



Peninsula Clean Energy Executive Committee Meeting

May 11, 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)

Regular Agenda

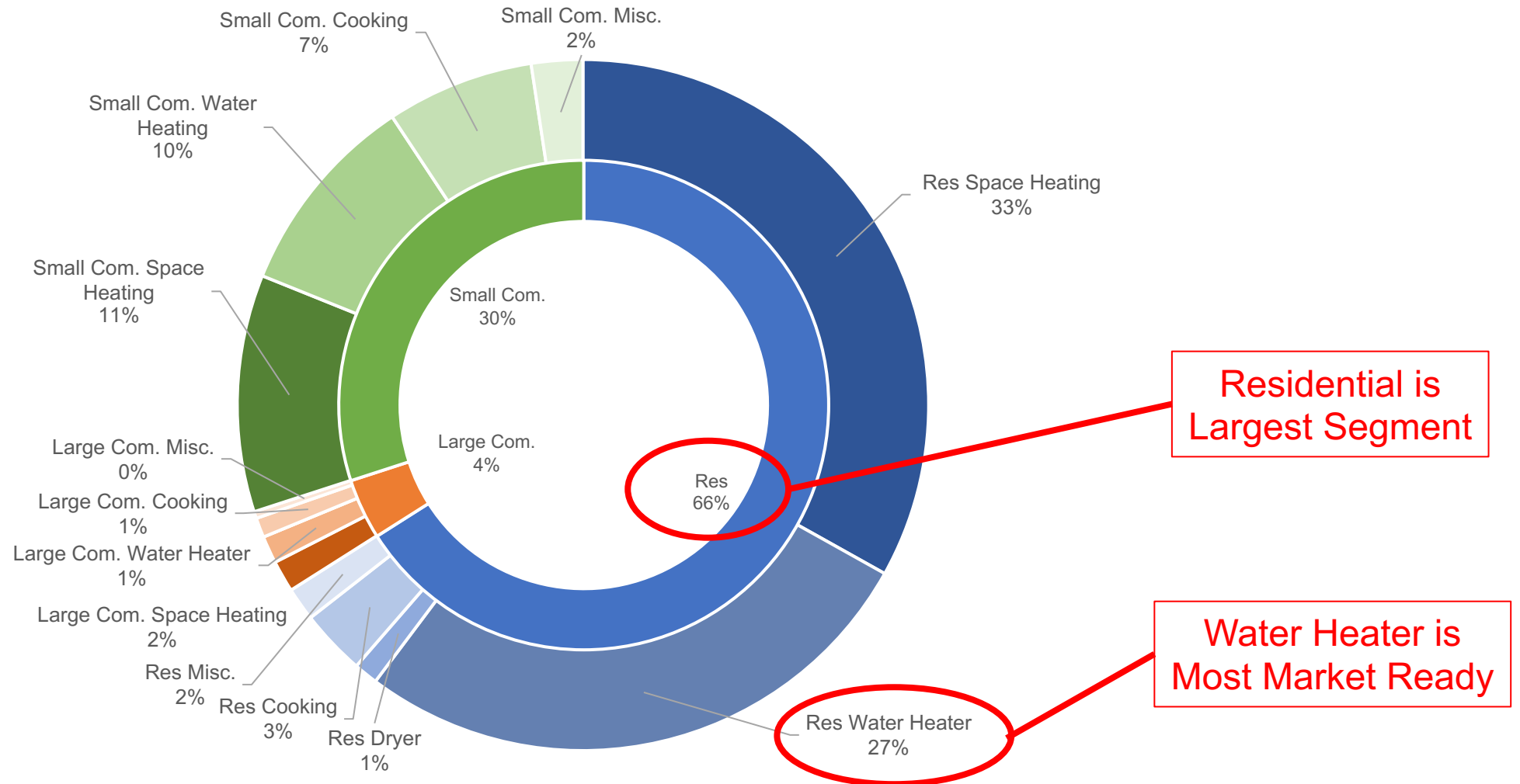
3. Recommend Approval of Existing Buildings Electrification Budget and Program (Action)



Existing Buildings Electrification Program

Executive Committee, May 11, 2020

Natural Gas Emissions Breakdown in SMC



Sources:

2018 PG&E Gas data
2010 California Residential Appliance Saturation Survey,
2006 California Commercial End-Use Survey

PCE Program

Rationale

- Support meeting CA goal of being carbon neutral by 2045
- State programs are limited and insufficient to the need
- Low Income community disproportionately affected by COVID-19
- Market share of electrification technology is <5%

Objectives

- Create initial momentum and establish market
- Low hanging fruit first (single family water heaters)
- Leverage regional and state programs (BayREN, BDC, SGIP, etc.)
- Establish workforce readiness
- Promote economic benefits through job creation

Electrification Program for Existing Buildings

4-Year program for \$6.1 M, includes:

1. Incentives = \$2.8 M (47%)

- Incentives for appliances and service panels

2. Low Income = \$2 M (33%)

- Turnkey program building on Healthy Homes concept + electrification

3. Other components = \$1.3 M (21%)

- Includes workforce development, load shaping, innovation pilots, electrification potential study and administration

FY 21: Heat Pump Water Heater Program

Overview & Objective

- Gas to Heat Pump Water Heater replacement incentives to single family customers
- Foster early market, develop workforce, create jobs

Scope

- Offer incentive of \$1,000 – 1,500/unit and if warranted \$1,500/service panel upgrade
- Robust contractor network fed by existing training program
- Coordinated marketing with Building Decarbonization's "The Switch Is On" campaign

Budget

- Total incentive budget of \$2.7M over 4 yrs to replace ~1,200 water heaters

Collaborations

- Align approach with SVCE and others
- Layer incentives with BayREN to offer streamlined customer experience
- Leverage Building Decarbonization Coalition and BayREN marketing

Electrification Programs in Region



- Rebates
 - Heat Pump Water Heaters: up to \$2,500
 - HVAC: up to \$4,000
 - Induction cooktop (Up to \$500),
 - Service panel upgrade (up to \$2,500)
- Engaged contractor network
- Residential energy advisors
- Contractor training and quality control



- Current Rebates
 - Heat Pump Water Heater: up to \$2,300
 - Bonuses: up to \$1,500 (low-income or DR)
 - Panel: up to \$2,500
- Forthcoming Phase 2 - via BayREN Home+ single family program
 - Water Heater: \$1,000 (plus BayREN \$1,000)
 - Panel: \$1,500
 - Residential energy advisors
 - Contractor training and quality control

FY 21: Low Income Program

Overview & Objectives

- Program for eligible low-income single-family residents
- Low income home improvements plus workforce employment

Scope

- Select electrification, complementary energy efficiency, PV, EV charging, and healthy home fixes
- Turn-key program covering 100% of installed cost. Max. \$8,000/home + other partner incentives
- Goal of 200-250 homes in 4 yrs

Budget

- Total Program budget of \$2M over 4 yrs

Collaborations

- Layer incentives with the Energy Savings Assistance Program (ESA), Peninsula Minor Home Repair (PMHR), Single Family Affordable Solar Housing (SASH) and BayREN wherever possible

FY 21: Harvest Thermal Pilot Program

Overview & Objectives

- Pilot new Harvest Thermal technology in homes to prove viability
- Technology provides simultaneous water and space heating through one heat pump
- Help technology development to address market needs

Scope

- Install technology in up to 5 homes in SMC
- Support development of installation guidelines
- Provide detailed assessment of technology (install costs, energy, bill savings, customer satisfaction)
- Preferred pricing for PCE if technology is scaled for larger market penetration
- Independent measurement and verification

Budget

- Total program budget of \$300,000 over 2 years

4 YR Budget Breakdown

	FY 2021	FY 2022	FY 2023	FY 2024	4 yr Total	% of Total budget
Incentives	\$ 500	\$ 450	\$ 750	\$ 1,100	\$ 2,800	46%
Low Income	\$ 450	\$ 400	\$ 550	\$ 600	\$ 2,000	33%
Load Shaping	\$ 50	\$ 50	\$ 150	\$ 300	\$ 550	9%
Innovation Pilots	\$ 250	\$ 50	\$ -	\$ -	\$ 300	5%
Admin & Other	\$ 150	\$ 50	\$ 50	\$ 200	\$ 450	7%
Total Budget	\$ 1,400	\$ 1,000	\$ 1,500	\$ 2,200	\$ 6,100	100%

*1000s of \$\$s

Existing Buildings Program: Request

Program: Provide incentives and program support for electric appliances in existing buildings

Request: Recommend approval of the proposed Existing Building Electrification Program

Amount: Up to \$6.1M for 4-year program

Regular Agenda

4. Recommend Approval of E-Bike Program (Action)

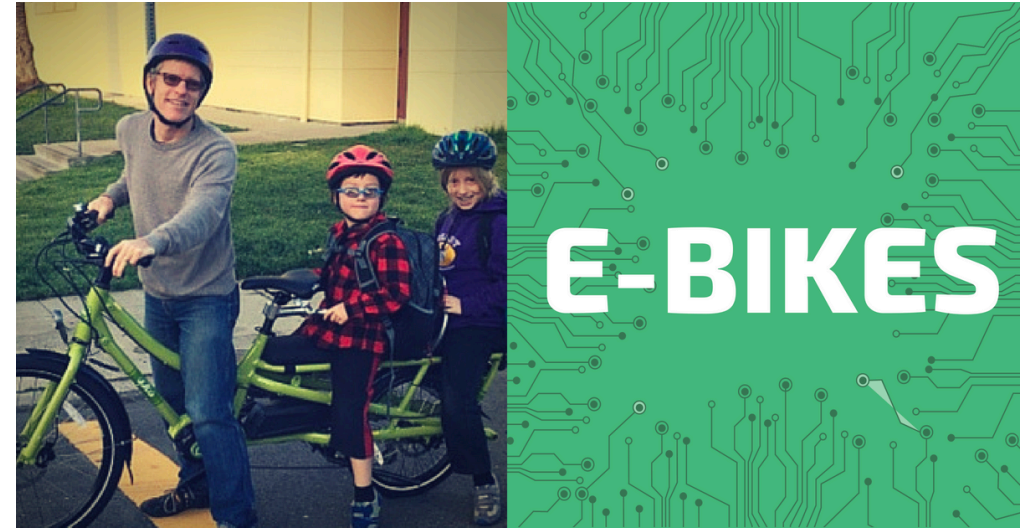


E-Bikes Programs Proposal

Executive Committee, May 11, 2020

E-Bike Benefits

- Electric pedal assist, improving accessibility for:
 - Parents with kids
 - Seniors
 - Commuters
 - Hills/cargo
- Very low cost, flexible mobility
- 33% - 50% of e-bike trips replaced a car trip (CalBike survey)
- Provide alternative to cars



Existing E-Bike Incentive Programs

1. Clean Cars for All (Bay Area)
 - E-bikes recently qualified (SB 400)
 - BAAQMD developing incentive now (scrap and replace alternative to cars)
2. Redwood Coast Energy Authority
 - Announced Earth Day, April 22
 - \$500 rebate, first come first served, capped at \$41,500 (83 rebates)
3. Burlington, VT
 - \$200 point of sale rebate, through local bike shops
 - Requires proof of residency
4. Austin Energy
 - Up to \$300
 - Also includes scooters, mopeds, etc.

Note: CalBike currently lobbying to get E-bikes included in CVRP

Program Components

1. Focus on lower-income communities
2. Point of sale rebate (proposed \$900), administered through local bike shops and reimbursed by PCE, year-long incentive
3. Bike shop and e-bike selection RFQ
4. Commute.org performance-based incentive
5. Marketing and promotion with partnerships, including giveaways at schools as part of Bike to School Day
6. Evaluation and trailing surveys

Program launch in Mid-September (before Bike to Work Day on 9/24/20)

E-Bikes Rebate Program: Request

Program: Low-income E-Bikes Rebate Program

Requests: Recommend approval to the Board of the proposed three-year E-Bikes Rebate Program

Amount & Term: Up to \$300,000 over 3 years

Regular Agenda

5. Review Draft Fiscal Year 2020-2021 Budget (Discussion)



Fiscal Year FY2020-2021 Budget Review *Initial Draft*

Schedule – Budget Review and Approval

May 11, 2020 – Review Draft with Executive Committee

May 11, 2020 – Review Draft with Audit & Finance Committee

May 28, 2020 – Review Draft with Board of Directors

June 8, 2020 – Review Final with Audit & Finance Committee

June 25, 2020 – Approve Final by Board of Directors

Draft Budget FY2020-2021 - Key Assumptions

- Rates – PG&E Generation Rates Increase of 2% on Jan 1, 2020
- PCIA
 - PCIA Cap of \$0.005 on Jan 1, 2021
 - PCIA Trigger of 58% increase on Oct 1, 2020 (3 months)
- Energy Prices
 - Based on latest ABB forecast (in November) – does not include effects of COVID-19
- PPA Contracts
 - Mustang (Solar) project expected to start December 1, 2020 for 15 years
 - New Wind project starting August 1, 2020 for 7 years
- Programs
 - DER/Resiliency Program ramps up at total cost of \$2 million
 - Significant expansion of Community Energy Programs
 - Approved Electric Vehicle Programs/Infrastructure - \$5 million
 - Proposed Building Electrification Program - \$950K

Preliminary FY2020-2021 – Summary (Pre-COVID-19)

	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING REVENUES					
Electricity Sales, net	265,221,745	283,383,570	245,886,610	(37,496,960)	-13%
Green electricity premium	2,560,486	2,506,699	2,294,308	(212,391)	-8%
Net Operating Revenues	267,782,231	285,890,269	248,180,918	(37,709,351)	-13%
OPERATING EXPENSES					
Cost of energy	216,549,065	209,317,296	221,105,777	11,788,481	6%
Staff compensation	4,589,149	4,429,501	6,236,981	1,807,480	41%
Data Manager	3,822,123	3,694,891	3,420,000	(274,891)	-7%
Service Fees - PG&E	1,256,056	1,253,737	1,260,000	6,263	0%
Consultants & Professional Services	896,333	792,122	2,843,340	2,051,218	259%
Legal	1,471,500	1,255,456	1,708,230	452,774	36%
Communications and Noticing	1,754,800	1,288,158	2,873,350	1,585,192	123%
General and Administrative	1,277,187	1,346,180	1,707,282	361,102	27%
Community Energy Programs	5,094,473	1,924,134	8,015,000	6,090,866	317%
Depreciation	98,400	97,039	133,728	36,689	38%
Total Operating Expenses	236,809,086	225,398,513	249,303,688	23,905,175	11%
Operating Income (Loss)	30,973,145	60,491,756	(1,122,770)	(61,614,526)	-102%
NON-OPERATING REVENUES (EXP.)					
Total Nonoperating Income/(Expense)	2,232,000	1,913,038	1,408,000	(505,038)	-26%
CHANGE IN NET POSITION	33,205,145	62,404,794	285,230	(62,119,563)	-100%
Net Position at the end of period	167,991,587	202,543,922	202,829,152	285,230	0%



Load Forecast with COVID-19 Scenarios for FY2020-21 Budget

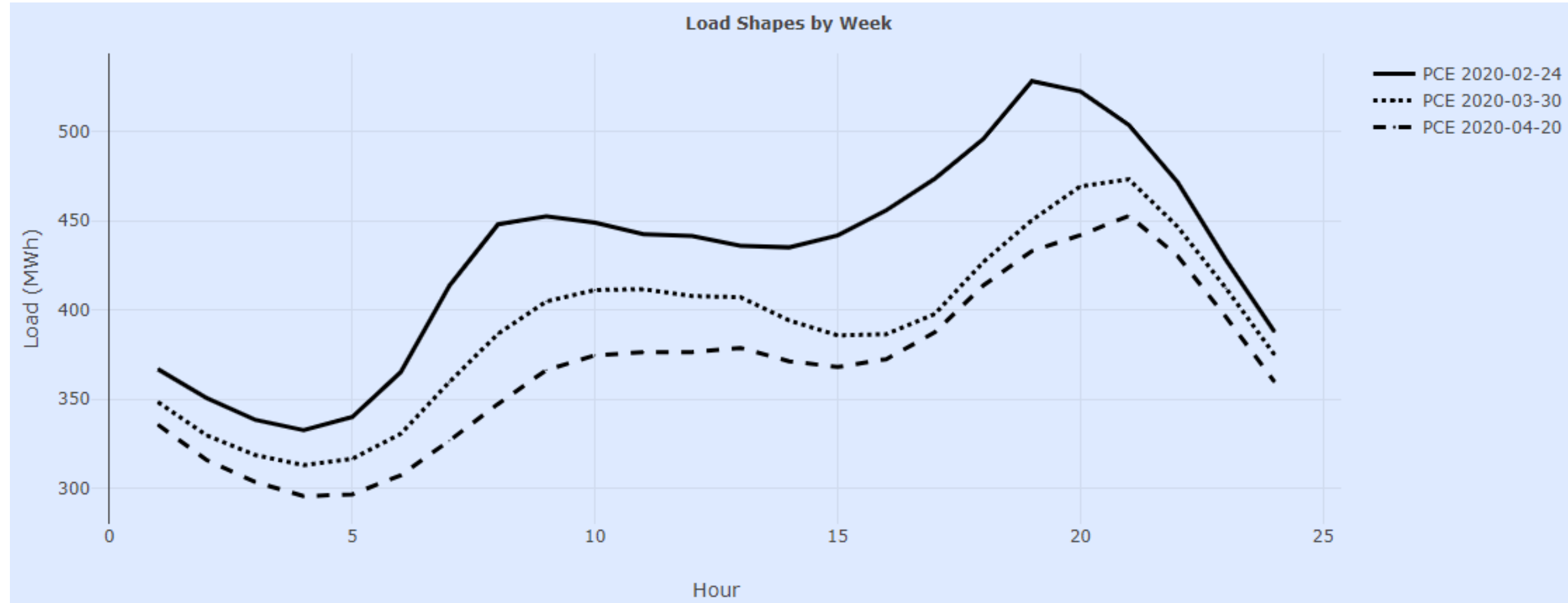
Change in Load, 2019 compared to 2020

T+8 Data for 2019, AMI data for 2020							
Customer Class	2019			2020			Percent Change
	March	April (1st-20th)	Total	March	April (1st-20th)	Total	
Agricultural	2,364	1,519	3,883	2,711	1,808	4,519	16%
Industrial	25,042	16,324	41,367	21,862	12,391	34,252	-17%
Large Commercial	65,409	42,932	108,341	58,442	33,560	92,002	-15%
Medium Commercial	44,078	28,916	72,994	41,329	22,863	64,193	-12%
Small Commercial	39,605	24,734	64,339	39,084	21,571	60,656	-6%
Street Lights-Other	1,535	980	2,514	958	594	1,552	-38%
Residential	121,606	69,071	190,677	126,762	80,614	207,376	9%
Total PCE	299,639	184,476	484,115	291,149	173,401	464,550	-4%

April 2020 vs. April 2019 (20 days)

- 6% decrease in total PCE load
- 20% decrease in combined commercial and industrial load
- 17% increase in residential load

Actual PCE Load Changes



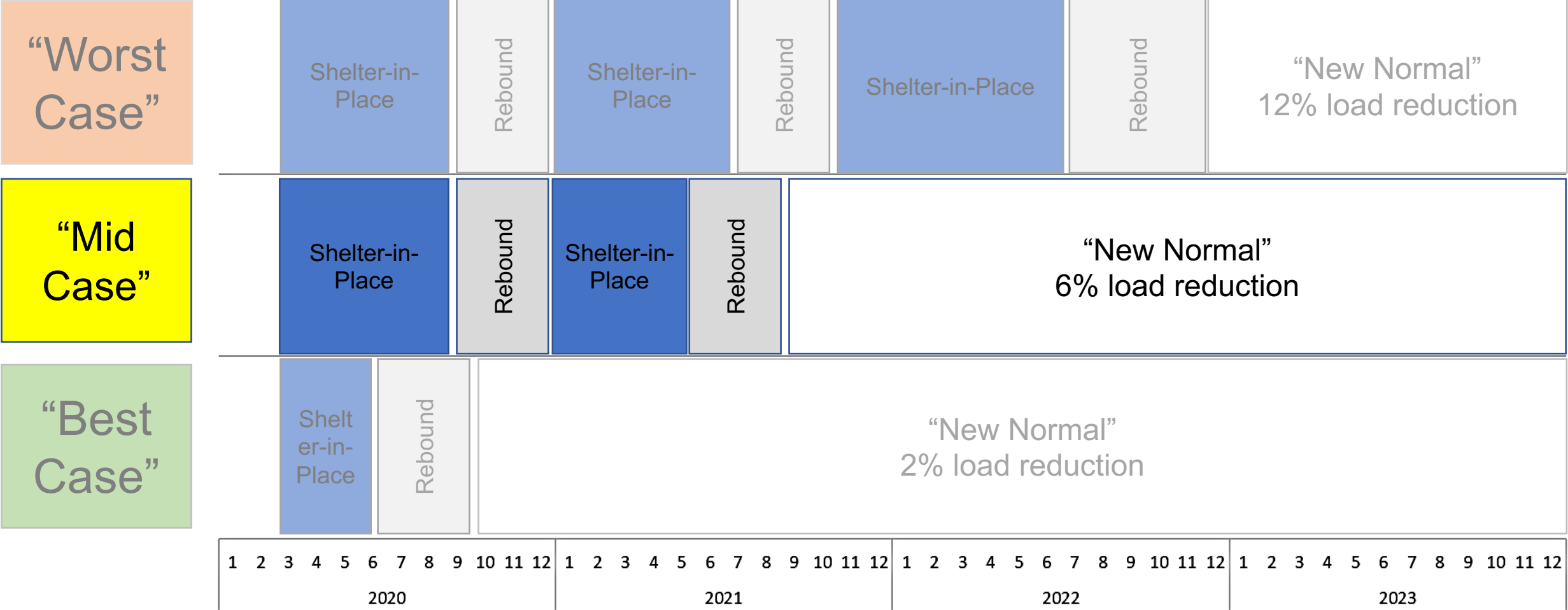
COVID-19 Assumptions - Impact on Load Forecast

- Assumed COVID-19 timeline is based on discussion with health officials, epidemiological publications, and projected vaccine development timelines
 - Shelter-in-Place fully lifted 9/1/2020
 - Resurgence in virus in Fall 2020 forces 2nd Shelter-in-Place starting 12/1/2020
 - Therapies developed in Spring 2021
 - 2nd Shelter-in-Place fully lifted 5/1/2021
- “New normal” is based on PCE estimates of permanent business closures and behavior change (especially telecommuting) in San Mateo County
 - Commercial and Industrial load reductions due to ordered closures, economic slowdown
 - C&I: Permanent decrease in load (-12%), decrease in customer count (-12%)
 - Residential: Permanent increase in load (+2%), no change in customer count
 - Total PCE: Permanent decrease in load (-6%), slight decrease in customer count (-1%)
- Demand Load Assumptions
 - FY20-21 – down 15%
 - FY21-22 – down 10%
 - FY22-23 – down 5%

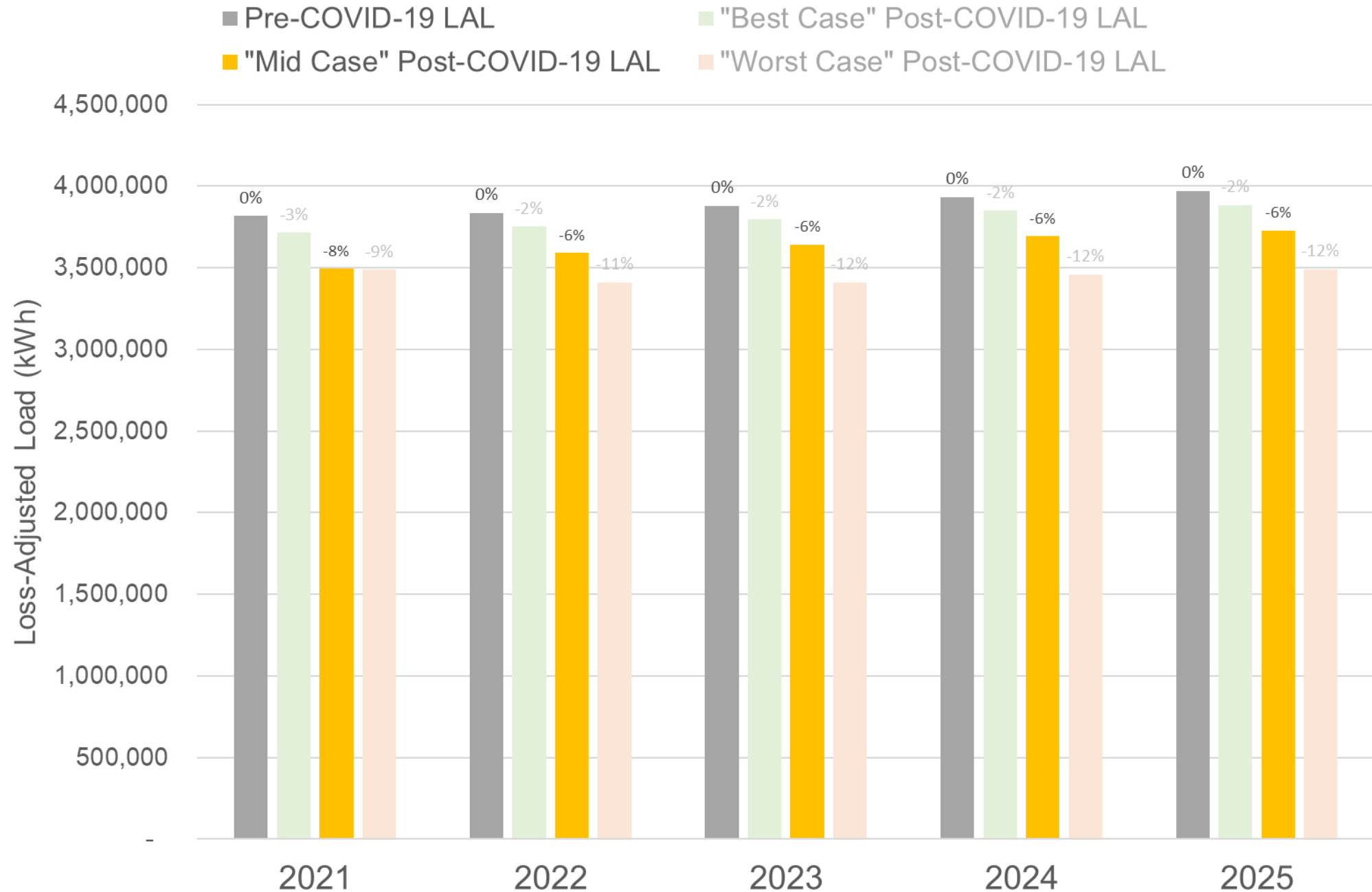
COVID-19 Scenario Timelines

- “Mid Case” Scenario used for FY 2020-21

Budget



Forecast PCE Load with COVID-19 Scenarios



Draft Budget FY2020-2021 – Current (With COVID-19 Assumptions)

	FY2019-2020	FY2019-2020	FY2020-2021	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Preliminary Budget (without COVID-19 Assumptions)	Proposed Budget	\$ Change	% Change
OPERATING REVENUES						
Electricity Sales, net	265,221,745	276,972,495	245,886,610	222,756,970	(54,215,525)	-20%
Green electricity premium	2,560,486	2,461,164	2,294,308	2,102,746	(358,418)	-15%
Net Operating Revenues	267,782,231	279,433,659	248,180,918	224,859,716	(54,573,943)	-20%
OPERATING EXPENSES						
Cost of energy	216,549,065	206,480,873	221,105,777	204,823,925	(1,656,948)	-1%
Staff compensation	4,589,149	4,429,501	6,236,981	6,236,981	1,807,480	41%
Data Manager	3,822,123	3,694,891	3,420,000	3,420,000	(274,891)	-7%
Service Fees - PG&E	1,256,056	1,253,737	1,260,000	1,260,000	6,263	0%
Consultants & Professional Services	896,333	792,122	2,843,340	2,843,340	2,051,218	259%
Legal	1,471,500	1,255,456	1,708,230	1,708,230	452,774	36%
Communications and Noticing	1,754,800	1,288,158	2,873,350	2,873,350	1,585,192	123%
General and Administrative	1,277,187	1,346,180	1,707,282	1,707,282	361,102	27%
Community Energy Programs	5,094,473	1,924,134	8,015,000	8,015,000	6,090,866	317%
Depreciation	98,400	97,039	133,728	133,728	36,689	38%
Total Operating Expenses	236,809,086	222,562,091	249,303,688	233,021,836	10,459,745	5%
Operating Income (Loss)	30,973,145	56,871,568	(1,122,770)	(8,162,120)	(65,033,688)	-114%
NON-OPERATING REVENUES (EXP.)						
Total Nonoperating Income/(Expense)	2,232,000	1,913,038	1,408,000	1,408,000	(505,038)	-26%
CHANGE IN NET POSITION	33,205,145	58,784,606	285,230	(6,754,120)	(65,538,726)	-111%
Net Position at the end of period	167,991,587	198,923,734	202,829,152	192,169,614	(6,754,120)	-3%

Draft Budget Detail - Revenues

	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING REVENUES					
Electricity Sales, net	265,221,745	276,972,495	222,756,970	(54,215,525)	-20%
Green electricity premium	2,560,486	2,461,164	2,102,746	(358,418)	-15%
Net Operating Revenues	267,782,231	279,433,659	224,859,716	(54,573,943)	-20%

Significant changes in Revenue from FY2019-20 Forecast to FY2020-21 Budget:

- Reduction of \$4.8 million – PCIA Cap of \$0.005 implemented on May 1, 2020
- Reduction of \$15.8 million – PCIA Trigger (58%) on October 1, 2020 (3 months)
- Reduction of \$7.8 million - PCIA Cap of \$0.005 implemented on January 1, 2021
- Reduction of \$23.3 million – COVID-19 Load reduction assumptions (partially offset by lower energy costs)

Draft Budgeted Cost Detail – Cost of Energy

	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
Cost of energy	216,549,065	206,480,873	204,823,925	(1,656,948)	-1%
Net Energy Purchases	166,929,241	153,125,283	153,190,011	64,728	0%
Resource Adequacy (net of Resale)	21,045,015	27,934,725	31,474,662	3,539,937	13%
RECs and GHG	26,787,350	23,234,201	17,681,750	(5,552,450)	-24%
Forecasting and scheduling	1,313,079	1,343,006	1,477,502	134,497	10%
NEM Expense	474,380	843,659	1,000,000	156,341	19%

- Addition of:
 - Wright for full year in FY2020-2021
 - Mustang for 7 months in FY2020-2021
- Higher prices expected for RA and increased volume – Requirements are based on prior year (Pre-COVID) forecast
- RECs and GHG costs lower due to
 - lower volume expected
 - new PPAs have decreased the required separate purchases

Draft Budgeted Cost Detail – Staff Compensation

	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
Staff compensation	4,589,149	4,429,501	6,236,981	1,807,480	41%
Employee welfare	223,550	318,547	442,592	124,045	39%
Payroll tax expense	260,809	219,429	306,797	87,368	40%
Retirement plan contributions	353,954	323,954	455,633	131,679	41%
Salaries and wages	3,725,836	3,542,914	5,006,958	1,464,044	41%
Workers comp insurance	25,000	24,657	25,000	343	1%
Other	-	-	-	-	0%
Temp Employee	-	-	22,500	22,500	0%

Significant assumptions of note:

- Addition of 8 employees from today's level through June 2021 (2 current open positions)
- Increase over FY19-20 forecast looks bigger because 10 current employees were hired during the year – only a portion of their full-year salaries is reflected in current year's forecast


Draft Budgeted Cost Detail – Data Manager/Service Fees

	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
Data Manager	3,822,123	3,694,891	3,420,000	(274,891)	-7%
Service Fees - PG&E	1,256,056	1,253,737	1,260,000	6,263	0%

Significant assumptions of note:

- Data Manager expenses expected to be lower due to revised/lower contract with Calpine


Draft Budgeted Cost Detail – Professional Services

	FY2019-2020	FY2019-2020	 FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
Consultants & Professional Services	896,333	792,122	2,843,340	2,051,218	259%
Accounting & Auditing	165,000	175,753	191,000	15,247	9%
Human Resources Consulting	68,000	24,465	72,000	47,535	194%
IT Consulting	48,000	59,461	60,000	539	1%
Other Consultants	290,000	233,099	302,000	68,901	30%
Technical consultants	-	-	-	-	0%
Power Resources Consulting	325,333	299,343	2,218,340	1,918,997	641%

Significant assumptions of note:

- \$1.5 million for Approved DER and Resiliency projects – included in Consultants for now


Draft Budgeted Cost Detail – Legal

	FY2019-2020	FY2019-2020	 FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
Legal	1,471,500	1,255,456	1,708,230	452,774	36%
Legislative	210,000	128,323	126,750	(1,573)	-1%
Legal Power Resources	540,000	472,199	720,000	247,801	52%
Legal Agency	240,000	199,122	240,000	40,878	21%
Legal Regulatory	481,500	455,812	621,480	165,668	36%

Significant assumptions of note:

- Increased legal effort expected in support of several new PPAs to be signed in FY2020-2021
- Increased Regulatory support expected

Draft Budgeted Cost Detail – Communications/Marketing



	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
Communications and Noticing	1,754,800	1,288,158	2,873,350	1,585,192	123%
Advertising/Paid Media	73,000	73,520	503,850	430,330	585%
Communications consultants	420,000	281,376	375,300	93,924	33%
Sponsorships and memberships	100,000	94,610	129,000	34,390	36%
Marketing Automation/Software	14,800	4,335	77,500	73,165	1688%
Promotions & Branding	747,000	82,809	83,200	391	0%
Communications - misc expenses	50,000	42,562	12,000	(30,562)	-72%
Grants & Partner Contracts	8,000	272,086	1,297,500	1,025,414	377%
Direct Mail	-	-	87,000	87,000	0%
Collateral	-	-	72,000	72,000	0%
Required Mailings	342,000	436,860	236,000	(200,860)	-46%

Significant assumptions of note:

- Required Mailings expenses expected to decrease related to new electronic distribution of Joint Rate Mailer
- Additional funds were added for Board-approved program related to Resiliency
 - \$845K for Medically-vulnerable; grant funding to community-based organizations
 - \$220K for digital advertising for DER Resiliency
- \$208K for Building Electrification awareness previously approved by Board

Draft Budgeted Cost Detail – General & Administrative

	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
General and Administrative	1,277,187	1,346,180	1,707,282	361,102	27%
Bank service fee	60,000	100,581	129,312	28,731	29%
Building Maintenance	3,000	8,121	15,000	6,879	85%
Business meals	12,000	19,477	30,000	10,523	54%
Conferences & prof development	42,000	29,135	24,000	(5,135)	-18%
Equipment lease	3,600	2,932	6,000	3,068	105%
Industry memberships and dues	425,000	363,548	480,000	116,452	32%
Insurance	84,000	80,214	120,000	39,786	50%
Miscellaneous G&A	12,000	3,000	-	(3,000)	-100%
Office supplies and postage	18,000	18,704	24,000	5,296	28%
Payroll service fees	18,000	19,716	21,000	1,284	7%
Rent	381,787	429,076	531,570	102,494	24%
Small equipment & software	72,000	114,403	150,000	35,597	31%
Subscriptions	60,000	72,261	72,000	(261)	0%
Utilities	48,000	48,490	60,000	11,510	24%
Travel - Mileage/fuel	4,200	3,411	3,600	189	6%
Travel - Parking and Tolls	3,600	4,874	7,200	2,326	48%
Travel - Airfare	12,000	8,705	9,600	895	10%
Travel - Lodging	12,000	18,031	24,000	5,969	33%
Travel - Other Travel	6,000	1,500	-	(1,500)	-100%

Significant assumptions of note:

- Rent – higher due to expansion of space into additional office

Draft Budgeted Cost Detail – Community Energy Programs

	FY2019-2020	FY2019-2020	FY2020-2021	Variance FY2021 Budget vs. FY2020 Forecast Increase/(Decrease)	
Current Budget	Approved Budget	Forecast	Proposed Budget	\$ Change	% Change
OPERATING EXPENSES					
Community Energy Programs	5,094,473	1,924,134	8,015,000	6,090,866	317%
Energy Program Consulting	1,569,447	1,007,342	2,560,500	1,553,158	154%
Programs - G&A	-	97,196	240,000	142,805	147%
Programs - Marketing	-	2,500	250,000	247,500	9900%
Programs - Incentives	3,525,026	817,096	4,964,500	4,147,404	508%

Significant assumptions of note:

- Approved Electric Vehicle Programs/Infrastructure
 - Consulting - \$1.1 million
 - Incentives - \$3.9 million
- Building Electrification Program- \$950K
- Community Pilots/Grants - \$350K
- Approved Ride & Drives - \$250K

Draft FY2020-2021 Budget & 5-year Plan



	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	FY2024-2025
Current Budget	Proposed Budget	Proposed Plan	Proposed Plan	Proposed Plan	Proposed Plan
OPERATING REVENUES					
Electricity Sales, net	222,756,970	235,681,599	234,979,065	243,148,394	249,425,016
Green electricity premium	2,102,746	2,278,798	2,434,838	2,622,373	2,846,828
Net Operating Revenues	224,859,716	237,960,396	237,413,903	245,770,767	252,271,844
OPERATING EXPENSES					
Cost of energy	204,823,925	211,058,044	212,109,843	208,067,385	220,100,986
Staff compensation	6,236,981	6,786,954	7,119,219	7,468,097	7,834,419
Data Manager	3,420,000	3,454,200	3,488,742	3,523,629	3,558,866
Service Fees - PG&E	1,260,000	1,272,600	1,285,326	1,298,179	1,311,161
Consultants & Professional Services	2,843,340	3,825,940	1,658,135	1,201,572	1,182,480
Legal	1,708,230	1,706,160	1,753,260	1,797,619	1,854,449
Communications and Noticing	2,873,350	2,966,418	2,227,878	2,335,362	2,447,910
General and Administrative	1,707,282	1,771,452	1,838,462	1,908,448	1,981,552
Community Energy Programs	8,015,000	11,085,000	12,860,000	12,940,000	12,990,000
Depreciation	133,728	169,728	205,728	241,728	277,728
Total Operating Expenses	233,021,836	244,096,495	244,546,593	240,782,020	253,539,552
Operating Income (Loss)	(8,162,120)	(6,136,099)	(7,132,690)	4,988,747	(1,267,707)
NON-OPERATING REVENUES (EXP.)					
Total Nonoperating Income/(Expense)	1,408,000	2,008,000	2,008,000	2,008,000	2,008,000
CHANGE IN NET POSITION	(6,754,120)	(4,128,099)	(5,124,690)	6,996,747	740,293
Net Position at the end of period	192,169,614	188,041,515	182,916,825	189,913,572	190,653,865
Days Cash on Hand - Unrestricted Cash	258	240	232	246	235

Draft Budget FY2022-2025 - Key Assumptions

Rates – Increase of 1% on Jan 1 of each year starting on 1/1/2022

PCIA

- PCIA Cap of \$0.005 on Jan 1, 2022
- PCIA Trigger - no additional Trigger

PPA Contracts

- 1st Solar+Storage project starting January 1, 2023 for 20 years
- 2nd Solar+Storage project starting January 1, 2023 for 20 years
- New Solar+Storage project starting January 1, 2024 for 20 years
- Community Solar projects starting September 1, 2021

Programs Contracts

- DER/Resiliency Program ramps continues
- Significant expansion EV infrastructure- \$5 million/year in FY22 and FY23
- Allocated funds for Innovation - \$1 million/year in FY23, FY24 and FY25

Draft 5-year Plan – COVID-19 Impact

	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	FY2024-2025
Pre-COVID-19	Forecast	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget	Proposed Budget
OPERATING REVENUES						
Net Operating Revenues	285,890,269	248,180,918	255,893,859	253,611,869	261,243,356	268,103,289
OPERATING EXPENSES						
Total Operating Expenses	225,398,513	249,303,688	258,227,275	256,955,755	252,152,471	266,715,732
CHANGE IN NET POSITION	62,404,794	285,230	(325,416)	(1,335,886)	11,098,886	3,395,557
Net Position at the end of period	202,543,922	202,829,152	202,503,736	201,167,850	212,266,735	215,662,293

	FY2019-2020	FY2020-2021	FY2021-2022	FY2022-2023	FY2023-2024	FY2024-2025
Current Budget	Forecast	Proposed Budget	Proposed Plan	Proposed Plan	Proposed Plan	Proposed Plan
OPERATING REVENUES						
Net Operating Revenues	279,433,659	224,859,716	237,960,396	237,413,903	245,770,767	252,271,844
OPERATING EXPENSES						
Total Operating Expenses	222,562,091	233,021,836	244,096,495	244,546,593	240,782,020	253,539,552
CHANGE IN NET POSITION	58,784,606	(6,754,120)	(4,128,099)	(5,124,690)	6,996,747	740,293
Net Position at the end of period	198,923,734	192,169,614	188,041,515	182,916,825	189,913,572	190,653,865

Difference in Change in Net Position	(3,620,188)	(7,039,350)	(3,802,683)	(3,788,803)	(4,102,139)	(2,655,265)
Ending Net Position (Diff Before vs. After)	(3,620,188)	(10,659,538)	(14,462,221)	(18,251,024)	(22,353,163)	(25,008,428)

Impact from COVID-19

- \$7.0 million in FY21

- \$25 million over next 5-year period

Lower revenues offset mostly by lower costs

Regular Agenda

6. Review PG&E GHG-free Allocation (Discussion)



PG&E Allocation of GHG Free

Executive Committee

May 11, 2020

Agenda

- Background
- Schedule
- COVID-19 Impacts on Load Forecast
- GHG-Free Targets and Status
- Cost Impact
- Market Research
- Other CCAs Response
- Recommendation

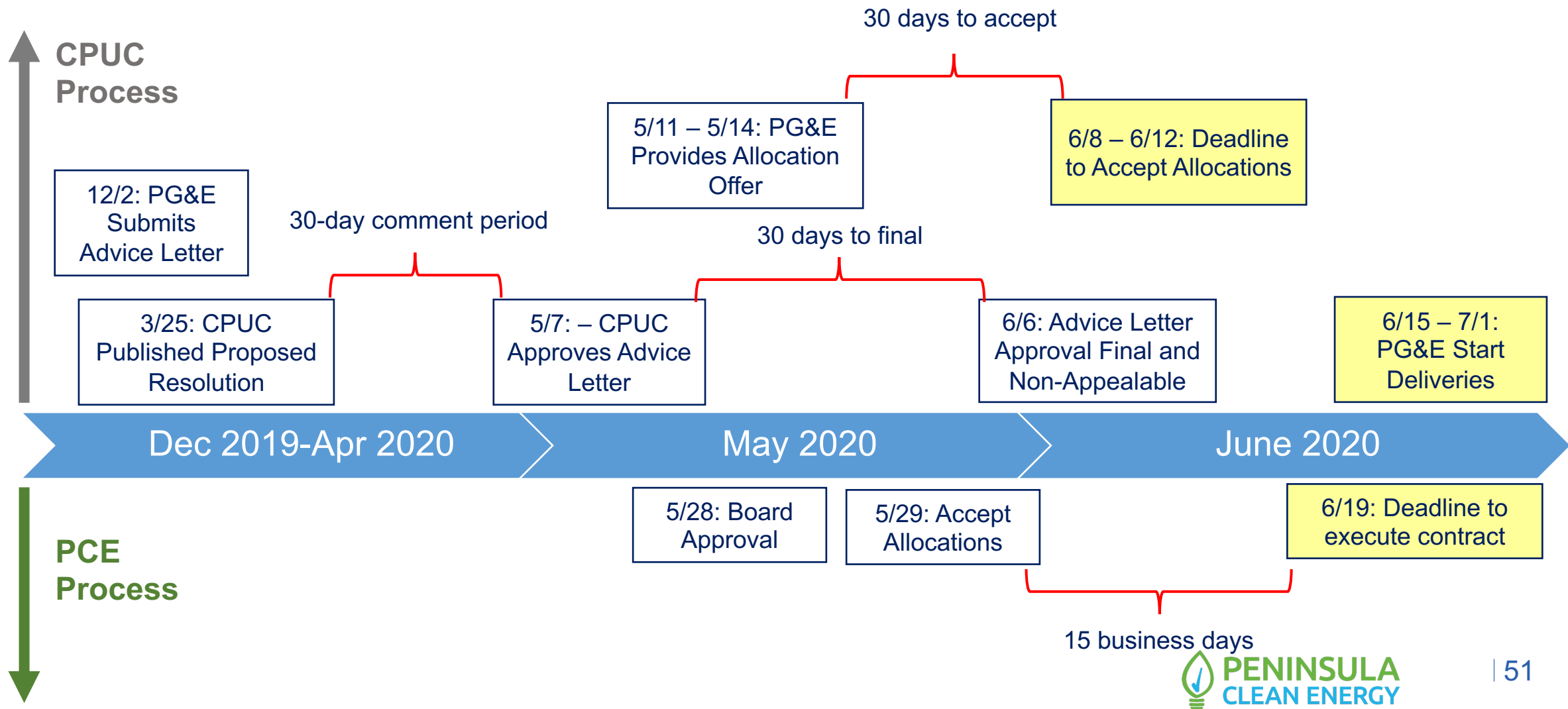
Background

- PG&E owns or contracts for GHG free energy including large hydro and nuclear resources
- In 2018, 13% of PG&E's supply was from large hydro and 34% from nuclear
- PG&E is counting these resources to meet or exceed their IRP GHG-free targets
- CCA customers pay for these resources through the PCIA
- CCAs are not currently able to claim and count the benefit of these resources for their customers on Power Content Labels or in connection with other GHG reporting
- Over the longer term, this will be addressed through the PCIA proceeding – expected in 2021

Interim Approach

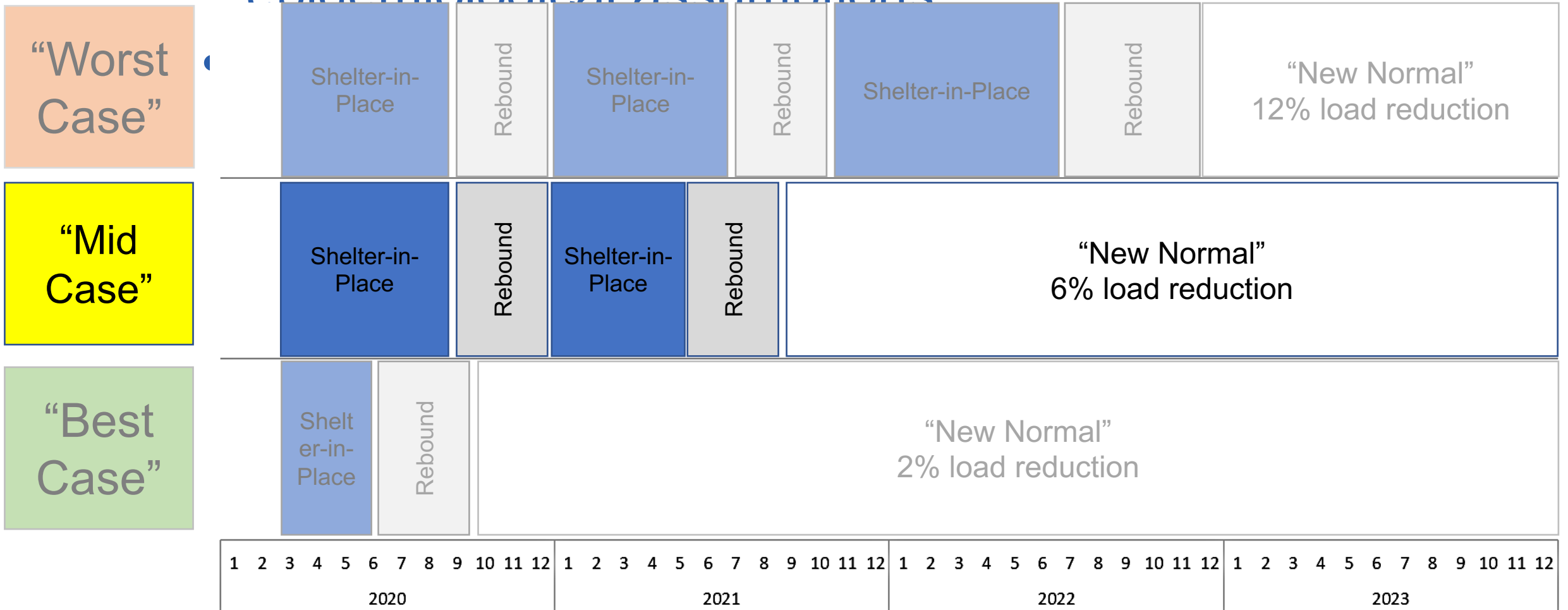
- CCAs have worked an interim approach with PG&E
- PG&E will allocate large hydro and nuclear to all load serving entities (LSEs) in PG&E's territory based on a load ratio share
- Each LSE has the option to accept each resource allocation separately
 - i.e. can accept allocation of large hydro but not nuclear, or can accept nuclear but not large hydro, or can accept both
- Volume of resource allocation is established based on actual generation
 - Rejecting a resource allocation does not impact the volumes you receive for the resource you accept
- CCA has 30 days to accept allocation

Schedule

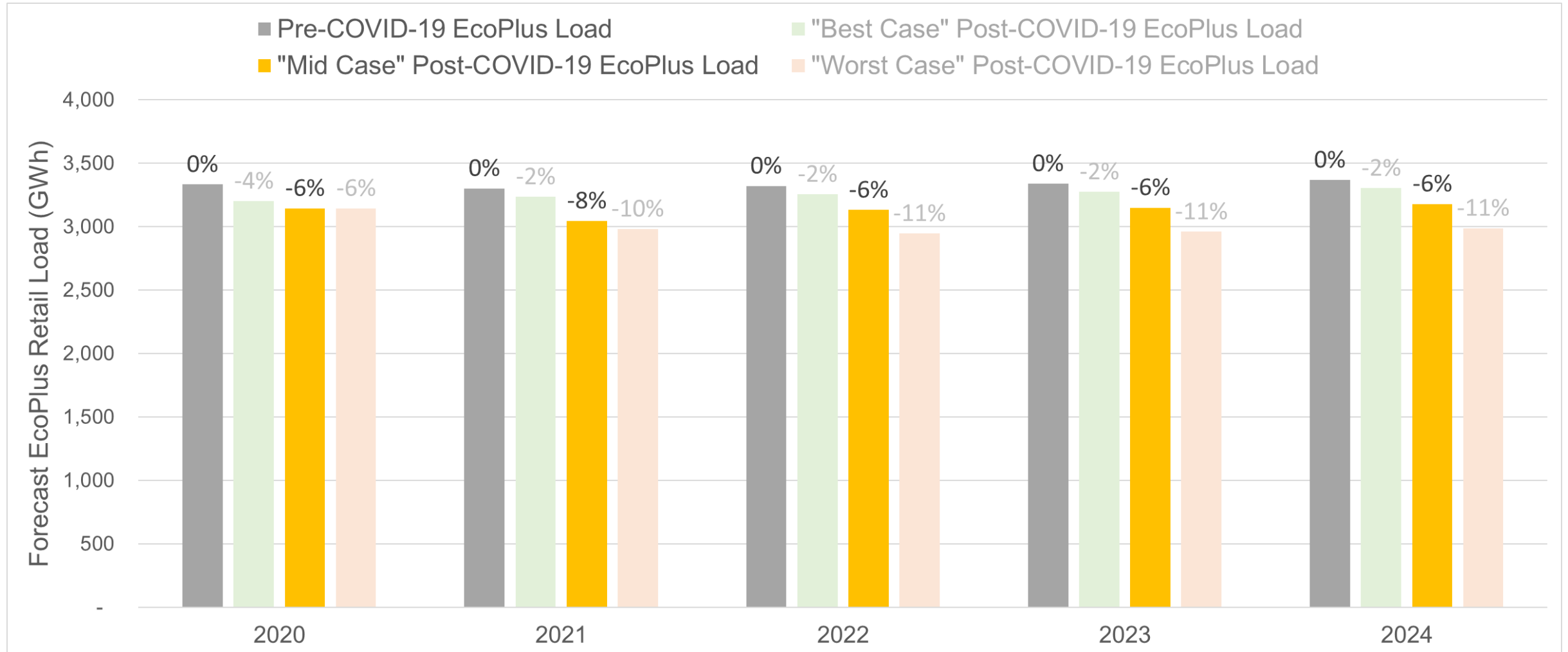


Load Scenarios with COVID-19

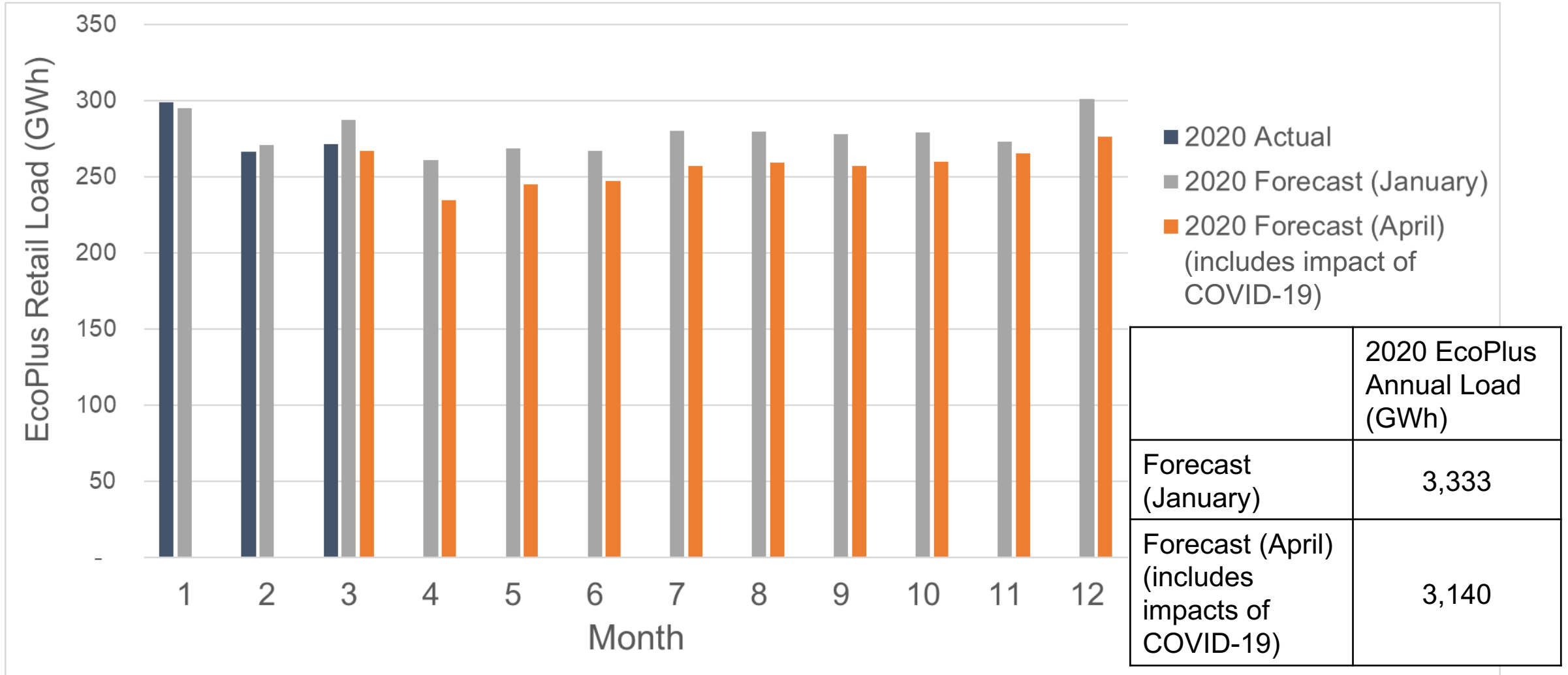
- Range of scenarios with economic and epidemiological assumptions



EcoPlus Load Forecast with COVID-19



2020 EcoPlus Load Forecast Updated

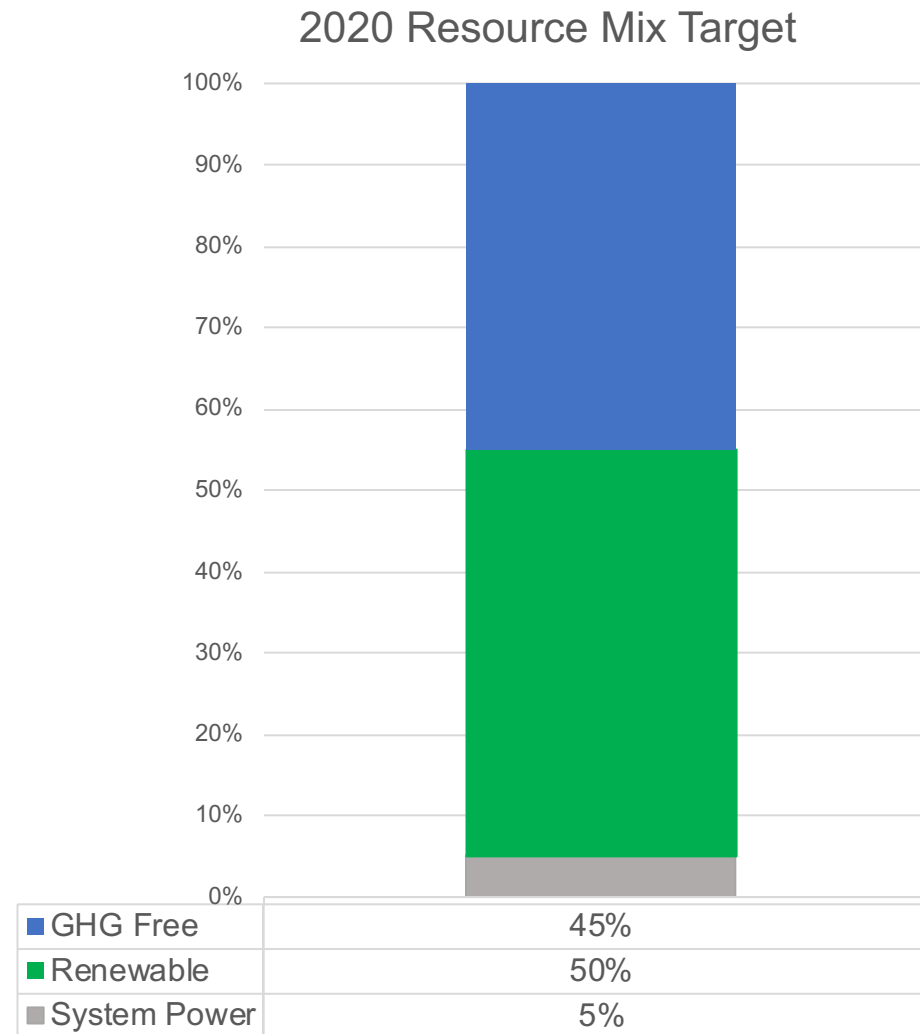


Expected Allocation Volumes

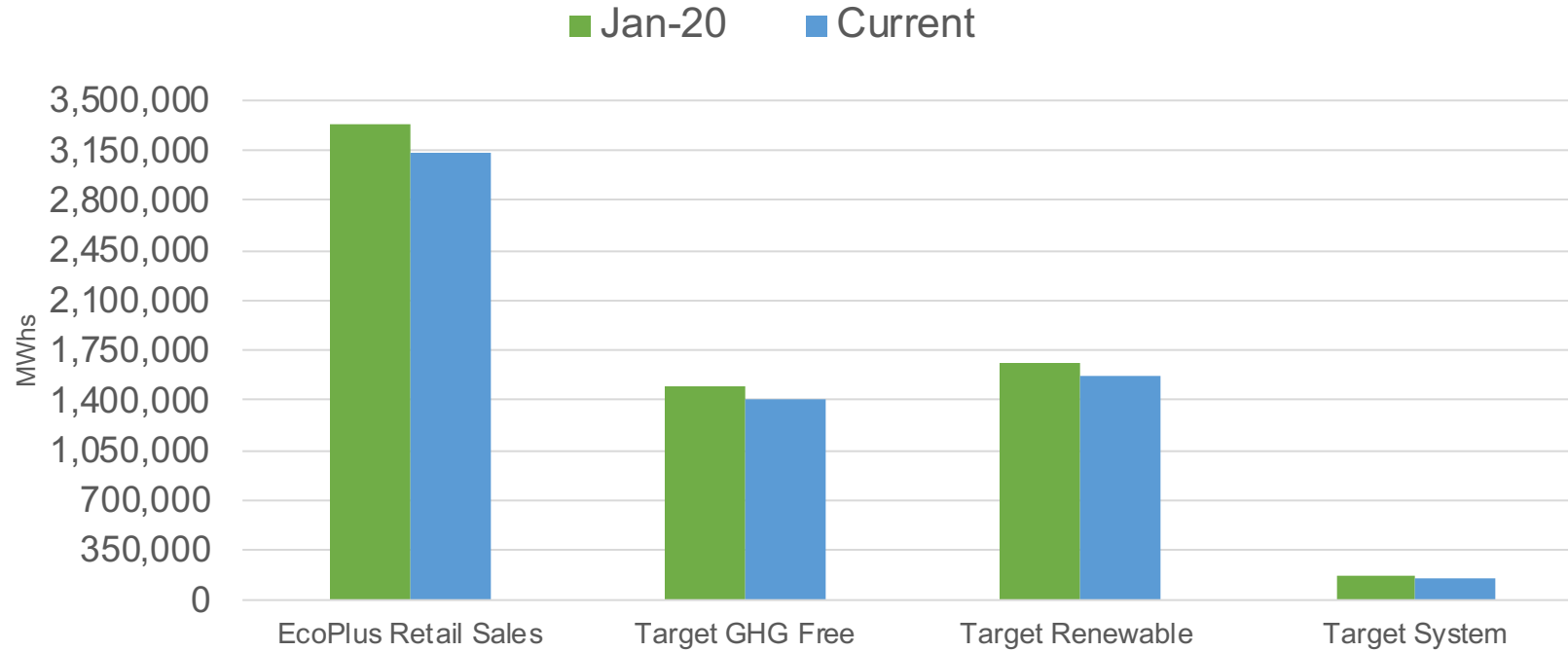
- Delay in CPUC Advice Letter Approval has resulted in decreased volumes allocated
- Current assumptions:
 - PCE receives allocations beginning July 1 (delayed from January)
 - Large hydroelectric volume based on historic snowpack-generation relationship
 - Nuclear volume based on 2019 generation

Expected 2020 PG&E Allocation	Jan 2020 Estimate	Current Estimate
Large Hydroelectric	300 GWh	144 GWh
Nuclear	700 GWh	378 GWh

2020 Target is 95% GHG-Free

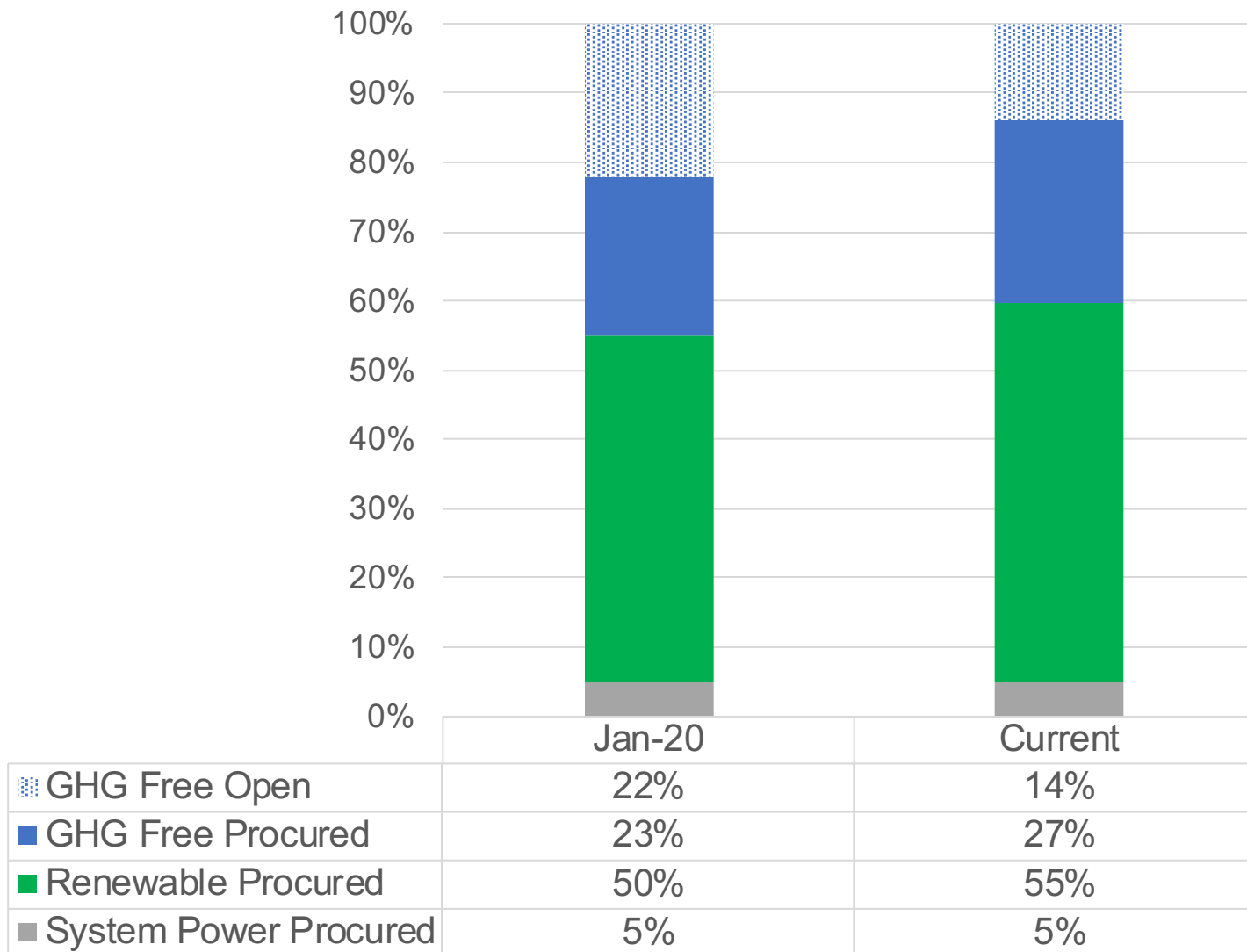


Reduced GHG-Free and Renewable Targets



GWh	Jan 2020	Current	Difference
EcoPlus Retail Sales	3,333	3,140	(193)
Target GHG Free	1,500	1,413	(87)
Target Renewable	1,666	1,570	(96)
Target System	167	157	(10)

Reduced Open Position for GHG-Free



- Since January, PCE has procured 176 GWh of GHG-Free
- Renewables currently exceed 50% target by 5% after revising the load forecast
- In total, GHG-Free open has decreased 8% since January

Cost Impact

	Jan 2020	Current
Ecoplus Load (GWh)	3,333	3,140
RE Procured	1,673	1,715
GHG-Free Procured	758	834
GHG-Free Open	735	434
PG&E Hydro Allocation	300	144
New Open After Hydro	435	290
Assumed Price	\$8 / MWh	\$3.25 / MWh
Cost to Procure	\$3,480,000	\$940,000
PG&E Nuclear Allocation	700	378
Ne Open After Nuclear	(265)	(88)

- Due to decreases in load and more renewable energy generation than expected, our current GHG-Free open position is smaller than January
- Costs for GHG-Free resources have also decreased significantly
- Additional savings of not accepting nuclear allocation is less than \$1 million

Market Research Survey Results

- Objective: Gauge customer reactions to the addition of nuclear power to the mix of energy sources in PCE's ECOplus plan
- Fielded: February 11-19, 2020
- Random sample of 17,500 PCE residential customers
- Self-administered web-based survey in English only
- Completes: 350

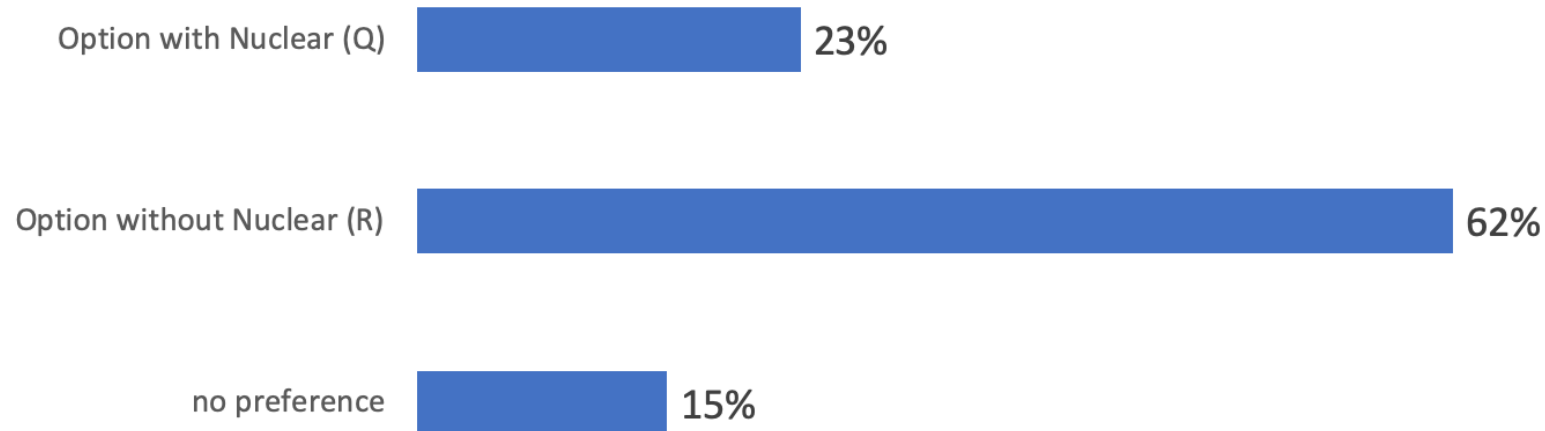
Market Research Survey Results

“If you had a choice between Options Q and R – with no difference in cost — which would you prefer, or do you not have a preference?”

	Option Q	Option R
Eligible Renewable	50%	50%
Biomass & Biowaste	12%	12%
Geothermal	2%	2%
Eligible Hydroelectric	4%	4%
Solar	20%	20%
Wind	12%	12%
Coal	0%	0%
Large Hydroelectric	27%	45%
Natural Gas	0%	0%
Nuclear	18%	0%
Other	0%	0%
Unspecified Sources of Power	5%	5%
TOTAL	100%	100%

Market Research Survey Results

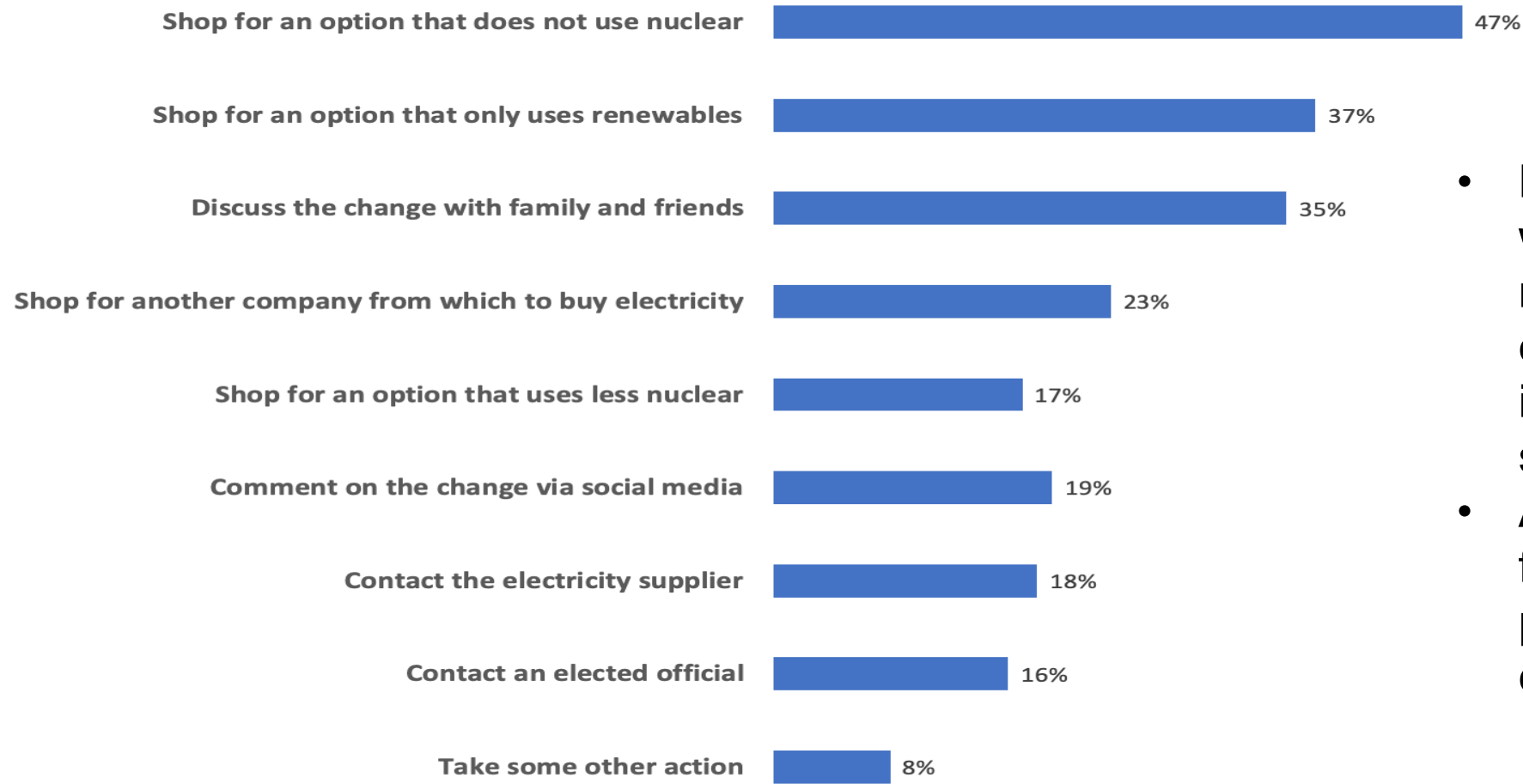
Most respondents preferred the option without nuclear but about 1 in 5 preferred the option that included nuclear.



Market Research Survey Results

Reason for Preferences	
Those Who Preferred Option with Nuclear	Those Who Preferred Nuclear-Free Option
About half of them see it as cleaner, cheaper, more reliable	Risk: Waste disposal – 30%
16% perceived large hydro as damaging to the ecosystem*	Risk: Danger of meltdown – 23%

Market Research Survey Results



- Most (76%) of those who preferred the nuclear-free option expressed an inclination to take some action
- About 2 in 5 would form a negative perception of the energy supplier

Other CCAs Approach

- CCA's who plan to accept PG&E Nuclear Allocation
 - Silicon Valley Clean Energy (SVCE)
 - San Jose Clean Energy (SJCE)
 - Monterey Bay Community Power (MBCP) – disappointed residents in SLO asking them to reconsider the decision
- CCA's who plan to reject PG&E Nuclear Allocation
 - East Bay Community Energy (EBCE)
 - Sonoma Clean Power (SCP)
 - Clean Power San Francisco (CPSF)
 - Marin Clean Energy (MCE)

Recommendation

- Changes from January
 - Delay in allocation of PG&E GHG-free energy results in smaller allocation amounts
 - Decreased load results in reduced open-position for GHG-free energy
 - Price of GHG-free has dropped significantly since January, and will likely drop further
- Continued uncertainty on impact of COVID-19 on load – load may be lower than forecasting resulting in even lower open position for GHG-free
- Market research results provide more insight into customer responses to changed power content label
- Staff recommendation:
 - Accept PG&E hydro allocation
 - Do not accept PG&E nuclear allocation

Regular Agenda

7. Update on Inclusion of New Communities from the Central Valley in the Peninsula Clean Energy Joint Powers Authority (JPA) Agreement (Discussion)

Regular Agenda

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 of Natural Disaster (Discussion)

Regular Agenda

9. Committee Members' Reports (Discussion)

Regular Agenda

Adjourn