



Peninsula Clean Energy Board of Directors Meeting

April 23, 2020

Agenda

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

Regular Agenda

1. Chair Report (Discussion)

Regular Agenda

2. CEO Report (Discussion)

Today's Updates

- Staffing Update
- Credit Rating from Fitch
- Reception to PCE's \$100 Bill Credit for CARE/FERA customers
- PG&E Bankruptcy Update
- COVID-19 Update
 - Load Impact Analysis
- Merced Update
- Upcoming Meetings

Staffing Update



Offer made and accepted for Regulatory Analyst

- Matthew Rutherford will be joining us on June 15

Currently recruiting for:

- Manager, Distributed Energy Resource Strategy

Credit Rating from Fitch Ratings

- PCE received a credit rating of BBB+ from Fitch Ratings
 - One notch higher than Baa2 rating from Moody's
- Fitch's full analysis will be sent out in tomorrow's weekly newsletter

Responses to PCE's \$100 Bill Credit for CARE/FERA Customers

- Many “thank you’s” from a number of customers!

*Thank
you*

to the PCE Board!

PG&E Bankruptcy Update

- PG&E's Plan of Reorganization was mailed to stakeholders.
- Ballots and objections to confirmation are due on May 15.
- CPUC issued its Proposed Decision on the bankruptcy on April 20.
 - Adopts most of CPUC President Batjer's proposals
 - Specific plan for regionalization to be considered in separate proceeding
 - Removing PG&E from electric generation service in 2025 to be addressed in PG&E's Safety Culture Order Instituting Investigation (OII)
 - Minimum of 50% of board must reside in California (with preference for PG&E service territory)
 - High reliance on debt; limited discussion on the cost of debt
- Concern by Liccardo group – organizing letter from elected's

COVID-19 Load Impact Analysis

- Overall PCE load
- Weekly and Daily Load Changes
- Weekly Load by Customer Type
- Load Shape Changes

Thank you to the power resources team for this analysis!

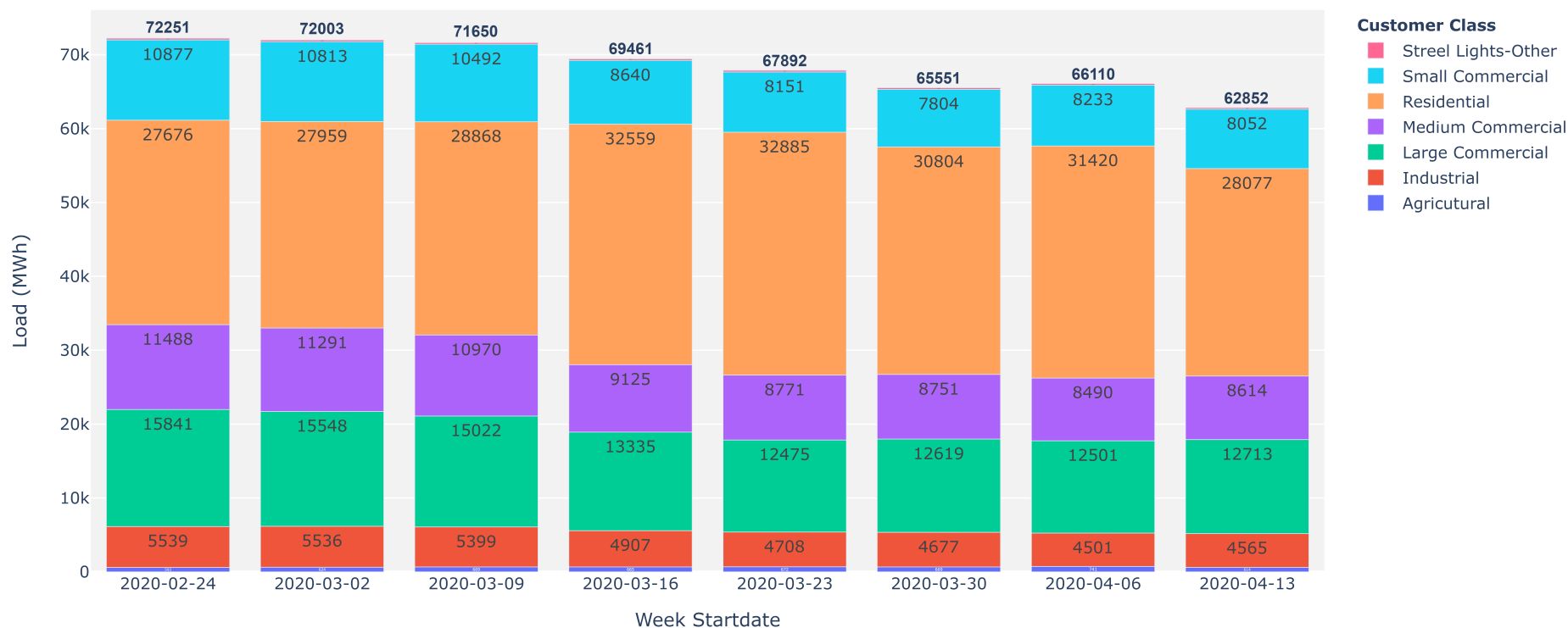
PCE Load after Shelter-in-place order

- Week of Apr 6th:
 - 8% decrease in Total PCE load compared to last week of Feb.
 - More than 20% decrease in commercial load
 - 14% increase in residential load
- Further decrease in week of Apr 13th (could be due to higher temperatures)

Customer Class	2/24/2020	4/6/2020		4/13/2020	
	Load	Load	Percent Change	Load	Percent Change
Agricultural	593	741	25%	614	3%
Industrial	5539	4501	-19%	4565	-18%
Large Commercial	15841	12501	-21%	12713	-20%
Medium Commercial	11488	8490	-26%	8614	-25%
Residential	27676	31420	14%	28077	1%
Small Commercial	10877	8233	-24%	8052	-26%
Street Lights-Other	237	223	-6%	218	-8%
Total PCE (MWh)	72251	66110	-8%	62852	-13%

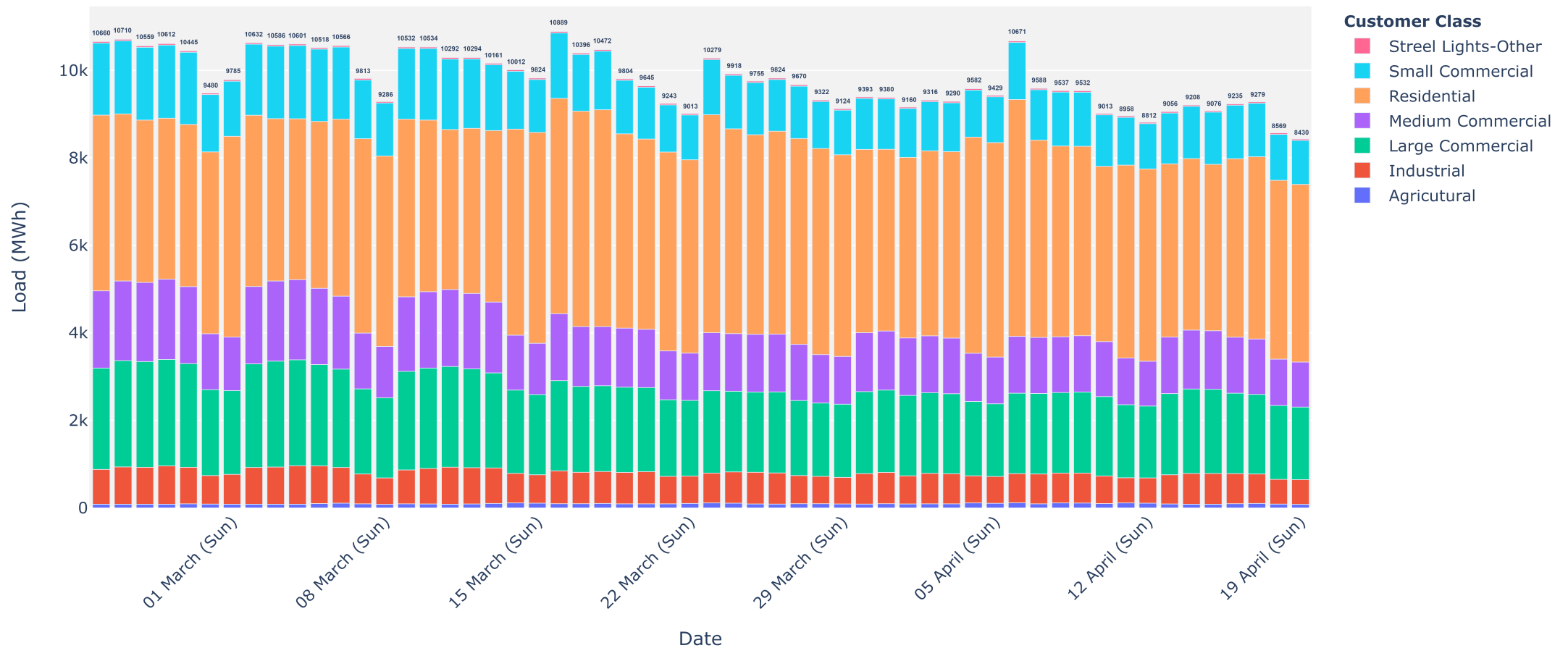
Weekly Load

- 8% decrease in Total PCE load in week of Apr 6th compared to last week of Feb and first two weeks of Mar
- Further 5% decrease in Total PCE load in week of Apr 13th (could be due to warmer temperatures)

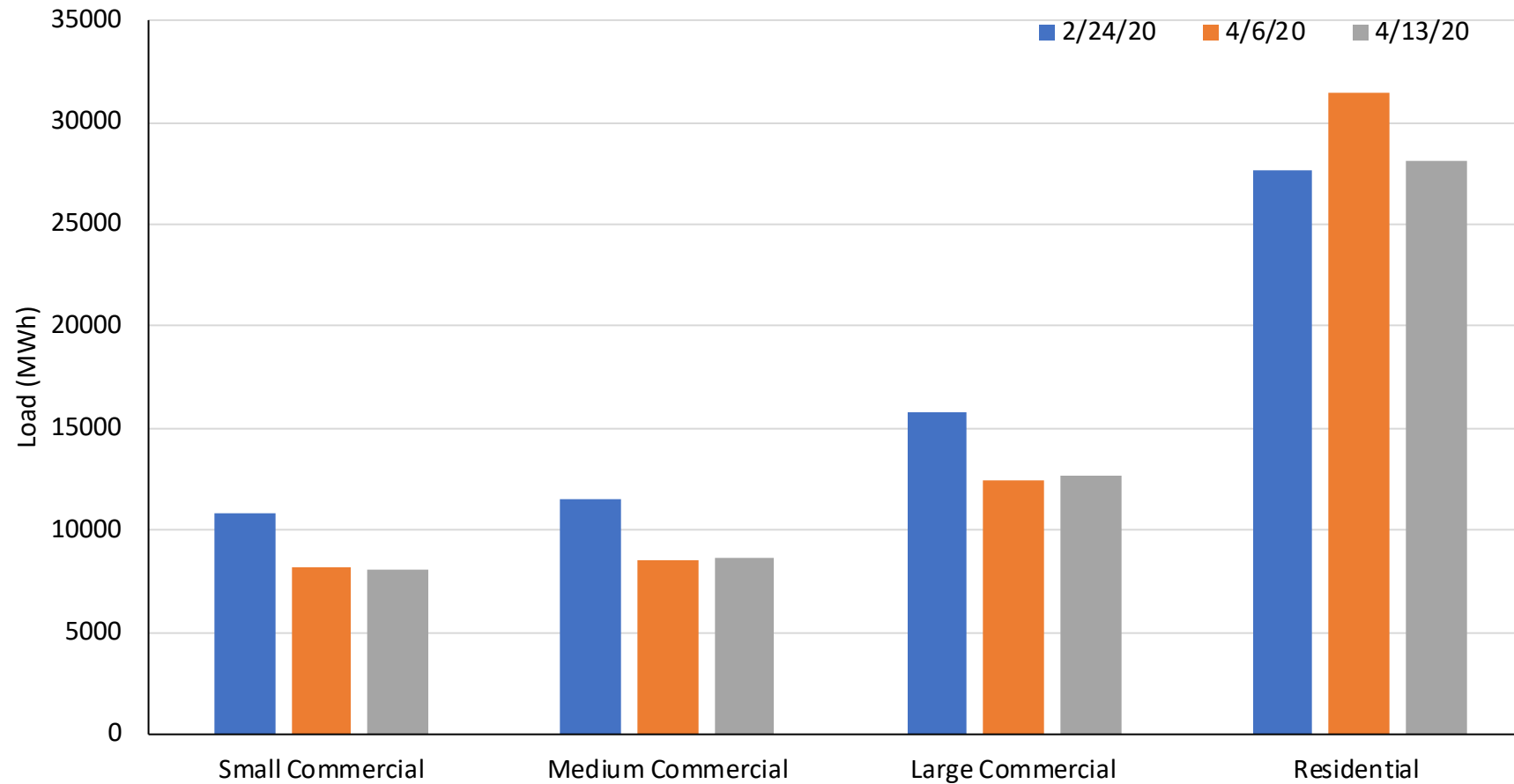


Daily Load

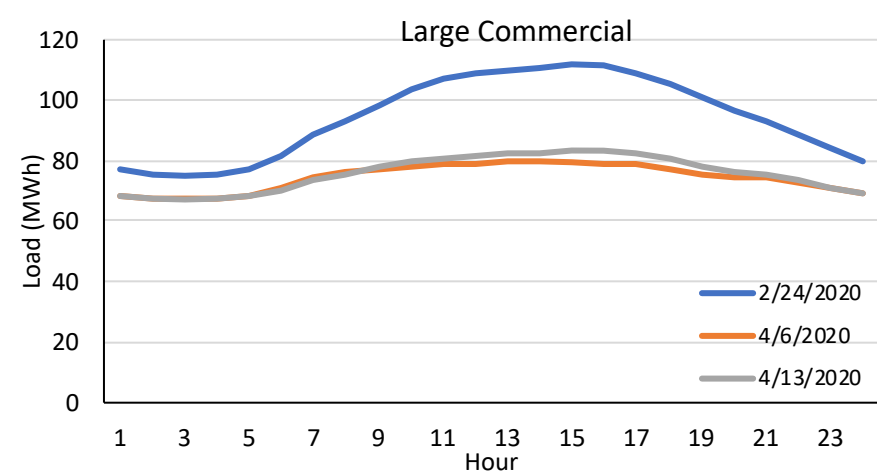
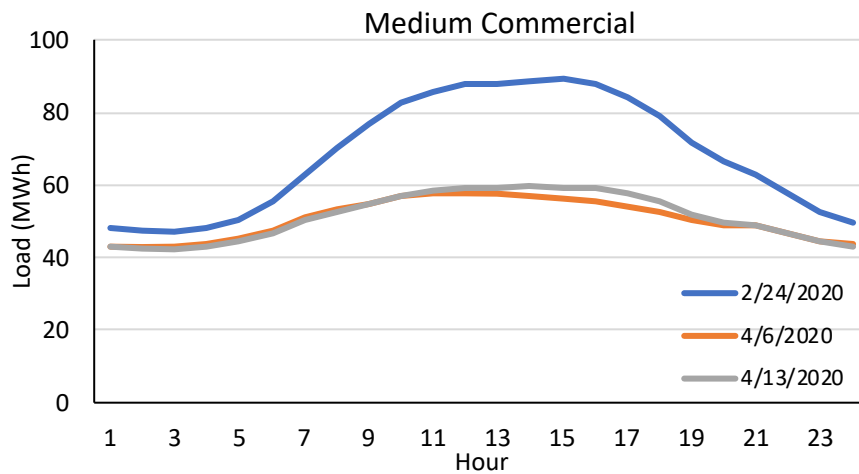
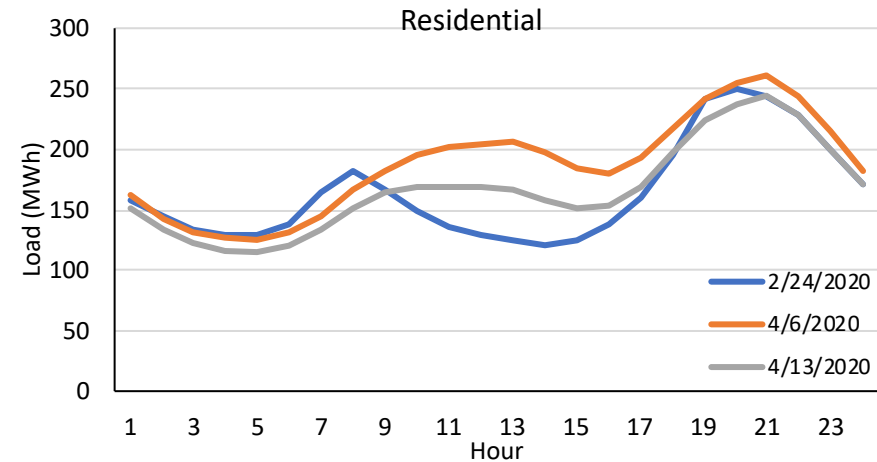
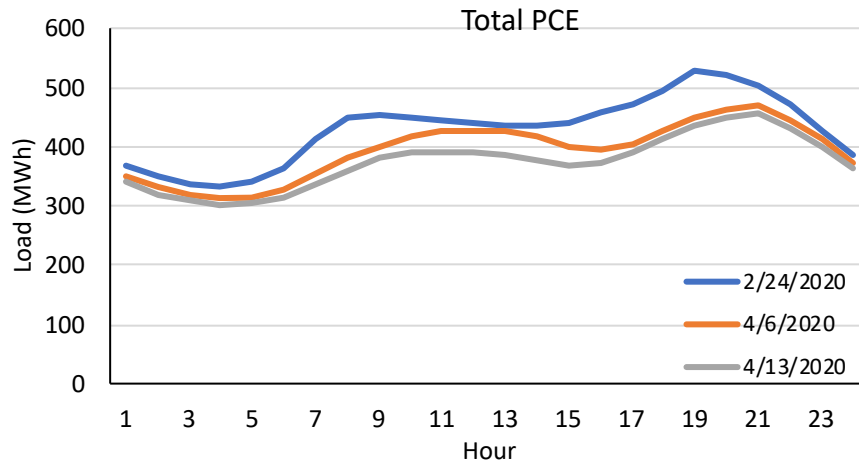
- Decrease in daily load compared to same weekdays in the weeks before shelter-in-place.



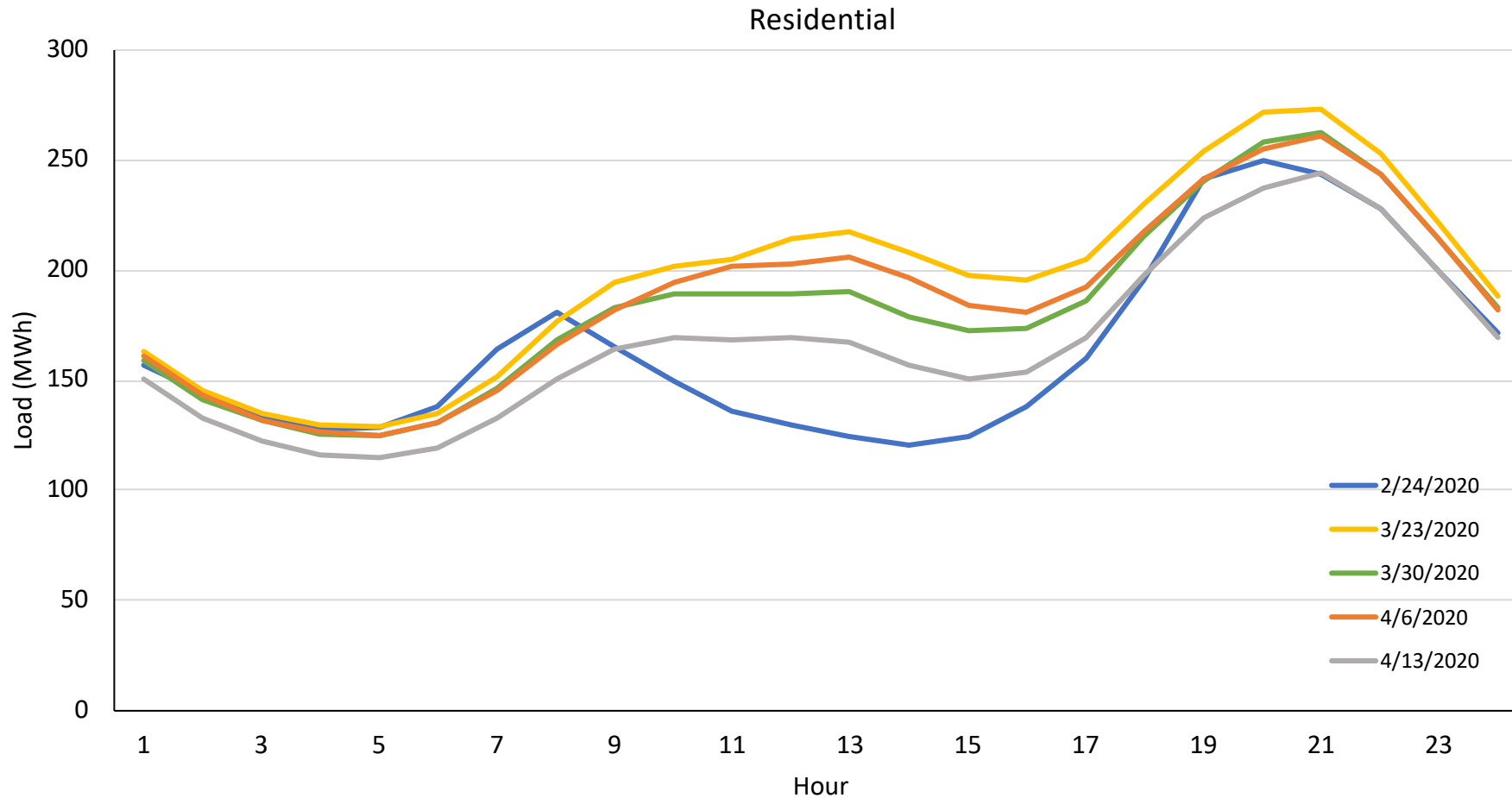
Weekly Load by Customer Type



Load Shapes



Residential Load Shape



Merced Update

- PCE presentation to Los Banos City Council on March 18 delayed until May 20, at least
- Board subcommittee met regarding governance, JPA, synergies
- CAC discussed at last week's meeting

Upcoming Meetings

These meetings will continue to be held by video/teleconference

- Executive Committee:
 - May 11 at 8:00 a.m.
- Audit and Finance Committee:
 - May 11 at 10:00 a.m.
- Citizens Advisory Committee:
 - May 14 at 6:30 p.m.
- Board of Directors:
 - May 28 at 6:30 p.m.



Regular Agenda

3. Citizens Advisory Committee Report (Discussion)

Regular Agenda

4. Appointments to the Executive Committee and other Standing Committees (Action)

Regular Agenda

5. Approve new Peninsula Clean Energy rates based on new PG&E Rate Update (Action)



Rate Change Update and New Rates

Board of Directors Meeting April 23, 2020

May 1, 2020 PG&E Rate Change

- PG&E will be adjusting rates across the board on May 1, 2020
- Detailed Tariff sheets have not yet been published, but system average generation rate show both small increases and decreases
- PCIA will increase across all rate classes
- Expected result is that PCE will have to lower generation rates to maintain net 5% discount on ECOPlus resulting in less revenue to PCE

System Average Generation Rates

Generation Rates			
	Current	May 1, 2020	% Change
Res	\$ 0.11778	\$ 0.11752	-0.2%
Sm Com	\$ 0.11487	\$ 0.11507	0.2%
Med Com	\$ 0.11939	\$ 0.12116	1.5%
E19T	\$ 0.09767	\$ 0.09671	-1.0%
E19P	\$ 0.10105	\$ 0.10094	-0.1%
E19S	\$ 0.11312	\$ 0.11304	-0.1%
Streetlights	\$ 0.09389	\$ 0.09364	-0.3%
Standby	\$ 0.08537	\$ 0.08613	0.9%
AG	\$ 0.10295	\$ 0.10856	5.4%
E20T	\$ 0.09528	\$ 0.09576	0.5%
E20P	\$ 0.10128	\$ 0.10210	0.8%
E20S	\$ 0.10797	\$ 0.10721	-0.7%
SYSTEM	\$ 0.11180	\$ 0.11224	0.4%

Expected PCIA Update May 1, 2020

PCIA			
Customer Class	Current PCIA (\$/kWh)	May 1, 2020 (\$/kWh)	% Change
Residential	\$ 0.02695	\$ 0.03340	24%
Small Commercial	\$ 0.02693	\$ 0.03199	19%
Medium Commercial	\$ 0.02804	\$ 0.03447	23%
Large Commercial	\$ 0.02647	\$ 0.03158	19%
Streetlights	\$ 0.02318	\$ 0.02662	15%
Standby	\$ 0.02054	\$ 0.02413	17%
Agriculture	\$ 0.02394	\$ 0.02985	25%
E-20 T	\$ 0.02255	\$ 0.02711	20%
E-20 P	\$ 0.02397	\$ 0.02921	22%
E-20 S	\$ 0.02556	\$ 0.03039	19%

System Average Bundled Rates

PG&E Bundled Rates (\$/kWh)			
	Current	May 1, 2020	% Change
Res	0.22671	0.22958	2.3%
Sm Com	0.25929	0.26592	2.4%
Med Com	0.23122	0.23707	2.6%
E19T	0.13886	0.16452	16.3%
E19P	0.18404	0.1878	2.5%
E19S	0.20571	0.2095	2.6%
Streetlights	0.26628	0.30444	1.3%
Standby	0.16656	0.18477	10.2%
AG	0.22024	0.25064	3.7%
E20T	0.13399	0.14239	4.7%
E20P	0.17347	0.17765	2.0%
E20S	0.19585	0.19793	2.5%
SYSTEM	0.21557	0.22175	2.7%

E1 Example

Current Rates			
<u>PG&E Gen Rate</u>	<u>PCIA</u>	<u>FFS</u>	<u>PCE Rate</u>
0.11777	0.02695	0.00068	0.08425
Expected May, 1 2020			
<u>PG&E Gen Rate</u>	<u>PCIA</u>	<u>FFS</u>	<u>Expected New PCE Rate</u>
0.11752	0.0334	0.00068	0.07756
-0.21%			-7.94%
Difference			Difference

New Commercial EV Rate (BEV)

- **Soft Launch May–October 2020**
 - Limited availability of program tools and features for first 6 months
- **Reserved for dedicated EV Charging meters**
 - EV Charging companies like Tesla, EVGO, Electrify America and Charge Point likely to transition during soft launch
- **Eliminates Demand Charges**
 - Replaced with monthly block subscription based on expected usage
- **Designed to benefit and encourage EV Charging infrastructure**
 - PG&E will work to set-up new Commercial EV charging facilities with dedicated meters to ensure rate eligibility

Regular Agenda

6. Update on PCIA and Projected Financial Impact (Discussion)



PCIA Update

Board Meeting April 23, 2020

PCIA Explained

- PCIA = Power Charge Indifference Adjustment
- Implemented to ensure that customers leaving PG&E (e.g. CCA customers) do not burden their remaining customers with costs that were incurred to serve those departing customers
- Calculated as the difference between:
 - The actual cost incurred by utility related to power generation for those departing customers, and
 - The current market value of those excess resources

PCIA Impact on PCE Customer Rates

Peninsula Clean Energy calculates its rates to customers providing a “credit” for the PCIA charge that is imposed by PG&E

Explanation

1. PG&E Generation Rate * 95% = Total charge to customers
2. Total charge to customers - PCIA charge = PCE Generation Rate

Example (E-1 residential rate) – per KWh

1. $\$0.11777 * 95\% = \0.11119
2. $\$0.11119 - \$0.02695 = \$0.08425$ (approx 75% of PG&E generation rate)

Note: Calculation does not show the Franchise Fee that is also deducted similarly to the PCIA, but the amount is very small relative to PCIA (less than 3% of PCIA)

PCIA Cap and Trigger

- CPUC decision adopted in October 2018:
 - To lessen the volatility in annual PCIA adjustments
 - “Cap” adopted to limit annual change to \$0.005/KWh, except
 - “Trigger” mechanism to “act quickly to address under-collections” as a result of the cap (and, presumably over-collections as well) when that amount exceeds a percentage of overall PCIA revenues
- Cap
 - Supposed to be implemented on January 1 of each year
 - Often late – this year to be implemented on May 1, 2020
- Trigger
 - When the under/over-collection reaches +/-7% of the overall PCIA revenue requirement and is forecasted to exceed +/-10% within the calendar year
 - Expedited application to the CPUC to adjust PCIA rates within 60 days to get below +/-7% before end of calendar year

PCIA Trigger in 2020

- 2020 is first year this applies
- PG&E under-forecasted its 2019 PCIA requirements
- Already a substantial cumulative under-collection
- Current expectation:
 - Filing in Summer 2020 for a second 2020 PCIA adjustment to be effective 60 days after that
 - Requirement to get to +/-7% by end of the calendar year
 - Limited months in the year to apply
 - Expect substantial increase for that period

Anticipated Rate Changes– May 1, 2020

- PG&E Generation Rates = 0.4% increase (some higher, some lower); range of decrease 1.0% to increase of 5.4%
- PCIA = increase of an average of \$0.005/KWh (some higher, some lower); range of 15-25% increase
- FYI - Transmission & Distribution rates for all customers are expected to increase an average of 2-3%

PG&E Average Generation Rates (Expected)

Rate in Cents per KWh

<u>Customer Class</u>	<u>Current Rate</u>	<u>Expected May 1, 2020</u>	
		<u>Expected Rate</u>	<u>Increase %</u>
System	0.11180	0.11224	0.4%
Residential	0.11778	0.11752	-0.2%
Small Commercial	0.11487	0.11507	0.2%
Medium Commercial	0.11939	0.12116	1.5%
Large Commercial - E19T	0.09767	0.09671	-1.0%
Large Commercial - E19P	0.10105	0.10094	-0.1%
Large Commercial - E19S	0.11312	0.11304	-0.1%
Agriculture	0.10295	0.10856	5.4%
E20P	0.10128	0.10210	0.8%
E20S	0.10797	0.10721	-0.7%
E20T	0.09528	0.09576	0.5%
Streetlight	0.09389	0.09364	-0.3%

PCIA Update May 1, 2020 (Expected)

Rate in Cents per KWh

<u>Customer Class</u>	<u>Current Rate</u>	<u>Expected May 1, 2020</u>		
		<u>Expected Rate</u>	<u>Increase</u>	<u>Increase %</u>
Residential	0.02695	0.03340	0.00645	24%
Small Commercial	0.02693	0.03199	0.00506	19%
Medium Commercial	0.02804	0.03447	0.00643	23%
Large Commercial	0.02647	0.03158	0.00511	19%
Agriculture	0.02394	0.02985	0.00591	25%
E20P	0.02397	0.02921	0.00524	22%
E20S	0.02556	0.03039	0.00483	19%
E20T	0.02255	0.02711	0.00456	20%
Streetlight	0.02318	0.02662	0.00344	15%

E1 Example

Current Rates

<u>PG&E Generation Rate</u>	<u>PCIA</u>	<u>FFS</u>	<u>Current PCE Rate</u>
\$0.11777	\$0.02695	\$0.00068	\$0.08425

Expected May 1, 2020

<u>PG&E Generation Rate</u>	<u>PCIA</u>	<u>FFS</u>	<u>New PCE Rate</u>
\$0.11752	\$0.03340	\$0.00068	\$0.07756

-0.21%

Difference

-7.94%

Difference

October 1, 2020 – PCIA Trigger (Expected)

PCIA Trigger = increase of 58% across all rate classes (3-4x the cap rate)

Rate in Cents per KWh

<u>Customer Class</u>	<u>Current Rate</u>	<u>May 1, 2020 Expected Rate</u>	<u>Assumed October 1, 2020</u>		
			<u>Forecasted Rate</u>	<u>Increase</u>	<u>Increase %</u>
Residential	0.02695	0.03340	0.05283	0.01943	58%
Small Commercial	0.02693	0.03199	0.05061	0.01862	58%
Medium Commercial	0.02804	0.03447	0.05452	0.02005	58%
Large Commercial	0.02647	0.03158	0.04997	0.01839	58%
Agriculture	0.02394	0.02985	0.04723	0.01738	58%
E20P	0.02397	0.02921	0.04622	0.01701	58%
E20S	0.02556	0.03039	0.04808	0.01769	58%
E20T	0.02255	0.02711	0.04289	0.01578	58%
Streetlight	0.02318	0.02662	0.04213	0.01551	58%

Future Budget Assumptions Included

- **October 1, 2020 to December 31, 2020 only**
 - **PCIA Trigger = increase of 58% across all rate classes; range of \$0.016 to \$0.020 (3-4x the cap rate)**
- **January 1, 2021**
 - PG&E Generation Rates = 2% increase (MRW forecast of 3-4%)
 - PCIA = increase of \$0.005/KWh across all rate classes; range of 15-19% increase over May 1, 2020 rate
- **January 1, 2022**
 - PG&E Generation Rates = 1% increase
 - PCIA = increase of \$0.005/KWh across all rate classes; range of 9-12% increase over January 1, 2021 rate
- **Later years**
 - PG&E Generation Rates = 1% increase
 - PCIA = no change (based on MRW forecast)

Potential Impacts – Not Yet Included in Budget

- COVID-19 and Recession Impact
 - Load changes – overall load will be less
 - Energy price changes – market prices are lower
 - Lower costs for open position
 - Lower prices received for hedges and contracted PPAs
- Next 2 quarters are fully-hedged at pre-COVID prices

Revenue Impact in FY2020-2021 (Preliminary)

- FY19-20 Revenue Estimate = \$285 million
- Based on current assumptions (i.e. excluding COVID-19)
 - FY20-21 Revenue Estimate = \$247 million
 - **\$38 million less revenue than FY19-20**
 - From May 1, 2020 PCIA increase = \$5 million
 - From 3-month PCIA Trigger period = \$17 million
 - From Jan 1, 2021 PCIA increase = \$9 million
- In addition: \$14 million higher energy costs over the FY19-20 forecast (not yet including COVID/economy assumptions)

Change in Net Position based on Current Assumptions

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
	Forecast (FY)	Forecast (FY)	Forecast (FY)	Forecast (FY)	Forecast (FY)	Forecast (FY)
Operating Revenues	\$ 285,175,642	\$ 246,684,482	\$ 255,038,729	\$ 252,743,205	\$ 260,350,533	\$ 267,204,920
Operating Expenses	225,523,768	250,657,780	258,217,095	256,945,575	252,142,291	266,705,551
Operating Income (Loss)	59,651,874	(3,973,298)	(3,178,367)	(4,202,370)	8,208,242	499,369
Non-Operating Income/(Expense)	2,303,134	2,008,000	2,008,000	2,008,000	2,008,000	2,008,000
Change in Net Position	\$ 61,955,008	\$ (1,965,298)	\$ (1,170,367)	\$ (2,194,370)	\$ 10,216,242	\$ 2,507,369
Net Position at the end of period	202,094,136	200,128,838	198,958,471	196,764,101	206,980,343	209,487,712

Impact of Jan 1, 2021 PCIA Cap Increase

FY2020-2021 = \$9 million decrease

Future years = \$17 million decrease/year

Impact of Jan 1, 2022 PCIA Cap Increase

FY2021-2022 = \$8 million decrease

Future years = \$17 million decrease/year

Impact of October 1, 2020 PCIA Trigger Increase

FY2020-2021 (3-month impact) - \$17 million decrease

FY2019-20 versus FY2020-21 (Early Draft)

	FY2020	FY2021	Variance	
	Forecast (FY)	Forecast (FY)	Fav/(Unf)	Explanation
Operating Revenues	\$ 285,175,642	\$ 246,684,482	\$ (38,491,160)	PCIA Cap and Trigger
OPERATING EXPENSES				
Net Energy Costs	155,414,292	168,383,499	(12,969,208)	Higher prices forecasted (pre COVID-19)
Resource Adequacy	27,272,500	31,474,662	(4,202,162)	Higher volume required
RECs and GHG purchases	23,284,106	20,134,386	3,149,720	More PPAs yielding less open market purchases
Scheduling and NEM	2,086,865	2,477,502	(390,637)	
Cost of Energy	208,057,763	222,470,049	(14,412,286)	
Staff Compensation and Benefits	4,401,448	6,236,981	(1,835,532)	11 staff in FY19-20 started mid-year. 8 additional headcount.
Consulting	784,058	2,843,340	(2,059,282)	Resiliency programs
Marketing	1,314,919	2,873,350	(1,558,431)	Increased marketing
Community Energy Programs	3,229,876	8,015,000	(4,785,124)	EV Infrastructure on other programs
Other	7,735,705	8,219,060	(483,355)	
Total Operating Expenses	225,523,768	250,657,780	(25,134,012)	
Non-Operating Income/(Expense)	2,303,134	2,008,000	(295,134)	Lower market interest/returns
Change in Net Position	\$ 61,955,008	\$ (1,965,298)	\$ (63,920,306)	
Net Position at the end of period	202,094,136	200,128,838	(1,965,298)	

Note: This has not yet been presented to nor discussed with Audit & Finance Committee

Other Potentially Budget Impacts (mostly negative)

- **Not yet included:**

- PCIA after January 1, 2022
- Trigger impact after initial trigger on October 1, 2020
- COVID-19 and Recessionary impacts on:
 - Load (likely to be significantly lower) - NEGATIVE
 - Energy credits for hedges and PPAs (likely to be lower) - NEGATIVE
 - Energy costs (likely to be lower, but not until after September 2020 when hedge coverage is lower) – POSITIVE, after September
 - PG&E rates – Lower? - NEGATIVE
 - PCIA rates – Lower? - POSITIVE

Regular Agenda

7. Approve Peninsula Clean Energy 2020-2025 Strategic Plan (Action)

PCE Strategic Plan Status

- March 13 – review draft strategic plan by Board Strategic Planning Subcommittee
- March 26 – PCE Board of Directors review mission, vision, and organizational priorities and provide direction
- April 23 – PCE Board of Directors approve Strategic Plan
- May – implementation and development of workplans by PCE staff



Strategic Plan 2020-2025

www.peninsulacleanenergy.com

San Mateo County's Official Electricity Provider

We are Peninsula Clean Energy, San Mateo County's not-for-profit, locally controlled electricity provider. Peninsula Clean Energy was launched collaboratively in 2016 by the County of San Mateo and all twenty of its municipalities. We are a joint powers authority that provides all electric customers in San Mateo County with cleaner electricity at lower rates than those charged by Pacific Gas & Electric Company. The organization is governed by a Board of Directors comprised of elected officials representing all cities, towns and the Board of Supervisors in San Mateo County, and is supported by a staff of expert professionals.



CLEAN ENERGY

We are leaders in the fight against climate change.

We seek to obtain 100% of the electricity that we sell from carbon-free sources to minimize greenhouse gas (GHG) emissions for a cleaner and safer environment. We offer programs focused on reducing GHG emissions from all energy uses in San Mateo County. These programs include advancing the adoption of electric transportation and transitioning building energy uses to low-carbon electricity.



LOW RATES

We save our customers money.

Peninsula Clean Energy serves approximately 295,000 accounts and saves its customers an estimated \$18 million a year compared to PG&E generation service.



COMMUNITY REINVESTMENT

We are San Mateo County.

We reinvest in San Mateo County to advance regional energy goals through many avenues including funding support for innovation, outreach and education, infrastructure, resiliency, and schools and community organizations.



Our Mission & Vision



Our Mission

To reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions



Our Vision

A sustainable world with clean energy for everyone



Organizational Priorities

Priority One

Design a power portfolio that is sourced by 100% carbon-free* energy by 2025 that aligns supply and consumer demand a 24 x 7 basis

** Carbon-Free = California RPS-Eligible Renewable Energy, excluding biomass, that can be scheduled by PCE on an hourly basis*

Priority Two

Contribute to San Mateo County reaching the state's goal to be 100% greenhouse gas-free by 2045



Strategic Goals 2020 - 2025



Power Resources

GOAL 1

Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates



Public Policy

GOAL 2

Strongly advocate for public policies that support Peninsula Clean Energy's Organizational Priorities



Community Energy Programs

GOAL 3

Implement robust energy programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups



Marketing, Community Outreach & Customer Care

GOAL 4

Develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs while ensuring customer satisfaction



Financial Stewardship

GOAL 5

Employ sound fiscal strategies to promote long-term organizational sustainability



Organizational Excellence

GOAL 6

Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity

GOAL 1

Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates

Objective A: Low-Cost and Stable Power

Develop and implement power supply strategies to procure low-cost, reliable power

Key Tactics:

- Continuously refine Peninsula Clean Energy's risk management strategy to manage power supply resources and minimize risk to financial and rate objectives
- Improve load forecasting accuracy by leveraging historical data and sophisticated analytical tools
- Secure better risk management analytical tools and staff training to meet risk management strategy objectives

Objective B: Clean Power

Design a diverse power portfolio that is 100% carbon-free by 2021; and is 100% carbon-free by 2025 that aligns supply and consumer demand a 24 x 7 basis

Key Tactics:

- Develop robust Integrated Resource Plan (IRP) identifying expected resources and costs to meet Peninsula Clean Energy's goals and secure CPUC certification
- Secure additional contracts for renewable energy procurement in alignment with strategies and portfolio identified through IRP process
- Target 50% of portfolio from newly constructed resources by 2025

Objective C: Local Power Sources

Create a minimum of 20 MW of new power sources in San Mateo County by 2025

Key Tactics:

- Analyze total available opportunity for implementing new clean energy projects in San Mateo County
- Implement Board-approved strategy to increase community resiliency
- Work with local government partners to identify and catalog opportunities for distributed energy resources across San Mateo County

GOAL 1 (CONTINUED)

Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates

Objective D: New Power Sources

Continually explore and support innovative sources and solutions for clean energy

Key Tactics:

- Develop and support pilot programs for new technologies or business models
- Partner with third parties developing innovative solutions through external grants or PCE-initiated funding programs
- Stimulate development of new renewable generation and storage products
- Coordinate and collaborate with other CCAs on initiatives to commercialize new clean energy sources and solutions

GOAL 2

Strongly advocate for public policies that advance Peninsula Clean Energy's Organizational Priorities

Objective A: Regulatory

Educate and engage policymakers to develop policies that support Peninsula Clean Energy's organizational priorities

Key Tactics:

- Identify and participate in key dockets before state regulatory bodies to establish policies that support regulatory objectives directly and through collaboration with CalCCA and other CCAs
- Develop coalitions with a wide variety of stakeholders to increase successful outcomes

Objective B: Legislative

Engage state legislators to pass legislation that advances Peninsula Clean Energy's organizational priorities

Key Tactics:

- Deploy an annual legislative plan that identifies legislative opportunities to advance organizational objectives and mitigate threats to community energy
- Cultivate and maintain relationships with key legislative committees and staff and allies to amplify opportunities for success
- Implement a grassroots outreach plan that increases in-person engagement of state lawmakers with Peninsula Clean Energy Board members, staff, supporters and allies.

Objective C: Growth of Community Energy and CCAs

Take a leadership position in supporting the growth of community energy and CCAs (Community Choice Aggregators)

Key Tactics:

- Assist in setting up CCAs in other areas of the state, including where Peninsula Clean Energy has utility scale generation
- Provide knowledge and policy development expertise to help shape the state's future energy framework through development of position papers, speaking engagements and webinars
- Be an active participant in the State's review of the grid system

Community Energy Programs

GOAL 3

Implement robust energy programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups

Objective A: Signature Programs

Develop market momentum for electric transportation and initiate the transition to clean energy buildings

Key Tactics:

- Drive personal electrified transportation towards majority adoption
- Bolster electrification of fleets and shared transportation
- Ensure nearly all new construction is all-electric and EV ready
- Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders

Objective B: Community Benefits

Deliver tangible benefits throughout our diverse communities

Key Tactics:

- Invest in programs that benefit underserved communities
- Develop programs that support the satisfaction and retention of residential and key accounts
- Support workforce development programs in the County
- Ensure programs are broadly deployed across the County

Objective C: Pilot Programs

Foster innovation through pilot programs

Key Tactics:

- Identify, pilot and scale strategies for load shaping and other programs
- Provide grants for community and technology pilots
- Partner with other CCAs and organizations to collaboratively test new strategies and technologies and share lessons learned

Marketing, Community Outreach, & Customer Care

GOAL 4

Develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs while ensuring customer satisfaction

Objective A: Brand Reputation

Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry

Key Tactics:

- Position leadership as experts on CCAs and the industry
- Cultivate relationships with industry media and influencers
- Tell the story of Peninsula Clean Energy through diverse channels
- Engage community through participation in local events
- Identify and address gaps between perception and desired brand identity
- Translate policy issues into consumer-friendly communication

Objective B: Engagement

Educate and engage stakeholders in order to gather input, inspire action, and drive program participation

Key Tactics:

- Foster relationships with community-based, faith-based, and non-profit organizations
- Continue to support schools-based literacy programs focused on energy
- Enhance relationships with municipal and county staff and elected officials
- Support the Citizen Advisory Committee (CAC)
- Provide educational content that inspires action to reduce emissions
- Promote programs and services, including increasing opt-ups to 100% renewable energy option
- Develop an end-of-life transition plan for ECO100

Objective C: Customer Care

Ensure high customer retention and satisfaction

Key Tactics:

- Assess needs and attitudes of all customer segments to support the development of and communication about programs and services
- Continually strive to offer competitive and affordable rates
- Monitor customer satisfaction through periodic surveys

GOAL 5

Employ sound fiscal strategies to promote long-term organizational sustainability

Objective A: Fiscal Health

Strengthen and maintain
Peninsula Clean
Energy's fiscal health

Key Tactics:

- Maintain and improve current investment grade rating; explore and engage with other credit rating agencies
- Employ a balanced approach to increasing efficiencies and savings throughout the organization
- Implement robust financial management of invested cash to achieve a reasonable return while ensuring safety as the first priority

Objective B: Financial Controls and Management

Implement financial controls
and policies that meet or exceed
best practices for leading
not-for-profit organizations

Key Tactics:

- Engage external experts to review internal financial controls and conduct annual audit
- Enhance and document policies and procedures to ensure accurate, transparent financial reporting
- Improve internal budgeting process and enhance reporting for departmental expense monitoring and control

Objective B: Financial Sustainability

Practice strategies to ensure
long-term financial sustainability

Key Tactics:

- Develop a robust financial forecasting model that continually monitors and analyzes pricing and other key indicators
- Maintain unrestricted financial reserves of at least 180 days cash to mitigate unexpected power cost fluctuations and economic downturns

Organizational Excellence

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GOAL 6

Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity

Objective A: Culture and People

Foster a workplace culture that attracts and develops exceptional talent and values all people

Key Tactics:

- Develop an annual staffing plan that addresses resource needs and fills resource gaps
- Provide training and professional development opportunities that build new skills and abilities
- Utilize innovative recruitment processes to attract high caliber talent
- Maintain and assess employee benefits and incentives to ensure that the organization is competitive and attractive in the marketplace
- Foster regular team building and social opportunities

Objective B: Innovation

Foster a culture of innovation to yield solutions that accelerate our mission

Key Tactics:

- Hire a dedicated person to lead innovation efforts
- Explore new financial & program models
- Assess opportunities to reinvest in innovative technologies that advance the mission
- Collaborate with other CCAs to find solutions and methods to evolve and drive innovation
- Share best practices and discoveries via tool kits, webinars, whitepapers, and case studies
- Network with regional leaders to leverage the innovation culture in Silicon Valley
- Explore innovative rate designs to advance goals

Objective C: Data and Technology

Increase capabilities and efficient use of data and technology to support organizational decision making and program execution

Key Tactics:

- Increase data analytics capability to enable energy-related analyses, program impact measures, & consumer insights for continuous improvement
- Implement scalable systems that maximize advances in IT
- Implement systems and procedures to ensure data accuracy, privacy and security
- Create an executive dashboard with key organizational metrics to guide strategic and operational decision-making
- Provide ongoing technology training for staff and equip them with appropriate tools

GOAL 6 (CONTINUED)

Ensure organizational excellence by adhering to sustainable business practices and by fostering a workplace culture of innovation, diversity, transparency, and integrity

Objective D: External Vendor Partners

Implement vendor policies that embrace diversity and inclusion and that optimize engagement results

Key Tactics:

- Develop methods to ensure adherence to the organization's *Inclusive and Sustainable Workforce Policy*
- Cultivate and strengthen productive relationships with external partners to increase organizational efficiencies

Objective E: Governance

Follow best practices for governance and succession to engage and develop qualified, diverse Board members

Key Tactics:

- Develop a succession process for key staff executives and the Board of Directors that addresses planned and emergency transitions and optimizes the role of Board Alternates
- Create and implement a robust orientation program for new Board members
- Provide relevant information and analysis to allow the Board to execute data-driven decision making
- Leverage Board members to support awareness of the organization
- Periodically review Board structure

Next Steps / Timeline

CY 2020

- Board feedback on mission, vision, and organizational priorities (March 2020)
- Board approve strategic plan (April 2020)
- Staff implement strategic plan and develop internal workplans (July/August 2020)
- Staff develop metrics (September 2020)
- Staff present dashboard for Board (September/October 2020)

CY
2021-
2025

- Annual update to board on strategic plan progress
- Refresh internal implementation plans annually

CY 2024

- Board update strategic plan for 2025-2029

Measuring Success



In Progress. Peninsula Clean Energy will track its progress on the implementation of the plan by monitoring key metrics. The final metrics will be determined in September 2020 after the internal workplans are developed. The items below outline the proposed framework the team will use to develop specific, quantifiable measures. In addition, the team will track the completion of activities and outputs using a separate matrix reporting tool for the plan (*see attached*).

Power Resources

- % of hours of alignment of supply and demand on 24 x 7 basis (%) annually over next 5 years
- % of carbon free resources over next 5 years
- Cost of electricity (\$/MWh)
- MW of new power sources located in San Mateo County over next 5 years

Public Policy

- Establishment of regulatory policies advocated by Peninsula Clean Energy
- Passage of legislation supported by Peninsula Clean Energy
- Successful establishment of new communities adopting a CCA

Community Energy Programs

- GHG Savings: Overall County GHGs and program attributable reductions
- Economic Benefit: Customer savings and total investment
- Workforce Benefits: Funding level and participation
- Equity Benefits: Funding level and participation
- California jobs created due to power contracting efforts and general operations (Like MCE)

Marketing, Community Outreach, & Customer Care

- Brand awareness and perception as measured by market surveys
- Customer satisfaction rates as measured by survey research
- Customer opt-out rate
- ECO100 opt-ups

Financial Stewardship

- Credit rating(s) maintained
- Financial reserves of \$XXX by 2025
- Budget variance analysis
- Investment management compliance
- Completion of successful annual audits

Organizational Excellence

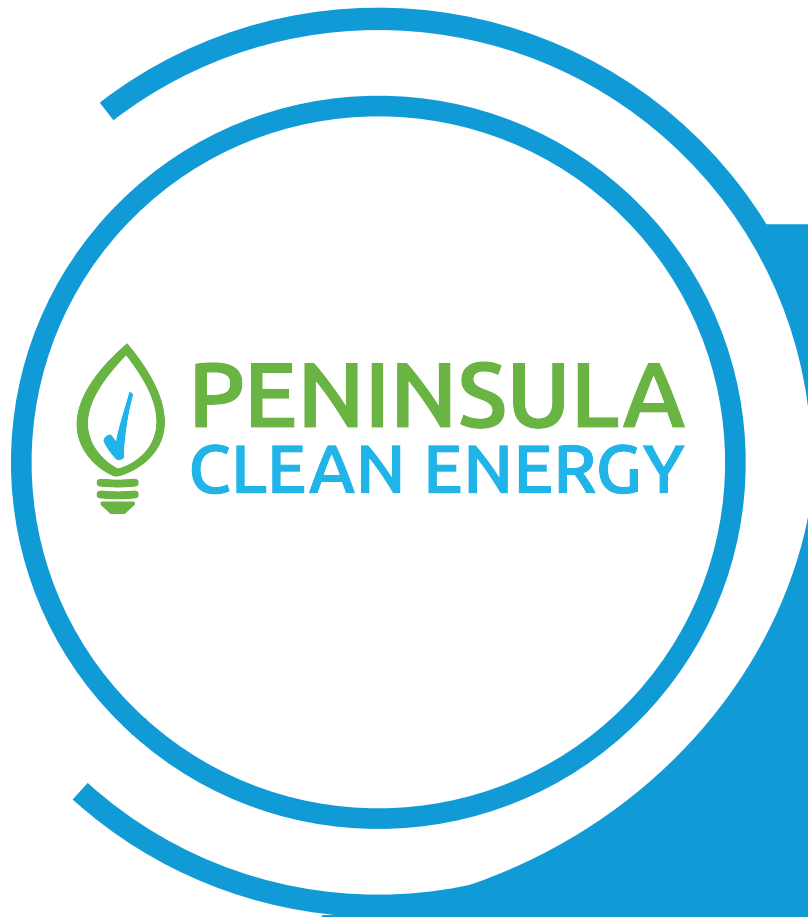
- Employee satisfaction rate as measured by survey research
- Quarterly innovation update to Board included in CEO report
- Completion of executive dashboard with key performance indicators
- Development of key staff and Board succession strategies

Board of Directors

Chair: Jeff Aalfs, Town of Portola Valley

Vice Chair: Rick DeGolia, Town of Atherton

Jurisdiction	Director	Alternate
San Mateo County	Dave Pine	Jim Eggemeyer
San Mateo County	Carole Groom	Jim Eggemeyer
Atherton	Rick DeGolia	Michael Lempres
Belmont	Julia Mates	Charles Stone
Brisbane	Madison Davis	Clay Holstine
Burlingame	Donna Colson	Michael Brownrigg
Colma	John Goodwin	Joanne del Rosario
Daly City	Roderick Daus-Magbual	Raymond Buenaventura
East Palo Alto	Carlos Romero	Larry Moody
Foster City	Catherine Mahanpour	Sam Hindi
Half Moon Bay	Harvey Rarback	Adam Eisen
Hillsborough	Laurence May	Shawn Christianson
Menlo Park	Catherine Carlton	Betsy Nash
Millbrae	Wayne Lee	Ann Schneider
Pacifica	Deirdre Martin	Mary Bier
Portola Valley	Jeff Aalfs	Craig Hughes
Redwood City	Ian Bain	Giselle Hale
San Bruno	Marty Medina	Michael Salazar
San Carlos	Laura Parmer-Lohan	Sara McDowell
San Mateo	Rick Bonilla	Joe Goethals
South San Francisco	Flor Nicolas	Mike Futrell
Woodside	Daniel Yost	Ned Fluet
Director Emeritus	John Keener	
Director Emeritus	Pradeep Gupta	



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Plan for Publishing the Strategic Plan

- Edited Content from Full Strategic Plan
 - Who We Are
 - Mission and Vision
 - Organizational Priorities
 - 6 Organization Wide Goals
 - Selected objectives that support each of the organization-wide goals
 - Board of Directors
- Photos/Illustrations
- Timeline of major milestones since our inception
- Audience
 - Regulators, Legislators, Board Members, Project Developers
- Distribution
 - Online pdf
 - Printed glossy, possibly 8 x 8, 16 pages
- Target date of June 15

Action Requested

- Approve the Peninsula Clean Energy 2020-2025 Strategic Plan

Regular Agenda

8. Board Members' Reports (Discussion)