



**REGULAR MEETING of the Executive Committee of the  
Peninsula Clean Energy Authority (PCEA)  
Monday, May 11, 2020  
8:00 a.m.**

**PLEASE NOTE: for Video conference: <https://meetings.ringcentral.com/j/1493178835>**

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**then enter the Meeting ID: 149 317 8835 followed by #**

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**NOTE: Please see attached document for additional detailed teleconference instructions.**

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*If you wish to speak to the Executive Committee, please use the "Raise Your Hand" function on the Ring Central platform. If you have anything that you wish to be distributed to the Executive Committee and included in the official record, please send to [abartoletti@peninsulacleanenergy.com](mailto:abartoletti@peninsulacleanenergy.com).*

**CALL TO ORDER / ROLL CALL**

**PUBLIC COMMENT**

This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda; 3) Chief Executive Officer's or Staff Report on the Regular Agenda; or 4) Committee 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 Committee 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 Committee Chair.

**ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS**

This item is to set the final consent and regular agenda, and for 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. Recommend Approval of Existing Buildings Electrification Budget and Program (Action)
4. Recommend Approval of E-Bike Program (Action)
5. Review Draft Fiscal Year 2020-2021 Budget (Discussion)
6. Review PG&E GHG-free Allocation (Discussion)
7. Update on Inclusion of New Communities from the Central Valley in the Peninsula Clean Energy Joint Powers Authority (JPA) Agreement (Discussion)
8. Discuss Issue of Delegation of Authority to the Chief Executive Officer of Certain Contracting and Rate Setting Powers in the Event that Board Meetings and/or Executive Committee Meetings are suspended due to a State of Emergency or Natural Disaster (Discussion)
9. Committee Members' Reports (Discussion)

## **CONSENT AGENDA**

10. Approval of the Minutes for the April 13, 2020 Meeting (Action)

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>.

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### Best Practices:

- Please mute your microphone when you are not speaking to minimize audio feedback
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- If participating via videoconference, audio quality is often better if you use the dial-in option (Option 1 below) rather than your computer audio

### Options for Joining

- A. Videoconference with Phone Call Audio (*Recommended*) – see Option 1 below
- B. Videoconference with Computer Audio – see Option 2 below
- C. Calling in from iPhone using one-tap – see Option 3 below
- D. Calling in via Telephone/Landline – see Option 4 below

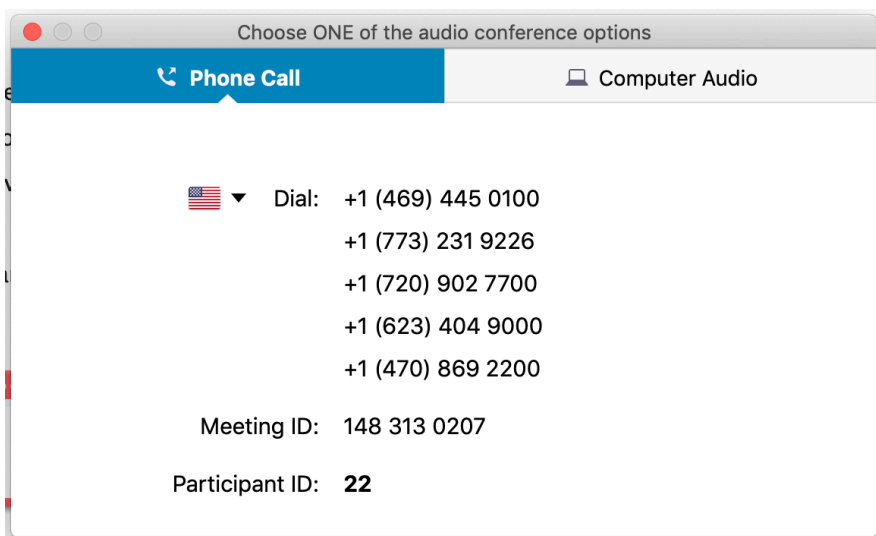
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3. After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Phone Call option at the top of the pop-up screen.

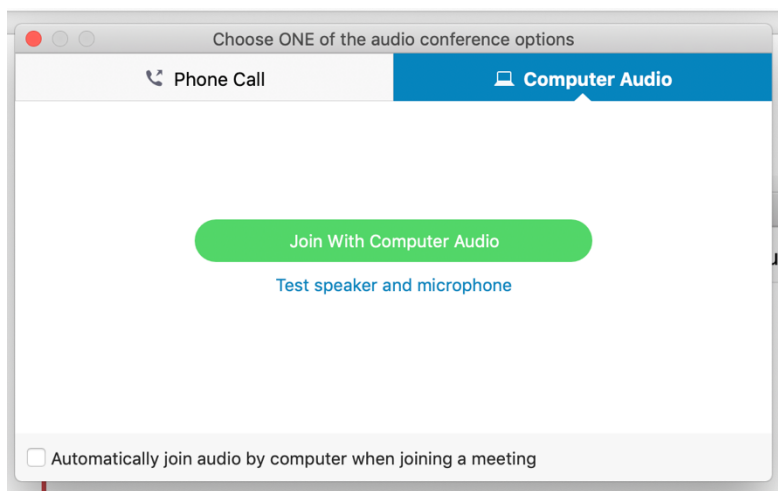


**IMPORTANT:** Please do not use the Participant ID that is in the picture to the left. Enter the Participant ID that appears on your own personal pop-up.

4. Please dial one of the phone numbers for the meeting (it does not matter which one):
  - +1 (623) 404 9000
  - +1 (469) 445 0100
  - +1 (773) 231 9226
  - +1 (720) 902 7700
  - +1 (470) 869 2200
5. You will be instructed to enter the meeting ID: **149 317 8835** followed by #
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7. After a few seconds, your phone audio should be connected to the RingCentral application on your computer.
8. In order to enable video, click on “Start Video” in the bottom left hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

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3. After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.



4. Click the green **Join With Computer Audio** button
5. In order to enable video, click on “Start Video” in the bottom left hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

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+1(773)2319226,,1493178835# (US North)

+1(469)4450100,,1493178835# (US South)

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This is the call-in number followed by the meeting ID. Your iPhone will dial both numbers for you.

You will be instructed to **enter your participant ID followed by #**

If you do not have a participant ID or do not know it, you can stay on the line and you will automatically join the meeting

### **Option 4: Calling in via Telephone/Landline:**

Dial a following number based off of your location:

**+1(623)4049000 (US West)**

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You will be instructed to enter the **meeting ID: 149 317 8835 followed by #**

You will be instructed to enter your **participant ID followed by #**.

If you do not have a participant ID or do not know it, you can stay on the line and you will automatically join the meeting.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** May 8, 2020  
**BOARD MEETING DATE:** May 11, 2020  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

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

**SUBJECT:** Building Electrification Four Year Program

**RECOMMENDATION**

Executive Committee recommendation of approval to the Board for the proposed four-year \$6.1 million electrification program plan for existing buildings.

**BACKGROUND**

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in San Mateo County. California's goal is to be carbon neutral by 2045, which PCE aims to support through investment in local community programs. Natural gas usage in buildings accounts for 20% of directly inventoried GHG emissions in the County; however it is estimated to be as high as 37% when accounting for fugitive emissions from methane leakage in the supply chain from extraction to distribution. Reducing GHG emissions from existing building stock is critical in achieving decarbonization in San Mateo County.

In September 2018, the Board approved the PCE Program Roadmap, which identifies programs for 2019 and beyond to include measures on building electrification. In January 2019, the Board approved a technical assistance program for local governments for the development of local building codes, or "reach codes", to deliver increased electric vehicle (EV) readiness and all-electric buildings in new construction. In January 2020, the Board approved: (1) an extension and enhancement of the technical assistance program for new construction, and (2) a new building electrification consumer awareness program, for a combined total of \$650,000. This memo describes the first phase of building electrification programs for existing buildings focusing on residential heat pump water heaters, low income home upgrades and an innovative pilot project.

## **DISCUSSION**

California has a goal to be carbon neutral by 2045. In order to achieve this, significant reductions will have to be achieved in the building sector. All buildings will need to be electrified by 2045 in order to achieve the carbon neutral goal. The programs outlined here are the first phase of programs intended to address emissions from the existing residential building stock. Additionally, the current COVID-19 situation and resulting economic downturn has made it more important than ever to prioritize programs that support employment and provide economic benefits to low income residents in the region who may be disproportionately adversely impacted.

Analysis by program staff indicates that there are approximately 200,000 single family residential units (1-4 units) in San Mateo County, most of which have natural gas water and space heating appliances. To initiate the required changes in the market, staff proposes focusing on the “low-hanging fruit” where there is the greatest market readiness and significant GHG benefit: water heaters. Residential water heaters account for over a quarter of the GHG emissions associated with natural gas use. In addition, heat pump water heaters (HPWH) are a mature technology, a widely adopted technology across the country, with good product availability and reasonably good technical knowledge among leading building experts familiar with building electrification. The relative maturity and market size provide a strong basis for building an initial market, as compared to other building and product segments with more significant barriers.

The impact on PCE’s load from all-electric residential and commercial new construction, together with the heat pump water heater program outlined below, is estimated to result in a net load gain of about 2% in 2025.

The following chart outlines the allocations for the proposed 4-year \$6.1 million budget.

<b>Allocation</b>	<b>Total \$</b>	<b>% of total budget</b>
<b>Appliance incentives</b> –incentives for appliances and service panel upgrades.	\$2.8 mil	46%
<b>Low income</b> – turnkey building upgrade program	\$2 mil	33%
<b>Other components</b> – includes load shifting, innovation pilots (including Harvest Thermal pilot below), workforce development, an electrification potential study and administration	\$1.3 mil	21%

Three primary programs would be initially implemented as part of this 4-year plan: 1) Heat Pump Water Heater incentive program, 2) Low Income Healthy Homes & Electrification program, and 3) Harvest Thermal technology pilot.

## **1. Heat Pump Water Heater Incentive Program**

This program would provide an incentive to customers in single family homes to replace a gas water heater with a heat pump water heater (HPWH). The objectives for this program would be to reduce GHG emissions from water heating, foster the early market of HPWHs in the region, develop a workforce familiar with HPWHs, and create/sustain jobs.

Some HPWH programs already exist. Currently, Silicon Valley Clean Energy (SVCE) is running a pilot program with a base incentive of up to \$2,300 per HPWH, including additional adders for electric panel upgrades. SVCE is transitioning to a new program design which will add an additional \$1,000 to a newly available program from Bay Area Regional Energy Network (BayREN), for a total incentive to customers of \$2,000. The new BayREN Home+ program is Bay Area-wide and offers \$1,000/unit. However, the BayREN program incentive alone is lower than other comparable programs and is not expected to be sufficient to drive significant adoption due to the higher cost of a HPWH. SVCE's program data indicates the average installed cost of a HPWH is about \$5,000 compared to about \$1,500 for new natural gas storage water heater. The SVCE additional incentive will bring the total incentive to \$2,000 for SVCE customers, which is more comparable to those offered by the highly successful Sacramento Municipal Utility District (SMUD) program. Sonoma Clean Power is also planning to implement a layered incentive with BayREN.

For funding leverage, customer clarity and ease of administration, the proposed PCE program would explore building on the same BayREN Home+ program, which is administered by the national firm CLEAResult (coincidentally PCE's technical assistance partner for the EV Ready infrastructure program). PCE will work with CLEAResult and BayREN to create one single application and add an additional incentive for San Mateo County residents, on top of the BayREN incentive, to streamline the customer experience. PCE's additive incentives are anticipated to be \$1,000 to \$1,500 (depending on the unit type) for the HPWH, plus an additional incentive of up to \$1,500 if a service panel upgrade is needed to be able to accommodate the added load. Final incentive levels will be determined as part of program design and may vary over time. The program targets the replacement of up to 1,200 HPWHs over 4 years. SVCE and Sonoma Clean Power (SCP) are also expected to join the BayREN Home+ program and provide similar incentives for customers in their service territories.

The contract with CLEAResult to administer PCE's HPWH incentive funds in conjunction with BayREN's Home+ program would be brought to the Board at a later date. The projected costs for this administration are included in the proposed budget above.

## **2. Low Income Healthy Home & Electrification Program**

This program would build off the existing "Healthy Homes" low-income home upgrade pilot, implemented as part of the 2018 Community Pilots program. Implemented by Franklin Energy (formerly Build it Green) and El Concilio of San Mateo County, the current



pilot project provides no-cost home repairs and upgrades focused on critical home needs for low-income single-family residences in the county. Repairs and upgrades include not only energy efficiency measures, but also non-energy measures such as mold removal, broken doors and roof repairs, which are critical needs that cannot be funded by available energy efficiency programs. The program leverages funding from PG&E's Energy Savings Assistance program, County-funded Peninsula Minor Home Repair program, and other funding sources as available.

The proposed PCE program would expand the concept to serve more low-income households in San Mateo County and provide additional support for electrification and other needs. The objectives of the program are to provide tangible benefits to low income community members and support employment. It is proposed as a turnkey program to reduce resident coordination needs. The program will be flexible in that the measures implemented will vary depending on each home's needs. However, to be eligible for incentives, certain minimum electrifications measures would need to be implemented, which may include options such as making the home "electrification-ready," installing a HPWH, or replacing a gas furnace with electric. Specifics will vary depending on individual home needs. The incentives would be tiered based on the measures installed, but the maximum budget per home is expected to be \$8,000. PCE will also continue to layer incentives from the other programs noted above. PCE's goal is to serve 200-250 homes over the course of 4 years.

PCE intends to release a Request for Proposals this summer to select the implementer for this program. The implementer would oversee everything from outreach, installation management, contractor payments, and coordination with other program's implementers/contractors to ensure maximum delivery in each home. The contract for the selected implementer would be brought to the Board at a later date, and the projected costs for this administration are included in the proposed budget above.

### **3. Harvest Thermal Technology Pilot Program**

This program will pilot a new innovative technology from Harvest Thermal Inc., a Bay Area-based startup, that combines residential space and water heating into a unified heat pump electric system with a single water storage tank. The benefits include both 1) lowering installation costs compared to retrofits for separate water and space heating systems, and 2) load shifting of both water and space heating loads, a feature not currently available with conventional heat pump systems. The load shifting feature will enable lower utility costs and can provide alignment with renewable electric generation. The company has already deployed functioning prototypes in several homes in the Bay Area and has recently won both National Science Foundation and California Energy Commission grants. This pilot will install the Harvest Thermal technology in five single family homes in San Mateo County, at no cost to the homeowner, and monitor the performance for twelve months to assess its performance and demonstrate its effectiveness for emissions reductions, considering both installation and operation costs at scale. PCE and Harvest Thermal will jointly develop a pilot site recruitment criteria and characteristics and conduct outreach to prospective homes.

In addition, PCE plans to contract with an independent third party to measure and assess the system performance for at least twelve months after installation. Lastly, if the pilots are successful and offered commercially, Harvest Thermal will provide the product at a discount to initial customers in San Mateo County.

The estimated cost of the contract with Harvest Thermal Inc. and an independent measurement and verification consultant is \$300,000 and would be brought to the Board at a later date. The projected costs for this project are included in the budget outlined above.

**FISCAL IMPACT:**

Up to \$6,100,000 over 4 years (Fiscal Year 2020-2021 through Fiscal Year 2023-2024) for existing building electrification programs.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** May 8, 2020  
**BOARD MEETING DATE:** May 11, 2020  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

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

**SUBJECT:** E-Bike Three Year Program

**RECOMMENDATION**

Executive Committee recommendation of approval to the Board for the proposed E-Bike Rebate Program for a total of \$300,000 over three years.

**BACKGROUND**

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in San Mateo County. California's goal is to be carbon neutral by 2045, which PCE aims to support through investment in local community programs. In September 2018, the Board approved the PCE Program Roadmap, which identifies programs for 2019 and beyond to include transportation electrification measures, such as new and used vehicle purchase incentives, a multi-year electric vehicle (EV) infrastructure program, fleets, and new and shared mobility.

Transportation emissions pose the most significant challenge to deep decarbonization in San Mateo County. These on-road emissions account for 61% of direct emissions within the County and are still increasing. Half (54%) of transportation emissions are from personally owned vehicles such as sedans, light-duty trucks, and SUVs.

E-bikes are a growing transportation mode, which have shown the potential to often reduce trips that are otherwise taken by cars<sup>1</sup>. E-bikes utilize a battery powered motor

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<sup>1</sup> A study by CalBike showed that e-bikes replaced cars between 33-50% of the time.  
<https://www.calbike.org/wp-content/uploads/2019/02/A-North-American-Survey-of-Electric-Bicycle-Owners.pdf>

to assist riders, making it easier to travel farther distances and less strenuous to navigate hills and transport children or heavier items, improving accessibility to daily commuters, parents, and seniors.

The proposed three-year program provides a point of sale rebate to reduce the upfront cost of e-bikes and partners with Commute.org to encourage ongoing use of e-bikes as a clean commute alternative.

## **DISCUSSION**

The PCE Program Roadmap outlines transportation electrification measures to contribute to community benefits and reduce GHG emissions. This proposed program expands the personal vehicle electrification track to also include e-bikes, in addition to PCE's other electric vehicles programs.

The proposed E-bikes Rebate Program spans three years, for a total budget of \$300,000, and is designed to predominately benefit customers with low to moderate incomes. The cost of a modern e-bike can range between \$1,500 to \$2,500, with higher end models costing considerably more, creating a significant upfront barrier to more widespread adoption. The proposed program will alleviate this barrier by including a point of sale rebate, anticipated to be approximately \$900 per bike, to be redeemed at bike shops in San Mateo County. This rebate amount is higher than a similar program recently launched at Redwood Coast Energy Alliance (a \$500 rebate<sup>2</sup>). This is because PCE's proposed program is more specifically targeted to customers with lower incomes instead of a broadly available program, which increases the need for a higher incentive. PCE staff plans to collaborate with Affordable Housing providers to make a final decision on the incentive level and make any refinements that are needed to ensure that they are effective at making these bikes accessible to a large number of residents. An early conversation with one provider suggested that the proposed incentive level of \$900 may be effective, though an increase in the incentive level could be a possibility. Other opportunities to reduce cost to customers, such as discounts given by bike shops, will also be explored.

We would use a request for qualifications (RFQ) to qualify bike shops for participation and select which bikes would be eligible in the program. We intend to include affordable, utilitarian bikes that serve transportation and commuting needs more than recreational needs. Bikes whose retail prices are below \$1,800 are also to be preferred, as the anticipated rebate would reduce the cost by at least half, bringing the cost under \$1,000. Bike shops will be encouraged to provide a discount to further reduce the price in the RFQ.

The proposed E-bike Rebate Program would also seek to partner with Commute.org, San Mateo County's public agency whose mission is to reduce drive-alone commuting throughout the County. Commute.org is proposing to include a follow-on incentive

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<sup>2</sup> <https://redwoodenergy.org/services/transportation/electric-bikes-rebate/>

(typically gift cards) to encourage recipients to utilize their bikes. These rewards are provided after bike trips are logged on an online platform run by Commute.org and specific milestones are met. This partnership provides further encouragement and motivation for customers to keep biking after the initial purchase.

The target market for the E-Bike Rebate Program is San Mateo County residents with low to moderate incomes. PCE staff envisions that partnerships with Affordable Housing providers will be a key opportunity to promote the program to their residents. This approach ensures the program benefits the target population and simplifies marketing and administration requirements.

Apart from the incentives, and marketing and promotion, leveraging partnerships will also be a key component of the program. Affordable Housing organizations are intended to be the primary channel for promotion to low-income residents. In addition, the program would also aim to promote e-bikes to parents with low to moderate incomes and school-age children. For this type of promotion, the E-Bikes Rebate Program would provide the full cost of up to 12 e-bikes (including related accessories, up to \$2,000 total) to income-qualified parents across 3-4 schools per year as part of a raffle or giveaway. This will help to promote e-bikes among parents and build visibility for their utilization as an option in taking kids to school. Bike to School Day, a program promoted by San Mateo County Safe Routes to Schools, would be an ideal opportunity to promote these giveaways and is being rescheduled to October 2020.

Following Board approval in May 2020, PCE staff believe that the program can be launched by mid-September, in anticipation of Bike to Work Day on September 24, 2020.

**FISCAL IMPACT:**

Up to \$300,000 over 3 years (Fiscal Year 2020-2021 through Fiscal Year 2022-2023) for E-Bikes Rebate Program.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** May 6, 2020

**BOARD MEETING DATE:** May 11, 2020

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Executive Committee

**FROM:** Andy Stern, Chief Financial Officer

**SUBJECT:** Draft FY2020-2021 Budget (Discussion)

**Summary:**

A presentation covering a draft Budget for the Fiscal Year FY2020-2021 will be presented at the meeting.



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** May 6, 2020  
**BOARD MEETING DATE:** May 11, 2020  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee  
**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy  
**SUBJECT:** Review PG&E GHG Free Allocation

**RECOMMENDATION:**

Provide direction on the PG&E Greenhouse Gas (GHG) free interim allocation of large hydro and nuclear for 2020.

**DISCUSSION**

In January of this year, Peninsula Clean Energy staff reviewed the expected allocation of GHG free energy from PG&E with the Executive Committee and the full Board of Directors. In December 2019, PG&E filed an advice letter requesting CPUC approval by February 1, 2020. CPUC did not approve in February but is expected to approve at the May 7, 2020 CPUC voting meeting. The PCE board and staff agreed that we would return for final resolution once the CPUC approved PG&E's advice letter, and we had more details on the exact amount and value of the GHG-free allocations.

Peninsula Clean Energy has set a goal for 2020 to serve customers with 95% GHG-free energy. Fifty percent of PCE's GHG-free energy portfolio is comprised of resources that qualify as renewable energy under the state's renewable portfolio standard program (RPS) and are considered GHG-free. Since its inception, PCE has procured large hydro to make up the remaining amount of GHG-free resources, which would be the additional 45% for 2020.

PG&E owns or contracts for a number of GHG-free resources (including large hydro and nuclear from Diablo Canyon Power Plant). PG&E has been able to count these resources on its power content label (PCL) to meet its GHG-free targets. Load serving

entities (LSEs), on the other hand, have been paying for those same assets through PCIA, yet do not receive any of the GHG-free benefits through the PCL. In this advice letter filing, PG&E is allocating GHG-free resources from their large hydro and nuclear facilities to CCAs and other eligible LSEs.

Staff's previous recommendation to the board of directors was to accept Peninsula Clean Energy's share of the large hydro allocation, but not the nuclear allocation, under the interim proposal for 2020 only. When this was considered by the PCE Board of Directors in January, the board voted, in a split vote, to accept both the large hydro and nuclear allocations.

Since that time, a number of factors have changed:

- Peninsula Clean Energy's load forecast for 2020 has been significantly reduced due to the impact of the COVID-19 pandemic and the shelter-in-place orders.
- Because of the reduced load forecast, PCE has a reduced need for additional GHG-free energy.
- The decision by the CPUC did not occur by February 1 as indicated in PG&E's advice letter filed in December.
- Due to the delay in the CPUC decision, the PG&E allocation of GHG-free energy to LSEs is reduced, as the allocation will cover only the months of July through December.
- The price of GHG-free energy in the market has decreased since January.
- The savings that will accrue to PCE have been significantly reduced due to the delay and PCE's reduced load.
- PCE has conducted market research on our customers' view of different energy sources in the product conduct label.

PCE staff will be providing additional details on each of the items above at the Executive Committee.





**PENINSULA CLEAN ENERGY  
Board Correspondence**

**DATE:** May 7, 2020  
**EXECUTIVE COMMITTEE MEETING DATE:** May 11, 2020  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy  
Shawn Marshall, LEAN Energy US

**SUBJECT:** Inclusion of New Communities from Merced County in the Peninsula Clean Energy Joint Powers Authority (JPA) Agreement (Discussion)

**RECOMMENDATION:**

Receive update regarding recent activities and outreach to the City of Los Banos and other Merced County communities for participation in a technical study and possible membership in Peninsula Clean Energy's JPA.

**BACKGROUND:**

Peninsula Clean Energy's Strategic Goal #10 states that PCE shall: "Assist in setting up CCAs in other areas of the state, including where PCE has utility scale generation." The 200 Megawatt Wright Solar Project is located in Los Banos, in Merced County. During the last year, as a means of executing on this goal, some Peninsula Clean Energy staff and Board members have met with multiple jurisdictions in Merced County to educate them about community choice energy programs. In September of 2019, Peninsula Clean Energy staff and board members made a presentation at the Los Banos City Council meeting. At that meeting, council members directed Los Banos city staff to further investigate community choice energy programs and come back to the council with a report.

In January, Los Banos city staff contacted PCE staff indicating interest in possibly joining Peninsula Clean Energy and asked that we present at their March City Council meeting. Because of the subsequent shelter in place orders as a result of the COVID-19 pandemic, the presentation was postponed to May 20 and most recently, to June 3.

As noted in a recent memo to this body (dated 2/7/20), the City of Los Banos is especially interested in PCE as they would like to receive the output of the Wright Solar Project for

their residents and businesses and joining PCE would allow them to do that. They are also interested in offering lower customer rates and energy choice to their residents and businesses. We believe there may be synergies with having Los Banos, and possibly other Merced communities, join PCE, as the central valley load is likely summer peaking whereas the San Mateo County load is winter peaking.

A critical first step is having access to their load data so that we can conduct a streamlined technical study focused on load analysis and potential financial and organizational impacts of integrating their load into PCE's. Options, opportunities, and issues are being discussed by the Board's Subcommittee on New Community inclusion which is supported by PCE staff and LEAN Energy under contract with PCE.

### **ACTIONS SINCE FEBRUARY UPDATE:**

The timeline attached to this report provides a summary of recent and anticipated action steps in order to offer membership in 2020 to the City of Los Banos and potentially other Merced communities if the Board so chooses.

In early March, the New Community Subcommittee met with Jan Pepper, Shawn Marshall from LEAN Energy, and David Silberman, PCE's General Counsel, to discuss various structural options and the legal issues associated with potentially amending the JPA to include new members. A few of the key takeaways from that meeting include:

- It's likely that PCE's JPA agreement would need to be amended to accommodate new members, but that should not be difficult;
- Several structural/partnership options were discussed but there was no clear consensus on which would be best for PCE at this point. Worth noting that the Cal-Choice model (individual CCA within an umbrella JPA), is considered less desirable than some form of membership with PCE, but those details will be further analyzed by the subcommittee and in the technical study if authorized by the City of Los Banos;
- Los Banos is price sensitive so a less expensive and browner power option was discussed. Mr. Silberman opined that because of statutory universal access provisions of AB 117, a less expensive/browner option would need to be offered to all PCE customers and there was concern that PCE not "move backwards" with respect to its GHG emission reduction targets and mission.

Also in March, PCE drafted a staff report and resolution for Los Banos that recommends the City Council authorize: 1) release of PG&E load data, 2) participation in a technical study to be completed this summer, and 3) \$5,000 in matching funds to help cover approximately 20% of the study cost. A copy of the draft staff report and resolution is attached to this report.

Once the COVID/SIP mandate hit, Los Banos staff delayed our presentation and curtailed further discussions on the topic which lasted through the month of April. A conference call is scheduled for May 7 to reconnect and get the project back on track.

**NEXT STEPS:**

Prior to the June 3 Council meeting, staff will schedule council member briefings (by phone), update the CCA presentation, and prepare an informational packet for staff and Council members that will include tailored FAQs, the most recent Wright Solar Project press release, and a copy of PCE's new Community Impact report.

In addition, PCE is preparing a letter to key staff and elected officials at the unincorporated County and the cities of Merced, Dos Palos and Gustine to invite their attendance at the June 3 Council meeting and their participation in a joint technical study. The deadline for Study participation has been set at June 23 which is tight but will still allow enough time to complete the study over the summer.

Provided that the Peninsula Clean Energy Board continues to be interested in the possible addition of a city like Los Banos, it is anticipated that the new community subcommittee will continue to meet to consider various membership options, legal issues, and feedback from the CAC and other stakeholders on this matter. It should be noted that the CAC met on April 9 and discussed the issue at some length noting the positive impact of expansion of CCAs in the Central Valley and also cautioning that this should not detract from PCE's focus on programs in San Mateo County.

**FISCAL IMPACT:**

\$25,000 - \$30,000 for potential technical study of which \$5,000 would be contributed by the City of Los Banos. Time and materials contract with LEAN Energy capped at \$35,000 for their assistance with this project and any subsequent implementation and integration.

**ATTACHMENTS:**

A: Updated Project Timeline

B: Draft staff report and resolution for City of Los Banos Council Meeting

**Attachment A:**  
**Peninsula Clean Energy – Los Banos/Merced County Expansion**  
**2020 Critical Dates Timeline**

*(updated May 6, 2020 to reflect delays from COVID-19/SIP mandate)*

<b>DATE</b>	<b>ACTION</b>	<b>WHO</b>
January	Follow up with City of Los Banos (LB)/Planning Call	PCE/LB/LEAN
February	PCE Expansion Subcommittee formed	PCE
March	PCE subcommittee meeting with legal counsel; authorizing resolution and draft staff report sent to LB with PG&E data forms.	PCE/LEAN
May	Follow up w/Los Banos staff. Invitation to County/other Merced cities to attend the Los Banos City Council meeting discussion on CCA on 6/3 and consider participation in the technical study.	PCE/LEAN
June 3	Los Banos Council City meeting with request to adopt resolution to participate in tech study, release load data, and contribute \$5k	PCE/LEAN
June 23	Deadline to adopt authorizing resolution and submission of PG&E forms for technical study; load data request to PG&E (2 week turnaround)	LB and county/ cities supported by PCE and LEAN
June- August	PCE subcommittee researches membership structures and prepares recommendation for full Board, pending tech study results	PCE supported by LEAN
July 13 – mid August	Technical study underway; draft complete by mid-August	Pacific Energy Advisors/PCE
End August	Technical Study shared with PCE Board and participating communities; council and community presentations as needed	PCE/PEA/LEAN
End August	PCE Board passes resolution authorizing certain cities/county to join PCE with specified terms and conditions; JPA amendment	PCE/LEAN
September- October	Los Banos and other possible Merced County jurisdictions adopt CCA ordinance and resolution to join PCE with certain terms and conditions	Cities/County/PCE/ LEAN
November	New Board member(s) seated; Implementation Plan updates	PCE
December	PCE Board approves amended Implementation Plan; submit to CPUC by 12/31/20	PCE
2021	New community integration, power procurement and customer notification	PCE/new members supported by LEAN
January 2022	New jurisdictions start CCA service with PCE!	PCE/new members

**To:** City of Los Banos City Council

**From:** [insert name, title]

**Subject:** CCA Study Session and Adoption of Resolution to Participate in Technical Study

**Date:** March 18, 2020

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### **Recommendations**

1. Adopt Resolution [insert reso #] to study Community Choice Aggregation (CCA) and a potential partnership with Peninsula Clean Energy (PCE), the CCA sponsor of the Los Banos-based Billy Wright Solar Project.
2. Authorize the City Manager to submit PG&E Electric Data forms to access the City's 2018/2019 electric load data for purposes of conducting a technical study/load analysis; and,
3. Authorize \$5,000 from City general funds to cover a portion of the study cost.

### **Background**

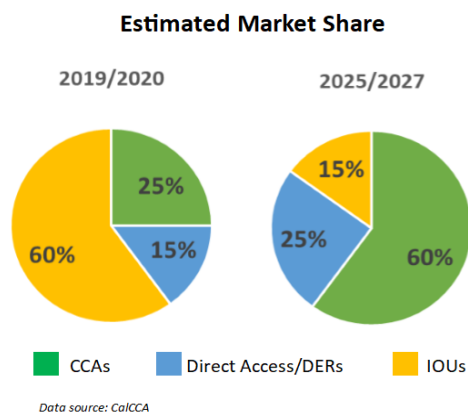
#### **About Community Choice Aggregation**

CCA, authorized by Assembly Bill 117, is a state law that allows cities, counties and other authorized entities to aggregate electricity demand within their jurisdictions to purchase and/or generate electric power for residents and businesses within their jurisdiction. As a shared-service model, CCAs partner with the existing utility, Pacific Gas & Electric Company, which continues to provide power transmission, distribution, grid maintenance and billing services.

CCAs are typically formed to offer customers an energy choice, cheaper electric rates and a higher percentage of renewable energy than is otherwise provided by PG&E. CCAs serve as economic development drivers, creating jobs in program administration, local energy projects and renewable power development. Finally, CCAs spur energy innovation and lower costs by opening the market to choice and competition.

A growing component of the California energy landscape is the significant expansion of CCAs since 2010. Nineteen CCAs in California now serve over 11 million electric customers in 153 cities spread across 22 counties, with more on the way. As of December 2019, CCAs represented approximately 25% of California's IOU service territory, including nearly 40% of PG&E's load, and the CCA load share is expected to grow to ~60% by 2025. A 2018 report by the CA Public Utilities Commission projected that by 2025, up to 85% of the State's IOU electrical load could be served

by alternative energy providers such as CCAs, representing a dramatic shift in the State’s electric generation and investor-owned utility structure going forward.



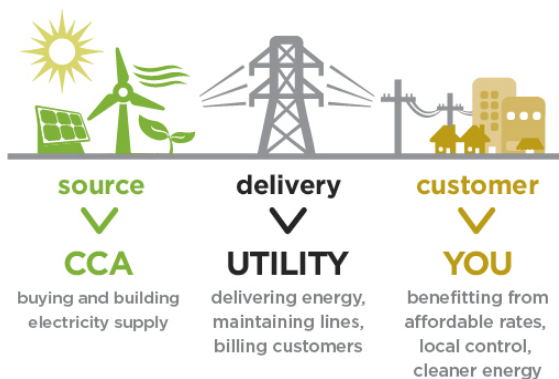
The following illustrations show what a CCA is and the basic roles of a shared service CCA/utility model vs. the “one size fits all” monopoly utility model that currently exists for Los Banos customers.

## What is Community Choice Aggregation?

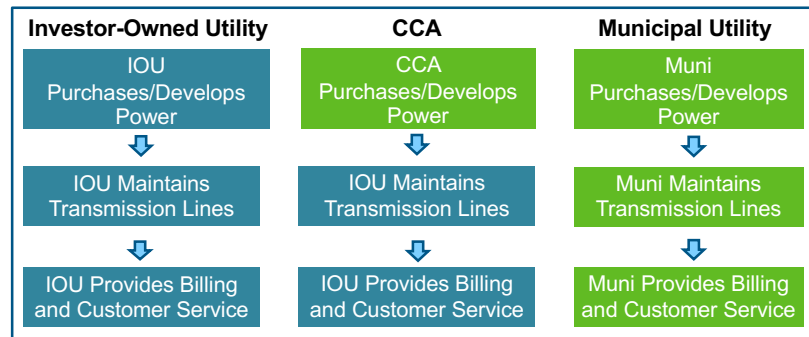


*Often called “public power-light” CCA is a shared-service model between local government(s) and an investor-owned utility that allows municipalities to pool their electrical load for the purpose of reducing costs, greening the grid and boosting local economies. CCA is an opt-out program.*

### How Community Choice Aggregation Works



## Role of CCA vs. Utilities



### About Peninsula Clean Energy

Formed in 2016, Peninsula Clean Energy is a not-for-profit joint powers agency (JPA) offering CCA service to the residents and businesses of San Mateo County. PCE customers have two electric power choices, with the default product priced 5% below PG&E while also being cleaner and greener. On an annual basis, Peninsula Clean Energy customers are saving \$18 million annually due to these lower rates. PCE customers have access to a range of energy programs and services, and the Agency has actively pursued new renewable power development throughout the State.

One of PCE's major projects, the 200 MW Wright Solar Project, is located in Los Banos and provides enough energy to power 100,000 homes per year. The Wright project broke ground in October 2018 and began generating power earlier this year. It is PCE's flagship project and the largest solar field ever built to serve CCA load in California. Construction of the project created more than 400 union jobs in Merced County along with millions of dollars in new tax revenues. It is an example of what CCAs can achieve at the community level, providing local energy jobs and conferring economic development benefits that are responsive to municipal goals.

In the past year, the PCE Board has identified the support and expansion of CCA programs in the Central Valley as a key priority, along with the potential to pursue additional power projects in interested communities. For more information about PCE and its offerings, please visit [www.peninsulacleanenergy.org](http://www.peninsulacleanenergy.org).

### Previous Council Direction

After the successful groundbreaking of the Wright Solar Project and subsequent briefings on CCA, the Los Banos City Council invited PCE leadership to their September 18, 2019 Council

meeting to provide a project update and CCA presentation. At that meeting, Councilmember Lewis offered a motion to continue studying CCA, with Councilmember Faria seconding. The motion carried.

Since that time, City staff has reached out to Peninsula Clean Energy and other CCAs in the state to learn more about how CCA works and to assess the City's options.

## **Discussion and Analysis**

### **CCA Formation and Management Options**

If the City of Los Banos decides to pursue CCA, it has three formation and management options that are recommended for further consideration:

- 1) Consider membership in an existing CCA such as Peninsula Clean Energy
- 2) Form its own program but contract for services from an operational CCA such as PCE
- 3) Form a new JPA independent of the others to offer CCA service within Merced County.

Each of these options has particular costs and benefits and different start-up requirements which, if given Council direction, staff will further explore along with a proposed technical study, with a report back to Council in 60-90 days.

### **Proposed Technical Study**

In any of these scenarios, a critical first step is studying the City's load data and load profile to assess financial feasibility over time and the ability to save customers money while offering a range of cleaner power options than the incumbent utility.

As previously stated, PCE's Board has prioritized support for the expansion of CCA into the Central Valley, with particular interest in Merced County given the mutual link to the Wright Solar Project. As such, PCE is reaching out to multiple communities in Merced, including Los Banos, to invite participation in a technical study that would help City staff and Council to determine what's possible going forward.

The PCE Board has set aside funding for the technical study which typically costs between \$25,000-\$35,000 depending on the number of communities participating. For the study proposed, PCE is asking for a \$5,000 contribution from the City to help underwrite the time and cost involved in accessing and analyzing the City's load profile.

The attached resolution authorizes Los Banos' participation in the Study, which would take approximately 60 days to complete after receiving the PG&E load data, as well as approval for the \$5,000 cost-share and authorization to request the necessary load data from PG&E.



### Timeline and Next Steps

Pursuant to the California Public Utility Commission's Rule E-4907, communities wishing to join or form a CCA must pass an ordinance and submit an implementation plan by December 31 of any given year in order to commence service at least one year later. Given that requirement, a proposed timeline for Los Banos would look like this:

<b>2020</b>	<b>Action</b>
Mid/Late March	Council adopts CCA resolution; PG&E load data requested
Mid/Late April	Load data received; Technical study commences
Mid-June	Study complete; Results back to Council w/ briefing(s)
July - September	Council votes to move ahead or not, adopt required ordinance, join PCE or form its own CCA; From there, draft and file JPA and interagency agreements and documentation.
October-Dec.	Draft new or amended Implementation plan; Conduct public hearings; Submit Plan to CPUC
<b>2021</b>	
Jan-December	Steps for new CCA formation or integration with existing CCA program
<b>2022</b>	
Q1	Los Banos residents and businesses begin receiving power from CCA

As outlined in the chart above, it is imperative that the City provide direction soon if it wants to participate in a study that returns results in time to complete the required next steps for a 2022 program launch. Peninsula Clean Energy staff and representative Board members will be on hand at the March 18 Council meeting to address questions about CCA in general, Los Banos' options, and project timeline.

### **Fiscal Impact**

General Fund expenditure of not more than \$5,000 plus limited staff time associated with further CCA research and preparation of the study.

### **Attachments**

- A. Resolution **XX** to study Community Choice Aggregation (CCA) and a potential partnership with Peninsula Clean Energy (PCE)
- B. PG&E Electric Data Forms E-CCA INFO and Form 79-1031

## **RESOLUTION TO STUDY COMMUNITY CHOICE AGGREGATION AND A POTENTIAL PARTNERSHIP WITH PENINSULA CLEAN ENERGY**

WHEREAS, AB 117, adopted as California State law in 2002 permits cities and counties to aggregate residential, commercial/industrial, and municipal electric loads through Community Choice Aggregation (CCA); and,

WHEREAS, Community Choice Aggregation is a mechanism by which local governments assume responsibility for providing electrical power for residential and commercial customers in their jurisdiction in partnership with Pacific Gas & Electric Company which continues to provide power delivery, grid maintenance and customer billing services; and,

WHEREAS, there are currently 19 successfully operating CCA programs in the State of California, with several more in formation.

WHEREAS, the City of Los Banos has identified Community Choice Aggregation as a promising strategy to save residents and businesses money on their electric bills while meeting local clean energy and greenhouse gas reduction goals; and,

WHEREAS, Community Choice Aggregation also provides the opportunity to finance clean energy projects and implement a wide variety of energy-related programs of interest to the community; and,

WHEREAS, in 2017, Peninsula Clean Energy (PCE), a CCA serving San Mateo County, entered into a 25-year contract with Wright Solar for a 200MW project located in Los Banos, setting a record as the largest solar project ever developed for a CCA in the state of CA; and,

WHEREAS, the City of Los Banos is potentially interested in taking power from the Wright Solar project, possibly by authorizing CCA for their community in partnership with Peninsula Clean Energy; and,

WHEREAS, an initial step in determining the feasibility of the City's CCA options and potential partnership with PCE requires the analysis of energy load data from Pacific Gas & Electric Company; and,

NOW THEREFORE BE IT RESOLVED by the City Council of Los Banos that:

The City of Los Banos indicates its desire to participate in a technical feasibility study/load analysis through Peninsula Clean Energy without obligation of more than \$5,000 in City General Funds to help cover the costs of the study; and,

The City Manager is authorized to execute the appropriate documents to allow PCE and its energy consultants to receive 2018/2019 energy usage/load data from Pacific Gas & Electric Company so that it may be analyzed as part of the technical study.

Designated City staff are authorized to work with PCE in preparation for the CCA technical study and to discuss the City's options with respect to a potential partnership with PCE; and,

Adoption of this resolution in no way binds or otherwise obligates the City of Los Banos to participate in Community Choice Aggregation, unless it so chooses by passage of a City ordinance at a later time.

PASSED AND ADOPTED by the City Council of Los Banos, State of California, this \_\_\_\_ day of \_\_\_\_, 2020 by the following vote:



**REGULAR MEETING of the Executive Committee of the  
Peninsula Clean Energy Authority (PCEA)  
Monday, April 13, 2020  
MINUTES**

8:00 a.m.

Peninsula Clean Energy  
Video conference and teleconference

**CALL TO ORDER**

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

**ROLL CALL**

**Present:** Jeff Aalfs, Town of Portola Valley, *Chair*  
Rick DeGolia, Town of Atherton, *Vice Chair*  
Dave Pine, County of San Mateo  
Carole Groom, County of San Mateo  
Donna Colson, City of Burlingame  
Catherine Mahanpour, City of Foster City  
Catherine Carlton, City of Menlo Park  
Rick Bonilla, City of San Mateo  
John Keener, Director Emeritus  
Pradeep Gupta, Director Emeritus

**Absent:** Wayne Lee, City of Millbrae

**Staff:** Jan Pepper, CEO  
Andy Stern, CFO  
Leslie Brown, Director of Customer Care  
KJ Janowski, Director of Marketing and Community Affairs  
Jennifer Stalzer Kraske, Deputy County Counsel  
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

**A quorum was established.**

**PUBLIC COMMENT**

None

## **ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS**

Motion Made / Seconded: Groom / Pine

**Motion passed unanimously 7-0 (Absent: DeGolia, Lee)**

## **REGULAR AGENDA**

### **1. CHAIR REPORT**

Board Chair Jeff Aalfs reported that he virtually attended the Energy Institute at HAAS 2020 Power Conference on Energy Research and Policy on Friday, April 10, 2020. He reported that two papers presented in the conference were particularly informative, entitled, “Cost-effective Decarbonization of California’s Power Sector by 2030 with the Aid of Battery Storage”, and “Simplified Electricity Market Models with Significant Intermittent Renewable Capacity: Evidence from Italy”.

### **2. CEO REPORT**

Chief Executive Officer Jan Pepper provided an update on staffing and the PG&E bankruptcy and reported on customer appreciation for the CARE/FERA on-bill credit that the Board approved. Jan announced that Peninsula Clean Energy received a BBB+ rating from Fitch, and that the Community Impact Report that was presented in the last meeting is expected to be distributed via multiple publications on April 26, 2020.

### **3. DISCUSS ADOPTION OF A RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER UNTIL JULY 23, 2020 TO AWARD CERTAIN CONTRACTS, EXECUTE AGREEMENTS, APPROVE THE BUDGET, AND SET CUSTOMER RATES ON BEHALF OF PENINSULA CLEAN ENERGY IN THE EVENT THAT BOARD MEETINGS ARE CANCELLED OR NO QUORUM CAN BE REACHED DUE TO THE COVID-19 PUBLIC HEALTH EMERGENCY**

Jan Pepper reported that some CCAs (Community Choice Aggregators) have passed resolutions in case there is an interruption in the internet for these types of virtual meetings, or if there was a State of Emergency. She reported that CCAs are developing contingency plans to have the Board delegate authority to the Executive Committee, or convene a Special Meeting of the Executive Committee, or have the Chair and Vice Chair meet with the CEO and legal counsel, in the event a quorum of the Board cannot be reached to approve large contracts, the budget, or rate changes.

Committee members discussed that video and teleconference meetings are working well to address the shelter in place orders relating to COVID-19, however in the event of a natural disaster that knocked out roads, power, internet, and telephone networks, it would impact every public Board and Council, and it would be good to have a plan.

Jennifer Stalzer Kraske volunteered to research the County's position on emergency meetings and delegation of powers in the event of an emergency, and will bring it back to the Committee.

#### **4. REVIEW PG&E RATE UPDATE**

Leslie Brown—Director of Customer Care—reported that PG&E will be adjusting their rates effective May 1, 2020, with small increases and decreases to generation rates. In addition, she reported that PCIA (Power Charge Indifference Adjustment) will increase across all rate classes, making it necessary for PCE to lower generation rates to maintain a net 5% discount on ECOPlus.

Leslie presented an example of an expected new PCE rate. Leslie also reported a new Commercial EV (Electric Vehicle) rate being rolled out starting May 1, 2020, that is reserved for dedicated EV Charging meters.

#### **5. COMMITTEE MEMBERS' REPORTS**

Jeff Aalfs reported that the Citizens Advisory Committee met last Thursday, April 9, 2020, and formed a Work Plan subcommittee to discuss their objectives and 2020 workplan.

#### **ADJOURNMENT**

Meeting was adjourned at 9:24 a.m.