authority to approve Energy Procurement contracts with terms greater than twelve (12) months but not more than five (5) years, in addition to Resource Adequacy contracts as specified in Table 1 above. 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.
- 4) **Amendments to Agreements:** Chief Executive Officer, in consultation with the General Counsel and the Board Chair, or Board Vice Chair in the event that the

Board Chair is unavailable, has authority to execute amendments to Energy Procurement contracts that were previously approved by the Board.



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: February 14, 2020
BOARD MEETING DATE: February 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer
Siobhan Doherty, Director of Power Resources
Peter Levitt, Associate Manager, Distributed Energy Resources (DER) Strategy

SUBJECT: Update on Energy Resiliency Strategy

SUMMARY

On January 23, 2020, the Peninsula Clean Energy Board of Directors approved staff's three-year, \$10 million strategy to deploy local electricity resiliency programs in San Mateo County. Each month, staff will provide an update report to the Board on the status of the programs deployed under this strategy. Any actual budget commitments would need to be approved by Peninsula Clean Energy's Board in accordance with our policies. The full Energy Resiliency Strategy is available on Peninsula Clean Energy's website: https://www.peninsulacleanenergy.com/wp-content/uploads/2020/02/Resiliency-Strategy_January.pdf

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

1. Municipal Community Resiliency Centers (CRC)
2. Distributed Resource Adequacy (RA)
3. Solar Energy Resiliency for Medically Fragile Customers
4. Community Resiliency at Faith Institutions – Interfaith Power & Light
5. Future Programs – EVs for Backup Power

DETAIL

1. Municipal Community Resiliency Centers (CRC)

Background

In Q3 2018, East Bay Community Energy (EBCE), in partnership with Peninsula Clean Energy, was awarded a Bay Area Air Quality Management District grant for a scoping study to identify critical facilities that can provide emergency services during natural disasters including for community shelter in the counties of Alameda and San Mateo. These facilities will be studied to evaluate viability and economics for deploying solar+storage to provide back-up power. 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 \$300,000, 12-month scoping project will achieve four objectives 1) identify a subset of critical facilities in San Mateo and Alameda counties that can serve as community shelters and/or emergency response hubs during power outages related to Public Safety Power Shutoff events or natural disasters (e.g. police and fire depts, recreation centers, libraries, etc); 2) narrow that list to select priority sites based on site hazards, proximity to population, and location in a disadvantaged community or low income zone; 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.

Current Status

This project was initiated in Q3 2019, and Peninsula Clean Energy conducted outreach to cities to identify sites and form a preliminary list of prospective facilities. Eleven cities responded by the required deadline and identified 118 facilities for initial study: Belmont, Brisbane, Colma, Foster City, Half Moon Bay, Hillsborough, Millbrae, Pacifica, Redwood City, San Carlos, and San Mateo. These cities' facilities were studied for their solar potential, to understand their risk of fault as a result of natural disasters, and to evaluate the population within a 30-minute walk.

Over the last month, staff met with personnel from each of these 11 cities to review these studies, to discuss city priorities with respect to backup power needs, and to discuss potential procurement pathways. Based on the initial study and conversations with the cities, we have narrowed the list of facilities for further evaluation to 50 out of the initial 118 facilities that cities identified. This is the first phase of the project, and we intend to include additional cities and facilities in the future.

The scoping study and cities' guidance will serve as a basis for assessing the full scope of a prospective procurement. EBCE is the lead agency for the project and is planning to release a Request for Information (RFI) in the first quarter of 2020 to collect industry information on potential resiliency solutions and how to organize procurement for municipalities in EBCE and Peninsula Clean Energy territories.

2. Distributed Resource Adequacy

Background

The Distributed Resource Adequacy (RA) program is a group effort with Peninsula Clean Energy, East Bay Community Energy, Silicon Valley Clean Energy, and Silicon Valley Power to utilize Load-Serving Entities' (LSEs) RA purchasing obligations to motivate new solar+storage systems to provide energy resiliency throughout the Bay Area. Peninsula Clean Energy aims to purchase 10MW of Local Greater Bay Area RA from new solar and storage capacity, 5% of which will be sited in Disadvantaged Communities or Low-Income Zones. We are targeting 50% of systems to be installed on residences and 50% to be installed on businesses. In total, all LSEs will procure 33MW of new energy capacity as a result of this program.

Current Status

The request for proposals was published in November 2019 with a due date in December. Peninsula Clean Energy received 20 proposals. In January, we shortlisted eight of the proposals and conducted interviews with this shortlist. Based on the interviews, we narrowed the list further to five candidates that we are continuing to evaluate. We aim to contract with final awardees in Q2 2020 and begin deploying energy resiliency systems ahead of the 2020 fire season.

3. Solar Energy Resiliency for Medically Fragile Customers

Background

Grid outages can be life threatening for people that depend on electricity to power medical equipment. Clean backup power will allow customers that depend on medical equipment to remain in their homes during a power outage and have access to electricity. This could also reduce power outage-related calls to emergency services from these customers.

Peninsula Clean Energy will conduct outreach to customers with critical, electricity dependent medical needs in our service territory in two primary ways –

- a) Medical Baseline rate designation – Medical Baseline provides certain protections for residential customers that have special energy needs due to qualifying medical conditions. Peninsula Clean Energy has approximately 4,300 Medical Baseline customers. During the largest of the four PSPS events in October, approximately 600 Medical Baseline customers lost power.
- b) Partner with local public health institutions such as hospitals, municipal emergency services and non-profit agencies for outreach to target customers.

Peninsula Clean Energy will partner with a private sector vendor to facilitate the deployment of solar and battery energy solutions on a select number of homes of medically threatened customers before the 2020 wildfire season. This will deliver immediate relief and test the approach and pricing for this solution.

Under the CPUC's Small Generator Incentive Program (SGIP), funds are available to Medical Baseline customers located in Tier 2 or Tier 3 high fire threat districts. These incentive levels amount to nearly the full cost of an energy storage system. This will help ensure that systems purchased or financed by our customers provide a near guarantee of economic savings.

Current Status

Staff is currently developing this program internally. Our first priorities are to develop an outreach strategy and develop a statement of work for a program administrator.

4. Community Resiliency at Faith Institutions – Interfaith Power & Light

Background

This pilot project seeks to recruit and equip 3-5 faith institutions to be community resilience hubs with clean energy backup power and emergency preparedness plans to respond to community needs during a natural disaster or emergency. Through this pilot, Peninsula Clean Energy will capture practical knowledge to inform and design future resilience programs.

This program is managed by the PCE Community Energy Programs team.

Current Status

The project engaged four congregations across San Mateo County - (1) Hope United Methodist Church, (2) Congregational Church of San Mateo, (3) Peninsula Sinai Congregation, and (4) Unitarian Universalists of San Mateo. Of the four sites, three are currently reviewing bids that range between 20-25 kW PV arrays and ~10-40 kWh storage. In conjunction with the bid review, two congregations are engaging in more detailed emergency preparedness planning to help both inform their operational plans and the required system sizes based on those plans. Projects are anticipated to start mid-2020. All three sites are investigating additional options to finance the battery purchase or solicit a donation due to the high cost of the storage system. The fourth congregation, which has not solicited a bid, has plans to construct a new building on their site and is discussing whether to align the solar plus storage project with that new construction project.

The pilot project highlighted two key learnings: (1) what are the best practices for designing an emergency preparedness plan for off-grid operation, and (2) what standards exist for developers to properly size storage for resiliency needs. The seemingly larger storage requirement to support longer duration off-grid operation increases the cost of the storage system reducing financial feasibility of the project.

5. Future Programs

EVs for Backup Power

EVs require powerful batteries and therefore represent an energy asset that can act as a virtual power plant, charging their batteries with renewable energy during the daytime, and discharging their batteries to the grid when there is high demand during evening hours. Additionally, these fleets can provide backup power by reserving a portion of their overall capacity in the event of a power outage. In the U.S., there are some limits around using EVs in this way due to limitations in warranties. However, we expect this to change over time as “V2Home” (Vehicle to Home) programs become implemented by car companies and/or other third-party suppliers.

Staff is tracking several Vehicle to Grid (V2G) companies and pilot projects for possible development with Peninsula Clean Energy. These range from light-duty vehicles (vehicles equipped with Chademo ports, mostly the Nissan Leaf) to heavy-duty school buses. We are developing a V2G program track, which will be incorporated into a larger fleet strategy. This will include day-to-day customer bill management for EV fleets and could potentially include bi-directional grid support and backup emergency power demonstrations.

This program is managed by the PCE Community Energy Programs team.

Peninsula Clean Energy
Quarterly Financial Summary
Results for the Fiscal Quarter Ended
December, 2019

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
December, 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
December 31, 2019	Unaudited Actual	\$186,772
June 30, 2020	Budget	\$167,992

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
December 31, 2019	Unaudited Actual	\$174,040
June 30, 2020	Budget	\$159,103

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
December 31, 2019	Unaudited YTD Actual	\$46,633
FY2019-2020	Budget	\$33,205

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
December 31, 2019	Unaudited Actual	\$103,095
June 30, 2020	Budget	\$216,549

Revenues

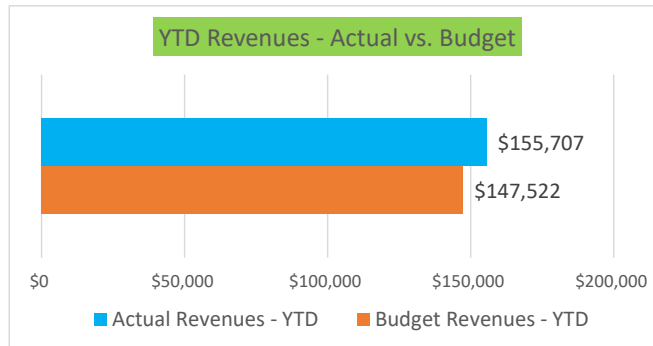
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$0
FY2016-2017	Audited	\$93,129
FY2017-2018	Audited	\$244,738
FY2018-2019	Audited	\$259,782
December 31, 2019	Unaudited YTD Actual	\$155,707
FY2019-2020	Budget	\$267,782

Total Operating Expenses

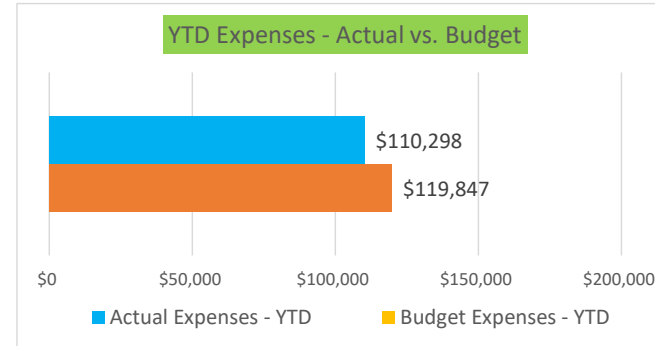
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$1,041
FY2016-2017	Audited	\$70,104
FY2017-2018	Audited	\$180,970
FY2018-2019	Audited	\$206,894
December 31, 2019	Unaudited YTD Actual	\$110,298
FY2019-2020	Budget	\$236,809

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

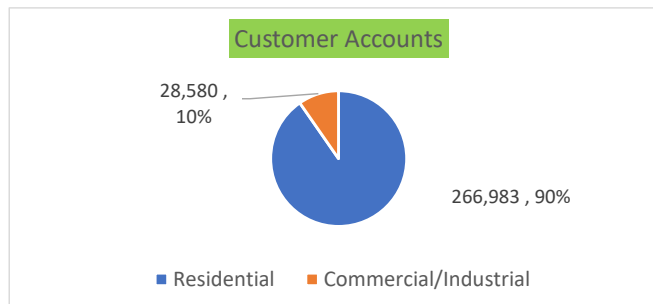
YTD Revenues



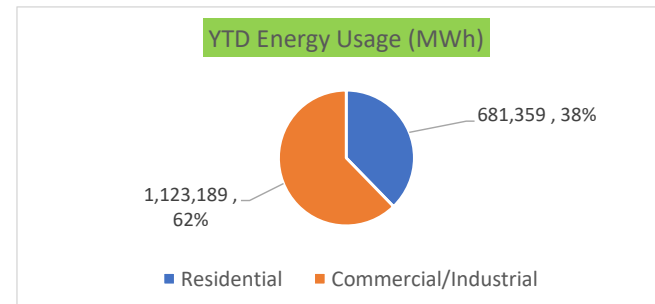
YTD Expenses



Customer Accounts



Energy Used



- **Revenues** were \$5.1MM above budget in Q2 (and \$8.2 million above budget for YTD) mostly as a result of rates that were higher than budgeted. PG&E's final rates, that became effective on July 1, 2019, were not available at the time that the Board approved the FY2019-2020 budget. Revenues are expected to drop in Spring 2020 when a higher PCIA is adopted. Originally targeted to be adopted as of January 1, 2020, the implementation date is now expected between March 1 and May 1, 2020. However, Revenues are expected to remain above budget unless the adopted PCIA fee is more than \$0.005 rate increase assumed in the approved budget.
- **Total Expenses** were \$6.7MM below budget in Q2 (and \$9.5 million below budget for YTD) largely due to very favorable and stable electricity costs that have remained relatively low and stable compared to the prior year and to current year budget while customer energy use is very close to the budgeted level on a YTD basis. Hedging strategies implemented on a quarterly basis have helped to maintain predictable costs.

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

	Year-to-date				Full Year (FY 2019-2020)		Year-to-date
	Actual	Budget	Variance: Favorable / (Unfavorable)	YTD Actual as % of YTD Budget	Budget	YTD Actual as % of Full Year Budget	Prior Year Actual
OPERATING REVENUES							
Electricity Sales, net	\$ 154,389	\$ 146,250	\$ 8,139	105.6%	\$ 265,222	58.2%	\$ 134,807
Green electricity premium	1,318	1,272	46	103.7%	2,560	51.5%	1,222
Total Operating Revenues	\$155,707	\$147,522	\$8,185	105.5%	\$267,782	58.1%	\$136,029
OPERATING EXPENSES							
Cost of energy	103,095	110,630	7,535	93.2%	216,549	47.6%	87,156
Staff compensation	1,911	2,067	157	92.4%	4,589	41.6%	1,422
Data Manager	1,897	1,911	14	99.3%	3,822	49.6%	1,885
Service Fees - PG&E	626	628	2	99.7%	1,256	49.8%	619
Consultants/Professional Svcs	249	508	259	49.0%	896	27.8%	312
Legal	576	736	160	78.3%	1,472	39.1%	602
Communications/Noticing	581	877	296	66.2%	1,755	33.1%	393
General and Administrative	660	638	(22)	103.5%	1,277	51.7%	518
Community Energy Programs	658	1,803	1,145	36.5%	5,094	12.9%	228
Depreciation	45	49	4	91.7%	98	45.9%	36
Total Operating Expenses	110,298	119,847	9,549	92.0%	236,809	46.6%	93,172
Operating Income (Loss)	\$45,410	\$27,675	\$17,735	164.1%	\$30,973	146.6%	\$42,857
Total Nonoperating Inc/(Exp)	1,223	1,116	107	109.6%	2,232	54.8%	667
CHANGE IN NET POSITION	\$46,633	\$28,791	\$17,842		\$33,205	140.4%	\$43,524



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 December 31, 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
January 23, 2020

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of December 31, 2019

ASSETS

Cash and cash equivalents	\$ 133,429,885
Accounts receivable, net of allowance	20,318,224
Investments	28,958,533
Other receivables	622,996
Accrued revenue	14,062,468
Prepaid expenses	2,108,807
Restricted cash	13,038,299
Total current assets	<u>212,539,212</u>
Noncurrent assets	
Capital assets, net of depreciation	327,077
Deposits	134,840
Total noncurrent assets	<u>461,917</u>
Total assets	<u>213,001,129</u>

LIABILITIES

Current liabilities	
Accounts payable	869,508
Accrued cost of electricity	19,459,032
Accrued payroll	261,672
Other accrued liabilities	80,637
Supplier deposits - energy suppliers	3,040,047
User taxes and energy surcharges due to other governments	886,295
Total current liabilities	<u>24,597,191</u>
Noncurrent liabilities	
Supplier deposits - energy suppliers	<u>1,632,050</u>
Total liabilities	<u>26,229,241</u>

NET POSITION

Investment in capital assets	327,077
Restricted for security collateral	13,038,299
Unrestricted	<u>173,406,512</u>
Total net position	<u><u>\$ 186,771,888</u></u>

PENINSULA CLEAN ENERGY AUTHORITY

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

July 1, 2019 through December 31, 2019

OPERATING REVENUES

Electricity sales, net	\$ 154,389,183
Green electricity premium	1,318,215
Total operating revenues	<u>155,707,398</u>

OPERATING EXPENSES

Cost of electricity	103,095,122
Contract services	4,345,884
Staff compensation and benefits	1,910,666
General and administration	900,971
Depreciation	45,121
Total operating expenses	<u>110,297,764</u>
Operating income (loss)	<u>45,409,634</u>

NONOPERATING REVENUES (EXPENSES)

Miscellaneous income	2,142
Interest and investment income	1,266,984
Finance costs	(46,000)
Total nonoperating revenues (expenses)	<u>1,223,126</u>

CHANGE IN NET POSITION

	46,632,760
Net position at beginning of period	<u>140,139,128</u>
Net position at end of period	<u>\$ 186,771,888</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS

July 1, 2019 through December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 164,086,172
Receipts from supplier security deposits	75,583
Payments to suppliers for electricity	(107,391,903)
Payments to suppliers for other goods and services	(5,485,948)
Payments for staff compensation and benefits	(1,864,758)
Payments of taxes and surcharges to other governments	(2,509,607)
Net cash provided (used) by operating activities	<u>46,909,539</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Deposits and collateral received	276,085
Finance costs payments	<u>(46,000)</u>
Net cash provided (used) by non-capital financing activities	<u>230,085</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments to acquire capital assets	<u>(77,779)</u>
------------------------------------	-----------------

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment sales	135,555,908
Investment income received	1,387,299
Purchase of investments	<u>(99,576,311)</u>
Net cash provided (used) by investing activities	<u>37,366,896</u>

Net change in cash and cash equivalents	84,428,741
Cash and cash equivalents at beginning of period	<u>62,039,443</u>
Cash and cash equivalents at end of period	<u>\$ 146,468,184</u>

Reconciliation to the Statement of Net Position

Cash and cash equivalents (unrestricted)	\$ 133,429,885
Restricted cash	<u>13,038,299</u>
Cash and cash equivalents	<u>\$ 146,468,184</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (continued)
July 1, 2019 through December 31, 2019

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

Operating income (loss)	\$ 45,409,634
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	45,121
Revenue adjusted for uncollectible accounts	421,548
Nonoperating miscellaneous income	2,142
(Increase) decrease in:	
Accounts receivable	3,322,101
Other receivables	(255,581)
Accrued revenue	2,098,953
Prepaid expenses	2,200,811
Increase (decrease) in:	
Accounts payable	(137,877)
Accrued payroll and related	43,246
Accrued cost of electricity	(4,969,922)
Accrued liabilities	(89,701)
User taxes and energy surcharges due to other governments	24,422
Increase (decrease) in supplier security deposits	(1,205,358)
Net cash provided (used) by operating activities	<u>\$ 46,909,539</u>



FIRST REPUBLIC SECURITIES COMPANY, LLC
 It's a privilege to serve you®
 111 PINE STREET, SAN FRANCISCO, CA 94111, TEL 1-877-348-5576, FAX 1-888-258-6188
 E-MAIL: investments@firstrepublic.com

Brokerage Account Statement

December 1, 2019 - December 31, 2019
 Account Number: A9G-165194

PENINSULA CLEAN ENERGY AUTHORITY
 2075 WOODSIDE RD
 REDWOOD CITY CA 94061-3338

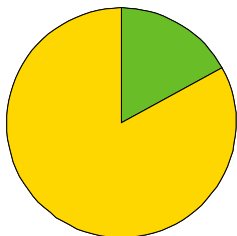
Your Investment Specialist:
 KEVIN DOUGLAS

Portfolio at a Glance

	This Period
BEGINNING ACCOUNT VALUE	\$148,525,127.56
Withdrawals (Cash & Securities)	-5,000,000.00
Dividends, Interest and Other Income	335,031.09
Fees	-10.00
Net Change in Portfolio¹	-175,359.80
ENDING ACCOUNT VALUE	\$143,684,788.85
Accrued Interest	\$227,973.12
Account Value with Accrued Interest	\$143,912,761.97
Estimated Annual Income	\$908,331.58

¹ Net Change in Portfolio is the difference between the ending account value and beginning account value after activity.

Asset Summary



Percent	Asset Type	Last Period	This Period
17%	Cash, Money Funds, and Bank Deposits	29,289,374.31	24,909,433.20
83%	Fixed Income	119,235,753.25	118,775,355.65
100%	Account Total (Pie Chart)	\$148,525,127.56	\$143,684,788.85

Please review your allocation periodically with your Investment Specialist.





FIRST REPUBLIC SECURITIES COMPANY, LLC
 It's a privilege to serve you®
 111 PINE STREET, SAN FRANCISCO, CA 94111, TEL 1-877-348-5576, FAX 1-888-258-6188
 E-MAIL: investments@firstrepublic.com

December 1, 2019 - December 31, 2019
 PENINSULA CLEAN ENERGY AUTHORITY

Portfolio Holdings

Opening Date	Quantity	Account Number	Activity Ending	Opening Balance	Closing Balance	Accrued Income	Income This Year	30-Day Yield	Current Yield
CASH, MONEY FUNDS AND BANK DEPOSITS 17.00% of Portfolio									
Cash Balance				26,827,206.17	0.00				
Money Market									
DREYFUS GOVT SEC CASH MGT PART									
11/30/19	24,909,433.200	N/A	12/31/19	2,462,168.14	24,909,433.20	0.00	120,545.33	1.06%	1.05%
Total Money Market				\$2,462,168.14	\$24,909,433.20	\$0.00	\$120,545.33		
TOTAL CASH, MONEY FUNDS AND BANK DEPOSITS				\$29,289,374.31	\$24,909,433.20	\$0.00	\$120,545.33		
Date Acquired	Quantity	Unit Cost	Current Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME 83.00% of Portfolio (In Maturity Date Sequence)									
U.S. Treasury Securities									
¹ UNITED STATES TREAS BILLS 0.000% 01/30/20 B/E DTD 01/31/19 Security Identifier: 912796RY7									
11/08/19*	28,745,000.000	99.6690	28,649,743.96	99.8870	28,712,518.31	62,774.35	0.00		
			Original Cost Basis: \$28,649,743.96						
11/25/19*	2,550,000.000	99.7220	2,542,904.98	99.8870	2,547,118.34	4,213.36	0.00		
			Original Cost Basis: \$2,542,904.98						
Total Noncovered	31,295,000.000		31,192,648.94		31,259,636.65	66,987.71	0.00		
Total	31,295,000.000		\$31,192,648.94		\$31,259,636.65	\$66,987.71	\$0.00		
UNITED STATES TREAS BILLS 0.000% 02/13/20 B/E DTD 08/15/19 Security Identifier: 912796TF6									
12/13/19*	32,375,000.000	99.7510	32,294,403.41	99.8270	32,318,991.25	24,587.84	0.00		
			Original Cost Basis: \$32,294,403.41						
UNITED STATES TREAS BILLS 0.000% 02/27/20 B/E DTD 02/28/19 Security Identifier: 912796SD2									
INTEREST PAYABLE AT MATURITY									
12/02/19*	26,300,000.000	99.6300	26,202,585.59	99.7650	26,238,195.00	35,609.41	0.00		
			Original Cost Basis: \$26,202,585.59						
Total U.S. Treasury Securities			\$89,689,637.94		\$89,816,822.90	\$127,184.96	\$0.00		
Corporate Bonds									
¹ NATIONAL AUSTRALIA BK LTD NY ISIN#US63254AAT51 2.250% Security Identifier: 63254AAT5									
01/10/20 B/E DTD 01/10/17 FOREIGN SECURITY 1ST CPN DTE 07/10/17									
CPN PMT SEMI ANNUAL ON JAN 10 AND JUL 10 Moody Rating Aa3 S &									
P Rating AA-									
08/20/19	2,850,000.000	100.0060	2,850,181.23	100.0040	2,850,114.00	-67.23	30,459.38	64,125.00	2.24%
			Original Cost Basis: \$2,852,479.50						



Portfolio Holdings (continued)

Date Acquired	Quantity	Unit Cost	Current Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME (continued)									
Corporate Bonds (continued)									
WESTPAC BKG CORP SR NT 2.150% 03/06/20 B/E DTD 03/06/17			Security Identifier: 961214DJ9						
30/360 FOREIGN SECURITY 1ST CPN DTE 09/06/17 CPN PMT SEMI ANNUAL ON MAR 06 AND SEP 06 Moody Rating Aa3 S & P Rating AA-									
08/30/19	3,100,000.000	100.0340	3,101,060.20	100.0260	3,100,806.00	-254.20	21,290.97	66,650.00	2.14%
			Original Cost Basis: \$3,102,914.00						
WELLS FARGO BK N A SAN FRANCISCO CALIF MEDIUM TERM SR BK NT BK NTS FLTG RT NOTE 2.300% 03/25/20 B/E DTD 09/25/18			Security Identifier: 94988J5S2						
CALLABLE 02/21/20 @ 100.000 1ST CPN DTE 12/26/18 CPN PMT QRTLY MAR,JUN,SEPT,DEC 26 Moody Rating Aa2 S & P Rating A+									
07/23/19	3,000,000.000	100.0680	3,002,041.13	100.0180	3,000,540.00	-1,501.13	1,212.50	69,000.00	2.29%
			Original Cost Basis: \$3,005,880.00						
QUALCOMM INC FXD RT NT 2.250% 05/20/20 B/E DTD 05/20/15			Security Identifier: 747525AD5						
30/360 1ST CPN DTE 11/20/15 CPN PMT SEMI ANNUAL ON MAY 20 AND NOV 20 Moody Rating A2 S & P Rating A-									
09/06/19	2,115,000.000	100.1030	2,117,186.12	100.1100	2,117,326.50	140.38	5,419.69	47,587.50	2.24%
			Original Cost Basis: \$2,118,891.60						
WALMART INC FXD RT SR NT 2.850% 06/23/20 B/E DTD 06/27/18			Security Identifier: 931142EG4						
30/360 1ST CPN DTE 12/23/18 CPN PMT SEMI ANNUAL ON JUN 23 AND DEC 23 Moody Rating Aa2 S & P Rating AA									
10/21/19	3,100,000.000	100.5350	3,116,575.58	100.5060	3,115,686.00	-889.58	1,963.33	88,350.00	2.83%
			Original Cost Basis: \$3,122,958.60						
BANK OF MONTREAL ISIN#US06367T7H77 3.100% 07/13/20 B/E DTD 07/13/18 30/360 FOREIGN SECURITY 1ST CPN DTE 01/13/19 CPN PMT SEMI ANNUAL ON JAN 13 AND JUL 13 Moody Rating Aa2 S & P Rating A+			Security Identifier: 06367T7H7						
10/11/19	3,000,000.000	100.6660	3,019,987.98	100.6930	3,020,790.00	802.02	43,400.00	93,000.00	3.07%
			Original Cost Basis: \$3,027,600.00						
AMERICAN HONDA FIN CORP MED TERM NTS FLTG RATE NOTE SER A 2.235% 07/20/20 B/E DTD 07/20/17 1ST CPN DTE 10/20/17 CPN PMT QRTLY JAN,APR,JUL,OCT 20 Moody Rating A2 S & P Rating A			Security Identifier: 02665WBS9						
11/26/19	2,425,000.000	100.1470	2,428,569.20	100.1130	2,427,740.25	-828.95	10,839.75	54,198.75	2.23%
			Original Cost Basis: \$2,429,146.75						
UBS AG STAMFORD BRH MEDIUM TERM SR DEP NTS FXD RT NOTE SER 2010-08 4.875% 08/04/20 B/E DTD 08/04/10 1ST CPN DTE 02/04/11 CPN PMT SEMI ANNUAL ON FEB 04 AND AUG 04 Moody Rating Aa3 S & P Rating A+			Security Identifier: 90261XGD8						
10/24/19	2,000,000.000	101.7540	2,035,088.19	101.7000	2,034,000.00	-1,088.19	39,812.50	97,500.00	4.79%
			Original Cost Basis: \$2,045,180.00						



FIRST REPUBLIC SECURITIES COMPANY, LLC
 It's a privilege to serve you®
 111 PINE STREET, SAN FRANCISCO, CA 94111, TEL 1-877-348-5576, FAX 1-888-258-6188
 E-MAIL: investments@firstrepublic.com

December 1, 2019 - December 31, 2019
 PENINSULA CLEAN ENERGY AUTHORITY

Portfolio Holdings *(continued)*

Date Acquired	Quantity	Unit Cost	Current Cost Basis	Market Price	Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	Estimated Yield
FIXED INCOME <i>(continued)</i>									
Corporate Bonds <i>(continued)</i>									
HSBC USA INC NEW FXD RT SR NT 2.750% 08/07/20 B/E DTD 08/07/15 30/360 FOREIGN SECURITY 1ST CPN DTE 02/07/16 CPN PMT SEMI ANNUAL ON FEB 07 AND AUG 07 Moody Rating A2 S & P Rating A 12/02/19 3,000,000.000 100.4950 3,014,851.87 100.4310 3,012,930.00 -1,921.87 33,000.00 82,500.00 2.73% Original Cost Basis: \$3,016,620.00 Security Identifier: 40428HPV8									
LLOYDS BANK PLC GTD SR NT ISIN#US53944VAK52 2.700% 08/17/20 B/E DTD 08/17/15 30/360 FOREIGN SECURITY 1ST CPN DTE 02/17/16 CPN PMT SEMI ANNUAL ON FEB 17 AND AUG 17 Moody Rating Aa3 S & P Rating A+ 12/17/19 2,000,000.000 100.4850 2,009,693.04 100.4400 2,008,800.00 -893.04 20,100.00 54,000.00 2.68% Original Cost Basis: \$2,010,160.00 Security Identifier: 53944VAK5									
TORONTO DOMINION BK SR MEDIUM TERM NT ISIN#US89114QC716 3.150% 09/17/20 B/E DTD 09/17/18 30/360 FOREIGN SECURITY 1ST CPN DTE 03/17/19 CPN PMT SEMI ANNUAL ON MAR 17 AND SEP 17 Moody Rating Aa1 S & P Rating AA- 12/13/19 2,250,000.000 100.9020 2,270,287.99 100.8800 2,269,800.00 -487.99 20,475.00 70,875.00 3.12% Original Cost Basis: \$2,271,307.50 Security Identifier: 89114QC71									
Total Corporate Bonds			\$28,965,522.53		\$28,958,532.75	-\$6,989.78	\$227,973.12	\$787,786.25	
TOTAL FIXED INCOME			\$118,655,160.47		\$118,775,355.65	\$120,195.18	\$227,973.12	\$787,786.25	
			Current Cost Basis		Market Value	Unrealized Gain/Loss	Accrued Interest	Estimated Annual Income	
Total Portfolio Holdings			\$143,564,593.67		\$143,684,788.85	\$120,195.18	\$227,973.12	\$908,331.58	

* Noncovered under the cost basis rules as defined below.

Generally, securities acquired before 2011, in retirement accounts or held by Non-U.S. entities are not subject to the cost basis reporting rules set forth in the Internal Revenue Code of 1986, as amended by the Emergency Economic Stabilization Act of 2008, and are marked as "noncovered". Securities marked as "covered", were identified as securities potentially subject to the cost basis reporting rules and may be reported to the IRS on form 1099-B for the applicable tax year in which the securities are disposed.

Note: In the event where we cannot easily determine the taxability of an account, we may mark the account as noncovered. However, if the account does not receive a 1099B, the cost basis will not be reported to the IRS.

Cost Basis on fixed income securities may be adjusted for amortization, accretion, original issue discount adjustments, or principal paydowns. The calculation is based upon the taxpayer election, type of fixed income security, and certain attributes, obtained from sources believed to be reliable. In the event, one or more of these attributes is changed, there may