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

PLEASE NOTE: for Video conference: https://meetings.ringcentral.com/j/1490732528
for Audio conference: dial 1-623-404-9000, or 1-773-231-9226,
then enter the Meeting ID: 149 073 2528 followed by #
You will be instructed to enter your participant ID followed by #.
NOTE: Please see attached document for additional detailed teleconference instructions.

PCEA shall make every effort to ensure that its video conferenced meetings are accessible to people with disabilities as required by Governor Newsom's March 17, 2020 Executive Order N-29-20. Individuals who need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Anne Bartoletti, Board Clerk, at least 2 working days before the meeting at abartoletti@peninsulacleanenergy.com. Notification in advance of the meeting will enable PCEA to make best efforts to reasonably accommodate accessibility to this meeting and the materials related to it.

If you wish to speak to the Board, please use the "Raise Your Hand" function on the Ring Central platform. If you have anything that you wish to be distributed to the Board and included in the official record, please send to abartoletti@peninsulacleanenergy.com.

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

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

As with all public comment, members of the public who wish to address the Board shall be given an opportunity to do so by the Board Chair during the videoconference meeting. Speakers are customarily limited to two minutes, but an extension can be provided to you at the discretion of the Board Chair.

ACTION TO SET AGENDA and TO APPROVE CONSENT AGENDA ITEMS

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

REGULAR AGENDA

1. Chair Report (Discussion)

2. CEO Report (Discussion)

3. Citizens Advisory Committee Report (Discussion)

4. Audit and Finance Committee Report (Discussion)

5. Approve Small Business COVID-19 Bill Credit and San Mateo Community Fund Donation (Action)

6. Consideration of New Member Opportunity and Proposed JPA Amendments (Discussion/Direction/Action)

7. Approve Updated EV (Electric Vehicle) Incentives Budget (Action)

8. Approve Local Government Fleets Program (Action)

9. Review Market Research Results (Discussion)

10. Approve Appointment of Citizen Advisory Committee (CAC) Liaison and Alternate (Action)

11. Board Members' Reports (Discussion)

CLOSED SESSION

(The Board will adjourn to closed session to consider the following items at the end of the agenda, or at any time during the meeting as time permits. At the conclusion of closed session, the Board will reconvene in open session to report on any actions taken for which a report is required by law.)

1. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
   Title: Chief Executive Officer

2. CONFERENCE WITH LABOR NEGOTIATORS
   Agency Designated Representatives: Jeff Aalfs and David Silberman
   Unrepresented Employee: Chief Executive Officer

3. RECONVENE OPEN SESSION AND REPORT ANY ACTION(S) TAKEN DURING CLOSED SESSION

CONSENT AGENDA

12. Approval of the Minutes for the July 23, 2020 Meeting (Action)

INFORMATION ONLY REPORTS

13. Marketing and Outreach Report

14. Regulatory and Legislative Report

15. Community Energy Programs Report

16. Procurement Report

17. Resiliency Strategy Report

18. Financial Reports

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 located at: http://www.peninsulacleanenergy.com.

Instructions for Joining a RingCentral Meeting via Computer or Phone

Best Practices:

- Please mute your microphone when you are not speaking to minimize audio feedback
- If possible, utilize headphones or ear buds to minimize audio feedback
- 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

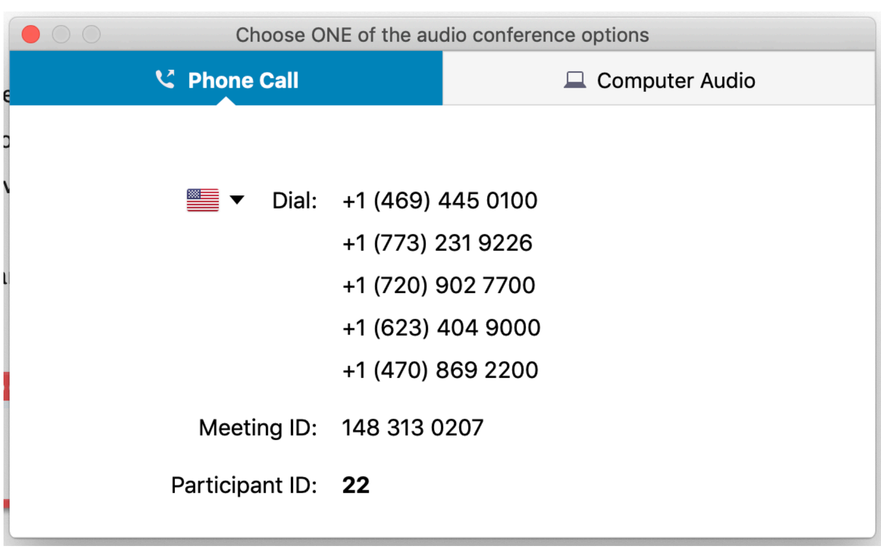
Videoconference Options:

Prior to the meeting, we recommend that you install the RingCentral Meetings application on your computer by clicking here: https://www.ringcentral.com/apps/rc-meetings

If you want full capabilities for videoconferencing (audio, video, screensharing) you must download the RingCentral application.

Option 1 Videoconference with Phone Call Audio (Recommended):

1. From your computer, click on the following link: https://meetings.ringcentral.com/j/1490732528
2. The RingCentral Application will open on its own or you will be instructed to Open RingCentral Meetings.
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: **149 073 2528 followed by #**
6. You will be instructed to enter in your **Participant ID followed by #.** Your Participant ID is unique to you and is what connects your phone number to your RingCentral account.
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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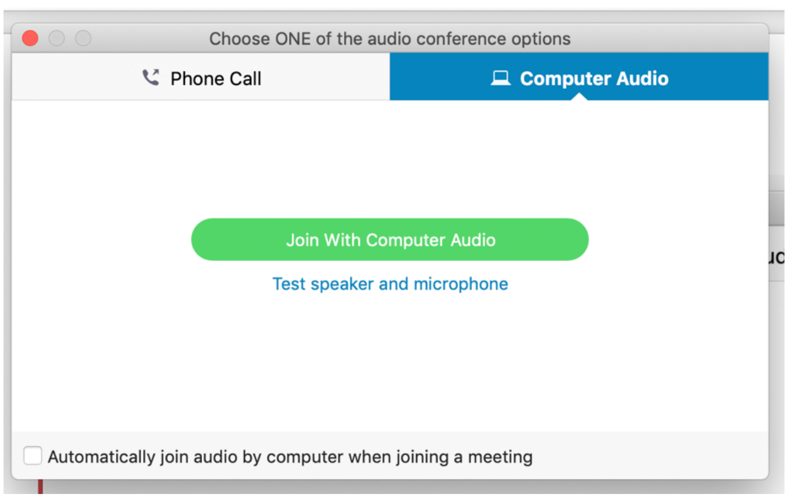
1. From your computer, click on the following link:
2. https://meetings.ringcentral.com/j/1490732528
3. The RingCentral Application will open on its own or you will be instructed to Open RingCentral Meetings.
4. After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.



5. Click the green **Join With Computer** Audio button
6. 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.

Audio Only Options:

Please note that if you call in/use the audio only option, you will not be able to see the speakers or any presentation materials in real time.

Option 3: Calling in from iPhone using one-tap

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+1(623)4049000,,1490732528# (US West)

+1(720)9027700,,1490732528# (US Central)
+1(773)2319226,,1490732528# (US North)
+1(469)4450100,,1490732528# (US South)
+1(470)8692200,,1490732528# (US East)

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)

+1(720)9027700 (US Central)
+1(773)2319226 (US North)
+1(469)4450100 (US South)
+1(470)8692200 (US East)

You will be instructed to enter the **meeting ID: 149 073 2528 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

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

DATE: August 19, 2020
BOARD MEETING DATE: August 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

FROM: Jan Pepper, Chief Executive Officer

SUBJECT: CEO Report

REPORT:

PCE Staffing Update
We currently have one open position for a Data Manager.

Impact of COVID-19 Crisis on PCE and what we are doing
A verbal report will be provided at the Board of Directors meeting, including changes in Peninsula Clean Energy load.

Heatwave and Rolling Blackouts
Attached to this report is a letter dated August 17 from Governor Newsom to the CPUC, CAISO, and CEC regarding the rolling blackouts experienced in the State on August 14 and 15. Also attached is a reply letter dated August 19 from the three agencies.

Merced County Update
We will be discussing the inclusion of Los Banos as part of Peninsula Clean Energy in a separate agenda item at this meeting.

Joint Rate Mailer
The joint rate mailer, which was reviewed with the Board at last month's meeting, will be sent by regular mail on August 24 and 25 for those customers without an email address

on file, and sent by email by PG&E to Peninsula Clean Energy customers who have email addresses on file.

Reach Codes Update
Congratulations to Burlingame on passing their reach code ordinance at their August 17 city council meeting.

Integrated Resource Plan Update
Last month, the Board received a presentation on PCE's planned submission to the CPUC for the two integrated resource plan portfolios and passed a resolution delegating authority to the CEO for the final submission. I will provide an update on what we are submitting to the CPUC on September 1.

CALeVIP support and EVITP
Peninsula Clean Energy submitted the attached letter of support for continued funding of the CALeVIP program for additional EV charging stations. In our letter, we specifically asked that the legislation allow local agencies to require EVITP training of workers for these installations. PCE has been actively engaged in discussing this with the CEC, which currently does not allow us to require this type of training for the workers who will be installing EV chargers for the CALeVIP funded portion of our EV Ready program.

Other Meetings and Events Attended by CEO
A meeting of the CalCCA Local Elected Officials Subcommittee will be held on August 21. I will provide a verbal report at the PCE Board Meeting on any "calls to action" as a result of that meeting.

Started participating in San Mateo County Economic Recovery Committee meetings

Participate in weekly and monthly CalCCA board meetings

Participate in MAG5 meetings

Call in to regular COVID-19 update calls with County health officials

OFFICE OF THE GOVERNOR

August 17, 2020

Marybel Batjer
President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Stephen Berberich
President and Chief Executive Officer
California ISO
P.O. Box 639014
Folsom, CA 95630

David Hochschild
Chair
California Energy Commission
1516 Ninth Street, MS-32
Sacramento, CA 95814

Dear Ms. Batjer, Mr. Berberich, and Mr. Hochschild,

I write today to express my deep concern about the broadscale de-energizations experienced by too many Californians on August 14 and 15th. These blackouts, which occurred without prior warning or enough time for preparation, are unacceptable and unbefitting of the nation's largest and most innovative state.

California residents, who are battling challenging conditions of a heat wave combined with a global pandemic in which we have encouraged people to stay at home as much as possible, were forced to fend without electrical power -- a basic necessity. Residents, communities and other governmental organizations did not receive sufficient warning that these de-energizations could occur. In fact, I was not informed until moments before the blackouts started. Grid operators were caught flat footed, unable to avert disruptive blackouts and to adequately warn the public.

Collectively, energy regulators failed to anticipate this event and to take necessary actions to ensure reliable power to Californians. This cannot stand. California residents and businesses deserve better from their government. The failure to predict these shortages is unacceptable particularly given our state's work to combat climate change.

The California Independent System Operator (CAISO), the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC) must do more to ensure reliable service and to safeguard California's energy future. More must be done to prevent outages and when they are unavoidable, CAISO must do more to warn residents about the possibility of blackouts.

I would like to better understand the causes of the supply deficiencies, why timely warnings were not provided and potential actions that can be taken in the coming days to minimize de-energization. Specifically, I request the following:

- Updated forecasts of energy demand for the coming days and any projected gaps between supply and demand.

- Actions the state can immediately take to increase resources available to fully serve California through the duration of the current weather event. As we discussed in our meeting this afternoon, I know we are already working with investor owned utilities, publicly owned utilities, community choice aggregators, major energy consumers and others on efforts to increase conservation, available supply and to shift use to non-peak hours. We are also working on actions the state can take to reduce its own energy consumption during peak hours. Additional actions to complement those we have already identified would be helpful.

- Immediate efforts to amplify and target Flex Your Power Campaign to emphasize the importance of actions of individuals and businesses over the next few days. By altering the timing of use of electric appliances, and setting thermostats in homes and businesses higher than normal in the morning and lower than normal in the late afternoon and early evening, Californians can contribute to the solution over the next few days. As we have discussed, we are working with the Legislature, local government officials, business and labor leaders, newspaper publishers and others to increase energy conservation this week.

- A deeper dive into the root causes of how this happened and what more California must do to ensure that we do not leave our residents and our businesses exposed to this type of vulnerability in our power grid going forward.

Our immediate focus must be on reducing disruption and increasing reliability in the coming days. However, the unexpected events over the last two days require a comprehensive review of existing forecasting methodologies and resource adequacy requirements. Specifically, the following actions are necessary:

- The CEC must review its forecast to ensure they reflect the impact of climate change and resulting likelihood of more frequent and longer extreme heat events.
- The CAISO must review its assumptions regarding solar power and other sources of energy to ensure its assumptions of available capacity are accurate.
- The CPUC must review its resource adequacy requirements, existing procurement plans and demand response programs to ensure they provide the needed foundation for reliable power.
- Collectively, energy regulators must examine the mix of imports and in state generation, as well as any needed improvements to requirements relating to imports to ensure these resources are available to the state when needed.

Energy service shutoffs are simply too disruptive and we must do more to prevent them in the future. I request the CAISO to complete an after-action report to identify root causes of these events. It is critical that state energy agencies – CAISO, the Public Utilities Commission, and the California Energy Commission—examine longer-term actions for more accurate forecasting and to provide certainty of resource availability. This week's events demonstrate the state must do more and faster to prevent future outages as we continue to work to transform energy generation in our state to achieve our necessary goals to combat climate change.

I look forward to your prompt response and expanded efforts to support reliable energy service in our state now and into the future.

Sincerely,

Gavin Newsom
Governor of California

August 19, 2020

Governor Gavin Newsom

1303 10th Street, Suite 1173

Sacramento, CA 95814

Dear Governor Newsom,

We write in response to your letter from earlier this week regarding the power outages of August 14 and 15 that were triggered due to insufficient resources.

We agree that the power outages experienced by Californians this week are unacceptable and unbefitting of our state and the people we serve. We understand the critical importance of providing reliable energy to Californians at all times, but especially now, as the state faces a prolonged heat wave and continues to deal with impacts from the COVID-19 pandemic.

Californians have always responded to great disruptions with courage, determination, and creativity. This week was no exception. But it is unfair to make Californians endure disruptions that are within our reach to avoid. We, as individuals, and the organizations we lead, share in the responsibility for what many Californians unnecessarily endured. We also share in the commitment to pinpoint the causes and ensure they do not reoccur.

Your letter requests that our organizations provide information to understand the causes of the recent supply deficiencies and the actions that can be taken in the near and longer-terms to minimize power outages. These questions deserve a more thorough review and response from us in the coming days, but in the sections below we provide responses based on the information we have now.

Near-Term Energy Demand Forecast

In the near term, the California Independent System Operator (CAISO) expects that energy demand will remain high as the current heat wave persists. In the table below, the CAISO provides its most recent demand forecasts for August 20 through 24. The table shows forecasted demand for two times of the day when the demand on the grid peaks. The first is the peak load hour, which occurs from 5 to 6pm (peak load hour) and the second is when the demand on the system, net of expected wind and solar production, occurs which is from 7 to 8pm (net load peak hour) for each day:

Table 1: Short Term Demand Forecasts

Forecast Period	8/20	8/21	8/22	8/23	8/24
Peak Load Hour Demand	45,113	44,743	42,718	42,154	46,779
Net Load Peak Hour Demand	42,850	42,415	41,393	40,946	44,329

The CAISO estimates that August resource adequacy capacity provides approximately 46,000 megawatts (MW) of load carrying capability at the peak load hour, after considering estimated outages. This load carrying capability drops to approximately 43,000 MW during the net load peak hour. Based on these forecasts, there is currently a risk of resource insufficiency on Monday, August 24. If those projections materialize as forecasted, the CAISO will require economic import energy to meet system needs. If economic import energy is unavailable, it could lead to additional supply shortages. The CAISO will do everything it can to avoid service interruptions. As detailed later in this letter, significant efforts have been undertaken across the state in recent days to reduce demand and identify additional supply.

Lack of Advance Warnings for Supply Deficiencies

As the CAISO anticipated high loads and temperatures beginning on August 14, it issued an order restricting maintenance operations on August 12, an alert identifying a possible system reserve deficiency on August 13, and a Flex Alert for August 14. However, the situation deteriorated on the afternoon of August 14, with the unanticipated loss of supply and severe constraints on imports because of a developing, historic west-wide heat wave. The imbalance in supply and demand led to the need to order the utilities to turn off power to their customers later that evening. On August 15, the CAISO experienced similar supply conditions, as well as significant swings in wind resource output when evening demand was increasing. Wind resources first quickly increased output during the 4:00 pm hour (approximately 1,000 MW), then decreased rapidly the next hour. These factors, combined with another unexpected loss of generating resources, led to a sudden need to shed load to maintain system reliability. The combination of high system demand, unanticipated loss of supply, and low net import availability due to hot temperatures throughout the West created untenable system conditions. Although the CAISO could not have predicted the specific series of events that ultimately required power outages, better communications and advance warnings about tight supply conditions were possible, and should have been done. The CAISO is committed to improving its communications, and providing appropriate warnings of such circumstances.

Causes of Recent Supply Deficiencies

We are working closely as joint energy organizations to understand exactly why these events occurred. The grid conditions of August 14 and 15, with peak demands of approximately 47,000 MW and 45,000 MW respectively, were high but not above similar hot days in prior years. Given this, our organizations will need to conduct a deep dive into how we ensure sufficient electric supply, and will make modifications to our reliability rules to make sure reliability resources can be available to address unexpected grid conditions.

Assigning definite causes to events on the electricity grid requires careful analysis, which will take time, however, we do know a number of things already. We know that capacity shortfalls played a major role in the CAISO's ability to maintain reliable service on the grid. A major focus of our review will need to be on the joint organizations' process of determining the needed capacity.

The resource adequacy procurement requirements are set by the California Public Utilities Commission (CPUC), to be based on a 1-in-2 peak forecast, *i.e.*, an average year forecast. This forecast is developed by the California Energy Commission (CEC) based on an agreed-upon methodology between the CEC, the CPUC, and the CAISO. To account for contingencies such as outages, import variability, load forecast error, and reserve requirements, the program requires utilities to procure a 15% planning reserve margin above the monthly peak load forecast. The rules take into account the fact that the grid needs both a sufficient quantity and quality of resources to meet demand. As the events of the past few days indicate, a review of how the organizations forecast hourly demand and set reserve margins is critical. The forecasts and planning reserves need to better account for the fact that climate change will mean more heat storms and more volatile imports, and that our changing electricity system may need larger reserves.

Another factor that appears to have contributed to resource shortages is California's heavy reliance on import resources to meet increasing energy needs in the late afternoon and evening hours during summer. Some of these import resources bid into the CAISO energy markets but are not secured by long-term contracts. This poses a risk if import resources become unavailable when there are West-wide shortages due to an extreme heat event, such as the one we are currently experiencing. The CAISO has observed that during the current heat wave, energy supporting imports from other Western utilities have been significantly constrained during the late afternoon and evening hours, as those other utilities must plan to meet their own demand and have limited ability to export supplies to California. This hampers the CAISO's ability to secure net import energy sufficient to meet evening ramping requirements.

After this heat wave passes, as directed in your letter, our organizations will perform a root cause analysis of the events of August 14 and the following days, to understand the cause of the resource shortfalls. The CAISO will collaborate with the CPUC and the CEC on this analysis, and to promote long-term action to avoid these types of events in the future.

Collectively, our organizations want to be clear about one factor that did not cause the rotating outage: California's commitment to clean energy. Renewable energy did not cause the rotating outages. Our organizations understand the impacts wind and solar have on the grid. We have already taken many steps to integrate these resources, but we clearly need to do more. Clean energy and reliable energy are not contradictory goals.

Our collective investigation will include, at a minimum, a review of the following:

- Resource sufficiency, including:
    - Level of resource adequacy requirements relative to grid loads and grid conditions,
    - Imports and exports and their impact on reliability during periods of system stress conditions,
    - Outages, derates, and resource performance during system stress hours,
    - Performance of resources supplied to grid operator by CPUC and non-CPUC jurisdictional entities,
    - Availability of CAISO import capability to CPUC jurisdictional entities;
- Transmission grid performance, including outages and availability constraints;
- Sufficiency of existing incentives and penalty structure for deterring non-performance of reliability resources;
- Demand forecasts and how they are utilized in resource planning;
- Review of interagency coordination on summer reliability planning and assessment;
- Challenges to contracting for the retention of gas fleet resources needed for reliability; and
- Market performance observations and opportunities.

Immediate Actions to Address this Week's Supply Deficiencies

Since August 14, a number of immediate actions have been taken to minimize disruption and increase reliability. A collective effort, led by you and your staff, created a massive statewide mobilization to conserve electricity and maximize existing generation resources. The efforts led to reductions in peak demand on Monday and Tuesday of nearly 4,000 MW and an addition of nearly 950 MW of available temporary generation.

Some specific examples of actions that were taken include:

<u>Demand Side Conservation Actions</u>

- The CAISO called on demand response programs and other available demand relief;
- The CPUC issued a letter on Monday, August 17th, clarifying use of back-up generators in connection with specific demand response programs is allowable, which resulted in at least 50 MW of additional demand reduction each day;
- Solar and storage companies, including Sunrun and Tesla, worked with their customers to change battery charging patterns so that they are maximizing effectiveness between 4 and 9pm;
- The CEC coordinated with data center customers of Silicon Valley Power to move approximately 100 MW of load to backup generation facilities onsite;
- The CEC coordinated with the US Navy and Marine Corps to disconnect 22 ships from shore power, move a submarine base to backup generators, and activate several microgrid facilities resulting in approximately 23.5 MW of load reduction; and
- Six Electric Program Investment Charge (EPIC)-funded microgrids reduced load by a total of approximately 1.2 MW each day.

<u>Supply Side Resources Actions</u>[1]

- The CAISO procured available emergency energy;
- The CAISO executed significant event Capacity Procurement Mechanism to procure additional supply resources;
- The CAISO Suspended a market feature to ensure physical certainty of solution;
- Department of Water Resources (DWR) and Metropolitan Water District (MWD) adjusted water operations to shift 80 MW of electricity generation to the peak period;
- DWR and the U.S. Bureau of Reclamation (USBR) shifted on-peak pumping load that resulted in 72 MW of load flexibility;
- The CEC worked with the City and County of San Francisco to maximize power output at Hetch Hetchy which allowed for an additional 150 MW during the peak period;
- The CEC worked with private power producers to contribute an additional 147 MW from the following sources: SEGS Solar Plant: 60 MW, Ivanpah Solar Power Plant: 42 MW, and Sentinel: 45 MW;
- PG&E deployed temporary generation, that was procured for public safety power shutoff purposes, across its service territory totaling approximately 60 MW;
- SCE worked with generators to ensure that additional capacity was made available to the system from facilities with gas onsite or through invertor changes; and

[1] The additional capacity highlighted in this section is part of the 950 MW of available temporary generation, but does not comprise the totality of the 950 MW.

- LADWP helped bring additional generation from Haynes 1 and Scattergood power plants totaling 300 to 600 MW

Conservation Messaging Actions

- The CAISO Issued Flex Alerts and warnings;
- The CAISO, CEC and CPUC supported the Governor's Office and the California Governor's Office of Emergency Services to publicly request electricity customers lower energy use during the most critical time of the day, 3:00 pm to 10:00 pm;
- The CPUC issued a letter to the investor owned utilities on August 16 requesting that they aggressively pursue conservation messaging and advertising, and requested Community Choice Aggregators do the same; and
- The CPUC redirected the Energy Upgrade California marketing campaign messaging and media outreach to focus on conservation messaging.

With these efforts, we hope to reduce or prevent immediate future outages to the greatest extent possible.

Going-Forward Actions to Ensure Reliability

Our organizations are committed to collaborating on longer-term solutions and to re-examining our forecasts and existing reliability policies and programs to avoid future supply shortfalls.

The CEC will continue to refine its demand forecast, which currently accounts for climate change, based on improving science and stakeholder engagement, and will expand its demand forecasting process to include a broader set of scenarios that capture extreme weather events and associated load impacts. New peak demand forecasts could be used in the CPUC's resource adequacy program, which currently requires a 1-in-2 peak forecast. In addition, the CEC will:

- Develop an aggregate statewide view of resource adequacy obligations and available resources serving those obligations.
- Continue work to enable distributed energy resources and load flexibility, including development of load management standards to support grid reliability.

The CAISO will review its assumptions regarding solar power and other sources of energy to ensure its assumptions of available capacity are accurate.

The CPUC will review its resource adequacy requirements, existing procurement plans and demand response programs. The results of the root cause analysis will better help to strengthen and inform this reassessment. Some of the work that will contribute to the holistic reassessment you request has already been initiated.

- In 2019, the CPUC tightened electricity import rules to ensure imports and all other resources the state relies on are actually delivered to California on peak days.
- The CPUC ordered 3,300 MW of new capacity to come online by 2023 to meet potential shortfalls that were identified when it adjusted assumptions to reflect that peak demand occurs later in the day.
- The CPUC opened a phase in its Resource Adequacy proceeding to consider changing the framework for determining reliability rules. These changes may be needed to adjust for the fact that community choice aggregators dominate the retail electricity market.

Beyond that, the CPUC will work to ensure that increasingly prevalent distributed resources can be efficiently activated to support the grid even if they do not qualify to provide reliability services.

With regard to your request to review the mix of imports and in-state generation, our organizations agree that further attention is required to ensure that these resources are available when needed. As discussed above, the CPUC has already taken action to make imported electricity more dependable, and has also reduced the planning assumption for how much imported electricity will be available into California. The changes in those assumptions resulted in the directive to build 3,300 MW of new resources that will start coming online in 2021.

Each of our organizations has more work to do in order to be fully responsive to your letter and to ensure that we are taking every measure necessary to guarantee the events of this past week will not be repeated. We thank you for your leadership and will each be sending you individual follow on letters that will address the questions and directives in your letter in more depth.

Sincerely,

Marybel Batjer

President

California Public Utilities Commission

Stephen Berberich

President and Chief Executive Officer

California Independent System Operator

David Hochschild

Chair

California Energy Commission

August 12, 2020

The Honorable Bob Wieckowski
Chair, Senate Budget Subcommittee No. 2
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Richard Bloom
Chair, Assembly Budget Subcommittee No. 3
State Capitol, Room 6026
Sacramento, CA 95814

Re: Proposed Appropriation for CALeVIP – SUPPORT

Dear Senator Wieckowski and Assemblymember Bloom,

On behalf of Peninsula Clean Energy Authority (PCE), a joint powers authority operating a community choice aggregator (CCA) program serving roughly 750,000 Californians in San Mateo County, I write in support of the Governor's proposal to appropriate $51 million to the California Energy Commission (CEC) for electric vehicle (EV) infrastructure incentives through the California Electric Vehicle Infrastructure Project (CALeVIP). In addition, PCE requests that the appropriation be conditioned to require the CEC to allow local funding partners the option to require enhanced safety certifications of installers, namely, a requirement that one crewmember be certified by the Electric Vehicle Infrastructure Training Program.

California needs to grow the electric vehicle charging network from the current 40,000 chargers to approximately 250,000 chargers by 2025 to fulfill the objectives of Executive Order B-48-18 (EO). PCE is doing its part to contribute to the EO's goal by combining $8 million of PCE funds with $12 million from the CEC to co-fund a $20 million total CALeVIP project in San Mateo County (Peninsula Project). The Peninsula Project is set to launch this December and will immediately begin installing EV chargers at commercial and multifamily properties, local governments, and nonprofits in San Mateo County. PCE is also providing an additional $8 million of investment including more incentives, workforce training, and technical assistance in a standalone PCE program, making a total investment of $28 million in EV infrastructure in San Mateo County.

The CALeVIP investment will create desperately needed jobs in the face of the economic crisis brought on by the COVD-19 pandemic and help stimulate local economies by making EV usage more accessible. A critical aspect of the deployment of EV charging infrastructure is to ensure the work is performed in a safe manner. To ensure safety of CALeVIP deployments, PCE strongly supports requiring at least one member of installation crews to be a graduate of the EVITP training program at the discretion of the local funding partner. PCE, as the local funding partner in the Peninsula Project, desires to require this safety requirement as part of our program and we are working with the CEC to implement such a requirement. PCE intends to require this safety certification for the standalone PCE program we are self-funding.

Moreover, carefully designed workforce training programs can couple with the CALeVIP program to create a clear pathway for EVITP graduates to obtain quality, high paying work. We fully support the inclusion of an option, at the discretion of the local funding partner, that one team member be EVITP trained as part of this proposed appropriation of $51 million.

California needs to continue to find ways to stimulate our economy, clean up our air, fight climate change, improve human health, and ensure the safe installation of EV infrastructure during these unprecedented times brought on by the COVID-19 pandemic. CALeVIP is a program the state can invest in right now to realize those needs as long as the appropriation includes control language authorizing the option of an EVITP requirement implemented by local funding partners. Accordingly, Peninsula Clean Energy supports the proposed $51 million appropriation and respectfully requests that you approve this budget proposal with EVITP control language.

Sincerely,

Janis C. Pepper

Jan Pepper, CEO

cc: The Honorable Members of the Senate Budget Subcommittee No. 2
The Honorable Members of the Assembly Budget Subcommittee No. 3
The Honorable Commissioners of the California Energy Commission

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: August 18, 2020
BOARD MEETING DATE: August 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Leslie Brown, Director of Customer Care

SUBJECT: Approve Small Business COVID-19 Bill Credit and Donation to San Mateo Community Fund

RECOMMENDATION:

Peninsula Clean Energy staff recommends that the Board adopt a Resolution to approve COVID relief assistance in an amount not to exceed $1,550,000 for San Mateo County small businesses. Funds would be disbursed via on-bill credits of $250 each for up to 6,000 small business customers and a direct donation of $50,000 to the San Mateo Credit Union Community Fund earmarked for small business assistance.

BACKGROUND:

Businesses throughout San Mateo County have been impacted significantly by the months long 'Shelter in Place' orders issued by the County Health Officer in response to COVID-19. Small business owners in particular have been hard hit as many have had to shut down completely these past few months. Of those that have been able to continue to operate most have experienced significant losses in revenue and in many cases increased overhead costs trying to adjust and revamp operations to comply with safe re-opening requirements. While the energy use overall for small businesses has not increased during the months of 'shelter in place' and limited re-openings, many are struggling to cover all their operational costs after months of reduced capacity and revenue. Recognizing that monthly energy costs are part of everyone's bottom line, staff is proposing a COVID economic relief program specifically for small businesses in the form of $250 in on-bill credits for up to 6,000 small business customers. SVCE recently offered a similar assistance program and had a positive response; they are projecting that they will issue between 3,000-4,000 credits (up to $1M) by the time the program closes.

In addition, staff is recommending that we provide a direct donation of $50,000 to the SMCU Credit Union Community Fund earmarked for the Renaissance Entrepreneurship Center and their small business assistance program.

DISCUSSION:

The $250 credit would be available to customers with A1/B1 or A6/B6 service who have a total of 2 or fewer accounts where their second account is not a large electric service. This filtering of accounts will ensure that we're targeting this offer to truly small businesses in San Mateo County by removing from the eligibility list any larger commercial customers that happen to also have a small commercial (A1/B1 or A6/B6) service in their portfolio of accounts. Using this criteria PCE would make approximately 12,500 unique customers eligible. Staff is proposing to model this program after the SVCE program where all eligible customers would receive a letter making them aware of the $250 bill credit but would require customers to reply via a short webform to claim their $250 credit. We see this as a really good opportunity to directly connect with a group of customers that has been, historically, very difficult to reach. Ideally through this process we would raise the awareness of Peninsula Clean Energy among small businesses as their generation provider while also collecting some valuable information about their businesses that may help to inform other programs or offerings going forward.

In addition to the on-bill credits staff is recommending a donation to the San Mateo Credit Union Community Fund earmarked for the Renaissance Entrepreneurship Center and their small business assistance program.The Renaissance Entrepreneurship Center (REC) is a non-profit organization located in East Palo Alto that recently received the final $200K Small Business grant funding from San Mateo Strong. Since 2007, Renaissance's East Palo Alto site has provided comprehensive small business training and support services to lower-income English and Spanish-speaking women and men, the overwhelming majority of whom have overcome significant obstacles to launch and grow their own businesses. In the last two years REC has served 195 small businesses throughout San Mateo County. Building on the grant funds from San Mateo Strong will allow REC to expand their efforts to assist these at-risk businesses through:

- Training and guidance to build resiliency, pivot operations, reestablish revenues and/or re-open
- Providing funding for purchasing/upgrading technology (noting that lack of technology is often the reason that these businesses are not able to access available resources)
- Acquiring COVID-19 precaution supplies (PPE) and safety remodeling, building operational capacities and pivoting business models to meet new customer preferences

FISCAL IMPACT:

This Resolution would provide up to $1,550,000 in funding. $1.5M would be allocated for bill credits, which would allow for 6,000 customers to apply for a $250 credit, and $50,000 would be allocated as a donation to the SMCU Community Fund for small business assistance.

While the approved FY2020-2021 budget reflects a projected loss in net position for the full year, staff currently projects that financial reserves will end the year well above the required levels even if this Resolution is approved and implemented.

RESOLUTION NO. ____________

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

* * * * * *

RESOLUTION APPROVING COVID RELIEF ASSISTANCE IN AN AMOUNT NOT TO EXCEED $1,550,000 FOR SAN MATEO COUNTY SMALL BUSINESSES TO BE DISBURSED VIA ON-BILL CREDITS AND A DIRECT DONATION OF $50,000 TO THE SAN MATEO CREDIT UNION COMMUNITY FUND FOR SMALL BUSINESS ASSISTANCE.

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

WHEREAS, the County of San Mateo has issued a series of 'Shelter in Place' orders as a result of COVID-19 beginning March of 2020; and

WHEREAS, businesses throughout San Mateo County have had to close or significantly restrict operations; and

WHEREAS, small business customers in particular have been hit hard with reduced revenues and increased overhead costs to comply with re-opening requirements; and

WHEREAS, Peninsula Clean Energy has sufficient funds in its reserves to implement a bill relief credit program to provide $250 credits for up to 6,000 small business customers and contribute $50,000 to the San Mateo Credit Union Community fund for small business assistance.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approve COVID relief assistance in an amount not to exceed $1,550,000 for San Mateo County small businesses to be disbursed via on-bill credits of $250 for up to 6,000 small business customers and a direct donation of $50,000 to the San Mateo Credit Union Community Fund earmarked for small business assistance.

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PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: August 20, 2020
BOARD MEETING DATE: August 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

CC: David Silberman, General Counsel

DATE: August 27, 2020

SUBJECT: Consideration of New Member Opportunity and Proposed JPA Amendments (Discussion/Direction/Action)

RECOMMENDATIONS

1) Consider New Member Inclusion Subcommittee recommendation to offer fully integrated membership as the preferred governance/management option for new member agencies.
2) Contingent on findings of the PCE/Los Banos technical study that forecast financial benefit to PCE and Los Banos, direct staff - with the consent of the New Member Inclusion Subcommittee - to offer PCE membership to the City of Los Banos for a targeted 2022 enrollment.
3) Consider proposed amendments to PCE's JPA Agreement and direct staff to send proposed amendments to member agencies for the 30-day notice period required by Section 7.4 of the JPA Agreement.

BACKGROUND

The PCE Board is aware of PCE's strategic goal regarding support for and expansion of Community Choice Aggregation ("CCA") in the Central Valley, in particular in areas where PCE has utility-scale generation. For the past year, PCE staff and Board members have been in conversation with the City of Los Banos, where the Wright Solar Project is located, and other Merced County jurisdictions about CCA and a potential relationship with PCE.

On June 3, 2020 the Los Banos City Council voted unanimously to move forward with a CCA technical study including an analysis of potential load integration/membership with PCE. The study is underway and is being conducted by MRW Associates, an energy consulting firm that has completed numerous CCA studies since 2010. We expect the results of that Study to be available by the end of August or early September.

As noted previously, the City of Los Banos is especially interested in PCE as it would like to benefit from the output of the Wright Solar Project for its residents and businesses and joining PCE would effectuate that. It also interested in offering lower customer rates and energy choice to its residents and businesses. We believe there are synergies with having Los Banos, and possibly other Merced communities in the future, join PCE. The technical analysis underway will inform us more about that.

DISCUSSION

Recommendation 1: Consider subcommittee recommendation to offer fully integrated membership as the preferred governance/management option for new member agencies.

Over the past few months, staff has been researching and analyzing various management options to determine the "best fit" for PCE and potentially Los Banos should the study come back favorably and the parties both decide to move forward. On August 13, staff met with the new member inclusion subcommittee to discuss three management/governance options:

- Option A: Fully Integrated Membership
- Option B: Modified Membership with Separate Accounting and Programs
- Option C: Outsourced/PCE as Service Provider (similar to CalChoice)

Option A, fully integrated membership, is the most common means of expansion among operational CCAs including MCE Clean Energy, Monterey Bay Community Power, East Bay Community Energy and others. In this case, assuming the technical study comes back favorably, Los Banos would join PCE as a full member bound to the terms of the JPA Agreement. In exchange for integrating their load, customers and revenues, PCE would absorb the costs of implementation and operations and Los Banos customers would receive all the benefits that existing PCE customers receive. At this time, it is not anticipated that the addition of Los Banos would require additional PCE staffing, although it is possible that PCE would hire a person based in Los Banos to provide a local presence and assist with the implementation of local programs. PCE executive staff feels that fully integrated membership is the lowest risk and lowest administrative impact option while also potentially conferring substantial long-term benefits to both PCE and Los Banos customers.

Option B, membership with separate accounting, fiduciary control, and certain other functions, potentially has the most complexity and challenges. Staff has investigated it because of a stated desire to avoid subsidization to/from PCE as a result of new load, but no other CCA has provided membership under these terms and having done further research, the reasons have become clearer. Unfortunately, it's not as simple as maintaining separate accounts.

There are many costs areas that would need to be allocated in Options B and, for that matter, Option C. Before doing that, however, there would need to be common agreement among the parties as to the method of cost allocation and which expenses are direct vs. indirect costs. The obvious approach is to allocate based on load. However, that will not reasonably allocate true costs for a number of PCE's functional areas as most cost allocation methodologies have flaws and are based on judgment. In addition, we would need to be very clear which costs are to be allocated. It is unknown whether there would need to be a separate legal agreement concerning fiduciary oversight and decision-making, which would be unusual for a voting member of the JPA.

Option C, the outsourced/CalChoice model could work reasonably well in the abstract since all of the costs incurred by Los Banos would be paid for by Los Banos as per the terms of a legally separate interagency operating agreement. In a PCE implementation, some of PCE's costs would need to be allocated, and presumably the operating agreement would enable those costs to be reset each year as part of the FY budgeting process. That said, establishing wholly separate (sometimes duplicate) functions to provide service to Los Banos on a contract basis is not likely to make economic sense because its load is relatively small, and the investment in time required to manage a duplicate set of services and work with the City as a counterparty would be substantial.

In addition, the upfront financial obligations and contract risk borne by the City may not be possible or palatable for them. Further, Los Banos would likely have to set up some form of bureaucracy to manage its own CCA. Finally, to make Option C worth the investment in time and complexity for PCE, it would need multiple jurisdictions partnering with PCE on a long-term contracted basis. There is no current interest/partners to expand in this manner. For these reasons, and because Cal-Choice is already set up to offer services this way, we do not recommend this approach for PCE.

At the conclusion of the meeting, the subcommittee unanimously recommended Fully Integrated Membership as the best path forward. A summary matrix of the management options and key issues is included as Attachment A.

Recommendation 2: Pending beneficial results of the PCE/Los Banos technical study, direct staff - at the authorization of the new member inclusion subcommittee - to offer PCE membership to the City of Los Banos for a targeted 2022 enrollment.

As noted above, PCE staff is working with MRW & Associates to complete a technical study that will analyze the impact of Los Banos' load on PCE's load, offer financial and rate projections, and consider the option of an independent CCA for Los Banos vs. the considerations related to joining PCE.

We had hoped to have the study ready for presentation, but delays in receiving PG&E load data have resulted in an extension of the timeline (Attachment B) by several weeks. It will be done by late August/early September and will be carefully reviewed by PCE staff, New Member Inclusion Subcommittee members and City of Los Banos staff.

Because the study is not yet complete, staff is requesting that *contingent on the results of the technical study* the Board direct staff with the consent of the subcommittee to follow up with Los Banos and invite it to consider membership with PCE. We plan to present study results to the Los Banos Council on September 16 and to your full Board at its next meeting on September 26. Staff will not move forward with a membership invitation unless the study results demonstrate that the relationship will be mutually beneficial in terms of shared objectives, complementary load, other power related benefits and program economics. Further, the Board will be given a subsequent opportunity to formally vote on inclusion of Los Banos.

Recommendation 3: Consider proposed amendments to PCE's JPA Agreement and direct staff to send proposed amendments to member agencies for the 30-day notice period required by Section 7.4 of the JPA Agreement.

Section 7.4 of the PCE JPA Agreement provides that: *[t]his Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 3.7.5.The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.*

PCE's General Counsel and staff researched various JPA Amendments adopted by other CCAs that have expanded in recent years. For the most part, JPA Agreements have not changed significantly to facilitate adding new members. For PCE, there are three substantive amendments to the JPA Agreement that are recommended for consideration by the PCE Board (see attachment C). These provisions based on language found in Marin Clean Energy's JPA Agreement (shown as a new section 4.3) provide additional process detail and risk reduction terms as follows:

4.3 **Addition of Parties.** Other incorporated municipalities and counties may become Parties subject to all applicable terms of this Agreement, including but not limited to those in Article 6, upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 3.7, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county as required by the Board, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board.

4.3.1 **Continuing Participation**. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 4.3. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

4.3.2 **Termination by Additional Parties.** In addition to any financial obligations under Article 6, and in the events that the Board does not require a membership payment to reflect the additional party's pro rata share of organizational planning and other pre-existing expenditures as allowed by Section 4.3(b) and the additional party withdraws its membership in the Authority within the first five years of becoming a party, the party shall be obligated to reimburse the Authority for all the costs related to the cost of launch, including but not limited to the costs of updating the Implementation Plan and mailings to party's accounts.

NEXT STEPS

If the Board adopts the recommendations outlined in this staff report, next steps are: to formally notify the County of San Mateo and cities of proposed JPA amendments; finalize, circulate and consider the results of the technical study; brief the Los Banos City Council; and move through the various steps necessary to effectuate Los Banos' inclusion if the facts support it, including bringing back the Amended JPA Agreement and a Resolution for this Board's approval, reviewing the necessary actions by the Los Banos City Council, and ensuring that an amended Implementation Plan is adopted by the PCE Board by year's end. It is of note that due to regulatory requirements, PCE would not actually begin serving Los Banos customers until January 2022. Please see the attached timeline for more details.

FISCAL IMPACT

TBD pending results of Technical Study

ATTACHMENTS

A: Management/Governance Options Matrix
B: New Member Inclusion Timeline
C: PCE Redlined JPA Agreement

PCE Management Options for City of Los Banos
Key Issues and Considerations

<u>Summary of Goals</u>:

PCE:
Additional GHG reductions
CCA leadership in Merced Co. and Central Valley
Complementary load to support 24x7 renewables goal
Additional renewable project opportunities
Legislative/regulatory advantages

Los Banos:
Save customers money
Access to Wright Solar output
Access to/funding for customer energy programs
Local economic development opportunities

Considerations	Option A: Full, Integrated Membership	Option B: Membership with Separate Programs and Accounting	Option C: Outsourced; PCE as service provider
Risk Profile/ Complexity	*Lowest*; most JPAs have added new cities as full members without separating accounting, programs or other functions. This option has provided the most benefit and least complexity for the parties and has worked well.	*Higher*; Allocation of costs across PCE functional areas adds administrative burden, complexity and concern regarding accuracy and what is allocated on a pro-rata share vs. direct cost. PCE must also determine what happens if at some point(s), Los Banos revenue doesn't cover cost of service.	*Medium/High*; similar to option B, separate functions and allocation of costs adds organizational burden and complexity. However, as a separate/contracted entity, much of the financial risk would be borne by the City of Los Banos.
Mission & Goal Alignment	As a full member, Los Banos would be part of Agency mission and goal discussions.	TBD	Indirect relationship
Governance/ Voting	Los Banos would have seat on the Board and all voting rights according to terms of the JPA Agreement. Los Banos would have full input on PCE policies and operational direction.	Los Banos would have a seat on the Board and voting rights according to the JPA agreement with certain exceptions to be determined.	No participation in Agency governance. The CCA would be embedded as an "Enterprise Fund" within the City with oversight by the City Council.

Rates/PCIA	Access to rate discounts on the same basis as other PCE customers; PCIA vintage and pricing will be specific to Los Banos customers in any case.	Access to rate discounts on the same basis as other PCE customers; PCIA vintage and pricing will be specific to Los Banos customers in any case.	Rate discounts TBD depending on power portfolio/cost of service. May not match PCE's rates. PCIA vintage and pricing will be specific to Los Banos customers.
Finances	Revenues and costs associated with Los Banos' load will become part of PCE's overall budget and financial policies and practices. Los Banos will benefit from PCE's credit rating and access to credit.	Revenue and costs associated with Los Banos' load will be tracked and allocated separately. Cost allocation across operational functions TBD. Required reserves and other fiscal policies would apply. Access to credit TBD.	Financials would be entirely separate and cost of service allocated on a direct and pro-rata share to Los Banos; likely that a lockbox would be established to provide payment waterfall and contract securitization. Limited access to PCE credit.
Power Supply	Los Banos would have access to Wright Solar output and PCE's overall power portfolio on the same basis as other member agencies.	Los Banos would be allocated some portion of Wright Solar output and PCE's power portfolio. Other short-term procurements could be done thru PCE, but TBD re: long-term contracts. Procurement costs would be allocated separately; process and cost of that allocation TBD.	Los Banos could purchase some portion of Wright Solar output and PCE could serve as counterparty for short-term contracts. Long-term renewable contracts would be the financial responsibility of the City. Interagency contract details TBD.
Power Options	Los Banos customers have the same power choices as other PCE customers.	Los Banos customers have the same power choices as other PCE customers.	Could potentially choose different power supply options.
Programs	PCE programs available to Los Banos customers plus potential for local programs	Programs available to Los Banos as revenues allow.	Programs TBD according to revenue and budget. PCE may have minimal involvement.
Cost of Participation	TBD; Potentially, PCE would absorb costs of implementation and ongoing operations assuming integrated operations and revenues.	TBD; all implementation and operational costs would be allocated to Los Banos and paid for through their ratepayer revenues. Unknown if their	TBD; implementation and operational costs to be covered by City of Los Banos (some of which

		revenue will cover actual cost of service. Implementation cost reimbursement to PCE unknown.	are up-front costs) and paid for through ratepayer revenues.
Local Staff Presence	May be considered once revenue and cost projections are in.	TBD pending Los Banos revenues and expenses for other operating costs.	Up to 1 FTE would be required at the City; staff paid by the City w/ program revenues.
Ops. and Admin/ Compliance	All operational services and compliance obligations provided on the same basis as existing Agency; no separate accounting or compliance requirements.	Most operational services provided on a similar but cost-allocated basis to Los Banos. PCE to provide separate accounting, compliance/reporting and procurement.	Separate operational, accounting, marketing and compliance functions; likely to require significant PCE and Los Banos staff time to stay coordinated while running separate programs.
Marketing/ Customer Enrollment and Engagement	All marketing functions and costs included as a full member.	Marketing and customer enrollment costs included as a member and allocated to Los Banos. Some outreach and customer engagement will be responsibility of the City.	Marketing/website/branding and customer engagement handled by by the City; costs of customer enrollment would be a pass through charge to the City.
Statewide – Reg/Leg.	Cal-CCA membership included a part of PCE. Opportunity to participate in other statewide initiatives	TBD	Potentially more limited impact due to size; cost of Cal-CCA membership covered by the City.
Term of Relationship/ Withdrawal	Same as other member agencies as per terms of JPA agreement.	Same as other member agencies as per the terms of the JPA Agreement unless other arrangements are made.	TBD; perhaps to coincide with term of longest contract; recommend minimum 5 years.
Examples	MCE Clean Energy, Sonoma Clean Power, Monterey Bay Community Power, Solana Beach/Community Energy Alliance, East Bay Community Power, Redwood Coast Energy Auth.	None	Cal-Choice Model (San Jacinto, Pico Rivera, Santa Barbara and other small cities in Southern CA) SMUD relationship with VCEA (Davis/Yolo)

Peninsula Clean Energy – Los Banos Expansion

2020 Critical Dates Timeline

(updated August 20,2020)

DATE	ACTION
January	Follow up with City of Los Banos (LB)/Planning Call
February	PCE Expansion Subcommittee formed
March 9	PCE subcommittee meeting with legal counsel; draft authorizing resolution and staff report; send to LB with PG&E data forms.
May	Follow up w/Los Banos staff. Send invitation to County/other Merced cities to attend the Los Banos CCA study session on 6/3 and consider participation in the technical study.
June 3	Los Banos Council Presentation – unanimous decision to proceed with technical study and contribute $5,000 toward the effort.
June 26	Deadline to adopt authorizing resolution and submission of PG&E forms for technical study; load data request to PG&E by end of June
July - August	PCE staff and subcommittee consider membership structures and prepare recommendation for Board.
Mid-July- end August	Technical study underway; draft complete by end of August
August 27 – mid- Sept.	A. PCE Board gives direction to invite the City of Los Banos to consider full membership pending favorable technical study results; JPA Amendments introduced and posted for required 30 period. B. Draft technical study results shared with PCE new member subcommittee and Board and City of Los Banos staff
September 16 *(confirmed)*	Los Banos Council presentation of technical study results and discussion of next steps including JPA Agreement and CCE Ordinance
Sept 26 or week of 9/27	PCE Board accepts technical study results and approves JPA Amendments
October 7 *(10/21 back-up)*	Los Banos City Council passes resolution(s) to adopt JPA Agreement and CCE ordinance
October 22	PCE Board passes resolution to approve Los Banos as new members with 2022 enrollment target
November 19	PCE Board meeting w/new Los Banos Board member sworn in; Preview of amended Implementation Plan
December 17	PCE Board approves amended Implementation Plan; submit to CPUC by 12/31/20

SECOND AMENDED JOINT EXERCISE OF POWERS AGREEMENT RELATING TO AND CREATING THE

PENINSULA CLEAN ENERGY AUTHORITY

Deleted: OF

SAN MATEO COUNTY

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, and establishes the Peninsula Clean Energy Authority ("Authority"), is by and between the County of San Mateo ("County") and those counties, cities and towns within the State of California who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

Deleted: the County of San Mateo

RECITALS

A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.

B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.

C. The purposes for entering into this Agreement include:

a. Reducing greenhouse gas emissions related to the use of power in San Mateo County and the State of California;

Deleted: neighboring regions

b. Providing electric power and other forms of energy to customers at a competitive cost;

c. Carrying out programs to reduce energy consumption;

d. Stimulating and sustaining the local economy by developing local jobs in renewable energy; and

e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.

D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and biomass energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State's transition to clean power resources to the extent feasible. The Agency will also add increasing levels of locally generated renewable resources as these projects are developed and customer energy needs expand.

E. The Parties desire to establish a separate public agency, known as the Peninsula Clean Energy Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) ("Act") in order to collectively study, promote, develop, conduct, operate, and manage energy programs.

F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.

1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

Exhibit A: Definitions
Exhibit B: List of the Parties
Exhibit C: Annual Energy Use
Exhibit D: Voting Shares
Exhibit E: Signatures

ARTICLE 2: FORMATION OF PENINSULA CLEAN ENERGY AUTHORITY

2.1 Effective Date and Term. This Agreement shall become effective and Peninsula Clean Energy Authority shall exist as a separate public agency on February 29, 2016 or when the County of San Mateo and at least two municipalities execute this Agreement, whichever occurs later. The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.

2.2 Formation. There is formed as of the Effective Date a public agency named the Peninsula Clean Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.5:

2.4.1 to make and enter into contracts;

2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party over its objection without first meeting and conferring in good faith.

2.4.5 to lease any property;

2.4.6 to sue and be sued in its own name;

2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8 to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9 to issue revenue bonds and other forms of indebtedness;

2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12 to adopt Operating Rules and Regulations; and

2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.4.14 to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by San Mateo County.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION

3.1 Board of Directors. The governing body of the Authority shall be a Board of Directors ("Board"). The Board shall consist of 2 (two) directors appointed by the San Mateo County Board of Supervisors and 1 (one) director appointed by each County, City or Town that becomes a signatory to the Agreement ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director, and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant. Directors must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement. Each Party may appoint an alternate(s) to serve in the absence of its Director(s). Alternates may be either (1) members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement, or (2) staff members of the County or any such municipality.

3.1.1 Directors Emeritus. The Board may select up to two board directors emeritus ("Directors

Emeritus"). Directors Emeritus will be selected from former directors who served on the Board with distinction and excellence. The Board may fill any vacant emeritus position(s) by a simple majority vote of Directors. The Chair may delegate the initial review of applicants and/or nominations to a committee. Directors Emeritus will serve at the pleasure of the Board for two-year terms, subject to the discretion of the Board to shorten or end a term. There shall be no limit on the number of terms held. It is the Board's intention that Directors Emeritus receive all written notices and information provided to the Board, be permitted to attend all Board meetings, be permitted to participate in committee meetings without need for an appointment, and be encouraged to attend other PCE events. Directors Emeritus will not be counted in determining if a quorum is present, will not be entitled to hold office, and will not be entitled to vote at any Board or committee meeting. Director Emeritus status does not entitle participation in closed sessions of the Board.

3.2 Quorum. A majority of the appointed Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with law.

3.3 Powers and Functions of the Board. The Board shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Board shall provide general policy guidance to the CCA Program. Board approval shall be required for any of the following actions:

3.3.1 The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.

3.3.2 The hiring or termination of the Chief Executive Officer and General Counsel.

3.3.3 The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3.

3.3.4 The adoption of the Annual Budget.

3.3.5 The adoption of an ordinance.

3.3.6 The approval of agreements, except as provided by Section 3.4.

3.3.7 The initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board as long as such action is consistent with any adopted Board policies.

3.3.8 The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.

3.3.9 Termination of the CCA Program.

3.4 Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer may exercise all powers of the Authority, including the power to hire, discipline and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement is less than $100,000 in any fiscal year, except the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board of Directors.

3.5 Commissions, Boards, and Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board deems appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6 Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Directors.

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

3.7.1. Voting Shares.

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

(a) "Annual Energy Use" means, (i) with respect to the first year following the Effective Date, the annual electricity usage, expressed in kilowatt hours ("kWh"), within the Party's respective jurisdiction and (ii) with respect to the period after the anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party's respective jurisdiction that are served by the Authority; and

(b) "Total Annual Energy" means the sum of all Parties' Annual Energy Use. The initial values for Annual Energy Use will be designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year. These adjustments shall be approved by the Board.

(c) The combined voting share of all Directors representing the County of San Mateo shall be based upon the annual electricity usage within the unincorporated area of San Mateo County.

For the purposes of Weighted Voting, if a Party has more than one director, then the voting shares allocated to the entity shall be equally divided amongst its Directors.

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

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

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

3.7.5. Special Voting Requirements for Certain Matters.

(a) Two-Thirds and Weighted Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present; provided, however, that (i) notwithstanding the foregoing, any Director present at the meeting may demand that the vote be determined on the basis of both voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require the affirmative vote of both at least two-thirds of Directors present and the affirmative vote of Directors having at least two-thirds of the voting shares present, as determined by Section 3.7.1; (ii) but, at least two Parties must vote against a matter for the vote to fail; and (iii) for votes to involuntarily terminate a Party under Section 6.2, the Director(s) for the Party subject to involuntary termination may not vote, and the number of Directors constituting two-thirds of all Directors, and the weighted vote of each Party shall be recalculated as if the Party subject to possible termination were not a Party.

(b) Seventy Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the

Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors.

(ii) The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

(iii) Notwithstanding the foregoing, any Director present at the meeting may demand that a vote under subsections (i) or (ii) be determined on the basis of voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require both the affirmative vote of at least 75% of Directors present and the affirmative vote of Directors having at least 75% of the voting shares present, as determined by Section 3.7.1, but at least two Parties must vote against a matter for the vote to fail. For purposes of this section, "imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program" does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8 Meetings and Special Meetings of the Board. The Board shall hold at least six regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Board may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9 Selection of Board Officers.

3.9.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office of the Chair and Vice Chair shall continue for one year, but there shall be no limit on the number of terms held by either the Chair or Vice Chair. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or
(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

3.9.3 Treasurer and Auditor. The Chief Financial Officer shall, among other duties, act as the Treasurer for the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10 Administrative Services Provider. The Board may appoint one or more administrative services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1 Preliminary Implementation of the CCA Program.

4.1.1 Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 3.7.3.

4.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 6.

4.3 **Addition of Parties.** Other incorporated municipalities and counties may become Parties subject to all applicable terms of this Agreement, including but not limited to those in Article 6, upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 3.7, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county as required by the Board, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board.

4.3.1 **Continuing Participation**. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 4.3. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

4.3.2 **Termination by Additional Parties.** In addition to any financial obligations under Article 6, and in the events that the Board does not require a membership payment to reflect the additional party's pro rata share of organizational planning and other pre-existing expenditures as allowed by Section 4.3(b) and the additional party withdraws its membership in the Authority within the first five years of becoming a party, the party shall be obligated to reimburse the Authority for all the costs related to the cost of launch, including but not limited to the costs of updating the Implementation Plan and mailings to party's accounts.

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ARTICLE 5: FINANCIAL PROVISIONS

5.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing July 1 or the date selected by the Agency and ending June 30. The fiscal year may be changed by Board resolution.

5.2 Depository.

5.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

5.3 Budget and Recovery of Costs.

5.3.1 Budget. The initial budget shall be approved by the Board. The Board may revise the budget from time to time as may be reasonably necessary to address contingencies and unexpected expenses. All subsequent budgets of the Authority shall be approved by the Board in accordance with the Operating Rules and Regulations.

5.3.2 Funding of Initial Costs. The County of San Mateo has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of San Mateo shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of San Mateo shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of San Mateo shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of San Mateo shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 6: WITHDRAWAL AND TERMINATION

6.1 Withdrawal.

6.1.1 Right to Withdraw. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 6 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.

6.1.2 Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Party's Director(s) voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party's governing board and shall not be subject to the six month advance notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3 The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may immediately withdraw its membership in the Authority without any financial obligation, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen days after receiving the report.

6.1.4 Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2 Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's participation in the CCA Program upon a vote of Board members as provided in Section 3.7.5. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3 Continuing Financial Obligations; Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party's withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party's load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board of Directors, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Board.

7.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former

Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties, and the public. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 3.7.5. The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United

States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

Exhibit A
Definitions

"Act" means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq*.)

"Administrative Services Agreement" means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

"Agreement" means this Joint Powers Agreement.

"Annual Energy Use" has the meaning given in Section 3.7.1.

"Authority" means the Peninsula Clean Energy Authority.

"Authority Document(s)" means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

"Board" means the Board of Directors of the Authority.

"CCA" or "Community Choice Aggregation" means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

"CCA Program" means the Authority's program relating to CCA that is principally described in Sections 2.3, 2.4, and 4.1.

"Director" means a member of the Board of Directors representing a Party.

"Effective Date" means February 29, 2016 or when the County of San Mateo and at least two municipalities execute this Agreement, whichever occurs later, as further described in Section 2.1.

"Implementation Plan" means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

"Initial Costs" means all costs incurred by the County and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority's initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

Exhibit A (cont.)
Definitions

"Operating Rules and Regulations" means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

"Parties" means, collectively, any municipality or county that executes this Agreement.

"Party" means a signatory to this Agreement.

"Total Annual Energy" has the meaning given in Section 3.7.1.

Deleted: ~~within the County of San Mateo which~~

Exhibit B
List of Parties

Parties:

Atherton
Belmont
Brisbane
Burlingame
Colma
County of San Mateo
Daly City
East Palo Alto
Foster City
Half Moon Bay
Hillsborough
Los Banos
Menlo Park
Millbrae
Pacifica
Portola Valley
Redwood City
San Bruno
San Carlos
San Mateo
South San Francisco
Woodside

Exhibits C and D
Annual Energy Use and Voting Shares

ANNUAL ENERGY USE WITHIN PCE JURISDICTIONS AND VOTING SHARES		
Twelve Months Ended November [date]		
Party	Total kWh	Voting Share
SAN MATEO COUNTY		
Total		100

PENINSULA CLEAN ENERGY
JPA Board Correspondence

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

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: Approve Updated EV (Electric Vehicle) Incentives Program & Budget

RECOMMENDATION

Approve an updated vehicle incentive programs budget which includes an expanded Used EV Incentive and updated New EV Incentive. The request includes:

- Three-year $4.7 million for New and Used Vehicle Incentive Programs for FY21-22 through FY 23-24, and
- A revised and expanded Used EV Incentive Program, which would introduce used EV incentives for any San Mateo County resident and retain larger incentives for low income residents, and
- Continuation of the New EV Incentive program, with proposed revisions, which provides for an annual fourth quarter promotion with incentives to County residents for new EVs purchased irrespective of purchase source.

This was reviewed by the Executive Committee and is recommended for approval.

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. On-road transportation 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. There are approximately 600,000 personal vehicles registered in San Mateo County, of which only 4% are full battery electric vehicles (BEVs) or plug-in hybrid electric vehicles (PHEVs). Increasing EV adoption is critical to achieve deep decarbonization in San Mateo County. The up-front cost of EVs is one of the key barriers to adoption thus incentive programs remain important to continue to encourage EV adoption. Research by the Massachusetts Institute of Technology (MIT) and National Renewable Energy Lab (NREL) indicates that every $1,000 in incentives yields an 8% increase in adoption of EVs[1].

In April 2018, the Board approved the first phase of EV programs, including a pilot for New EV incentives in Q4 through local dealerships, Used EV incentives for low income residents, and a pilot for EV Ride & Drive events. Staff implemented these programs in 2018, with the exception of the Used EV low income program which did not launch until 2019. In September 2018, the Board approved the PCE Program Roadmap, which identifies programs for 2019 and beyond including transportation electrification measures, such as new and used vehicle purchase incentives, a multi-year electric vehicle (EV) infrastructure program, fleets, and shared mobility. In January 2019, the Board approved a contract with Peninsula Family Service to assist with the low income Used EV program. The program launched and has been running since March 2019. In February and April 2019, the Board approved a three-year extension of the EV Ride & Drive program and New EV program, respectively.

In July 2020, the Executive Committee was consulted on changes to the New EV program, which will be implemented in Q4 2020. In addition to the modifications to the New EV program, staff is proposing an expanded Used EV program to include not only low-income incentives, but also incentives for non-low-income San Mateo County residents as well as the enhanced incentive for residents with low incomes. If approved, this revamped Used EV program would launch Q1 2021. Funding from approved budgets is estimated to be enough to run both modified programs in the FY20-21 budget, however they are conceived to be models for future years. As such, staff is seeking Board approval of a three-year budget for both New and Used EV programs for FY22 through the end of FY24. The proposed program budget is within the forecasted budget for Community Energy Programs and Peninsula Clean Energy overall, including sustaining reserves above the reserve policy minimum.

Each additional EV that is purchased by a customer brings added value to PCE from two sources: the generated value from Low Carbon Fuel Standard (LCFS) credits and the net margin that is yielded to PCE from the energy used by customers when charging. Over time, these costs significantly reduce the net cost of an upfront rebate provided to customers by PCE.

PCE plans to capture LCFS credits beginning next year through its managed charging program, still in development. This program utilizes vehicle data, which can be turned into credits with the California Air Resources Board. The value of the credit will fluctuate but currently each EV would generate a net value of about $100 per year after administration costs. CARB anticipates that LCFS prices will decrease over the next 10 years, so the sum 10-year net value to PCE per EV may be between $350 to $450.

[1] https://www.sciencedirect.com/science/article/abs/pii/S0095069618303115

EVs also generate revenue to PCE from the energy sold to customers. Using PCE's current average net margin, PCE receives approximately $9 above costs from each MWh sold to customers. Over 10 years, the margin may vary considering PCIA and other factors but could yield $200 to $350 per EV[2]. The combined 10-year added revenue to PCE of both LCFS revenue and energy sales per EV could recoup 50 to 80% of the most common incentive cost ($1,000). Additional societal economic benefit will be derived from the avoided climate change impacts as well.

This memo describes the revamped New and Used EV program models and approximate allocation of the requested three-year budget starting next fiscal year.

DISCUSSION

PCE has been running two separate incentive programs to address up-front cost, which is one of the key barriers to EV adoption: a New EV incentive which runs in the 4th quarter of each year and a year-long low-income Used EV program. Staff is proposing making modifications and enhancements to both programs to address the need to drive greater adoption.

New EV Program

The Board approved the continuation of the "New EV Dealer Incentive Program" over three years (2019-2021) following a 2018 pilot. The program provided time-limited discounts and incentives on the purchase or lease of new EVs in the 4th quarter of 2018 and 2019. The PCE incentive, $700 for PHEVs and $1,000 for BEVs, was only available through participating dealerships which were selected annually through a competitive process in which San Mateo County dealers were eligible to apply by offering discounts below the Manufacturer's Suggested Retail Price (MSRP) on their EVs. In addition to incentives, the program provided a "hook" for broad based marketing across the county intended to not only motivate immediate purchases but also increase awareness and interest in EVs to foster future purchases. The marketing for the incentive did appear to increase awareness and interest. PCE's 2020 market survey indicates high awareness (88%) and favorability (78%) but low familiarity (39%) suggesting that market education remains very important. Also, buyers reported high significance in the PCE incentive: 46% stated the program was crucial in their decision and 38% stated that it was very important.

Vehicles sold/leased through the program were 120 in 2018 and 167 in 2019. Low uptake on the program primarily relates to the program approach. In 2019 only 16% of EVs were purchased at dealers within San Mateo County. These factors make the potential of the in-County dealer-based sales model highly limited.

The incentive program remains important to continue to encourage EV adoption. The State budget is severely impacted by the economic downturn and state incentives are expected to decline or be eliminated. Following consultation with the Executive Committee at the July 2020 meeting, staff is restructuring the program for the 2020 Q4

[2] Based on typical daily mileage of 35 miles/day and EV efficiency of 3.5 miles/kwh.

cycle to address the need to drive greater adoption while applying the incentive to purchase more likely to be "additive" (i.e., purchases that occur because of the incentive). The program will still be run as a 4th quarter promotion to provide marketing motivation and only be available to San Mateo County residents, but the following modifications will be introduced to the incentives. The revised incentives can be utilized:

- For in-county *and* out-of-county purchases
- Only for vehicles with a purchase price of under $45,000
- Targeted to "first time" EV buyers; past PCE EV incentive recipients will be ineligible for another incentive
- For purchases, not leases
- All post-purchase rebates mailed directly to the customer

It is anticipated that this approach will increase uptake while still ensuring strong additionality (incentives being used by individuals who would not otherwise have purchased an EV). This new program model will be implemented Q4 2020, but it is also assumed to be the model for following three years (2021-2023) if the new budget is approved. Funding for this year is already approved through the 2019 request.

Used EV Program (incl. low income)

In March 2019, PCE launched the low income Used EV incentive program, also referred to as "DriveForward Electric," which provides incentives up to $4,000 for low income (defined as 400% of Federal Poverty Level) San Mateo County residents to purchase used PHEVs or BEVs. The program operates in partnership with Peninsula Family Service's DriveForward program, a program that provides vehicle loans and financial coaching to help participants purchase used vehicles. PCE's incentive may be combined with other low income EV incentive programs such as the Clean Cars for All Program from the Bay Area Air Quality Management District or the state-wide Clean Vehicle Assistance Program. When combined with another program, the PCE incentive is $2,000; when not combined it is $4,000. PCE provides robust EV education and personalized assistance to all participants, typically by phone. All participants are told about the other programs and encouraged to apply. In some cases, assistance includes helping participants apply for the other programs and "handholding" throughout the process. When stacking incentives, participants can get a combined amount between $6,500 to $11,500 (depending on the program and participant's income). Though most participants combine with another program and get $2,000 from PCE, PCE still offers the $4,000 standalone option to assist residents who are in urgent need of a vehicle and cannot wait to be approved for one of the other programs which can take a couple of weeks to process their application. Additionally, if funding for those programs were to run out, having the increased incentive allows PCE to continue to offer substantial assistance to make used EVs more affordable for low income residents. The program is under continuous operation and as of July 31, 2020 has provided rebates to 60 residents.

Because the economic downturn is anticipated to shift more buyers to the used car market and the general lack of incentives for used EVs, staff proposes to offer Used EV incentives to non-low-income San Mateo County residents in addition to the larger incentive for low-income San Mateo County residents. The used vehicle market is roughly 3 times the size of the new vehicle market; however used EV sales in 2019 were roughly half of that of new EVs.

There are no “general” incentive programs for used EVs (i.e. that aren’t limited to low-income individuals) so PCE’s incentive would be the only incentive available to non-income qualifying San Mateo County residents. To decrease customer confusion, staff proposes to join the current low income used EV program and the general used EV under one program. This transition is also timed with the conclusion of the current contract with Peninsula Family Service.

This revamped program would have a “base” incentive available to any resident and an “add on” for low income residents. The program would retain the current incentive levels for low income residents for BEVs but reduce it by $300 for PHEVs. The proposed incentive levels would be as follows:

- Base incentive: $700 for PHEVs or $1,000 for BEVs
- Low income add on: +1,000 if stacking with another program OR +$3,000 if not, which would result in $1,700 or $3,700 for PHEVs (changed offering) or $2,000 or $4,000 for BEVs (same offering)

The incentive would be a post-purchase rebate, though participants would have the option to apply before purchasing and get their rebate reserved. As with the current program, participants could purchase their vehicle at an in-county or out-of-county dealership of their choice (no private sales allowed).

PCE staff intend to release of Request for Proposals (RFP) for a program implementer for the overall Used EV Program. The implementer would be tasked with managing both general and low-income program applications, however a primary focus of their scope would be to provide one-on-one education and assistance to low income residents as the current program does. 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 below.

Peninsula Family Service (PFS) has been a partner on the low income used EV program since inception and has provided important support to the program. PCE’s contract with PFS is coming to a closure in February 2021 and staff anticipates engaging them on how to work with them going forward.

The current low income used EV program will continue to run until the new expanded Used EV program is launched. If approved, PCE staff is aiming for a Q1 2021 launch.

Three-Year Budget Request

Staff estimates there are enough funds from previously approved budgets to run the revised New EV program and Used EV program for the current fiscal year (FY21), approximately $900,000 as shown in the table on the following page. The proposed three-year budget would be starting next fiscal year, from FY21-22 through FY 23-24. The budget is within approved and forecasted budgets. It also includes reallocation of unused funds: $480,000 from the New EV Incentive (projected “left over” funds after this FY), $200,000 from the low income EV program (only $170,000 have been used as of July 31, 2020 from the approved $500,000 budget), and $200,000 from the EV Ride & Drive program (this assumes FY21-22 returns to a “normal” event level thus retains some of its budget).

The following table outlines the approximate distributions of the proposed 3-year $4.7 million budget for FY21-22 to FY23-24. This authorization request is consistent with the overall Community Energy Programs budget adopted in June. Previously approved funds and the current request are detailed in the table on the following page.

Segment	**Projected 3-yr total**	**Vehicle volumes total**
New EV incentives	$2.06 M	~2,200
Used EV incentives (general)	$1.4 M	~1,800
Used EV incentives (low income)	$850k	~300
Admin	$180k	
Marketing	$210k	
Total	$4.7 M	~4,100

Segment budget and counts are approximate as uptake may vary across segments.

FISCAL IMPACT:

Up to $4,700,000 over 3 years (Fiscal Year 2021-2022 through Fiscal Year 2023-2024) for new and used vehicle incentive programs. This includes reallocation of previously authorized funds: $480,000 from the New EV Incentive, $200,000 from the low income EV program and $200,000 from the EV Ride & Drive program. Net new proposed funds total $3,820,000. The chart below shows the current vehicle programs and this proposed update.

Community Energy Programs Approved by Board	Proposed Program	Program Amount Approved by Board	Board Approval Date	Term	Already Spent as of July 1, 2020	Estimated Spending in Current FY (prior to June 30, 2021)	Future Fiscal Year Spending for Approved and Proposed EV Programs (FY22-24)
Approved by the Board							
New EV Incentives		**1,500,000**	**04/27/19**	**3 years**	**220,000**	**800,000**	**480,000**
Low Income Used EV - Contract with Peninsula Family Services		**500,000**	**01/24/19**	**2 years**	**220,000**	**80,000**	**200,000**
Ride & Drive EV Marketing - Contract with Reach Strategies		**750,000**	**02/28/19**	**3 years**	**215,000**	**50,000**	**485,000**
Approved Vehicle Incentives & Engagement Programs		**2,750,000**			**655,000**	**930,000**	**1,165,000**
Updated New and Used EV Incentives	**4,700,000**			**3 years**			
Reallocated Funds from New EV Incentives	(480,000)						
Reallocated Funds from Low Income Used EV	(200,000)						
Reallocated Funds from Ride & Drive EV Marketing	(200,000)						
Requested New Funds	3,820,000						3,820,000
Approved and Proposed Vehicle Incentives & Engagement Programs		**-**			**655,000**	**930,000**	**4,985,000**

RESOLUTION NO. ____________

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

* * * * * *

RESOLUTION APPROVING UPDATED ELECTRIC VEHICLE INCENTIVE PROGRAMS AND BUDGET FOR FISCAL YEARS 2021 TO 2024 FOR A TOTALAMOUNT OF $4,700,000

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

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, reducing greenhouse gasses to reduce the adverse public wellbeing and economic impacts of climate change is an organizational priority for PCE; and

WHEREAS, supporting electric vehicles ("EVs") is an important mechanism for reducing greenhouse gas emissions and improving the local economy; and

WHEREAS, vehicle incentives are effective in reducing the high cost barrier for customers and increasing sales above "business as usual"; and

WHEREAS, PCE has been running a New EV incentive program which runs in the fourth quarter of each year and a year-long low-income Used EV Incentive Program with Board approval; and

WHEREAS, PCE plans to modify and enhance both programs to address the need to drive greater adoption; and

WHEREAS, electrifying all powered modes of transportation to reduce greenhouse gasses is part of PCE's program roadmap as approved by this Board.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves a $4,700,000 program budget over three years for new and used EV incentive programs which includes reallocation of $880,000 from previously approved programs.

* * * * * *

PENINSULA CLEAN ENERGY
JPA Board Correspondence

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

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: Approve Local Government Fleets Program

RECOMMENDATION

Approve the Local Government Fleets Program for a total of $900,000 over three years.

This was reviewed by the Executive Committee and is recommended for approval.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in San Mateo County and California's goal is to be carbon neutral by 2045, which PCE aims to support through investment in local community programs. In support of this effort, the Board approved the PCE Program Roadmap in September 2018, 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 are 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. Approximately 40% of transportation emissions are from local commercial, rental, and government fleets that range from light-duty passenger vehicles to heavy-duty trucks.

DISCUSSION

The proposed Fleets Program focuses on three areas to help public agencies transition to electric vehicles: technical assistance, gap funding, and a vehicle to building demonstration project.

To support public agencies in the planning process, the proposed Fleets Program would develop a robust technical assistance offering, estimated to cost up to $350,000 total over three years. This will consist of new resources for local fleets, such as a total cost of ownership (TCO) calculator that factors in PCE's electricity rates for fleet managers to create fuel-cost estimates, shows the business case for EVs, and outlines the implications of various charging infrastructure options and benefits of managed charging. Workshops, trainings, and vehicle demonstration events will also be planned for local agency fleets in coordination with partnerships such as the Silicon Valley Clean Cities Coalition. Whenever available and useful for local fleets, the PCE program will utilize or build upon existing resources, such as the City of Fremont's Fleet Electrification Study,[1] which provides guidance on "EV First" policies and other best practices, and the Climate Mayors Electric Vehicle Purchasing Collaborative[2], which provides procurement streamlining options for public agencies.

In addition to generally available resources to help guide fleet transition planning, in-depth technical assistance will be available for 1-2 projects per year that need hands-on help to replace several vehicles at once. Local agency fleet staff often lack the bandwidth or technical expertise to handle these projects, so the technical consulting in the proposed Fleets Program would help fleets that are interested in transitioning to EVs but are otherwise unable to execute these projects on their own by guiding them through the entire process from planning to closeout. This custom technical assistance will help fleets with project planning including, infrastructure cost estimates and design, grant application assistance (when relevant), specification guidance for procurement or piggybacking assistance, construction management, and EVSE setup and energy management controls. PCE would release an RFP to select the consulting team to provide these technical assistance services.

The proposed Fleets Program includes a funding component of up to $300,000 over three years. These funds are intended to be stacked on existing funding opportunities such as the Hybrid and Zero-Emissions Truck and Bus Voucher Incentive Program (HVIP), the Bay Area Air Quality Management District's Carl Moyer and other vehicle incentives, and PG&E's EV Fleets Program. The funds will be first-come, first-served to eligible fleets (outlined in further detail below) and can be used for EVSE, the incremental cost of an EV and ICE replacement, installation costs, and energy management subscriptions. Agencies are expected to utilize available state or local funding first, and the PCE funds would be used to fill in the remaining gaps needed to make a project work. Funds used for stacking will be identified in the application process or through PCE's hands-on technical assistance work. The amount of funding from PCE will be made available based on the scope of the project not already covered

[1] https://evfleet.tools/
[2] https://driveevfleets.org/

by existing rebates and incentives, as outlined in the table immediately below. Local agencies will be able to access up to 25% of unfunded project scope or $25,000 regardless of project size. School districts will have access to up to 50% or $50,000 for projects whose unfunded scope is less than $100,000 and up to 50% or $100,000 for projects whose unfunded project scope is more than $100,000. Between 1-4 projects would receive funding per year, depending on the project scope and funding amount.

PCE Funding Availability per Project:

<table>
<tr><th>Unfunded Project Scope</th><th>Local Agencies</th><th>Schools</th></tr>
<tr><td><$100K</td><td rowspan="2">Up to 25% or $25K per project (whichever is less)</td><td>Up to 50% or $50K per project (whichever is less)</td></tr>
<tr><td>>$100K</td><td>Up to 50% or $100K per project (whichever is less)</td></tr>
</table>

To qualify for either the in-depth technical assistance or funding, fleets must meet a few eligibility requirements. First, they must be a PCE customer who is a public agency or public-school district. Second, they must commit to replacing at least 5 vehicles per project site (with an exception for schools) to focus efforts on projects with higher impact. The 5-vehicle minimum also aligns with PG&E's EV Fleets Program, allowing for possible stacking with that program in which PG&E facilitates the in front of the meter installation components and PCE assists in funding the behind the meter installation components and vehicle replacement planning. Finally, agencies must delegate their access to Low Carbon Fuel Standard (LCFS) credits to PCE for reinvestment in future PCE EV programming, as allowed for in CARB regulations. All EV types from light duty to heavy duty would be eligible for participation in this program.

The final component of the proposed Fleets Program is a Vehicle to Building Resiliency Demonstration Project, with up to $250,000 in project funding. This project is designed to demonstrate the potential benefits of fleet electrification in emergency situations such as Public Safety Power Shut Offs by allowing the vehicles to provide power to a critical facility through a bi-directional EV charging station. This component would include a detailed feasibility analysis to outline the technical elements and associated costs with the project, the procurement of 1-2 EVs that are capable of bi-directional charging such as the Nissan Leaf and EV charging stations that are capable of bi-directional charging, installation at one critical facility, and an evaluation. This demonstration would be in coordination with PCE's existing solar and storage effort at local critical facilities and provides additional value by showcasing how EVs can augment existing solar and battery storage to enhance the power available in emergencies.

FISCAL IMPACT:
Up to $900,000 over 3 years (Fiscal Year 2020-2021 through Fiscal Year 2022-2023) for Fleets Program. The proposed program budget is within the forecasted budget for Community Energy Programs and Peninsula Clean Energy overall.

RESOLUTION NO. ____________

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

* * * * * *

RESOLUTION APPROVING LOCAL GOVERNMENT FLEET PROGRAM IN THE AMOUNT OF $900,000 OVER THREE YEARS

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

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, PCE has as a strategic objective supporting the decarbonization of San Mateo County; and

WHEREAS, local government fleets are a source of greenhouse gasses and significant source of exposure to vehicles; and

WHEREAS, local governments have an interest in electrifying their fleets to implement climate action plan measures; and

WHEREAS, local governments face significant challenges purchasing electric vehicles and implementing associated charging systems; and

WHEREAS, electrifying all powered modes of transportation to reduce greenhouse gasses is part of PCE's program roadmap as approved by this Board.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves the allocation of $900,000 over three years for a local government fleet program.

* * * * * *

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

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

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: KJ Janowski, Director of Marketing and Community Affairs

SUBJECT: Market Research Results

BACKGROUND:
In April 2020, Peninsula Clean Energy fielded a market research study among a random sample of residents in San Mateo County. The goals of this study were to:

1. Assess awareness and perception of the Peninsula Clean Energy brand;
2. Assess awareness and perceptions of electric vehicles, including benefits, obstacles to adoption, and purchase interest;
3. Assess awareness and perceptions associated with all-electric homes and specific end uses in homes that are historically fueled by natural gas, including benefits, obstacles to adoption, and intention to electrify their homes.

DISCUSSION:
Staff will present findings of this research in advance of the Board's strategic retreat scheduled for September.

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

Peninsula Clean Energy
Video conference and teleconference
6:30 p.m.

CALL TO ORDER

Meeting was called to order at 6:32 p.m.

ROLL CALL

Present:

Carole Groom, County of San Mateo
Carolyn Bloede, County of San Mateo
Jeff Aalfs, Town of Portola Valley, *Chair*
Rick DeGolia, Town of Atherton, *Vice Chair*
Julia Mates, City of Belmont
Madison Davis, City of Brisbane
Donna Colson, City of Burlingame
John Goodwin, Town of Colma
Roderick Daus-Magbual, City of Daly City
Carlos Romero, City of East Palo Alto
Catherine Mahanpour, City of Foster City
Harvey Rarback, City of Half Moon Bay
Laurence May, Town of Hillsborough
Wayne Lee, City of Millbrae
Marty Medina, City of San Bruno
Laura Parmer-Lohan, City of San Carlos
Rick Bonilla, City of San Mateo
Flor Nicolas, City of South San Francisco
Daniel Yost, Town of Woodside
Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent:

City of Menlo Park
City of Pacifica
City of Redwood City

Staff: Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
Leslie Brown, Director of Customer Care
Hailey Wu, Senior Financial Analyst
Joseph Wiedman, Director of Legislative and Regulatory Affairs
KJ Janowski, Director of Marketing and Community Affairs
Kirsten Andrews-Schwind, Senior Manager of Community Relations
Michael Arnaldo, Digital Marketing Specialist
Siobhan Doherty, Director of Power Resources
Peter Levitt, Associate Manager of Distributed Energy Resources (DER)
Sara Maatta, Renewable Energy and Compliance Analyst
Phillip Kobernick, Programs Manager
Jennifer Stalzer Kraske, Deputy County Counsel
Shayna Barnes, Administrative Assistant
Anne Bartoletti, Board Clerk/Office Manager/Executive Assistant to the CEO

A quorum was established.

PUBLIC COMMENT:
None

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Lee / Groom

Motion passed 18-0 (Absent: Menlo Park, Pacifica, Redwood City, San Mateo)

REGULAR AGENDA

1. CHAIR REPORT

Jeff Aalfs—Chair—reported that he is still compiling feedback for the performance review of the Chief Executive Officer, but it should be complete for the August meeting.

2. CEO REPORT

Jan Pepper—Chief Executive Officer— announced that staff will continue working from home through the end of 2020, and she provided an update on staffing, the impact of COVID-19 on Peninsula Clean Energy's (PCE) load, and the technical study initiated by the City of Los Banos. Jan reported on Requests for Offers (RFOs) that have been issued, updates to the Joint Rate Mailer, and upcoming meetings with California Public Utility Commission (CPUC) Commissioners.

3. CITIZENS ADVISORY COMMITTEE REPORT

Desiree Thayer—Chair—reported that the Citizens Advisory Committee (CAC) received updates from staff on Power Resources, Community Grants programs, and spent the majority of their meeting on their Work Plan and assigning members to working groups.

Item 9 was moved up on the agenda to coincide with the CAC Report.

9. REVIEW PENINSULA CLEAN ENERGY CITIZEN ADVISORY COMMITTEE WORK PLAN

Desiree Thayer reported that in April 2020, PCE Staff identified project ideas to collaborate with the CAC, and the CAC grouped the project ideas into nine focus areas. The CAC formed nine Working Groups to align with those focus areas, and assigned CAC members and a Lead member to each Working Group. Desiree reviewed the focus of the Working Groups, and the CAC members assigned to each.

4. APPROVE INTEGRATED RESOURCE PLAN (IRP) FOR SUBMISSION TO CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

Siobhan Doherty—Director of Power Resources—reported that this item has a three-part authorization request: to approve results of the IRP analysis, authorize the CEO to submit any alternative portfolios, and delegate authority to the CEO to approve the final IRP report on behalf of the Board for submittal to the CPUC by September 1, 2020.

Siobhan presented background information on the IRP and reviewed the IRP submission process. Siobhan reviewed California's GHG (greenhouse gas) reduction goals and the Reference System Portfolio (RSP) resources being used to meet those GHG reduction goals. Siobhan reported that PCE is coordinating with three CCAs (Community Choice Aggregators) on modeling for the IRP, and she reviewed modeling requirements, IRP submission requirements, and next steps.

Board members discussed modeling, modeling requirements, GHG targets, how to meet goals on a time coincident basis, and how to achieve more aggressive GHG reduction goals.

<u>Motion Made / Seconded:</u> Lee / Rarback

Motion passed 20-0 (Absent: Pacifica, Redwood City)

5. APPROVE AN ADDITIONAL EXPENDITURE OF UP TO $250,000 FOR PORTABLE BATTERY PROGRAM FOR MEDICALLLY VULNERABLE CUSTOMERS

Peter Levitt—Associate Manager of Distributed Energy Resources (DER)—reviewed the previous program budget and outlined increases for the acquisition, storage, delivery of and training on batteries, the purchase of solar panels, and additional marketing, outreach, and enrollment support. Peter reviewed program priorities, vendor and product selection, the partnership with Hassett Hardware, non-profit outreach partners, and enrollment services.

Board members discussed the cost of batteries and timelines for delivery, program enrollment, outreach partners, customer authorization agreements and waivers, and how to monitor battery location and use.

PUBLIC COMMENT:
Mark Roest, Sustainable Energy, Inc.

Motion Made / Seconded: Lee / Bonilla

Motion passed 20-0 (Absent: Pacifica, Redwood City)

6. APPROVE BUILDING ELECTRIFICATION AWARENESS PROGRAM

KJ Janowski—Director of Marketing and Community Affairs—reviewed the Building Electrification Awareness and Education program and presented information on the "Switch is On" campaign to raise awareness of electrification. KJ introduced the Gelfand Partners Team. reviewed the deliverables that are part of the program, and outlined the program budget.

Board members discussed workforce development and contractor training, reach codes, and community education.

Motion Made / Seconded: Bonilla / Parmer-Lohan

Motion passed unanimously 18-0 (Absent: Belmont, Colma, Pacifica, Redwood City)

7. APPROVE E-BIKE PROGRAM

Phillip Kobernick—Programs Manager—outlined the E-Bikes rebate program for low income residents. Phillip reviewed program components including a rebate of up to 80% of purchase price, bike vendor enrollment, partnerships, incentives, and performance measurement. He detailed customer eligibility and the program budget.

Board members discussed the budget, customer eligibility measurements and income gaps.

Motion Made / Seconded: Lee / Daus-Magbual

Motion passed unanimously 19-0 (Absent: Belmont, Pacifica, Redwood City)

8. CREATE A BOARD PROCEDURE FOR APPOINTING A CITIZENS ADVISORY COMMITTEE (CAC) LIAISON AND ALTERNATE, FOLLOWED BY APOINTMENT OF NEW CAC LIAISONS

Jeff Aalfs reviewed procedural options for appointing a Board liaison to the CAC. Jeff asked for interested Board members to contact him directly, and he proposed making the appointment at the next Board meeting.

PUBLIC COMMENT:
Michael Closson

<u>Motion Made for Chair to appoint Liaison and Alternate annually / Seconded:</u> Lee / Mahanpour

Motion passed unanimously 19-0 (Absent: Belmont, Pacifica, Redwood City)

10. BOARD MEMBERS' REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 8:52 p.m.

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

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

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Karen Janowski, Director of Marketing and Community Affairs & Leslie Brown, Director of Customer Care

SUBJECT: Update on Marketing, Outreach Activities, and Customer Care

BACKGROUND:

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

DISCUSSION:

Launching the Power On Peninsula Resilience Program

Power On Peninsula is the innovative Peninsula Clean Energy program that is helping residents maintain power during grid outages. It also provides grid storage that helps reduce greenhouse gas emissions and move Peninsula Clean Energy toward its goal of 100% renewable energy.

Medically Vulnerable

Letters were mailed to Medical Baseline customers, who experienced 2+ Public Safety Power Shut-off (PSPS) events or are in High Fire Threat Districts in our service territory, informing them they may be eligible for a free portable backup battery. Eligible residents may apply to receive a donation of a backup battery from Peninsula Clean Energy, apply for assistance from other programs including disability disaster preparedness services, medical baseline program, and solar + battery rebate program. Interested residents can complete the application on our website: https://www.peninsulacleanenergy.com/pop-medical/

Homeowners

There is also a separate program for San Mateo County homeowners who could qualify for up to $1,250 rebate on a solar + battery back-up system. This webpage and application launched mid-August.

Building Electrification Awareness Program

We kicked off program implementation with our partners, Gelfand Partners Architects and their associates, including Bright Green Strategies, New Buildings Institute, and Frontier Energy (Food Service Technology Center). Work is underway defining the Electric Building database structure, preparing/curating informational materials and production of the first video tour. We expect the call for entries to the database to begin early in the fourth calendar quarter along with the debut of related building electrification content for our website.

One Planet Schools Challenge: Recognizing Sustainability Leaders

The San Mateo County Office of Education announced 25 stand-out school leaders who received a One Planet Schools Challenge (OPSC) award for their innovative sustainability efforts during the 2019-20 school year. The OPSC recognizes students, teachers, administrators, and community members who are driving environmental sustainability across their school communities. Five of these leaders received a $500 financial award from Peninsula Clean Energy to support the next phase of their projects.

Leaders develop projects within one or more of the program's six sustainable categories, including Land Ecosystems, Local and Sustainable Food, Sustainable Transportation, Sustainable Water, Waste and Materials, and Zero Carbon Energy. The projects may involve improving campus facilities and operations sustainability, creating curriculum that addresses environmental topics, or building community environmental awareness. Among the projects were campus-wide events that built awareness of environmental issues, hands-on units of study exploring environmental topics, and an environmental film festival. A full list of awardees can be found here: https://www.smcoe.org/about/county-office-of-education/press-releases/one-planet-schools-challenge-award-winners.html

Net Energy Metering Video

We recently released an educational Net Energy Metering (NEM) video (https://www.youtube.com/watch?v=v7G7Kk5hB44&feature=youtu.be) explaining the benefits of having NEM and being a CCA customer. The video was co-produced with EBCE, SJCE, and SVCE.

News & Media
Peninsula Clean Energy released two joint press announcements in the past month. One press announcement was a joint release announcing our joint Long-Term Renewable Energy / Storage RFO with SJCE seeking 1 million megawatt-hours annually of renewable power to meet long-term energy goals. The other was a joint press release with EBCE and SVCE announcing emission-free power resiliency agreements. Full coverage of Peninsula Clean Energy in the news can be found on our News & Media webpage.

ECO100 Statistics

Total ECO100 accounts at end of July:	5979
ECO100 accounts added in the month:	45
ECO 100 accounts dropped in the month:	51
Total ECO100 accounts at the end of June:	5985

Enrollment Statistics
Opt-outs slightly decreased from June 2020 (34) to July 2020 (27). As of the end of July, the opt-out rate adjusted for move-in/move-outs is 2.65% and our overall participation rate is 96.90% of eligible accounts.

Opt-Outs by City

CITY	Eligible Ac	TOTAL OPT OUT
ATHERTON INC	2,722	1.69%
BELMONT INC	11,965	2.66%
BRISBANE INC	2,536	2.09%
BURLINGAME INC	15,442	2.23%
COLMA INC	763	1.44%
DALY CITY INC	34,157	3.55%
EAST PALO ALTO INC	7,928	4.00%
FOSTER CITY INC	14,850	2.07%
HALF MOON BAY INC	4,978	3.07%
HILLSBOROUGH INC	4,046	2.32%
MENLO PARK INC	15,851	1.58%
MILLBRAE INC	9,345	3.19%
PACIFICA INC	15,495	3.85%
PORTOLA VALLEY INC	1,682	6.66%
REDWOOD CITY INC	35,230	2.34%
SAN BRUNO INC	16,498	4.18%
SAN CARLOS INC	14,703	2.58%
SAN MATEO INC	44,543	2.73%
SO SAN FRANCISCO INC	25,278	3.85%
UNINC SAN MATEO CO	24,561	2.99%
WOODSIDE INC	2,283	1.97%
Grand Total	304,856	2.94%
Adjusted Total	304,016	2.65%

Table reflects data as of 8/07/2020

In addition to the County of San Mateo, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of August 14, 2020, include: Atherton, Belmont, Brisbane, Burlingame, Colma, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Portola Valley, Redwood City, San Carlos, San Mateo, and Woodside.

The opt-up rates below include municipal accounts, which may noticeably increase the rate in smaller jurisdictions.

Active Accounts by City and ECO100 Opt-Up Rate

City	**Active Accounts**	**ECO100 Opt-Up %**
Atherton	2,663	2.10%
Belmont	11,620	1.55%
Brisbane	2,483	3.50%
Burlingame	15,014	2.24%
Colma	756	3.97%
Daly City	32,975	0.27%
East Palo Alto	7,586	0.29%
Foster City	14,493	2.21%
Half Moon Bay	4,801	2.25%
Hillsborough	3,955	1.64%
Menlo Park	15,501	3.19%
Millbrae	9,061	1.18%
Pacifica	14,884	1.09%
Portola Valley	1,580	91.58%
Redwood City	34,268	2.09%
San Bruno	15,800	0.55%
San Carlos	14,292	2.17%
San Mateo	43,248	1.54%
So. San Francisco	24,310	0.45%
Uninc. San Mateo Co	23,640	2.35%
Woodside	2,231	2.55%
Grand Total	**295,161**	**2.03%**

Table reflects data as of 8/07/2020

Item No. 14

PENINSULA CLEAN ENERGY AUTHORITY
Board Correspondence

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

TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors

FROM: Joseph Wiedman, Director of Regulatory and Legislative Affairs
Jeremy Waen, Manager of Regulatory Affairs
Doug Karpa, Senior Regulatory Analyst
Matthew Rutherford, Regulatory Analyst

SUBJECT: Update on PCE's July and August Regulatory and Legislative Activities

SUMMARY:

Late July and early August were extremely busy on the regulatory front with numerous long lingering matters before the PUC coming to proposed decisions. Among the oldest is near final resolution of the financial security requirements for each CCA necessary to ensure bundled customers are not harmed if a CCA fails. This case was one of the first cases PCE engaged in upon its formation and only now is it finally reaching full resolution. PG&E and SDG&E both filed applications concerning PCIA costs with PG&E proposing a refund of almost $800 million to its bundled customers due to overcollections while SDG&E is proposing to whack the customers of Solana Energy Alliance with a 16-fold increase in the PCIA. Integrated Resource Planning was also extremely active as the new docket launches and the scope of issues is resolved. Legislative activity continues to be very slow as both houses are not inclined to hear legislation that is not considered urgent in addressing COVID. However, we remain engaged with the legislature so we can navigate any opportunities that emerge particularly around economic recovery funding. As discussed in more detail below, PCE, as part of California Community Choice Association (CalCCA), a coalition of Community Choice Aggregators (CCA) or on its own behalf, submitted sixteen pleadings at the California Public Utilities Commission (CPUC or Commission) and two pleadings at the California Energy Commission. PCE's regulatory and legislative team attended eight stakeholder workshops or meetings over the last month.

DEEPER DIVE:

Regulatory Advocacy and Outreach

R.03-10-003 – CCA Bond Methodology Rulemaking – On July 23, 2020, the Commission issued Draft Resolution E-5059 addressing advice letters filed by the three IOUs to implement D.18-05-022 which established bonding requirements for CCAs to ensure that if an involuntary mass migration of CCA customers occurred due to a CCA failure bundled customers would not be financially harmed. The bonding requirement is called the financial security requirement (FSR) and all CCAs must post the FSR with the Commission. The resolution addresses numerous issues CalCCA raised regarding the IOUs' proposed tariffs on such matters as collection of re-entry fees in the event of an involuntary return, modification of certain provisions related to direct access customers, the conditions under which the bonds would be activated, and ten other issues that CalCCA argued were unreasonable or unauthorized. The resolution proposes to grant CalCCA's requests regarding three of these protested issues and grant seven of the IOUs' requests on these issues. On August 13, 2020, CalCCA filed comments on the draft resolution. CalCCA's comments generally supported the resolution but requested over ten modifications to the resolution that were designed to clarify aspects of the calculation of the financial security requirement, IOU discretion with regards to their relationship to CCAs, and prohibiting the IOUs from making speculative claims about any risk customers face regarding involuntary return and associated fees if an involuntary return should happen.

I.15-08-019 – PGE Safety Culture Investigation – On July 15, 2020, the assigned administrative law judge issued a ruling in the docket (and PG&E's Bankruptcy docket) asking parties to comment on the future of both dockets. The ALJ asked a number of questions regarding possible topics to be continued including the status of PG&E's holding company, PG&E's continuation of retail service, discussion of the distribution system operator concept, and other topics. The ruling asks parties to discuss what issues should be in scope in either docket, if the dockets should continue, and, if so, under what schedule. On August 4, 2020, PCE, along with numerous other CCAs, filed comments recommending that the docket remain open to address remaining issues in the docket including whether PG&E should transition to a wires-only company to increase its focus on safe and reliable delivery of electricity. The comments noted that the CCAs have established that removing PG&E from the sale of electricity would save energy consumers over $100 million per year. On August 13, 2020, the Joint CCAs filed reply comments pushing back on PG&E and its allies' claims that the work in the docket was done and the docket should be closed.

R. 17-06-026 – Power Charge Indifference Adjustment (PCIA) Rulemaking – **Appellate Litigation:** On July 6, 2020, CalCCA filed an amicus brief with the California Court of Appeal regarding Commission Decision 18-10-019 which established the current methodology for calculating the PCIA. CalCCA's brief argued that the Commission overstepped statutory bounds by including the costs of utility-owned generation for cost recovery within the PCIA. CalCCA's basic argument was that utility-owned generation was not included in the list of costs that are recoverable in the PCIA. Accordingly, the brief argues that the Commission did not interpret statutes correctly which lead to the erroneous inclusion of costs for utility resources. The brief also rejected the assertion made by certain parties before the court during their briefing that CCAs have acquiesced to the Commission's inclusion of these costs within the PCIA pointing out that CCAs did not exist at the time certain determinations about PCIA were originally made, that CCAs opposed the inclusion of utility-owned generation during the PCIA docket, and that the current case is the first opportunity stakeholders have had to seek review of the

Commission's decision in the PCIA docket. On August 4, 2020, the Fourth Appellate Court denied the appeal without discussion. **Prepayment Proposed Decision (PD):** On June 30, 2020, the assigned administrative law judge issued a PD addressing rules on prepayment of PCIA charges. The PD addressed many issues related to prepayment of the PCIA including the propriety of true-ups, development of forecasts of PCIA obligations, prepayment of all or parts of the PCIA by rate class or slices of load, allocation of administrative and negotiation costs, and other matters. On July 20, 2020, CalCCA filed opening comments on the PD. CalCCA's comments generally supported the propriety of prepayment for both bundled and CCA customers but discussed ways in which certain decisions in the PD would make it difficult for CCAs to reach agreement with IOUs on prepayment amounts. CalCCA noted that the PD was correct that after the fact true-ups were not allowed by prior decisions, forecasting was an essential first step in starting prepayment discussions, supported the notion that IOU labor costs related to prepayment should be allocated to the parties that benefit, discussed why the PD's conclusion that additional screens and metrics sought by the IOUs were unnecessary, supported the idea that prepayment of all parts of the PCIA was warranted, and requested that the PD clarify the difference between organic load growth within a CCA and expansion of a CCA service territory as those topics relate to prepayment. CalCCA's comments pushed back on the PD's proposal for a risk premium as a mechanism to protect bundled customers noting that such a premium on CCA prepayments would violate indifference principles. On July 27, 2020, CalCCA responded to parties' comments on these points while also arguing that alternative dispute resolution procedures could be a valuable tool in advancing prepayment discussions. On August 6, 2020, the PUC voted out a revised PD. The PD left in the risk premium concept.

R.17-09-020 – Resource Adequacy Rulemaking – On July 20, 2020, CalCCA filed informal comments on compensation of local resources within the context of the Commission's decision to implement a central procurement entity for local resource adequacy products. CalCCA's comments noted the complexity of the task due to the way the Commission structured the central procurement entity process, but none-the-less presented a compensation mechanism that would preserve, as much as possible, load serving entities' incentives to develop local preferred resources. On August 3, 2020, CalCCA filed further informal comments providing more detail on CalCCA's thinking based off of the comments received in July.

R.18-07-003 – Renewable Portfolio Standard Rulemaking: On March 10, 2020, the assigned administrative law judge issued a ruling requesting comments on an updated staff proposal concerning the Commission's development of the BioMAT program. The BioMAT program is a statutorily required procurement program which seeks to support the development of small bioenergy projects with capacity below 5 megawatts. CCAs have watched development of the program because prior program proposals sought to impose nonbypassable charges on CCA customers despite a lack of legislative authorization to do so. The updated staff proposal listed recommended changes to the BioMAT program rules, contract terms, process, as well as recommended clarifications to the BioMAT program. Notably, the updated proposal would allow CCAs to request cost recovery for procurement from facilities that qualify for the program rather than limiting the program only the IOUs. This was seen as fair by staff because they continued to recommend that the costs of the program be recovered from all distribution customers of the IOUs. On April 1, 2020, numerous parties filed comments in response to staff's proposal. The three IOUs generally opposed allowing CCAs to recover costs of their procurement under the program via a non-bypassable charge. On April 15, 2020, the Joint CCAs, including PCE, filed reply comments responding to the IOUs concerns and supporting the ability of CCAs to seek cost recovery of procurement that falls under the program. On July 24, 2020 the assigned administrative law judge released a proposed decision declining to adopt the staff proposal that CCAs be allowed to seek cost recovery for BioMAT compliant contracts arguing that the

Commission's limited oversight of CCAs would make program administration problematic. On August 13, 2020, a group of CCAs, including PCE, filed opening comments on the proposed decision arguing that the Commission has ample authority to oversee contacts voluntarily submitted to the Commission by CCAs and pointed to numerous examples of where the Commission has done so in the past. The CCAs also noted that expanding the list of entities eligible to participate in the program would ensure the benefits of the program are spread across the state as CCAs are geographically and socioeconomically diverse.

R.18-07-005 – Disconnection Rulemaking **–** On July 13, 2020, Doug Karpa attended the first meeting of Disconnection Arrearage Management Plan Working Group to begin implementation of the Commission's Arrearage Management Plan (AMP) which is a new program designed to assist customers with payment of large unpaid bills they may incur. CCAs are working with the Commission and the IOUs to ensure the AMP is fair to CCAs and our funding is stable.

R.18-12-006 – Transportation Electrification Framework Rulemaking – On July 30, 2020, a group of CCAs held a teleconference with the CPUC's Public Advocates Office to discuss areas of common interest in the docket.

R.19-09-009 – Microgrids Rulemaking – On July 23, 2020, the assigned administrative law judge issued a ruling requesting comments on two documents: (1) Staff Proposals for Facilitating the Deployment of Microgrids (Track 2 Proposal) and (2) a microgrids and resiliency concept paper. The Track 2 Proposal put forward 5 proposals to continue to remove barriers to microgrids deployment including proposed revisions to Rule 2 for each IOU to allow microgrid components to be considered special facilities that can be installed on the distribution system, revisions to IOU rules to allow microgrids to serve critical facilities on parcels adjacent to the microgrid, requiring the utilities to develop tariffs for customer-sited microgrids that comply with current interconnection standards, development of further pilot programs, and development of a pilot program to develop low cost electrical isolation technologies. Joseph Wiedman attended a staff facilitated workshop on August 5, 2020 to discuss each proposal. On August 14, 2020, a group of CCAs, led by PCE, filed opening comments on the staff proposals. In general, the Joint CCAs did not oppose staff's proposals but noted that the main barriers to microgrids were lack of tariffs that would support deployment of microgrids of all types – both customer-focused and community-focused – and the lack of clear standards on roles and responsibilities. Thus, while staff proposals were steps in the right direction, they did not go far enough in removing deeper barriers to microgrid deployments.

R.19-11-009 – Resource Adequacy (RA) Rulemaking – On August 7, 2020, CalCCA filed joint comments with Southern California Edison (SCE) putting forward a proposal to redesign the resource adequacy program to evolve with the changing generation resources on the grid. The CalCCA-SCE proposal would focus on ensuring net peak load can be served in all hours of the year. The proposal touches on all aspects of the topic – full counting of resource characteristics of renewable resources in serving load, inclusion of storage, compliance obligations, and compliance evaluation. The proposal noted that further work is needed in the areas of product trading, diversity benefits, dealing with uncertainty and the temporal aspects of load and generation, coordination with integrated resource planning and other matters. Doug Karpa led CalCCA's engagement on this topic with SCE and spearheaded socializing the concept and addressing stakeholder concerns.

A.20-02-009 – ERRA Compliance Application – On February 28, 2020, PG&E filed its current ERRA compliance application requesting a decision by the Commission that PG&E has complied with its Bundled Procurement Plan in the areas of fuel procurement, administration of power purchase contracts, greenhouse gas compliance instrument procurement, resource adequacy sales, and least-cost dispatch of electric generation resources. PG&E also requested that the Commission find that during the record period PG&E managed its utility-owned generation (UOG) facilities reasonably and that expenditures in the numerous balancing accounts were consistent with applicable tariffs and Commission directives. On April 2, 2020, the Joint CCAs (PCE, EBCE, MCE, SJCE, SCP, Pioneer, and SVCE) filed a protest to the application arguing that careful review of the application is necessary, and that preliminary review had already found issues to be addressed in the proceeding. On April 16, 2020, the assigned administrative law judge issued a ruling establishing a prehearing conference for May 12, 2020 and requiring the filing of a meet and confer report for May 4, 2020. On May 4, 2020, PG&E filed a meet and confer report that reported on the status of meet and confer efforts. The report covered agreement on the scope of the docket and put forward a proposed schedule. On July 10, 2020 the Joint CCAs and the California Public Advocates Office (CalPA) both presented opening testimony examining whether PG&E's 2019 procurement actions were in compliance with CPUC guidance. The Joint CCAs opening testimony identified numerous adjustments that should be made to PG&E's accounting that amount to over $175 million. Of that $175 million, PG&E has agreed to correcting several issues amounting to $110 million, leaving approximately $65 million of further adjustments within dispute. On July 22, 2020 the Joint CCAs submitted very brief rebuttal testimony intending to highlight the differences in the Joint CCAs' and CalPA's approaches to analysis within this case.

R.20-05-003 – Integrated Resource Planning (IRP) Rulemaking – **Prehearing Conference:** On July 14, 2020, Doug Karpa attended a prehearing conference on behalf of PCE which included the assigned commissioner, assigned administrative law judge and all parties to the docket. The prehearing conference set the scope and schedule for the docket and is an opportunity to advocate on the relevant issues. Dr. Karpa emphasized the need to plan for retirement of the natural gas plants, especially in disadvantaged communities and also to ensure that decisions in IRP are based on substantial evidence. On July 24, 2020, PCE filed a post-prehearing conference statement which reiterated Dr. Karpa's points made during the prehearing conference. **Comments on the Order Instituting the Rulemaking:** On July 24, 2020, CalCCA filed reply comments on the order opening the docket which built on opening comments CalCCA submitted on July 6, 2020 concerning the details of the new order. In those opening comments, CalCCA offered support for considering the procurement proposals but raised concerns that the schedule incorporates several decision points for ordering procurement, which would not leave the CPUC adequate time to develop the record. In the recent reply comments, CalCCA focused its comments on helping the Commission decide what areas beyond procurement were of merit given time and resources. CalCCA recommended that the primary focus of the docket in the near term be on aggregation of the integrated resource plans LSEs will submit on September 1, 2020 as analysis of those portfolios will give the Commission a clear view of the state of planned procurement and the analysis is necessary to keep development of the Preferred System Plan which is utilized by the CAISO for reliability planning on track. The PSP is also necessary to assess how to deal with the retirement of Diablo Canyon Power Plan in so far as LSEs' integrated resource plans are required to address this topic in this round of discussion. All other matters, such as focusing on how to retire natural gas plants, should be discussed so long as they do not absorb the modeling resources necessary to ensure an accurate analysis of LSEs integrated resource plans. In this regard, CalCCA advised the Commission of existing resources that could be leveraged to inform the discussion around retiring natural gas power plants. **Cost Allocation for Ordered Procurement:** On July 22, 2020, CalCCA filed opening comments concerning backstop procurement mechanisms and cost allocation issues related to the Commission ordering procurement of system resources in Fall 2019. CalCCA's comments focused on the need to develop cost allocation mechanisms that ensure all costs stemming from utilization of the IOUs procurement authority by non-procuring load serving entities does not result in cost shifts to LSEs who choose to procure mandated resources on behalf of their customers. Of particular note was CalCCA's view that utilization of the Cost Allocation Mechanism (CAM) which spreads the costs of IOU procurement to all customers was fundamentally at odds with the requirement that all LSEs bear the costs of serving their customers. Thus, CalCCA argued that the costs of IOUs' procurement on behalf of LSEs who choose not to self-procure should be through billing the LSE directly for the costs of the procurement rather than the LSE's customers. This framework will ensure that costs are not shifted to self-procuring LSEs should an LSE foregoing self-procurement fail. **Resolution E-5080:** On July 3, 2020, the Energy Division released draft Resolution E-5080 which established a citation program for the Integrated Resources Planning process at the CPUC. The need for a citation program was identified during the first IRP docket when one direct access provider failed to file an integrated resource plan as required by the Commission. On July 27, 2020, CalCCA filed comments on the draft resolution. CalCCA's comments were generally supportive of the need for a citation program but provide extensive advice on ways to clarify many aspects of the proposed citation program. The Commission approved Resolution E-5080 on August 6, 2020 after extensive changes based upon CalCCA's suggestions. **Outreach:** On July 22, 2020, Mr. Karpa hosted an ongoing teleconference with environmental and environmental justice organizations to discuss the docket and ongoing coordination of how to retire natural gas plants as soon as possible.

A.20-07-009 – SDG&E Trigger Mechanism Application – On July 10, 2020, SDG&E filed an application seeking recovery of purported PCIA undercollections of approximately $9 million from Solana Energy Alliance (SEA) customers. If granted, the application would result in an increase in the PCIA for SEA's customers of over 1600%. On August 13, 2020, CalCCA protested the application. CalCCA raised numerous issues with the application including whether SDG&E complied with underlying Commission decisions on PCIA cost recovery, whether SDG&E's proposed recovery would cause rate shock to SEA customers, whether SDG&E's proposed vintaging of expense was accurate and other concerns.

A.20-07-022 – PG&E PABA Application – On July 31, 2020, PG&E filed an expedited application seeking to address an overcollection of generation revenues from its bundled customers amounting to nearly $800 million by discounting its bundled customer generation revenue requirements for 2021 by the overcollection amount. PG&E also proposed that this matter be consolidated with the recently initiated PG&E 2021 ERRA Forecast case (A.20-07-002). On August 13, 2020, PCE, along with other CCAs, filed a response to the Application. In the response, the Joint CCAs signaled support for PG&E's proposal to consolidate these matters with the 2021 ERRA Forecast proceeding so the details can be considered alongside the related revenue requirement matters presented therein. The Joint CCA response did not signal agreement regarding the dollar amounts in question, nor PG&E's proposed implications for its 2021 bundled customer generation rates.

CEC Docket 20-IEPR-04 – On July 7, 2020 and July 9, 2020, Matthew Rutherford attended day long workshops at the California Energy Commission focused on assessment of the future of microgrids. Topics under discussion included resilience benefits of microgrids, economics of microgrids, and barriers to microgrid deployment. On July 30, 2020, PCE filed comments in response to the workshops. PCE's comments emphasized the need to reduce barriers to microgrids through targeted efforts to reduce costs, reduce interconnection costs and uncertainties, addressing the appropriateness of departing load charges and standby charges, and finally the development of tariffs to make development of microgrids more streamlined.

CEC Docket 17-EVI-01 – On July 21, 2020, Joseph Wiedman attended a workshop hosted by CEC staff to discuss training requirements for the CALeVIP charging deployment program. At the workshop, stakeholders discussed the benefits of training electricians on the safe installation of Level 3 charging equipment via the Electric Vehicle Infrastructure Training Program (EVITP). Numerous stakeholders attending the workshop spoke to the need for EVITP training to ensure safe and quality installation of high voltage EV charging equipment. On July 31, 2020, PCE filed comments in the docket reinforcing our view that EVITP training is necessary for at least one team member during installation of high voltage EV charging equipment to ensure safety and quality.

Miscellaneous Outreach – On July 16, 2020, Jan Pepper, Leslie Brown, Joseph Wiedman, Rafael Reyes, Andy Stern, KJ Janowski, and Siobhan Doherty met with Ed Cazalet, CEO of Temex, to discuss his work related to development of transactive energy models. Transactive energy is a framework that would allow energy users to control their energy demand in real time in response to real time price signals from load serving entities or other energy stakeholders. A recent report by the California Energy Commission authored by Mr. Cazalet detailed the work done to date in California to assess the promise of transactive energy systems. The PCE team met with Ed to discuss his findings and understand the opportunities presented by transactive energy better.

Miscellaneous Outreach – On July 17, 2020, Joseph Wiedman gave a presentation to members of CalCCA concerning ongoing conversations concerning the provider of last resort (POLR) concept and coming efforts at the Commission to implement SB 520 (Hertzberg). Mr. Wiedman discussed what is the POLR concept, what is the current status of PUC rules regarding POLR, an overview of SB 520 and early thoughts on implementation issues and areas of concern. CalCCA anticipates the PUC will open a docket this fall to begin implementation of SB 520 so groundwork is being laid now to ensure all CCAs are up to date on the issues in play.

Legislative Advocacy and Outreach

Legislative Calendar

The Legislative calendar has dealt with two unscheduled recesses and multiple rounds of reshuffling deadlines. The calendar appears to be set for the final three weeks of session as the Legislature must conclude its business by midnight on August 31, 2020. Both houses adjusted policy committee and appropriations deadlines so that all bills be moved through these points in the process by August 20 so that there are 11 days for votes on the Floor of each house.

Governor Newsom will have until October 1, 2020 to sign or veto any bills that make it to his desk.

Legislation

Due to the unscheduled extension of the Legislature's summer recess and the resulting disruption to the legislative calendar, legislators were once again asked to reduce bill proposals and expect that bills may not be heard in committee. Legislators continue to try and push legislation that responds to the COVID-19 pandemic, or at least argue that their proposed measures do so.

The most notable legislative activity since session resumed on July 27 has been a proposed economic stimulus package produced by a joint Senate-Assembly working group led by Senator Hertzberg and Assemblymember Ting. The proposal purportedly will raise $100 billion through issuance of tax vouchers for those Californians who wish to prepay their taxes for the next several years as well as securitize gas tax revenue and cap and trade revenue. Details are scant on how the tax voucher system would work and revenue would be expended, and the Senate Pro Tem and Assembly Speaker offices have given no indication that they are working on the proposal. Still, the proposal presents an opportunity for funding programs and advocates are trying to wedge their priorities into whatever final product may come about. PCE, along with several other CCAs have reached out to Senator Hertzberg and Assemblymember Ting's offices to advocate for inclusion of microgrids and clean energy backup systems.

Other notable actions over the last few weeks include:

- AB 841 (Ting). Passed the Senate Energy, Utilities, and Communications Committee. This measure was presented as part of the economic stimulus package and proposes to accelerate the timing of PUC decisions on pending transportation electrification infrastructure applications from the IOUs as well as require the PUC to direct the IOUs to reallocate their EE budgets for school retrofit projects that would include HVAC and air filtration upgrades as well as replace noncompliant plumbing fixtures.

- AB 1720 (Carrillo). This measure attempted to mandate long duration pumped storage, similar to previous efforts, but was pulled by the Senate Energy, Utilities, and Communications Committee as the bill did not have support of the committee and the author would not agree to proposed amendments the committee imposed for the bill to pass.

- AB 1001 (Ting). A bill that sought to make energy upgrades in schools, but was not scheduled for a hearing in Senate Energy, Utilities, and Communications Committee and is now dead.

The following Senate bills were all referred to the Assembly Utilities & Energy Committee but were not granted a hearing as Chair Holden did not want to hear bills deemed controversial.

- SB 801 (Glazer). Along with SB 862 and SB 1312 (listed below), SB 801 is part of a package of bills introduced by the Senate to address some of the issues that surfaced during a Senate oversight hearing in November of 2019 on last year's PSPS events. The bill would require IOUs to provide backup power for certain customers receiving medical baseline allowance.

- SB 862 (Dodd). This bill will allow PSPS events to be considered state of emergencies or local emergencies and therefore eligible for many of the programs and services that are available during and after such events. This bill also requires IOUs to include individuals with access and functional needs in their wildfire mitigation plans.

- SB 1215 (Stern). Before the bill was held by the committee, CalCCA and PCE successfully worked with Senator Stern to amend the bill to require the IOUs to give CCAs access to necessary grid data to identify and facilitate the development of backup power to critical facilities.

- SB 1312 (McGuire). The last of the Senate PSPS bill trifecta, this bill directs the CPUC to establish protocols that the IOUs must follow to trigger a PSPS event, creates a timeline for grid hardening by IOUs, and imposes fines for compliance failures.

Bill Positions

Measure	Author	Summary	Status	Position
AB 56	Garcia	Allows the CPUC to authorize the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to undertake procurement of electricity to meet the state's climate, clean energy, and reliability goals if the PUC makes specified findings. The newly formed authority would be permitted to procure electricity for customers of electrical corporations, community choice aggregators, and electric service providers to attain certain energy, environmental, economic, public health and public safety objectives.	Sen Energy	**CalCCA: Oppose**
SB 45	Allen	$5.5 billion natural resources bond proposal for the Nov 2020 Statewide Ballot. The proposal contains $570 million in resiliency funds that could be tapped by CCAs or member agencies for resiliency projects.	Asm Rules	**CalCCA: Support**
SB 350	Hill	PG&E contingency plan.	Chaptered	**CalCCA: Watch**
SB 378	Wiener	Proposes various consumer and local government protections from PSPS events triggered by IOUs. The bill requires certain IOU equipment reporting requirements, procedures for consumer and local government reimbursements, improved local agency notification requirements, and hefty fines for PSPS events that are deemed unreasonable by the PUC.	Asm Desk	**CalCCA: Support**
SB 774	Stern	This bill would state the intent of the Legislature to enact later legislation to require the commission to develop and implement a program to deploy local clean energy generation and storage systems throughout California.	Asm Energy	**CalCCA: Watch**
SB 862	Dodd	Clarifies that the provisions of the Emergency Services Act apply to deenergization events as defined. The bill would also expand wildfire mitigation plan	Held in Asm Energy	**CalCCA: Support**

		protocols for deenergization to address the needs of Access & Functional Needs (AFN) individuals, in addition to utility customers who receive a medical baseline allowance.		
SB 1117	Monning	Eliminates a statutory conflict that results in residents of mobile home parks being charged the electrical corporation rate rather than the CCA rate.	Asm Floor – Consent Calendar	**CalCCA: Support** **PCE: Support**
SB 1215	Stern	Creates the Local Government Deenergization Resiliency Grant Program. Grants are for planning and deployment.	Held in Asm Energy	**CalCCA: Support, if Amended**
SB 1312	McGuire	Directs CPUC to establish protocols that must be followed for an IOU to trigger a PSPS event. Establishes a timeline for grid hardening by IOUs. Establishes fines for compliance failures.	Held in Asm Energy	**CalCCA: Support**

State Budget

Negotiations over additional state budget actions are mostly stalled as Congress has yet to reach agreement on another round of stimulus measures to combat the economic impacts of COVID-19. Recent conversations regarding the expenditure plan for the state’s cap and trade revenue and proposed funding for the CEC’s electric vehicle infrastructure program, which is co-funding a $20 million project with PCE, indicate that decisions may be delayed until the 2021 session.

FISCAL IMPACT:

Not applicable.

PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: August 12, 2020
BOARD MEETING DATE: August 27, 2020
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: Community Programs Report

SUMMARY

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

1. "EV Ready" Charging Incentive Program
2. Building and EV Reach Codes
3. Ride-Hail Electrification Pilot
4. Existing Building Electrification
5. MUD Low-Power EV Charging Pilot
6. E-Bikes Rebate Program
7. EV Managed Charging Pilot
8. EV Ride and Drives

DETAIL

1. "EV Ready" Charging Incentive Program

Background: In December 2018 the Board approved $16 million over four years for EV charging infrastructure incentives ($12 million), technical assistance ($2 million), workforce development ($1 million), and administrative costs ($1 million). Subsequent to authorization of funding, PCE successfully applied to the California Energy Commission (CEC) for the CEC to invest an additional $12 million in San Mateo County for EV charging infrastructure. That application was submitted together with agencies in Santa Clara County.

Of PCE's $12 million in incentives, $8 million will be administered under the CEC's California Electric Vehicle Incentive Project (CALeVIP) and $4 million under a dedicated, complementary PCE incentive fund. The dedicated PCE incentives will address critical market segments not addressed by CALeVIP, including: Level 1 charging, assigned parking in multi-family dwellings, affordable housing new construction, public agency new construction, and charging for resiliency purposes. PCE staff is working on operational readiness for the dedicated program.

Status: PCE's technical assistance service opened on June 23 and PCE has begun outreach to workplace properties. Several site assessments are scheduled, and a few onsite evaluations have occurred. There have been some delays in the incentive programs. PCE's dedicated incentives will launch on September 16th. The contract for CALeVIP is nearing execution, and CALeVIP applications will open on December 16th.

2. **Building and EV Reach Codes**

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

In PCE territory, Burlingame, Brisbane, Menlo Park, Pacifica, San Mateo and San Mateo County have adopted reach codes (Burlingame just this month). Across San Mateo and Santa Clara Counties, 18 local entities have adopted some kind of reach code. Below is a sampling of local entities across PCE and SVCE territories:

	Buildings			
City	Choice All-Electric or High Efficiency Mixed-Fuel	All-Electric with Limited Gas Usage	Natural Gas Ban	Electric Vehicles
County of San Mateo		ADOPTED		EV Ready code (PCE model)
Brisbane		ADOPTED		Aggressive EV Ready code
Burlingame		ADOPTED		EV Ready code (similar to PCE model)
Menlo Park		ADOPTED		Increase chargers & EV Capable (2018)
Milpitas	ADOPTED			Increase chargers & EV Capable
Morgan Hill			ADOPTED	
Mountain View		ADOPTED		Aggressive EV Ready code
Pacifica		ADOPTED		Increase chargers (2017)
Palo Alto		ADOPTED		Aggressive EV Ready code
San Mateo	ADOPTED			Increase chargers & EV Capable
San Jose		ADOPTED	ADOPTED (low rise)	Increase chargers & EV Capable

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

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

This technical assistance is now publicly available at www.AllElectricDesign.org.

Status: Following a hiatus during Q2 due to the shelter-in-place order, a number of cities have begun reengaging to advance reach codes. Updates are as follows:

- **Belmont**: PCE staff is working with city staff which is aiming for a Council study session in September. The letter of intent was received on August 19.
- **Burlingame**: Reach code was adopted on August 17.
- **Daly City:** Jan Pepper and Rafael Reyes met with Director Daus-Magbual and city staff in June. City staff are working with PCE staff and consultants on next steps.
- **E. Palo Alto**: Multiple meetings have been held between PCE staff and consultants with city staff. The Council study session was moved to Sept. 1.
- **Foster City**: Jan Pepper and Rafael Reyes met with Director Mahanpour and Deputy City Manager Hall in June, and PCE staff and consultants subsequently met with Foster City staff on July 2 to address questions. City staff are aiming to determine timing for initial Council discussion.
- **Hillsborough:** Jan Pepper and Rafael Reyes met with Director May and city staff in June. City staff are working with PCE staff and consultants on next steps.
- **Millbrae**: Council approved moving forward with developing a reach code on June 23. PCE staff and consultants are supporting city staff and targeting a study session in September.
- **Portola Valley**: The reach code is drafted and pending first hearing to be scheduled.
- **Redwood City**: PCE staff and consultants are supporting city staff. A first reading of the reach codes has been scheduled for September 14.
- **San Bruno**: Jan Pepper met with Director Medina and City Manager Grogan in July. City staff are planning an initial presentation for the Council. Initial discussions were held with San Bruno staff in early August.
- **San Mateo**: In July the San Mateo City Council directed staff to develop an all-electric code aligned with the approach most adopter cities have taken.

3. **Ride-Hail Electrification Pilot**

Background: This pilot, approved by the Board in March 2020, is PCE's first program for the electrification of new mobility options. The project partners with Lyft and FlexDrive, its rental-car partner, to test strategies that encourage the adoption of all-electric vehicles in ride-hailing applications.

Status: PCEA staff are engaged in contract negotiations with Lyft and FlexDrive and the contract is expected to be executed in the summer with vehicle procurement to follow. Vehicles are expected to become available by January 2021.

4. **Existing Building Electrification**

Background: In May, the Board approved a 4-year, $6.1 million program for electrifying existing buildings. This program includes incentives for appliance replacements, a low-income home upgrade program, technology pilots and research. In June, the Board approved the draft contract with CLEAResult for the appliance incentive program, which is to be integrated with the existing BayREN Home+ program for a streamlined customer experience.

Status: Significant progress has been made on refining the contract with CLEAResult, which is beginning final review. It is anticipated that the appliance incentive program could go live in the fourth quarter. The RFP for the administrator of the low-income home upgrade program has been drafted and is expected to be released soon. Target launch is anticipated by the first quarter of 2021. Finally, contracting is in progress for the technology pilot with Harvest Thermal, the startup with the integrated electric space and water heating system.

This program is tied to the Building Electrification Awareness Program outlined in the Marketing report.

5. **MUD Low-Power EV Charging Pilot**

Background: This project was initially approved by the Board in 2018. This pilot program has completed a needs assessment among various multi-unit dwelling (MUD) ownership types as well as a review of various low-power charging technology solutions and is now moving to the installation phase. Lessons learned from this pilot will inform possible inclusion of low-power charging solutions in PCE's EV Ready Program. Energy Solutions was selected as the consultant partner as part of a competitive bid process. The project was kicked off in August 2019.

Status: Business requirements and technology scouting has been completed with a number of innovative technologies identified and assessed. The project team selected Plugzio, an internet-connected 120V outlet, as the pilot technology for the first round of testing. Three apartment properties in Foster City and Millbrae have been identified as candidates and have tentatively agreed to participation in the pilot. Installation is expected to take place in early September.

6. **E-Bikes Rebate Program**

Background: The Board approved the E-Bikes Rebate program in July 2020. This program will run three-years for a total budget of $300,000, which will provide approximately 300 rebates of up to $800 to residents with low to moderate incomes over the course of the program. Silicon Valley Bicycle Coalition will be under contract to PCE as an outreach and promotional partner.

Status: The program is under development.

7. **EV Managed Charging Pilot**

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

Status: Phase 1 of the project, which is testing basic functionality of the App and connectivity with Tesla and Nissan vehicles, was kicked off in January 2020 and will be completed by the end of August. This phase was a successful proof of concept, though limitations surfaced with Nissans limiting the pilot to Tesla. PCE is now able to analyze incoming data from this pilot and is gathering lessons learned from a vehicle-based approach to managed charging. Initial results are favorable, and staff is developing the approach for Phase 2.

8. EV Ride & Drives

Background: This program is one of PCE's two core elements for new EV marketing (the other is the New EV Dealer Incentive Program). It provides for community and corporate events in which community members can test drive a range of EVs. The program generated 14 events and 1,879 experiences in 2019 and a total of 19 events and 3,033 experiences since inception in 2018. Events have included pre-test drive, post-test drive, and six-month trailing surveys to document changes in customer perception towards EVs and actions taken after the EV experience. Event surveys indicate that the ride and drive was the first EV experience for 64% of participants and 87% report an improved opinion of EVs. Trailing surveys 6 months or more after events have yielded a 26% response rate and 18% of respondents indicate they acquired an EV after the event.

Status: Due to the COVID-19 pandemic, all previously confirmed events beginning in March were cancelled. It is likely that even after the State's current restrictions are loosened, large gatherings will continue to have limitations and/or the public may avoid such events.

Staff is developing other EV engagement strategies such as hosting virtual EV forums with corporate hosts, working with dealers to offer delivered 'at-home' test drives, incentives for EV rental trials, and an EV "hotline" to provide information on EVs to prospective adopters.

PENINSULA CLEAN ENERGY
JPA Board Correspondence

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

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jan Pepper, Chief Executive Officer

SUBJECT: Energy Supply Procurement Report –August2020

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

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

Execution Month	Purpose	Counterparty	Term
August	Sale of System Resource Adequacy	Turlock Irrigation District	1 month

Note: PCE staff will not be issuing any further hedge solicitations for 2020. Due to COVID-19 and impacts to PCE's load, PCE has satisfied its hedge targets for 2020.

In January 2020, the Board approved the following Policy Number 15 – Energy Supply Procurement Authority.

Policy: "Energy Procurement" shall mean all contracting for energy and energy-related products for PCE, including but not limited to products related to electricity, capacity, energy efficiency, distributed energy resources, demand response, and storage. In Energy Procurement, Peninsula Clean Energy Authority will procure according to the following guidelines:

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

   Table 1:

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

   c. Chief Financial Officer has authority to approve any contract for Resource Adequacy with a term of twelve (12) months or less if the CEO is unavailable and with prior written approval from the CEO.
   d. The CEO shall report all such agreements to the PCE board monthly.

2) **Medium-Term Agreements:** Chief Executive Officer, in consultation with the General Counsel, the Board Chair, and other members of the Board as CEO deems necessary, has the authority to approve Energy Procurement contracts with terms greater than twelve (12) months but not more than five (5) years, in addition to Resource Adequacy contracts as specified in Table 1 above. The CEO shall report all such agreements to the PCE board monthly.

3) **Intermediate and Long-Term Agreements:** Approval by the PCE Board is required before the CEO enters into Energy Procurement contracts with terms greater than five (5) years.

4) **Amendments to Agreements**: Chief Executive Officer, in consultation with the General Counsel and the Board Chair, or Board Vice Chair in the event that the Board Chair is unavailable, has authority to execute amendments to Energy Procurement contracts that were previously approved by the Board.

PENINSULA CLEAN ENERGY
JPA Board Correspondence

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

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: Update on Energy Resiliency Strategy

SUMMARY

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

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

1. Public Facility Resilience
2. San Mateo County Facilities DER Evaluation
3. Power on Peninsula – Distributed Energy Storage
4. Power on Peninsula - Medically Vulnerable Program
5. Community Resiliency at Faith Institutions – Interfaith Power & Light
6. Future Programs – EVs for Backup Power

DETAIL

1. **Public Facility Resilience**

Background
In Q3 2018, East Bay Community Energy (EBCE), in partnership with Peninsula Clean Energy, was awarded a Bay Area Air Quality Management District grant for a scoping study to identify critical facilities that can provide emergency services during natural disasters, including for community shelter, in the counties of Alameda and San Mateo. These facilities have been studied to evaluate the viability of deploying solar+storage to provide back-up power. Solar+storage at critical facilities can provide a cleaner and more reliable power source than diesel generators and reduce operating costs for the facilities.

This $300,000, 12-month scoping project has achieved the following two objectives: 1) identified a subset of critical facilities in San Mateo and Alameda counties that can serve as community shelters and/or emergency response hubs during power outages related to Public Safety Power Shutoff events or natural disasters (e.g. police and fire depts, recreation centers, libraries, etc); and 2) narrowed that list to select priority sites based on site hazards, proximity to population, and location in a disadvantaged community or low income zone. The project will deliver the following two objectives next: 1) develop a financial model (e.g. rate design or financial incentive) that results in affordable and widespread deployment of resilient solar systems; and 2) design and assist in the collective procurement for solar+storage installations at priority critical facilities to reduce costs for interested agencies.

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

In January, February, and March, staff met with personnel from each of these 11 cities to review initial evaluations studies, discuss city priorities with respect to backup power needs, and consider potential procurement pathways. Based on the initial study and conversations with the cities, we have narrowed the list of facilities for further evaluation to 49 out of the initial 118 facilities that cities identified.

On May 4, Peninsula Clean Energy released a Request for Information in partnership with EBCE, seeking guidance from the solar+storage industry on recommendations for a joint procurement. The RFI posited that CCAs have the knowledge and capability to alleviate some of the pre-development work that goes into solar+storage projects and have a strong financial position to leverage for creative procurement practices. It asked industry how to best make use of these unique CCA attributes to drive down project cost and increase deployment scale.

Responses to the RFI were due on May 22, and we received 18 responses from solar and storage vendors. Staff at Peninsula Clean Energy, EBCE and our consultant, Arup, evaluated responses and had an initial workshop to discuss on June 11. The RFI revealed a strong preference by DER vendors to have one PPA contract with a CCA concerning multiple counterparties, rather than having to negotiate with each public agency individually. The next step in the process is for Peninsula Clean Energy and EBCE to determine in more detail how this might work.

The Power Resources Team began a detailed analysis of a sample of the sites that were evaluated by Arup and determined candidates for resiliency projects based on a scoring system that assessed sites' earthquake zone, accessibility to nearby community, existing building structural integrity, plans for near-term renovations or demolitions, load data, and other attributes. Out of approximately 150 candidate buildings, approximately 50 were run through Arup's analysis tool that generated recommended solar + storage system sizes based on the assumptions that critical loads represented 25% of the normal facility load and resiliency would be required for multiple days. Arup did not do a financial analysis of the costs/benefits of the proposed DERs, which was outside its scope.

Current Status

Staff is doing a deeper evaluation on three representative sites analyzed by Arup to assess in detail the cost/benefit streams for DERs at those sites. The team is also exploring the value to ascribe to resiliency both generally and for these specific sites. Staff will meet with representatives from the cities participating in this analysis to understand what impacts they've experienced from previous PSPS events or other power outages and how they value the resiliency benefits of a system. This question may be muddied by the COVID crisis and its near-term impacts on municipal budgets. We will also let Board members from the cities know when we plan to schedule these meetings.

2. RFP for DER Site Evaluation and Engineering Services

Background and Current Status

In July, staff released a Request for Proposals (RFP) for offers from qualified providers of design and engineering services to assist in the evaluation of DERs at specific sites. The key scope of work will be to independently inform the deployment of DERs, but it does not include deployment, ownership, or operations of DERs. The consultant will prepare detailed engineering analysis to allow PCE to evaluate the suitability of DERs at specific sites. This engineering documentation will also form the basis for an RFP and inform project developers to bid on constructing DERs at these sites. The documentation is expected to include analysis of critical loads, structural integrity, interconnection options, and other drawings, diagrams, notes, and report(s) that characterize the proposed DER deployment and provides sufficient information for a DER vendor to provide a high confidence bid on the project. While this RFP is not specifically focused on resiliency, we will be looking at resiliency options in site evaluations and DER sizing recommendations. We expect that lessons learned and evaluation processes developed for these projects can inform future DER deployments, including those with a goal to provide resiliency.

Current Status

The RFP requires a two-part response. Initial responses were due August 5, and we received 13 responses. We chose nine of these responses to move onto the second part of the RFP. Final proposals are due August 28, 2020. We expect to have secured engineering support and begun site evaluations by late fall, 2020.

3. Power on Peninsula – Distributed Energy Storage

Background

Power on Peninsula – Distributed Energy Storage (formerly referred to as Distributed Resource Adequacy) is an energy resiliency program run by Peninsula Clean Energy stemming from the energy resiliency strategy published by staff in January 2020, and the joint solicitation for Resource Adequacy Capacity with three other Load-Serving Entities (LSEs) in November 2019. Under this solicitation, Peninsula Clean Energy, East Bay Community Energy, Silicon Valley Clean Energy, and Silicon Valley Power are utilizing LSEs' connections to our customers and RA purchasing obligations to motivate new solar+storage systems to provide energy resiliency throughout the Bay Area.

In June, the Board approved and staff executed a Distributed Energy Storage Agreement, Customer Data Sharing Non-Disclosure Agreement, and a Co-Marketing Agreement with Sunrun. Under the Distributed Energy Storage Agreement, Sunrun will install 1 – 5 MW (4 – 20 MWh) of battery energy storage systems on single family and multi-family residences in San Mateo County, with a minimum of 10% installed for low income customers, customers on CARE, FERA or Medical Baseline rates, or located in a disadvantaged community. Staff is still evaluating options for a similar contract structure targeting commercial customers.

Current Status

Staff is currently in the process of implementing the co-marketing and go-to-market plan developed with Sunrun. In partnership with TerraVerde Energy, we developed a list of initial target customers to reach out to. These customers would all be eligible for the state's Self Generator Incentive Program (SGIP) Equity Resiliency incentive, which typically covers the entire cost of the battery portion of a solar+storage installation. These customers will receive a direct letter and an email in the next few weeks inviting them to consider one of Peninsula Clean Energy's Power On Peninsula programs.

In addition, we launched a new section of the PCE website that highlights this program - https://www.peninsulacleanenergy.com/pop-homeowner/. Board members are encouraged to point their customers to this webpage.

Peninsula Clean Energy and Sunrun have established an upfront monetary incentive for all customers that are identified as part of the co-marketing approach. Customers that decide to participate can receive up to a $1,250 rebate on the solar+storage system. While the details of this incentive are not yet finalized, we think this will motivate many Peninsula Clean Energy customers to participate.

4. Power on Peninsula - Medically Vulnerable Program

Background

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

For renters and homeowners of condos or mobile homes where it is difficult to install solar, staff is implementing a program to donate portable backup batteries targeting customers that are currently on or eligible for the Medical Baseline rate tariff and live in high fire-threat districts[1] or areas that were impacted by two or more PSPS events in 2019 (mostly the coast from Montara south to the County border and unincorporated rural mountainous areas). The Medical Baseline program is an assistance program for residential customers with special energy needs due to medical conditions. Enrollment in this program provides a lower rate on energy bills and extra notifications in advance of PSPS events.[2,3] This portable battery donation program provides a long-term solution to increase safety, resilience, and independence for medically vulnerable residents.

Current Status

In July, the Board approved a budget of $750,000 for this program. Peninsula Clean Energy signed a contract with a local hardware store, Hassett Hardware, for purchase, storage, delivery, and customer training for Yeti 3000x batteries and Boulder 200 Briefcase foldable solar panels. This contract bundles multiple services into an agreement with one local provider. The initial batch of batteries were received August 19th and Hassett started delivering to high-priority customers almost immediately.

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[1] CPUC Fire Map: https://ia.cpuc.ca.gov/firemap/#

[2] "Apply for the Medical Baseline Program": https://www.pge.com/en_US/residential/save-energy-money/help-paying-your-bill/longer-term-assistance/medical-condition-related/medical-baseline-allowance/medical-baseline-allowance.page?WT.mc_id=Vanity_medicalbaseline

[3] "Medical Baseline": https://www.cpuc.ca.gov/medicalbaseline/

Peninsula Clean Energy has contracted with two non-profit community organizations – Senior Coastsiders and Puente de la Costa Sur–to educate customers regarding the PG&E Medical Baseline Rate, disaster preparedness planning, and this battery donation program. These two organizations are also helping us identify the customers who meet the eligibility criteria identified above.

Additionally, staff is hosting weekly coordination calls among the following organizations:

- Senior Coastsiders;
- Puente de la Costa Sur;
- City of Half Moon Bay (Public Works and Emergency Services);
- Center for Independence for Individuals with Disabilities; and
- Central Coast Energy Services.

All these organizations are actively working on backup battery solutions for medically vulnerable residents in areas most likely to be impacted by future Public Safety Power Shutoff (PSPS) events.

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

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

The project engaged four congregations across San Mateo County: (1) Hope United Methodist Church, (2) Congregational Church of San Mateo, (3) Peninsula Sinai Congregation, and (4) Unitarian Universalists of San Mateo. All projects were anticipated to start mid-2020, however, installations are delayed due to impacts of COVID-19.

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

Current Status
Hope United: Installed a solar energy system that is operational. The vendor who installed the solar does not have the capabilities to pursue SGIP funds. The congregation is currently pursuing donations to receive funds for battery storage.

Peninsula Sinai Congregation: Received solar and storage bids that are currently being analyzed. They plan to present the results to their Board of Directors this month. Evaluating financing options for energy storage.

First Congregational Church of San Mateo: Currently receiving solar+storage bids. Selecting an EV charging station provider. Evaluating financing options for energy storage.

Unitarian Universalist Church of San Mateo: Received one bid for solar+storage; seeking additional bids.

6. **Future Programs**

EVs for Backup Power

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

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

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

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 2020
($000s)

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 2020
($000s)

Net Position Balance

Fiscal Year	Actual/Budget	Amount
June 30, 2016	Audited	($1,044)
June 30, 2017	Audited	$21,711
June 30, 2018	Audited	$85,365
June 30, 2019	Audited	$140,239
June 30, 2020	Unaudited Actual (Prelim)	$189,139
June 30, 2020	Budget	$167,992

Unrestricted Cash/Investments Balance

Fiscal Year	Actual/Budget	Amount
June 30, 2016	Audited	$2,333
June 30, 2017	Audited	$17,382
June 30, 2018	Audited	$64,889
June 30, 2019	Audited	$114,069
June 30, 2020	Unaudited Actual (Prelim)	$178,176
June 30, 2020	Budget	$145,937

Change in Net Position

Fiscal Year	Actual/Budget	Amount
FY2015-2016	Audited	($1,044)
FY2016-2017	Audited	$22,755
FY2017-2018	Audited	$63,655
FY2018-2019	Audited	$54,774
June 30, 2020	Unaudited Actual (Prelim)	$48,900
FY2019-2020	Budget	$33,205

Cost of Electricty

Fiscal Year	Actual/Budget	Amount
June 30, 2016	Audited	$0
June 30, 2017	Audited	$64,501
June 30, 2018	Audited	$170,135
June 30, 2019	Audited	$194,035
June 30, 2020	Unaudited Actual (Prelim)	$216,097
June 30, 2020	Budget	$216,549

Revenues

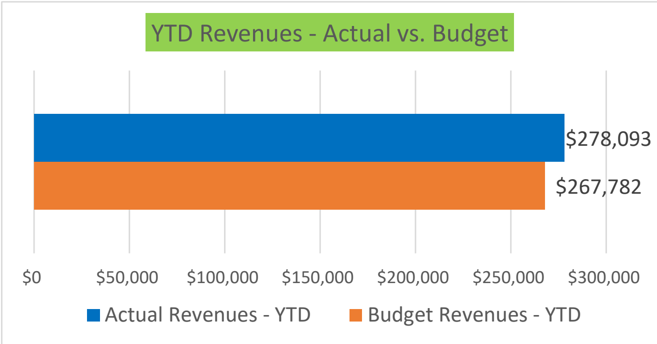
Fiscal Year	Actual/Budget	Amount
FY2015-2016	Audited	$0
FY2016-2017	Audited	$93,129
FY2017-2018	Audited	$244,738
FY2018-2019	Audited	$259,782
June 30, 2020	Unaudited Actual (Prelim)	$278,093
FY2019-2020	Budget	$267,782

Total Operating Expenses

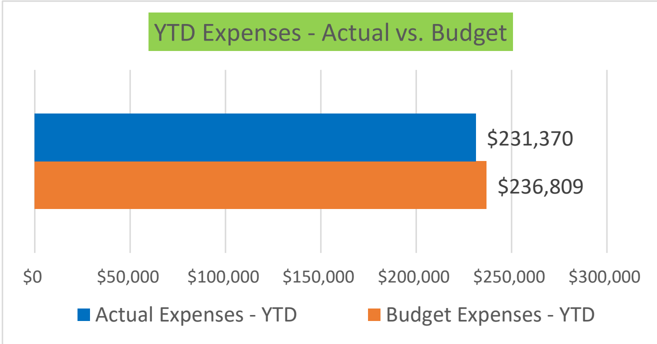
Fiscal Year	Actual/Budget	Amount
FY2015-2016	Audited	$1,041
FY2016-2017	Audited	$70,104
FY2017-2018	Audited	$180,970
FY2018-2019	Audited	$206,853
June 30, 2020	Unaudited Actual (Prelim)	$231,370
FY2019-2020	Budget	$236,809

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 2020
($000s)

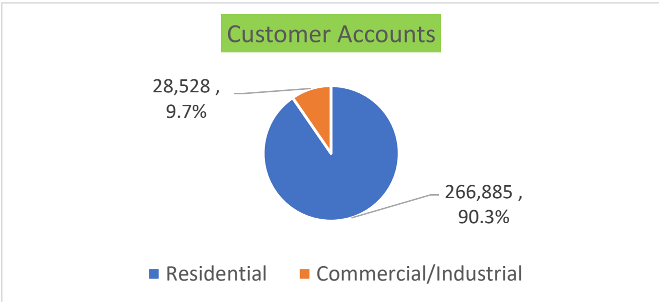
YTD Revenues



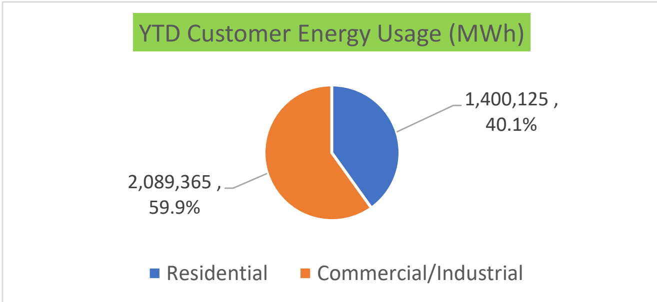
YTD Expenses



Customer Accounts



Energy Used



NOTE: FINANCIAL STATEMENTS ARE PRELIMINARY UNTIL THE ANNUAL AUDIT IS COMPLETED.

- **Revenues** were $1.9 MM below budget in Q4 (although $10.3 million above budget for YTD). Q4 included $3.7 credit to Residential CARE/FERA customers that reduced revenues - most of the credit was in April. Revenues in June were below budget as a result of COVID-19 impacts and the initial implementation of an increased PCIA. While revenues were below budget, they were higher than recent prior months as Summer Demand charges for commercial accounts started on May 1 and will continue through September.
- **Total Expenses** were $5.8 MM above budget in Q4 (although $5.4 MM below budget for the full year). Q4 includes a $6.6MM adjustment for REC expenses based on a change in methodology from prior years that shifted expenses between years. Evaluation is underway as part of the annual audit to determine if those expenses should be restated into the prior fiscal year (FY2018-19). If so, the result would be a higher net position in the current FY2019-20 fiscal year.

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 2020
($000s)

	Year-to-date				Full Year (FY 2019-2020)		Year-to-date
	Preliminary Actual	Budget	Variance: Favorable / (Unfavorable)	YTD Actual as % of YTD Budget	Budget	YTD Actual as % of Full Year Budget	Prior Year Actual
OPERATING REVENUES							
Electricity Sales, net	$ 275,534	$ 265,222	$ 10,312	103.9%	$ 265,222	103.9%	$ 257,336
Green electricity premium	2,559	2,560	(2)	99.9%	2,560	99.9%	2,446
Total Operating Revenues	**$278,093**	**$267,782**	**$10,310**	**103.9%**	**$267,782**	**103.9%**	**$259,782**
OPERATING EXPENSES							
Cost of energy	216,097	216,549	452	99.8%	216,549	99.8%	194,035
Staff compensation	4,522	4,589	67	98.5%	4,589	98.5%	3,076
Data Manager	3,580	3,822	242	93.7%	3,822	93.7%	3,771
Service Fees - PG&E	1,255	1,256	1	99.9%	1,256	99.9%	1,240
Consultants/Professional Svcs	725	896	171	80.9%	896	80.9%	588
Legal	1,309	1,472	162	89.0%	1,472	89.0%	1,345
Communications/Noticing	1,116	1,755	638	63.6%	1,755	63.6%	706
General and Administrative	1,319	1,277	(42)	103.3%	1,277	103.3%	1,337
Community Energy Programs	1,352	5,094	3,743	26.5%	5,094	26.5%	681
Depreciation	93	98	5	94.6%	98	94.6%	74
Total Operating Expenses	**231,370**	**236,809**	**5,440**	**97.7%**	**236,809**	**97.7%**	**206,853**
Operating Income (Loss)	**$46,723**	**$30,973**	**$15,750**	**150.8%**	**$30,973**	**150.8%**	**$52,929**
Total Nonoperating Inc/(Exp)	2,177	2,232	(55)	97.5%	2,232	97.5%	1,904
CHANGE IN NET POSITION	**$48,900**	**$33,205**	**$15,695**		**$33,205**	**147.3%**	**$54,833**

PRELIMINARY

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION
As of June 30, 2020

ASSETS	
Current assets	
Cash and cash equivalents	$ 16,051,116
Accounts receivable, net of allowance	22,908,592
Investments	161,578,307
Other receivables	1,735,534
Accrued revenue	13,741,725
Prepaid expenses	3,689,358
Restricted cash	32,386,560
Total current assets	252,091,192
Noncurrent assets	
Capital assets, net of depreciation	427,682
Deposits	134,840
Total noncurrent assets	562,522
Total assets	252,653,714
LIABILITIES	
Current liabilities	
Accounts payable	1,210,774
Accrued cost of electricity	28,866,870
Accrued payroll	358,214
Deferred revenue and other liabilities	1,706,137
Supplier deposits - energy suppliers	29,021,513
User taxes and energy surcharges due to other governments	857,389
Total current liabilities	62,020,897
Noncurrent liabilities	
Supplier deposits - energy suppliers	1,593,433
Total liabilities	63,614,330
NET POSITION	
Investment in capital assets	427,682
Restricted for security collateral	32,386,560
Unrestricted	156,225,142
Total net position	$ 189,039,384

PRELIMINARY

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
July 1, 2019 through June 30, 2020

OPERATING REVENUES		
Electricity sales, net	$	275,534,023
Green electricity premium		2,558,513
Total operating revenues		278,092,536
OPERATING EXPENSES		
Cost of electricity		216,096,976
Contract services		8,819,491
Staff compensation and benefits		4,522,467
General and administration		1,837,516
Depreciation		93,124
Total operating expenses		231,369,574
Operating income (loss)		46,722,962
NONOPERATING REVENUES (EXPENSES)		
Miscellaneous income		2,511
Interest and investment income		2,266,285
Finance costs		(91,500)
Total nonoperating revenues (expenses)		2,177,296
CHANGE IN NET POSITION		48,900,258
Net position at beginning of period		140,139,128
Net position at end of period	$	189,039,386

PENINSULA CLEAN ENERGY - PFM
ACCOUNT 5000141-000

MARKET VALUE RECONCILIATION

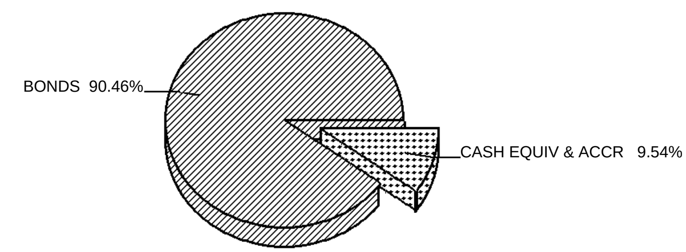
	CURRENT PERIOD 06/01/2020 TO 06/30/2020	YEAR TO DATE 04/16/2020 TO 06/30/2020
Beginning Market Value	**82,345,804.98**	**.00**
Receipts		
Cash Receipts	.00	15,009.06
Non-Cash Receipts	.00	82,197,307.65
Total Receipts	**.00**	**82,212,316.71**
Asset Activity		
Taxable Interest	- 144,276.88	- 131,815.75
Realized Gain/Loss	- 1,711.71	- 1,867.85
Change In Unrealized Gain/Loss	14,331.61	35,868.94
Assets Received Or Delivered Adjustment	.00	- 7,023.85
Total Adj Change In Unrealized Gain/Loss	**14,331.61**	**28,845.09**
Change In Accrued Income	221,024.65	345,398.39
Adjustments	.00	- 17,703.94
Total Asset Activity	**89,367.67**	**222,855.94**
Net Change In Market Value	**89,367.67**	**82,435,172.65**
Ending Market Value	**82,435,172.65**	**82,435,172.65**

COST RECONCILIATION

	CURRENT PERIOD 06/01/2020 TO 06/30/2020	YEAR TO DATE 04/16/2020 TO 06/30/2020
Beginning Cost	**82,324,267.65**	**.00**
Receipts		
Cash Receipts	.00	15,009.06
Non-Cash Receipts	.00	82,190,283.80
Total Receipts	**.00**	**82,205,292.86**
Asset Activity		
Taxable Interest	- 144,276.88	- 131,815.75
Adjustments	.00	- 17,703.94
Realized Gain/Loss	- 1,711.71	- 1,867.85
Change In Accrued Income	221,024.65	345,398.39
Total Asset Activity	**75,036.06**	**194,010.85**
Ending Cost	**82,399,303.71**	**82,399,303.71**

ASSET SUMMARY

ASSETS	06/30/2020 MARKET VALUE	% OF MARKET
Cash And Equivalents	7,521,366.91	9.12
U.S. Government Issues	55,039,021.00	66.77
Corporate Issues	12,433,427.05	15.08
Foreign Issues	6,988,701.80	8.48
Municipal Issues	107,257.50	0.13
Total Assets	**82,089,774.26**	**99.58**
Accrued Income	345,398.39	0.42
Grand Total	**82,435,172.65**	**100.00**



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PENINSULA CLEAN ENERGY - FRB
ACCOUNT 5000141-001

Period from June 1, 2020 to June 30, 2020

MARKET VALUE RECONCILIATION

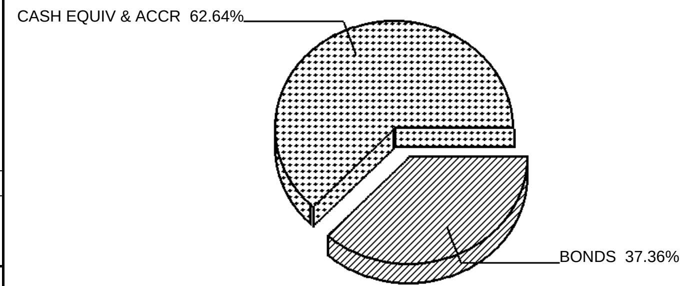
	CURRENT PERIOD 06/01/2020 TO 06/30/2020	YEAR TO DATE 04/22/2020 TO 06/30/2020
Beginning Market Value	**82,345,933.13**	**.00**
Receipts		
Cash Receipts	.00	19,869.70
Non-Cash Receipts	.00	82,192,391.20
Total Receipts	**.00**	**82,212,260.90**
Asset Activity		
Taxable Interest	30,824.82	43,439.22
Realized Gain/Loss	351.52	- 30.08
Change In Unrealized Gain/Loss	3,456.53	27,880.85
Assets Received Or Delivered Adjustment	.00	- 7,022.50
Total Adj Change In Unrealized Gain/Loss	**3,456.53**	**20,858.35**
Change In Accrued Income	76,718.89	200,772.02
Adjustments	- 65,638.38	- 85,653.90
Total Asset Activity	**45,713.38**	**179,385.61**
Net Change In Market Value	**45,713.38**	**82,391,646.51**
Ending Market Value	**82,391,646.51**	**82,391,646.51**

COST RECONCILIATION

	CURRENT PERIOD 06/01/2020 TO 06/30/2020	YEAR TO DATE 04/22/2020 TO 06/30/2020
Beginning Cost	**82,321,508.81**	**.00**
Receipts		
Cash Receipts	.00	19,869.70
Non-Cash Receipts	.00	82,185,368.70
Total Receipts	**.00**	**82,205,238.40**
Asset Activity		
Taxable Interest	30,824.82	43,439.22
Adjustments	- 65,638.38	- 85,653.90
Realized Gain/Loss	351.52	- 30.08
Change In Accrued Income	76,718.89	200,772.02
Total Asset Activity	**42,256.85**	**158,527.26**
Ending Cost	**82,363,765.66**	**82,363,765.66**

ASSET SUMMARY

ASSETS	06/30/2020 MARKET VALUE	% OF MARKET
Cash And Equivalents	51,415,995.95	62.40
U.S. Government Issues	8,476,692.00	10.29
Corporate Issues	15,304,436.04	18.58
Foreign Issues	6,993,750.50	8.49
Total Assets	**82,190,874.49**	**99.76**
Accrued Income	200,772.02	0.24
Grand Total	**82,391,646.51**	**100.00**



ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cash And Equivalents						
Money Markets						
First Am Govt Ob Fd Cl Z 31846V567 Asset Minor Code 1	31,491.910	31,491.91 1.0000	31,491.91	.00 .00	351.62	0.06
Total Money Markets	**31,491.910**	**31,491.91**	**31,491.91**	**.00** **.00**	**351.62**	**0.06**
US Treas & Agency Short Term Obligat						
U S Treasury Bill 10/08/20 912796TN9 Asset Minor Code 4	.000	.00 .9996	.00	.00 - 10,774.80	.00	0.00
U S Treasury Bill 1/28/21 912796UC1 Asset Minor Code 4	.000	.00 .9990	.00	.00 3,319.61	.00	0.00
U S Treasury Bill 4/22/21 9127962Q1 Asset Minor Code 4	7,500,000.000	7,489,875.00 .9987	7,487,812.50	2,062.50 2,650.50	.00	0.15
Total US Treas & Agency Short Term O	**7,500,000.000**	**7,489,875.00**	**7,487,812.50**	**2,062.50** **- 4,804.69**	**.00**	**0.15**
Total Cash And Equivalents	**7,531,491.910**	**7,521,366.91**	**7,519,304.41**	**2,062.50** **- 4,804.69**	**351.62**	**0.14**
US Government Issues						
F H L B Deb 0.250% 6/03/22 Standard & Poors Rating: AA+ Moodys Rating: Aaa 3130AJPU7 Asset Minor Code 22	1,700,000.000	1,700,578.00 100.0340	1,699,507.00	1,071.00 1,071.00	224.31	0.25

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
F H L B Deb 1.875% 12/09/22 Standard & Poors Rating: AA+ Moodys Rating: Aaa 313381BR5 Asset Minor Code 22	3,000,000.000	3,116,250.00 103.8750	3,119,610.00	- 3,360.00 - 3,360.00	3,437.50	1.81
F H L M C M T N 0.500% 6/16/23 Standard & Poors Rating: N/A Moodys Rating: Aaa 3134GVR67 Asset Minor Code 22	500,000.000	500,110.00 100.0220	500,000.00	110.00 110.00	104.17	0.50
F H L M C M T N 0.350% 5/13/22 Standard & Poors Rating: N/A Moodys Rating: Aaa 3134GVTG3 Asset Minor Code 22	2,000,000.000	1,999,620.00 99.9810	2,000,000.00	- 380.00 80.00	933.33	0.35
F N M A 0.500% 6/17/25 Standard & Poors Rating: AA+ Moodys Rating: N/A 3135G04Z3 Asset Minor Code 22	1,425,000.000	1,425,541.50 100.0380	1,424,540.25	1,001.25 1,001.25	237.50	0.50
F H L M C M T N 0.250% 6/26/23 Standard & Poors Rating: AA+ Moodys Rating: Aaa 3137EAES4 Asset Minor Code 22	2,725,000.000	2,720,749.00 99.8440	2,719,171.00	1,578.00 1,578.00	94.62	0.25
U S Treasury Nt 2.125% 12/31/21 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828G87 Asset Minor Code 21	1,175,000.000	1,209,192.50 102.9100	1,209,561.52	- 369.02 - 369.02	67.85	2.06
U S Treasury Nt 1.625% 4/30/23 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828R28 Asset Minor Code 21	3,000,000.000	3,122,340.00 104.0780	3,120,820.31	1,519.69 1,519.69	8,213.32	1.56

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
U S Treasury Nt 1.250% 7/31/23 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828S92 Asset Minor Code 21	2,000,000.000	2,065,860.00 103.2930	2,064,531.25	1,328.75 1,328.75	10,439.56	1.21
U S Treasury Nt 1.625% 11/15/22 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828TY6 Asset Minor Code 21	2,500,000.000	2,585,950.00 103.4380	2,584,375.00	1,575.00 1,575.00	5,188.52	1.57
U S Treasury Nt 1.375% 10/15/22 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828YK0 Asset Minor Code 21	3,000,000.000	3,082,260.00 102.7420	3,081,679.69	580.31 580.31	8,678.28	1.34
U S Treasury Nt 1.500% 10/31/24 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828YM6 Asset Minor Code 21	4,500,000.000	4,743,450.00 105.4100	4,733,671.88	9,778.12 9,778.12	11,372.28	1.42
U S Treasury Nt 0.250% 6/15/23 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828ZU7 Asset Minor Code 21	2,500,000.000	2,505,275.00 100.2110	2,502,246.09	3,028.91 3,028.91	273.22	0.25
U S Treasury Nt 1.500% 1/15/23 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828Z29 Asset Minor Code 21	2,000,000.000	2,067,040.00 103.3520	2,066,640.63	399.37 399.37	13,846.15	1.45
U S Treasury Nt 1.125% 8/31/21 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128282F6 Asset Minor Code 21	3,000,000.000	3,032,820.00 101.0940	3,033,632.81	- 812.81 - 812.81	11,280.57	1.11

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
U S Treasury Nt 2.125% 7/31/24 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128282N9 Asset Minor Code 21	3,000,000.000	3,230,730.00 107.6910	3,231,328.13	- 598.13 - 598.13	26,620.88	1.97
U S Treasury Nt 1.875% 9/30/22 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128282W9 Asset Minor Code 21	2,000,000.000	2,076,560.00 103.8280	2,076,796.88	- 236.88 - 236.88	9,426.23	1.81
U S Treasury Nt 2.125% 9/30/24 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128282Y5 Asset Minor Code 21	2,500,000.000	2,698,825.00 107.9530	2,694,042.97	4,782.03 4,782.03	13,353.83	1.97
U S Treasury Nt 2.875% 10/31/23 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128285K2 Asset Minor Code 21	3,000,000.000	3,267,180.00 108.9060	3,265,781.25	1,398.75 1,398.75	14,531.25	2.64
U S Treasury Nt 2.500% 1/31/24 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128285Z9 Asset Minor Code 21	2,500,000.000	2,704,500.00 108.1800	2,701,171.88	3,328.12 3,328.12	26,098.90	2.31
U S Treasury Nt 2.375% 3/15/22 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128286H8 Asset Minor Code 21	2,000,000.000	2,074,840.00 103.7420	2,076,015.62	- 1,175.62 - 1,175.62	13,940.22	2.29
U S Treasury Nt 2.125% 5/15/22 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128286U9 Asset Minor Code 21	3,000,000.000	3,109,350.00 103.6450	3,110,273.44	- 923.44 - 923.44	8,141.98	2.05

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Total US Government Issues	**53,025,000.000**	**55,039,021.00**	**55,015,397.60**	**23,623.40** **24,083.40**	**186,504.47**	**1.48**

Corporate Issues

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
American Mtn 2.06617% 7/20/20 Standard & Poors Rating: A- Moodys Rating: A3 02665WBS9 Asset Minor Code 28	1,215,000.000	1,215,230.85 100.0190	1,215,714.42	- 483.57 - 400.95	5,020.80	2.07
Bank Of America Corp 3.864% 7/23/24 Standard & Poors Rating: A- Moodys Rating: A2 06051GHL6 Asset Minor Code 28	545,000.000	590,594.70 108.3660	592,049.85	- 1,455.15 - 1,455.15	9,242.47	3.57
Bank Of Ny Mello Mtn 3.250% 9/11/24 Standard & Poors Rating: A Moodys Rating: A1 06406HCX5 Asset Minor Code 28	550,000.000	604,004.50 109.8190	604,774.50	- 770.00 - 770.00	5,461.81	2.96
Bank Of Ny Mtn 2.100% 10/24/24 Standard & Poors Rating: A Moodys Rating: A1 06406RAL1 Asset Minor Code 28	565,000.000	595,346.15 105.3710	595,447.85	- 101.70 - 101.70	2,208.21	1.99
Bristol Myers Squibb 2.900% 7/26/24 Standard & Poors Rating: A+ Moodys Rating: A2 110122BZ0 Asset Minor Code 28	600,000.000	649,044.00 108.1740	646,002.00	3,042.00 3,042.00	7,491.67	2.68
Chevron Corp New Sr 1.554% 5/11/25 Standard & Poors Rating: AA Moodys Rating: Aa2 166764BW9 Asset Minor Code 28	600,000.000	617,010.00 102.8350	613,122.00	3,888.00 3,888.00	1,295.00	1.51

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
John Deere Mtn 2.254% 7/10/20 Standard & Poors Rating: A Moodys Rating: A2 24422EUN7 Asset Minor Code 28	1,380,000.000	1,380,082.80 100.0060	1,381,192.32	- 1,109.52 - 1,766.40	5,442.30	2.25
General Dynamics 3.500% 5/15/25 Standard & Poors Rating: A Moodys Rating: A2 369550BG2 Asset Minor Code 28	600,000.000	670,932.00 111.8220	668,964.00	1,968.00 1,968.00	2,683.33	3.13
Hsbc USA Inc 2.750% 8/07/20 Standard & Poors Rating: A- Moodys Rating: A2 40428HPV8 Asset Minor Code 28	1,500,000.000	1,503,360.00 100.2240	1,503,330.00	30.00 - 2,550.00	16,500.00	2.74
Honeywell 1.350% 6/01/25 Standard & Poors Rating: A Moodys Rating: A2 438516CB0 Asset Minor Code 28	600,000.000	614,490.00 102.4150	611,520.00	2,970.00 2,970.00	967.50	1.32
Intercontinental 2.750% 12/01/20 Standard & Poors Rating: A Moodys Rating: A2 45866FAC8 Asset Minor Code 28	.000	.00 100.6010	.00	.00 - 282.00	.00	0.00
Jpmorgan Chase Co 3.125% 1/23/25 Standard & Poors Rating: A- Moodys Rating: A2 46625HKC3 Asset Minor Code 28	545,000.000	593,990.05 108.9890	593,368.75	621.30 621.30	7,474.83	2.87
Pfizer Inc Sr Glbl 0.800% 5/28/25 Standard & Poors Rating: AA- Moodys Rating: A1 717081EX7 Asset Minor Code 28	600,000.000	599,754.00 99.9590	598,434.00	1,320.00 1,320.00	440.00	0.80

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
State Street Corp 2.550% 8/18/20 Standard & Poors Rating: A Moodys Rating: A1 857477AS2 Asset Minor Code 28	1,500,000.000	1,504,260.00 100.2840	1,502,455.50	1,804.50 - 2,550.00	14,131.25	2.54
Target Corp 2.250% 4/15/25 Standard & Poors Rating: A Moodys Rating: A2 87612EBL9 Asset Minor Code 28	600,000.000	641,706.00 106.9510	642,426.00	- 720.00 - 720.00	3,412.50	2.10
Walmart Inc 2.850% 6/23/20 Standard & Poors Rating: N/R Moodys Rating: WR 931142EG4 Asset Minor Code 28	.000	.00 100.0000	.00	.00 - 89.90	.00	0.00
Walmart Inc 3.400% 6/26/23 Standard & Poors Rating: AA Moodys Rating: Aa2 931142EK5 Asset Minor Code 28	600,000.000	653,622.00 108.9370	648,870.00	4,752.00 4,752.00	283.33	3.12
Total Corporate Issues	**12,000,000.000**	**12,433,427.05**	**12,417,671.19**	**15,755.86** **7,875.20**	**82,055.00**	**2.39**

Foreign Issues

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Aust Nz Banking Mtn 2.125% 8/19/20 Standard & Poors Rating: AA- Moodys Rating: Aa3 05253JAR2 Asset Minor Code 35	1,350,000.000	1,352,889.00 100.2140	1,354,398.30	- 1,509.30 - 2,241.00	10,518.75	2.12
Bank Of Montreal Mtn 3.100% 7/13/20 Standard & Poors Rating: A+ Moodys Rating: Aa2 06367T7H7 Asset Minor Code 33	1,500,000.000	1,501,260.00 100.0840	1,503,790.50	- 2,530.50 - 3,420.00	21,700.00	3.10

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Lloyds Bank Plc 2.700% 8/17/20 Standard & Poors Rating: A+ Moodys Rating: Aa3 53944VAK5 Asset Minor Code 35	1,000,000.000	1,002,870.00 100.2870	1,002,291.00	579.00 - 2,050.00	10,050.00	2.69
Royal Bank Canada 2.15198% 10/26/20 Standard & Poors Rating: AA- Moodys Rating: Aa2 78013GKP9 Asset Minor Code 33	1,000,000.000	1,001,060.00 100.1060	1,001,352.00	- 292.00 340.00	3,945.30	2.15
Toronto Dominion Mtn 3.150% 9/17/20 Standard & Poors Rating: AA- Moodys Rating: Aa1 89114QC71 Asset Minor Code 33	1,120,000.000	1,126,652.80 100.5940	1,125,399.52	1,253.28 - 2,620.80	10,192.00	3.13
Ubs Ag Stamford Mtn 4.875% 8/04/20 Standard & Poors Rating: A+ Moodys Rating: Aa3 90261XGD8 Asset Minor Code 35	1,000,000.000	1,003,970.00 100.3970	1,007,730.00	- 3,760.00 - 3,450.00	19,906.25	4.86
Total Foreign Issues	**6,970,000.000**	**6,988,701.80**	**6,994,961.32**	**- 6,259.52** **- 13,441.80**	**76,312.30**	**2.97**

Municipal Issues

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Connecticut ST 3.000% 7/01/21 Standard & Poors Rating: A Moodys Rating: A1 20772KJT7 Asset Minor Code 39	105,000.000	107,257.50 102.1500	106,570.80	686.70 619.50	175.00	2.94
Total Municipal Issues	**105,000.000**	**107,257.50**	**106,570.80**	**686.70** **619.50**	**175.00**	**2.93**

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Total Assets	**79,631,491.910**	**82,089,774.26**	**82,053,905.32**	**35,868.94** **14,331.61**	**345,398.39**	**1.62**
Accrued Income	**.000**	**345,398.39**	**345,398.39**			
Grand Total	**79,631,491.910**	**82,435,172.65**	**82,399,303.71**			

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

We provide a cash management administrative service for the temporary investment of principal and income balances in your account. The fee for providing this service will not exceed $0.42 per month for each $1,000 of the average daily balance invested under the cash management administrative service. The charge for this service has been deducted from your account.

Yield on Market and Accrued Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

BOND SUMMARY

	PAR VALUE	MARKET VALUE	PERCENTAGE OF CATEGORY
SHORT-TERM MATURITY DETAIL			
30 Days or Less			
John Deere Mtn 2.254% 7/10/20	1,380,000.00	1,380,082.80	10.96
Bank Of Montreal Mtn 3.100% 7/13/20	1,500,000.00	1,501,260.00	11.93
American Mtn 2.06617% 7/20/20	1,215,000.00	1,215,230.85	9.65
Total 30 Days or Less	**4,095,000.00**	**4,096,573.65**	**32.54**
31 to 60 Days			
Ubs Ag Stamford Mtn 4.875% 8/04/20	1,000,000.00	1,003,970.00	7.97
Hsbc USA Inc 2.750% 8/07/20	1,500,000.00	1,503,360.00	11.94
Lloyds Bank Plc 2.700% 8/17/20	1,000,000.00	1,002,870.00	7.96
State Street Corp 2.550% 8/18/20	1,500,000.00	1,504,260.00	11.95
Aust Nz Banking Mtn 2.125% 8/19/20	1,350,000.00	1,352,889.00	10.74
Total 31 to 60 Days	**6,350,000.00**	**6,367,349.00**	**50.56**
61 to 90 Days			
Toronto Dominion Mtn 3.150% 9/17/20	1,120,000.00	1,126,652.80	8.95
Total 61 to 90 Days	**1,120,000.00**	**1,126,652.80**	**8.95**
91 to 120 Days			
Royal Bank Canada 2.15198% 10/26/20	1,000,000.00	1,001,060.00	7.95
Total 91 to 120 Days	**1,000,000.00**	**1,001,060.00**	**7.95**
Total	**12,565,000.00**	**12,591,635.45**	**100.00**
MATURITY SUMMARY			
2020	12,565,000.00	12,591,635.45	16.89

BOND SUMMARY (continued)

	PAR VALUE	MARKET VALUE	PERCENTAGE OF CATEGORY
2021	4,280,000.00	4,349,270.00	5.84
2022	19,200,000.00	19,745,408.00	26.48
2023	16,325,000.00	16,902,176.00	22.66
2024	14,760,000.00	15,816,494.35	21.21
2025	4,970,000.00	5,163,423.55	6.92
Total	**72,100,000.00**	**74,568,407.35**	**100.00**

MOODY'S RATING

	PAR VALUE	MARKET VALUE	PERCENTAGE OF CATEGORY
Aaa	51,600,000.00	53,613,479.50	71.90
Aa1	1,120,000.00	1,126,652.80	1.51
Aa2	3,700,000.00	3,772,952.00	5.06
Aa3	3,350,000.00	3,359,729.00	4.51
A1	3,320,000.00	3,410,622.15	4.57
A2	6,370,000.00	6,644,199.55	8.91
A3	1,215,000.00	1,215,230.85	1.63
N/A	1,425,000.00	1,425,541.50	1.91
Total	**72,100,000.00**	**74,568,407.35**	**100.00**

S&P RATING

	PAR VALUE	MARKET VALUE	PERCENTAGE OF CATEGORY
AA+	8,850,000.00	8,963,118.50	12.02
AA	1,200,000.00	1,270,632.00	1.70
AA-	4,070,000.00	4,080,355.80	5.47
A+	4,100,000.00	4,157,144.00	5.58
A	5,900,000.00	6,118,078.95	8.21
A-	3,805,000.00	3,903,175.60	5.23
N/A	44,175,000.00	46,075,902.50	61.79
Total	**72,100,000.00**	**74,568,407.35**	**100.00**

ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cash And Equivalents						
Money Markets						
First Am Govt Ob Fd Cl Z 31846V567 Asset Minor Code 1	2,670,850.250	2,670,850.25 1.0000	2,670,850.25	.00 .00	412.14	0.06
Total Money Markets	**2,670,850.250**	**2,670,850.25**	**2,670,850.25**	**.00** **.00**	**412.14**	**0.06**
US Treas & Agency Short Term Obligat						
U S Treasury Bill 10/08/20 912796TN9 Asset Minor Code 4	16,400,000.000	16,392,948.00 .9996	16,379,727.78	13,220.22 2,460.00	.00	0.14
U S Treasury Bill 1/28/21 912796UC1 Asset Minor Code 4	15,590,000.000	15,574,877.70 .9990	15,569,109.00	5,768.70 3,430.20	.00	0.15
U S Treasury Bill 4/22/21 9127962Q1 Asset Minor Code 4	16,800,000.000	16,777,320.00 .9987	16,772,700.00	4,620.00 5,208.00	.00	0.15
Total US Treas & Agency Short Term O	**48,790,000.000**	**48,745,145.70**	**48,721,536.78**	**23,608.92** **11,098.20**	**.00**	**0.14**
Total Cash And Equivalents	**51,460,850.250**	**51,415,995.95**	**51,392,387.03**	**23,608.92** **11,098.20**	**412.14**	**0.14**
US Government Issues						
U S Treasury Nt 0.250% 4/15/23 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828ZH6 Asset Minor Code 21	2,125,000.000	2,129,483.75 100.2110	2,127,158.21	2,325.54 2,325.54	1,117.66	0.25

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
U S Treasury Nt 0.125% 4/30/22 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828ZM5 Asset Minor Code 21	2,125,000.000	2,123,342.50 99.9220	2,122,509.78	832.72 832.72	447.52	0.13
U S Treasury Nt 0.00001% 5/31/25 Standard & Poors Rating: N/A Moodys Rating: Aaa 912828ZT0 Asset Minor Code 21	2,125,000.000	2,122,428.75 99.8790	2,117,197.28	5,231.47 5,231.47	.02	0.00
U S Treasury Nt 2.250% 4/30/24 Standard & Poors Rating: N/A Moodys Rating: Aaa 9128286R6 Asset Minor Code 21	1,950,000.000	2,101,437.00 107.7660	2,099,144.54	2,292.46 2,292.46	7,391.98	2.09
Total US Government Issues	**8,325,000.000**	**8,476,692.00**	**8,466,009.81**	**10,682.19** **10,682.19**	**8,957.18**	**0.61**
Corporate Issues						
Amazon Com Inc 2.500% 11/29/22 Standard & Poors Rating: AA- Moodys Rating: A2 023135AJ5 Asset Minor Code 28	2,585,000.000	2,706,029.70 104.6820	2,700,756.30	5,273.40 5,273.40	5,744.44	2.39
American Mtn 2.06617% 7/20/20 Standard & Poors Rating: A- Moodys Rating: A3 02665WBS9 Asset Minor Code 28	1,210,000.000	1,210,229.90 100.0190	1,210,711.48	- 481.58 - 3,433.98	5,000.14	2.07
Apple Inc 2.500% 2/09/25 Standard & Poors Rating: AA+ Moodys Rating: Aa1 037833AZ3 Asset Minor Code 28	2,000,000.000	2,151,560.00 107.5780	2,154,500.00	- 2,940.00 - 2,940.00	19,722.22	2.32

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cme Group Inc 3.000% 3/15/25 Standard & Poors Rating: AA- Moodys Rating: Aa3 12572QAG0 Asset Minor Code 28	2,436,000.000	2,688,954.24 110.3840	2,689,344.00	- 389.76 - 389.76	21,518.00	2.72
John Deere Mtn 2.254% 7/10/20 Standard & Poors Rating: A Moodys Rating: A2 24422EUN7 Asset Minor Code 28	1,370,000.000	1,370,082.20 100.0060	1,371,183.68	- 1,101.48 - 3,553.78	5,402.87	2.25
Hsbc USA Inc 2.750% 8/07/20 Standard & Poors Rating: A- Moodys Rating: A2 40428HPV8 Asset Minor Code 28	1,500,000.000	1,503,360.00 100.2240	1,503,330.15	29.85 - 2,550.00	16,500.00	2.74
Intercontinental 2.750% 12/01/20 Standard & Poors Rating: A Moodys Rating: A2 45866FAC8 Asset Minor Code 28	.000	.00 100.6010	.00	.00 - 281.90	.00	0.00
State Street Corp 2.550% 8/18/20 Standard & Poors Rating: A Moodys Rating: A1 857477AS2 Asset Minor Code 28	1,500,000.000	1,504,260.00 100.2840	1,502,455.66	1,804.34 - 2,550.00	14,131.25	2.54
Walmart Inc 2.850% 6/23/20 Standard & Poors Rating: N/R Moodys Rating: WR 931142EG4 Asset Minor Code 28	.000	.00 100.0000	.00	.00 2,898.50	.00	0.00
Wells Fargo Bank Na 3.550% 8/14/23 Standard & Poors Rating: A+ Moodys Rating: Aa2 94988J5R4 Asset Minor Code 28	2,000,000.000	2,169,960.00 108.4980	2,172,320.00	- 2,360.00 - 2,360.00	27,019.44	3.27

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Total Corporate Issues	**14,601,000.000**	**15,304,436.04**	**15,304,601.27**	**- 165.23** **- 9,887.52**	**115,038.36**	**2.57**

Foreign Issues

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Aust Nz Banking Mtn 2.125% 8/19/20 Standard & Poors Rating: AA- Moodys Rating: Aa3 05253JAR2 Asset Minor Code 35	1,345,000.000	1,347,878.30 100.2140	1,349,382.01	- 1,503.71 - 3,010.11	10,479.79	2.12
Bank Of Montreal Mtn 3.100% 7/13/20 Standard & Poors Rating: A+ Moodys Rating: Aa2 06367T7H7 Asset Minor Code 33	1,500,000.000	1,501,260.00 100.0840	1,503,791.75	- 2,531.75 - 3,420.00	21,700.00	3.10
Lloyds Bank Plc 2.700% 8/17/20 Standard & Poors Rating: A+ Moodys Rating: Aa3 53944VAK5 Asset Minor Code 35	1,000,000.000	1,002,870.00 100.2870	1,002,291.81	578.19 - 2,050.00	10,050.00	2.69
Royal Bank Canada 2.15198% 10/26/20 Standard & Poors Rating: AA- Moodys Rating: Aa2 78013GKP9 Asset Minor Code 33	1,000,000.000	1,001,060.00 100.1060	1,001,352.23	- 292.23 340.00	3,945.30	2.15
Toronto Dominion Mtn 3.150% 9/17/20 Standard & Poors Rating: AA- Moodys Rating: Aa1 89114QC71 Asset Minor Code 33	1,130,000.000	1,136,712.20 100.5940	1,135,447.73	1,264.47 1,953.77	10,283.00	3.13
Ubs Ag Stamford Mtn 4.875% 8/04/20 Standard & Poors Rating: A+ Moodys Rating: Aa3 90261XGD8 Asset Minor Code 35	1,000,000.000	1,003,970.00 100.3970	1,007,730.00	- 3,760.00 - 2,250.00	19,906.25	4.86

ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	FEDERAL TAX COST	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Total Foreign Issues	**6,975,000.000**	**6,993,750.50**	**6,999,995.53**	**- 6,245.03** **- 8,436.34**	**76,364.34**	**2.97**
Total Assets	**81,361,850.250**	**82,190,874.49**	**82,162,993.64**	**27,880.85** **3,456.53**	**200,772.02**	**0.88**
Accrued Income	**.000**	**200,772.02**	**200,772.02**			
Grand Total	**81,361,850.250**	**82,391,646.51**	**82,363,765.66**			

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

We provide a cash management administrative service for the temporary investment of principal and income balances in your account. The fee for providing this service will not exceed $0.42 per month for each $1,000 of the average daily balance invested under the cash management administrative service. The charge for this service has been deducted from your account.

Yield on Market and Accrued Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

BOND SUMMARY

	PAR VALUE	MARKET VALUE	PERCENTAGE OF CATEGORY
SHORT-TERM MATURITY DETAIL			
30 Days or Less			
John Deere Mtn 2.254% 7/10/20	1,370,000.00	1,370,082.20	10.89
Bank Of Montreal Mtn 3.100% 7/13/20	1,500,000.00	1,501,260.00	11.93
American Mtn 2.06617% 7/20/20	1,210,000.00	1,210,229.90	9.62
Total 30 Days or Less	**4,080,000.00**	**4,081,572.10**	**32.44**
31 to 60 Days			
Ubs Ag Stamford Mtn 4.875% 8/04/20	1,000,000.00	1,003,970.00	7.98
Hsbc USA Inc 2.750% 8/07/20	1,500,000.00	1,503,360.00	11.95
Lloyds Bank Plc 2.700% 8/17/20	1,000,000.00	1,002,870.00	7.97
State Street Corp 2.550% 8/18/20	1,500,000.00	1,504,260.00	11.96
Aust Nz Banking Mtn 2.125% 8/19/20	1,345,000.00	1,347,878.30	10.71
Total 31 to 60 Days	**6,345,000.00**	**6,362,338.30**	**50.57**
61 to 90 Days			
Toronto Dominion Mtn 3.150% 9/17/20	1,130,000.00	1,136,712.20	9.03
Total 61 to 90 Days	**1,130,000.00**	**1,136,712.20**	**9.03**
91 to 120 Days			
Royal Bank Canada 2.15198% 10/26/20	1,000,000.00	1,001,060.00	7.96
Total 91 to 120 Days	**1,000,000.00**	**1,001,060.00**	**7.96**
Total	**12,555,000.00**	**12,581,682.60**	**100.00**
MATURITY SUMMARY			
2020	12,555,000.00	12,581,682.60	40.89

BOND SUMMARY (continued)

	PAR VALUE	MARKET VALUE	PERCENTAGE OF CATEGORY
2021	.00	.00	0.00
2022	4,710,000.00	4,829,372.20	15.70
2023	4,125,000.00	4,299,443.75	13.97
2024	1,950,000.00	2,101,437.00	6.82
2025	6,561,000.00	6,962,942.99	22.62
Total	**29,901,000.00**	**30,774,878.54**	**100.00**
MOODY'S RATING			
Aaa	8,325,000.00	8,476,692.00	27.55
Aa1	3,130,000.00	3,288,272.20	10.68
Aa2	4,500,000.00	4,672,280.00	15.18
Aa3	5,781,000.00	6,043,672.54	19.64
A1	1,500,000.00	1,504,260.00	4.89
A2	5,455,000.00	5,579,471.90	18.13
A3	1,210,000.00	1,210,229.90	3.93
Total	**29,901,000.00**	**30,774,878.54**	**100.00**
S&P RATING			
AA+	2,000,000.00	2,151,560.00	6.99
AA-	8,496,000.00	8,880,634.44	28.86
A+	5,500,000.00	5,678,060.00	18.45
A	2,870,000.00	2,874,342.20	9.34
A-	2,710,000.00	2,713,589.90	8.82
N/A	8,325,000.00	8,476,692.00	27.54
Total	**29,901,000.00**	**30,774,878.54**	**100.00**