

Strategic Plan 2020-2025

www.peninsulacleanenergy.com

Who We Are

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.

Methodology

The Board of Directors of Peninsula Clean Energy formed a Strategic Planning Subcommittee to lead an effort to develop a 5-year plan for the organization. After a thorough RFP process, Peninsula Clean Energy retained Gallagher Consulting Group Inc. (Gallagher) to facilitate the initiative. This strategic plan framework is the result of that work and will guide the organization from 2020 to 2025.

Note to Board Members: This page will not be included in the final plan document. It is to serve as reference for you as you review the draft.

Methodology

Gallagher worked with the Strategic Planning Subcommittee to facilitate the development of a strategic plan.

Gallagher completed the following stakeholder input research:

- Conducted more than sixty personal interviews with Board members, senior staff, business customers, and Citizen Advisory Group (CAC) members;
- Facilitated a planning retreat for the Board of Directors on January 11, 2020; and
- Completed a session with the Senior Leadership Team on February 5, 2020.

Using the results from the research and input, Gallagher worked with Peninsula Clean Energy to develop this strategic plan document.

Contents

The plan is divided into the following sections:

- I. Who We Are
- II. Methodology
- III. Mission and Vision
- III. Organizational Priorities
- IV. Strategic Goals 2020-2025
- V. Goals with Supporting Objectives and Key Tactics
- VI. Next Steps / Timeline
- VII. Measuring Success
- VII. Board of Directors

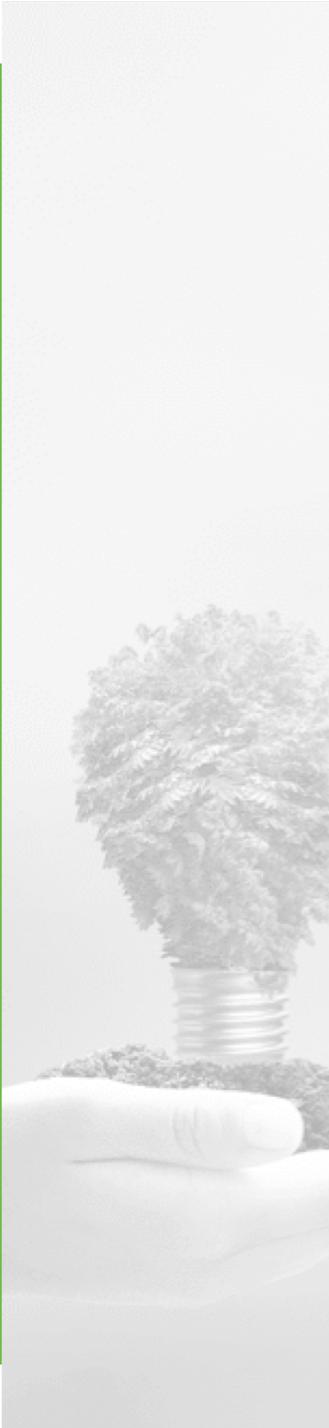
This document is designed to be a dynamic, living guide that can be adjusted to respond to changes in the marketplace.



Our Mission & Vision

*** Board Input Needed:**

Please review the mission and vision statement options and determine which ones you prefer. We will discuss all feedback at the upcoming Board meeting.



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

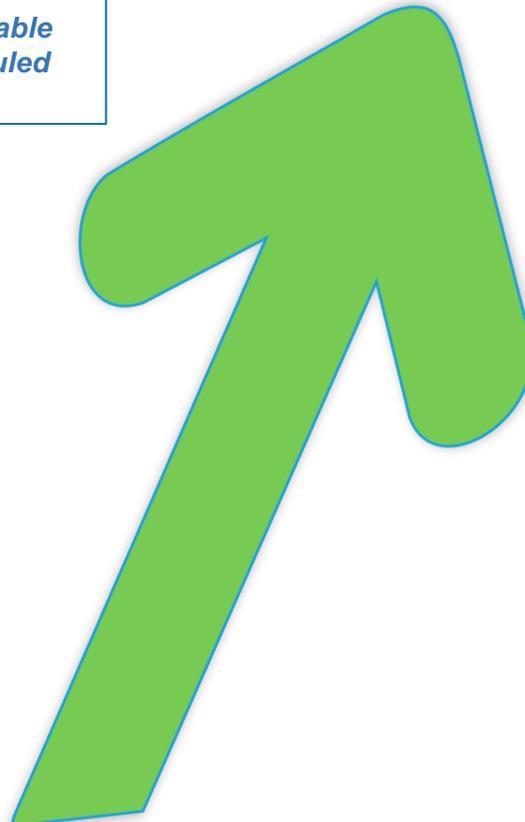
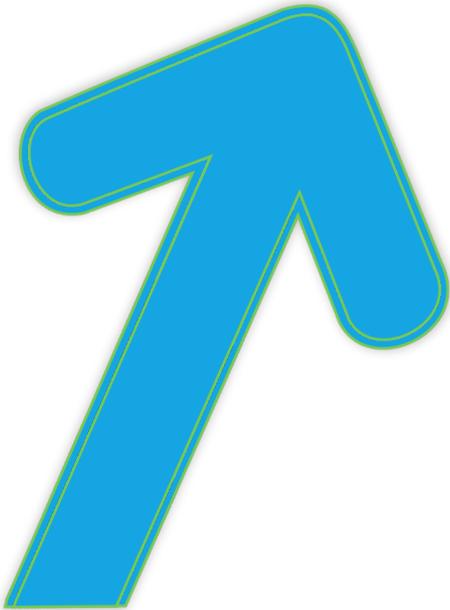
Priority One

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

Priority Two

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

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



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

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

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 100% carbon free by 2025 on 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

Note: The language in Objective B will be altered as necessary to be consistent with the Board's definition of "carbon free"

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

Financial Stewardship

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

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

Organizational Excellence

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

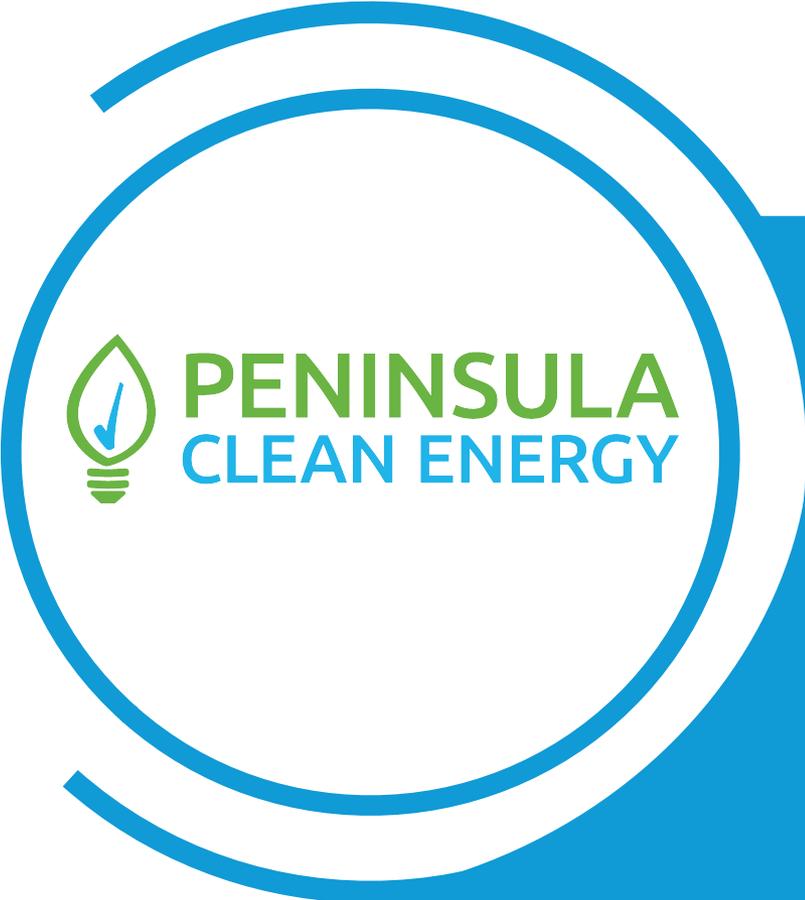
- Employee satisfaction rate as measured by survey research
- Quarterly innovation update to Board included in CEO report
- Completion of executive dashboard with key performance indicators
- Development of key staff and Board succession strategies

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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