



**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, December 17, 2020  
6:30 pm**

**PLEASE NOTE:** for Video conference: <https://meetings.ringcentral.com/j/1495619892>  
for Audio conference: dial 1-623-404-9000, or 1-773-231-9226,  
then enter the Meeting ID: 149 561 9892 followed by #

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**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](mailto: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](mailto: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. Approve Addendum No.1 to the Community Choice Aggregation Implementation Plan and Statement of Intent to Address PCE Expansion to the City of Los Banos, CA (Action)
5. Approve Peninsula Clean Energy Participation in California Community Power (CC Power) Joint Powers Authority and Delegate Authority to the Chief Executive Office to Execute the CC Power Joint Powers Authority Agreement (Action)
6. Approve Resolution Delegating Authority to the Chief Executive Officer to Execute a Power Purchase Confirmation Agreement (PPA) for Renewable Supply from the Voyager Wind project with Shell Energy North America (US), L.P. a Delaware limited partnership, and any necessary ancillary documents. Power Delivery Term: January 1, 2021 through December 31, 2028, in an amount not to exceed \$125,000,000 (Action)
7. Approve Resolution Delegating Authority to the Chief Executive Officer to execute a Contract and any necessary ancillary documents with Z-Global, Inc. for Scheduling Coordinator Services, Congestion Revenue Rights Portfolio Management and Short-term Load Forecasting in an amount not to exceed \$850,000 with a term from February 1, 2021 through January 31, 2024 (Action)
8. Approve the proposed contract amendment to include an additional \$100,000 in the existing contract with TRC Engineers to support the development of local policies to advance building electrification and electric vehicle readiness in existing buildings (Action)
9. Adopt a Resolution endorsing the efforts of the Beyond Gasoline Initiative to reduce gasoline consumption by 50% by 2030 in San Mateo County (Action)
10. Board Members' Reports (Discussion)

## **CONSENT AGENDA**

11. Authorize the Chief Executive Officer to execute a Contract with Utility API for Energy Data Access Services in an amount not to exceed \$491,500 with a term of 3 years (Action)

12. Authorize Chief Executive Officer to execute an Amendment to the Confirmation Agreement with Energy America, LLC (Direct Energy) dated June 24, 2016 to extend scheduling coordinator services through January 31, 2021 and Congestion Revenue Rights services through January 31, 2021 with a not to exceed amount for the amendment of \$125,000 (Action)
13. Authorize the Chief Executive Officer to execute an Amendment to the Agreement with Ascend Analytics for risk analysis studies to increase the not to exceed amount to \$66,000 and to extend the term through May 29, 2021 (Action)
14. Authorize an Agreement with ABB Enterprise Software (ABB) to provide additional advisory services in the amount of \$20,000, for a total amount for 2020 of \$165,000 (Action)
15. Approve Modification to Policy 7: Risk Management Procedures and Controls for Transactions in the California Independent System Operator Markets (Action)
16. Approval of the Minutes for the November 19, 2020 Meeting (Action)

### **INFORMATION ONLY REPORTS**

17. Marketing and Outreach Report
18. Regulatory and Legislative Report
19. Community Energy Programs Report
20. Procurement Report
21. Resiliency Strategy Report

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

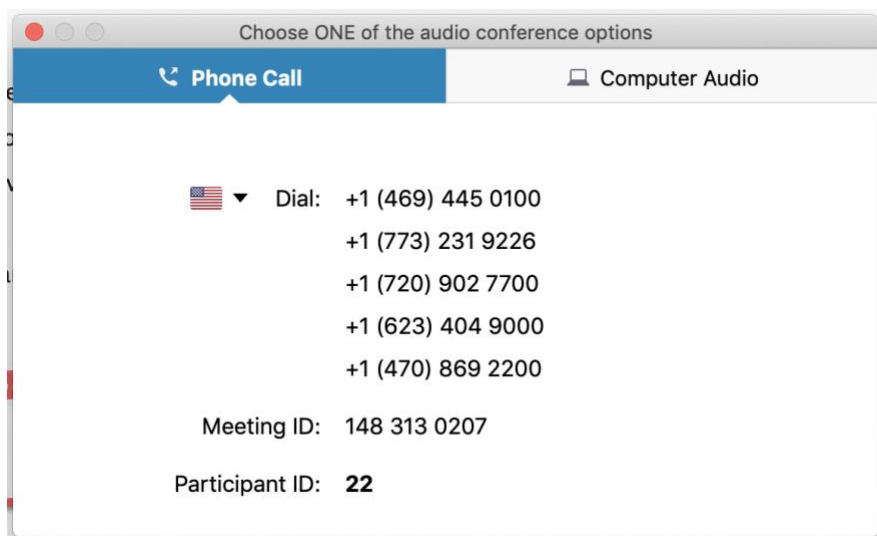
### Videoconference Options:

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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/1495619892>
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.



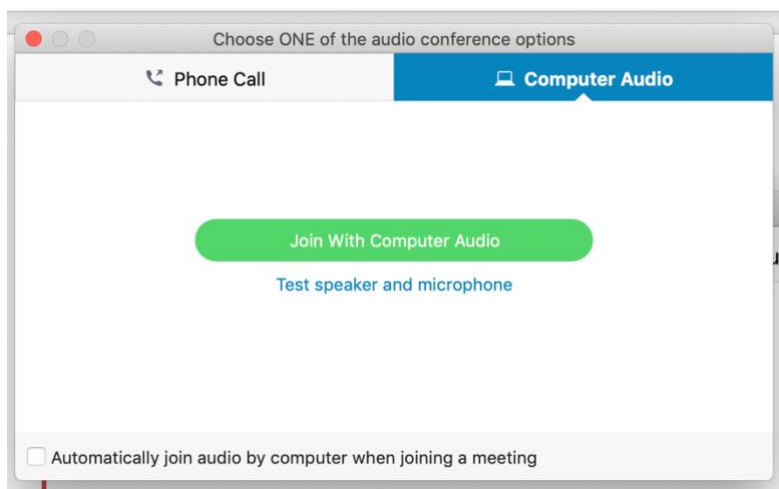
**IMPORTANT:** Please do not use the Participant ID that is in the picture to the left. Enter the Participant ID that appears on your own personal pop-up.



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: **149 561 9892 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.

### **Option 2 Videoconference with Computer Audio:**

1. From your computer, click on the following link:
2. <https://meetings.ringcentral.com/j/1495619892>
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**

Click on one of the following “one-tap” numbers from your iPhone. Any number will work, but dial by your location for better audio quality:

**+1(623)4049000,,1495619892# (US West)**

+1(720)9027700,,1495619892# (US Central)

+1(773)2319226,,1495619892# (US North)

+1(469)4450100,,1495619892# (US South)

+1(470)8692200,,1495619892# (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: 149 561 9892 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 AUTHORITY  
Board Correspondence**

**DATE:** December 10, 2020  
**BOARD MEETING DATE:** December 17, 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:**

**PG&E and PCIA rate changes**

Proposed decisions have been issued by the CPUC about changes to the PCIA for 2021 for both PG&E and SCE territories. The proposed decisions differ in how the PCIA under-collections will be collected from CCA customers within the two service areas. They also differ in whether the half-cent cap on the PCIA will be preserved in 2021. The CPUC is expected to resolve these differences and make a final decision at their meeting on December 17, 2020, to possibly go into effect on January 1, 2021. Once that decision is made, and the detailed rate sheets from PG&E a number of days later, we will be able to fully understand the impact on PCE and make a recommendation on how we should adjust our rates for 2021. As you have likely seen in the news, PG&E has also announced increases in their distribution rates, which are likely to go into effect on March 1, 2021. Additionally, it is expected that PG&E will be proposing changes in its generation rates based on the CPUC decision on December 17, 2020 that will also go into effect on March 1, 2021. PCE staff will analyze all of these moving parts with regard to rates and discuss these changes with the PCE Executive Committee at the January 11, 2021 meeting. After receiving input from the Executive Committee, staff will bring a rate change proposal to the full PCE board for a decision at the January 28, 2021 board meeting.

**CalCCA Supplier Diversity Workshop**

PCE assisted in planning and participated in a CalCCA workshop on supplier diversity, including the history of GO156 and its requirements, and the requirements under SB 255. SB 255 requires that CCA reporting to the CPUC include 1) an annual plan for increasing procurement from small, local and diverse business enterprises and 2) an annual report to the CPUC regarding its procurement from women, minority, disabled

veteran, and LGBT business enterprises. Combined with this, PCE staff is evaluating the existing PCE Sustainable Workforce policy, Ethical Vendors policy, and strategic plan items related to diversity, commitments to low-income/DAC programs, and workforce development efforts. We will be bringing suggested updates and implementation recommendations to these policies and processes to the board in the first quarter of 2021.

#### **Impact of COVID-19 on PCE Load**

A verbal report will be provided at the Board of Directors meeting, including changes in Peninsula Clean Energy load.

#### **Other Meetings and Events Attended by CEO**

At the December 10 CalCCA board meeting, I was elected to serve on the CalCCA Executive Committee for calendar year 2021.

Participated in weekly and monthly CalCCA board meetings.

Participated in SV5 (formerly called MAG5) meetings



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** December 7, 2020

**BOARD MEETING DATE:** December 17, 2020

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer  
Leslie Brown, Director of Customer Care

**SUBJECT:** Approve Addendum No.1 to the Community Choice Aggregation  
Implementation Plan and Statement of Intent to Address PCE  
Expansion to the City of Los Banos, CA

**RECOMMENDATION:**

Staff is recommending that Peninsula Clean Energy's board of directors approve the referenced addendum to our original Implementation Plan to include expansion of Peninsula Clean Energy service to the residents and businesses of the City of Los Banos.

**BACKGROUND:**

The CPUC requires any existing CCA expanding their service territory, or any newly formed CCA jurisdictions, to file an Implementation Plan with the CPUC before January 1 the year before the CCA intends to offer service. This means that in order to offer service to the City of Los Banos in 2022, Peninsula Clean Energy must file the Implementation Plan for expansion by December 31, 2020.

**DISCUSSION:**

The Implementation Plan includes a variety of information such as Peninsula Clean Energy's enrollment plan and estimated timeline, projected new customer base, and forecasted energy sales post Los Banos enrollment. In preparing our Addendum PCE staff reviewed several other revised CCA Implementation Plans for territory expansion and worked with technical and legal consultants for accuracy and completeness. We are confident that this plan meets the requirements set forth by the CPUC for approval.

**STRATEGIC PLAN:**

Expanding service to the City of Los Banos aligns with Peninsula Clean Energy's strategic goal to advocate for public policies that advance the growth of community energy and CCAs

**RESOLUTION NO. \_\_\_\_\_**

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

\* \* \* \* \*

**RESOLUTION APPROVING ADDENDUM 1 TO THE COMMUNITY CHOICE  
AGGREGATION IMPLEMENTATION PLAN AND STATEMENT OF INTENT TO  
ADDRESS PCE EXPANSION TO THE CITY OF LOS BANOS, CALIFORNIA**

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

**WHEREAS**, The City of Los Banos has expressed interest in receiving electric generation services from Peninsula Clean Energy Authority; and

**WHEREAS**, The Los Banos City Council has adopted an ordinance to join Peninsula Clean Energy Authority; and

**WHEREAS**, Peninsula Clean Energy Authority Board of Directors voted on October 22, 2020, to amend the Joint Powers Authority Agreement to extend services to the City of Los Banos; and

**WHEREAS**, an Implementation Plan provides notice to the California Public Utilities Commission (CPUC) of intent to form or join a Community Choice Aggregator for generation service; and

**WHEREAS**, Peninsula Clean Energy Authority adopted the original Implementation Plan at a public meeting on March 31, 2016, and submitted that Implementation Plan to the CPUC on April 4, 2016; and

**WHEREAS**, Peninsula Clean Energy Authority must file an Addendum to the original Implementation Plan to expand services to new members.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board Approve Addendum 1 to the Community Choice Aggregation Implementation Plan and Statement of Intent to Address PCE Expansion to the City of Los Banos, California.

\* \* \* \* \*





**ADDENDUM NO. 1 TO THE  
COMMUNITY CHOICE AGGREGATION  
IMPLEMENTATION PLAN AND STATEMENT OF INTENT  
TO ADDRESS PCE EXPANSION TO  
THE CITY OF LOS BANOS, CA**

**DECEMBER XX, 2020**

## **Purpose – Statement of Intent**

The purpose of this document is to make revisions to the Peninsula Clean Energy Authority (“PCE”) Implementation Plan and Statement of Intent in support of its planned expansion of service to include all eligible electrical accounts located within the City of Los Banos, California beginning in April 2022.

## **CHAPTER 1 – Introduction**

Peninsula Clean Energy Authority is a public agency formed as a California Joint Powers Agency in 2016 to implement a Community Choice Aggregation (CCA) program serving the unincorporated County of San Mateo and its incorporated towns and cities including: Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside. In compliance with State law, PCE submitted its Implementation Plan to the California Public Utilities Commission (“CPUC” or “Commission”) on April 4, 2016 and received certification on June 8, 2016. Consistent with the Plan’s expressed intent, PCE launched service on October 1, 2016 and currently serves approximately 296,000 accounts, including residential and commercial customers within its service territory.

PCE’s Board of Directors adopted two Resolutions on October 22, 2020, which provided for amending its Joint Powers Agreement and adding the City of Los Banos as a Party to its Joint Powers Agreement and CCA. Those Resolutions are attached as Appendix 1 and Appendix 2. The Second Amended Joint Powers Agreement is attached hereto as Appendix 3. Also attached as Appendix 4 is the Resolution adopted by the City of Los Banos on October 21, 2020 authorizing membership in PCE’s CCA and a signed version of the Second Amended JPA by Los Banos.

This Addendum No. 1 describes PCE’s expansion plans to include the City of Los Banos. PCE intends to enroll such customers in a single phase in April, 2022 consistent with the Commission’s E-4907 requirements, which define timing for the filing of an Implementation Plan in advance of service commencement. According to the Commission, the Energy Division is required to receive and review a revised Implementation Plan reflecting the changes/consequences that are expected to result from the inclusion of additional member agencies. With this in mind, PCE has reviewed its initial Implementation Plan which was filed with the Commission on April 4, 2016 and has identified certain information that requires updating to reflect anticipated changes and updated forecasts and projections reflective of PCE’s recent operating history. The content of this document includes references to PCE’s April 4, 2016 Implementation Plan which is attached hereto as Appendix 5. Also attached hereto as Appendix 6 is a copy of the CPUC Certification Letter for the PCE Implementation Plan submitted April 4, 2016.

On December 17, 2020, at a duly noticed public hearing, PCE’s Board of Directors adopted this Addendum via a Resolution (attached as Appendix 7) authorizing submittal of this Addendum No. 1 to PCE’s Implementation Plan and Statement of Intent which addresses prospective service

expansion and delivery to the City of Los Banos, CA. Addendum No. 1 addresses the requirements of Public Utilities Code Section 366.2(c) including universal access, reliability, equitable treatment of all customer classes and any requirements established by State law or by the CPUC concerning aggregated electric service, while streamlining public review of pertinent changes related to PCE's anticipated expansion.

## **CHAPTER 2 – Changes to Address PCE Service Expansion to the City of Los Banos**

As noted, this Addendum No. 1 addresses the anticipated impacts of PCE's planned expansion to the City of Los Banos, as well as other forecast modifications reflecting the most recent historical energy usage within PCE's existing service territory. As a result of the addition of the City of Los Banos, which will represent approximately 5% of PCE's total annual load, certain assumptions regarding PCE's future operations have minimally changed including customer energy requirements, peak demand, renewable energy purchases, revenues, expenses and various other items. To the extent that certain details related to membership expansion are not specifically addressed in this Addendum No. 1, PCE represents that such information has not changed substantively relative to its April 4, 2016 Implementation Plan.

With regard to the defined terms Members and Member Agencies, the following Communities are now signatories to the PCE Second Amended Joint Powers Agreement and represent PCE's current membership:

### **PCE MEMBER AGENCIES**

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

Throughout this document, use of the terms Members and Member Agencies refer to the aforementioned communities. To the extent that the discussion herein addresses the process of aggregation and PCE organization, each of these communities is now a PCE Member and the electric customers of such jurisdictions (with the exception of the City of Los Banos) have been offered CCA service consistent with noted enrollment schedules. Los Banos customers will be offered CCA service consistent with this Plan.

### ***Aggregation Process***

All customers currently enrolled in PCE's CCA Program were appropriately noticed. Before additional customer enrollments proceed, PCE will mail at least two written notices to customers beginning at least two calendar months, or 60 days, prior to the commencement of service. Such notices will provide information needed to understand Program terms and conditions of service as well as explain how prospective customers can opt-out of the Program, if desired. All customers that do not follow the opt-out process specified in the customer notices will be automatically enrolled and service will begin at their next regularly scheduled meter read date at least one calendar month, or 30 days, following the date of enrollment. At least two opt-out notices will be mailed to these customers within the first two calendar months, or sixty days, of service commencement.

Customers enrolled in the Program will continue to have their electric meters read by and receive billing statements for electric service from their distribution utility, Pacific Gas & Electric (PG&E). The electric bills for Program customers will show separate charges for generation procured on behalf of participating customers by the Program and all other charges related to the delivery of such electricity, as well as other utility charges, assessed by PG&E.

After service cutover, and as previously noted, customers will be given at least two additional opportunities to opt-out of the Program and return to bundled service provided by PG&E, following receipt of their first and second bills. Customers that opt-out between the initial customer enrollment date and the end of the post enrollment opt-out period for each such customer will be responsible for program charges for the time they were serviced by PCE but will not otherwise be subject to any penalty for leaving the Program. Customers that have not opted out within thirty days of the fourth opt out notice will be deemed to have elected to become a participant in the Program and to have agreed to the Program's terms and conditions including those pertaining to requests for termination of service.

### ***Program Phase-In***

PCE plans to enroll Los Banos customers to its CCA program as described in this Addendum No. 1 to the Implementation Plan. Enrollment of PCE's existing members occurred in a phased approach beginning in October 2016 and continuing through 2017 with the largest segment of customers enrolling in April 2017. The enrollment of an additional 15,000 Los Banos electric customers is planned for a single phase enrollment in April 2022, with exact timing subject to economic and operational constraints.

The proposed implementation timeline will provide PCE with the ability to build and execute an effective education and marketing program for Los Banos residents, addressing any problems and unforeseen challenges before the expected roll-out in April 2022, with an expected customer base of approximately 15,000 following service commencement to customers within the City of Los Banos. This approach also allows PCE and its energy suppliers and vendors to address all system requirements (billing, collections, payments, etc.) under a plan designed to minimize

potential exposure to uncertainty and financial risk before enrolling customers through expanded membership.

### ***Resource Plan Overview***

With regard to PCE's resource plan overview, which is addressed in the April 4, 2016 Plan, Chapter 6, Load Forecast and Resource Plan, PCE adds the following paragraphs within the subsection titled "Resource Plan Overview":

SB 255 (2019) added Section 366.2(c)(3)(H), which requires community choice aggregators to include in their implementation plans "[t]he methods for ensuring procurement from small, local, and diverse business enterprises in all categories, including, but not limited to, renewable energy, energy storage system [sic], and smart grid projects." As a public agency, PCE is prohibited by Article 1, Section 31 of the California Constitution from granting any preferential treatment to "any individual group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting." While these restrictions prevent PCE from "ensuring" procurement from certain diverse businesses, PCE remains committed to local economic development, and has taken several steps to diversify its procurement to the extent possible and consistent with State law. PCE will continue to build its strategy and consider new methods for diversifying its procurement as appropriate.

PCE will continue to engage with the diverse business community in its service area and statewide, to inform businesses of the benefits of certification as a diverse business, as well as upcoming Requests for Proposals and other solicitations. While PCE cannot give any preference in the selection process to any business based on race, sex, color, ethnicity, or national origin, PCE can ensure that diverse businesses are aware of upcoming contract opportunities.

PCE will, to the extent possible and reasonable, consider preferences for procurement from diverse business categories that are not prohibited, including but not limited to small and/or local businesses and businesses owned by disabled veterans or lesbian, gay, bisexual and/or transgender individuals ("LGBT"). PCE will consider parallel preferences for prime contractors that demonstrate an intent to contract with diverse subcontractors, as permitted by law.

### ***Sales and Resources Forecast***

The following tables have been updated to reflect the actual PCE information for historical columns and the impacts of adding Los Banos electric customers beginning in April 2022.

## Chapter 6, Resource Plan Overview

<b>Peninsula Clean Energy</b> <b>Proposed Resource Plan (GWh)</b> <b>Calendar Year 2016 to 2025</b>										
	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
<b>PCE Demand (GWh)</b>										
Retail Demand	(277)	(2,861)	(3,514)	(3,569)	(3,610)	(3,571)	(3,497)	(3,582)	(3,636)	(3,671)
Losses and UFE	(18)	(186)	(228)	(232)	(235)	(232)	(209)	(214)	(217)	(208)
<b>Total Demand</b>	<b>(295)</b>	<b>(3,047)</b>	<b>(3,743)</b>	<b>(3,801)</b>	<b>(3,844)</b>	<b>(3,803)</b>	<b>(3,706)</b>	<b>(3,795)</b>	<b>(3,854)</b>	<b>(3,879)</b>
<b>PCE Supply (GWh)</b>										
<u>Renewable Resources</u>										
Total Renewable Resources	139	1,431	1,757	1,785	1,805	2,143	2,448	2,865	3,273	3,671
<u>Conventional Resources</u>										
Total Conventional Resources	157	1,617	1,986	2,017	2,039	1,661	1,258	930	581	208
<b>Total Supply</b>	<b>295</b>	<b>3,047</b>	<b>3,743</b>	<b>3,801</b>	<b>3,844</b>	<b>3,803</b>	<b>3,706</b>	<b>3,795</b>	<b>3,854</b>	<b>3,879</b>
<b>Energy Open Position (GWh)</b>	0	0	0	0	0	0	0	0	0	0

## Chapter 6, Customer Forecast

<b>Peninsula Clean Energy</b> <b>Retail Service Accounts</b> <b>Phase-In Period (End of Month)</b>					
	Actual Oct-16	Actual Apr-17	Actual Oct-17	Current	Forecast Apr-22
<b>PCE Customers</b>					
Residential	46,199	127,682	232,150	266,293	289,177
Small Commercial	19,808	19,907	19,907	22,484	23,033
Medium Commercial	2,288	2,299	2,299	2,321	2,715
Large Commercial	-	1,150	1,150	1,596	1,656
Industrial	-	37	37	41	51
Street Lighting & Traffic	-	-	1,236	1,703	1,693
Agricultural & Pumping	-	-	237	181	267
<b>Total</b>	<b>68,295</b>	<b>151,075</b>	<b>257,016</b>	<b>294,619</b>	<b>318,592</b>

<b>Peninsula Clean Energy</b> <b>Retail Service Accounts (End of Year)</b> <b>Calendar Year 2016 to 2025</b>										
	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
<b>PCE Customers</b>										
Residential	52,787	259,100	264,867	266,951	266,293	269,503	289,177	291,899	294,648	297,425
Small Commercial	21,723	22,161	22,328	22,599	22,484	22,639	23,033	23,033	23,033	23,033
Medium Commercial	2,424	2,379	2,407	2,394	2,321	2,389	2,715	2,715	2,715	2,715
Large Commercial	168	1,463	1,483	1,561	1,596	1,576	1,656	1,672	1,688	1,704
Industrial	3	39	39	43	41	45	51	51	51	51
Street Lighting & Traffic	653	1,682	1,685	1,691	1,703	1,693	1,693	1,693	1,693	1,693
Agricultural & Pumping	14	187	185	182	181	239	267	267	267	267
<b>Total</b>	<b>77,772</b>	<b>287,011</b>	<b>292,994</b>	<b>295,421</b>	<b>294,619</b>	<b>298,085</b>	<b>318,592</b>	<b>321,330</b>	<b>324,095</b>	<b>326,888</b>

## Chapter 6, Energy Requirements

### Peninsula Clean Energy Energy Requirements (GWh) Calendar Year 2016 to 2025

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
<b>PCE Energy Requirements (GWh)</b>										
Retail Demand	277	2,861	3,514	3,569	3,610	3,571	3,497	3,582	3,636	3,671
Losses and UFE	18	186	228	232	235	232	209	214	217	208
<b>Total Load Requirement</b>	<b>295</b>	<b>3,047</b>	<b>3,743</b>	<b>3,801</b>	<b>3,844</b>	<b>3,803</b>	<b>3,706</b>	<b>3,795</b>	<b>3,854</b>	<b>3,879</b>

## Chapter 6, Renewables Portfolio Standards Energy Requirements

### Peninsula Clean Energy RPS Requirements (GWh) Calendar Year 2016 to 2025

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
Total Retail Sales	277	2,861	3,514	3,569	3,610	3,571	3,497	3,582	3,636	3,671
RPS Procurement Quantity Requirement (%)	25%	27%	29%	31%	33%	36%	39%	41%	44%	47%
<b>Gross RPS Procurement Quantity Requirement (MWh)</b>	<b>69</b>	<b>773</b>	<b>1,019</b>	<b>1,107</b>	<b>1,191</b>	<b>1,277</b>	<b>1,346</b>	<b>1,477</b>	<b>1,600</b>	<b>1,713</b>

### Peninsula Clean Energy RPS Requirements and Program Renewable Energy Targets (MWh) Calendar Year 2016 to 2025

	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Forecast 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
Total Retail Sales (MWh)	277	2,861	3,514	3,569	3,610	3,571	3,497	3,582	3,636	3,671
Gross RPS Procurement Quantity Requirement (MWh)	69	773	1,019	1,107	1,191	1,277	1,346	1,477	1,600	1,713
65% Long Term Requirement (2021 Forward)						830	875	960	1,040	1,114
Program Renewable Target (% of Retail Sales)	50%	50%	50%	50%	50%	60%	70%	80%	90%	100%
<b>Program Renewable Target (MWh)</b>	<b>139</b>	<b>1,431</b>	<b>1,757</b>	<b>1,785</b>	<b>1,805</b>	<b>2,143</b>	<b>2,448</b>	<b>2,865</b>	<b>3,273</b>	<b>3,671</b>
Voluntary Margin of Overprocurement (MWh)	69	658	738	678	614	866	1,102	1,388	1,673	1,958
<b>Annual Increase (MWh)</b>	<b>139</b>	<b>1,292</b>	<b>326</b>	<b>28</b>	<b>20</b>	<b>338</b>	<b>306</b>	<b>417</b>	<b>408</b>	<b>398</b>

## Financial Plan

With respect to PCE's financial plan, which is addressed in the April 4, 2016 Plan, Chapter 7, CCA Program Financial Plan and Operating Results, PCE has updated its expected operating results, which now include projected impacts related to service expansion to the City of Los Banos beginning in April 2022. The following table reflects updated operating projections in consideration of this planned expansion.

### Chapter 7, CCA Program Financial Plan and Operating Results

Peninsula Clean Energy Summary of CCA Program Financial Plan and Operating Results (\$000s) Fiscal Year 2016 to 2025 (ending June 30 of each year)										
CATEGORY	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Forecast 2021	Forecast 2022	Forecast 2023	Forecast 2024	Forecast 2025
I. ELECTRIC SALES REVENUE (Net of uncollectible accounts)	\$ -	\$ 93,129	\$ 244,738	\$ 259,782	\$ 278,093	\$ 223,015	\$ 223,192	\$ 235,354	\$ 287,859	\$ 296,495
II. COST OF OPERATIONS (\$)										
(A) OPERATIONS AND ADMINISTRATIVE (O&A)										
STAFFING	492	1,360	2,171	3,076	4,522	6,237	7,126	7,475	7,842	8,226
MARKETING	167	1,208	545	706	1,116	2,873	3,115	2,339	2,452	2,570
DATA MANAGEMENT SERVICES	0	1,471	4,070	3,771	3,580	3,420	3,627	3,663	3,700	3,737
IOU FEES (INCLUDING BILLING)	0	481	1,437	1,240	1,255	1,260	1,348	1,361	1,374	1,387
OTHER ADMINISTRATIVE & GENER	383	1,082	2,328	1,441	1,268	5,528	8,529	7,817	7,496	7,650
ENERGY PROGRAMS	0	0	251	780	1,352	7,550	10,957	11,414	11,498	11,550
<b>SUBTOTAL O&amp;A</b>	<b>\$ 1,041</b>	<b>\$ 5,603</b>	<b>\$ 10,803</b>	<b>\$ 11,013</b>	<b>\$ 13,094</b>	<b>\$ 26,868</b>	<b>\$ 34,701</b>	<b>\$ 34,069</b>	<b>\$ 34,360</b>	<b>\$ 35,120</b>
(B) COST OF ENERGY	0	64,501	170,135	194,035	216,066	209,176	210,968	178,595	190,045	197,106
(C) DEBT SERVICE	3	270	105	0	0	0	0	0	0	0
<b>TOTAL COST OF OPERATION</b>	<b>\$ 1,044</b>	<b>\$ 70,374</b>	<b>\$ 181,043</b>	<b>\$ 205,048</b>	<b>\$ 229,160</b>	<b>\$ 236,044</b>	<b>\$ 245,670</b>	<b>\$ 212,664</b>	<b>\$ 224,405</b>	<b>\$ 232,226</b>
<b>CCA PROGRAM SURPLUS/(DEFICIT)</b>	<b>\$ (1,044)</b>	<b>\$ 22,755</b>	<b>\$ 63,695</b>	<b>\$ 54,734</b>	<b>\$ 48,933</b>	<b>\$ (13,029)</b>	<b>\$ (22,478)</b>	<b>\$ 22,690</b>	<b>\$ 63,454</b>	<b>\$ 64,268</b>

### Expansion Addendum Appendices

- Appendix 1: PCE Resolution Authorizing Second Amended JPA - Approved 10.22.2020
- Appendix 2: PCE Resolution Authorizing City of Los Banos as a New Member - Approved 10.22.2020
- Appendix 3: Second Amended Joint Powers Agreement including the City of Los Banos – Approved 10.22.2020
- Appendix 4: City of Los Banos Resolution to Adopt JPA Resolution and to Join CCA - Approved 10.21.2020
- Appendix 5: PCE Implementation Plan and Statement of Intent - Filed April 4, 2016
- Appendix 6: CPUC Certification Letter for PCE Implementation Plan
- Appendix 7: PCE Resolution Authorizing Submission to CPUC of Amendment No.1 to PCE's Implementation Plan and Statement of Intent – Approved 12.17.2020 [**NEEDED FROM DECEMBER 17 BOARD MEETING**]





**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** December 1, 2020  
**BOARD MEETING DATE:** December 17, 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

**SUBJECT:** Approve Peninsula Clean Energy Participation in California Community Power (CC Power) Joint Powers Authority; Delegate Authority to Chief Executive Officer to Execute CC Power Joint Powers Authority Agreement

**RECOMMENDATION**

Approve that PCE form—together with eight other CCAs—a new joint powers agency (currently named, “California Community Power,” or “CC Power”) and join CC Power as a member. CC Power will enable the CCAs to leverage their combined buying power to provide cost effective joint services, programs, and procurement of energy resources and products.

**BACKGROUND**

Publicly owned utilities (POUs) in California have relied on JPAs to carry out joint procurement for over 40 years. The Northern California Power Agency (NCPA) and the Southern California Public Power Authority (SCPPA) provide a range of procurement activities on behalf of POUs. NCPA and SCPPA serve as references for the CC Power JPA structure.

California has a large and growing need for reliability resources with the retirement of natural gas plants and Diablo Canyon Nuclear Power Plant. There is historical precedent for state-ordered procurement when such needs arise. At times, this procurement has been conducted by the utility on behalf of CCAs, with costs allocated to CCAs.

CCAs are now taking a leadership role in procuring long-duration storage to help meet reliability needs for their communities and the state. CCAs expect additional projects to be jointly procured in the future. CCA expansion creates opportunities to combine CCA

buying power to provide customers with cost effective services, programs, and procurement of energy resources and products.

## **DISCUSSION**

**Purpose:** As proposed, CC Power will provide CCAs the broad ability to leverage their combined buying power to provide customers with cost effective services or programs, and acquisition of energy resources and products. The first opportunity to utilize CC Power is the procurement of long duration storage resources. Recently, eight CCAs issued a joint Request for Offers (“RFO”) for long duration energy storage projects.

Regulators indicate California will need at least 1GW of long duration storage, storage with at least 8-hour dispatch ability, by 2026. And while such projects are essential to meet the growing need of reliable resources and to address renewable resource intermittency in the face of retiring natural gas and nuclear generation facilities, they are likely to be expensive to acquire.

As proposed, CC Power enables CCAs to participate in new potential long duration storage projects to the scale of their overall need.

**Structure:** CC Power’s structure follows the traditional JPA structure through which nine initial CCAs would become members of CC Power who would jointly exercise their powers to contract, plan, finance, purchase, and conduct services, programs or procurement of energy resources or products. The Agreement allows for additional public agencies deemed eligible by the CC Power Board to join CC Power in the future. The original nine CC Power members include: Peninsula Clean Energy, MCE, 3CE, Sonoma Clean Power, Redwood Coast Energy Authority, Silicon Valley Clean Energy, San Francisco Clean Power, San Jose Clean Energy, and East Bay Community Energy.

CC Power will be a public entity operated in compliance with the Ralph M. Brown Act (California Government Code section 54950 et seq.) and administered by a Board of Directors consisting of the Chief Executive Officer, or designee, as appointed by each member CCA’s Board.

The CC Power JPA Agreement allows the CC Power Board to hire a General Manager (GM) and assistant GMs. It also shields the members from any liability incurred by CC Power and requires CC Power to indemnify the members for its liabilities. Simple changes to the JPA Agreement can be made by a two-thirds vote of the entire CC Power Board, and significant changes can be made by a two-thirds vote of the entire CC Power Board plus a two-thirds vote of each member pursuant to that member’s applicable approval process. Any members may leave the JPA provided it has paid its share of all debts, liabilities, and obligations of CC Power assumed by the member. Each Director shall have one vote with a simple majority necessary for action on all items except for certain amendments as specified in the joint powers agreement. The CC Power Board may approve, by majority vote, certain “projects”. All members shall have the right, but not the obligation, to participate in a pro rata share of the project as determined by a separate project agreement. Any member not participating in the project will have no obligations

related to the project. By way of example, the long duration storage RFO may result in several “projects” approved by the CC Power Board, but only those CCAs participating in the separate “project agreement” will have any rights or obligations related to that project. “Project Agreements” will be separately negotiated and executed by only those CCAs participating in the project and will be subject to the contract approval process for each member CCA. By way of example, a power procurement contract through CC Power would still be subject to approval by the Peninsula Clean Energy Board of Directors.

**Potential Costs:** Administrative and general costs associated with the operation of CC Power shall be equally shared by the members of CC Power. PCE’s share of administrative and general costs of CC Power is expected to be approximately \$10,000 to \$30,000 annually.

Costs, including administrative and general costs, related solely to a particular “project” shall be separately addressed as detailed in a separate project agreement.

**Benefits:** The benefits of becoming a member of CC Power include:

- Economies of Scale: leveraging CCA buying power to deliver cost effective services to CCA customers.
- Enhanced Negotiating Power: enabling CCAs to pursue better terms to secure large scale projects, innovative structures, and other services.
- Proportional Project Risk: risks associated with specific projects, such as execution, development, and performance are shared among the participating CCAs.
- Opportunities for Innovation: the scale, bargaining power, and shared risk approach allow CC Power members to evaluate and implement innovative approaches to service delivery, programs, and procurement.
- Regulatory and Legislative: the structure of CC Power provides a strategic opportunity for CCAs to demonstrate their ability to work together to procure large projects, such as long-duration storage, and proactively meet California’s reliability needs.

**Risks:** The risks of becoming a member of CC Power include:

- Lack of Control over CC Power Costs: PCE’s control over CC Power’s administrative and general costs is limited to its single member vote. This risk is mitigated to the extent that PCE’s Board of Directors will have control over the PCE budget, which in turn will include the amount identified for participating in CC Power.

Additionally, members withdrawal from CC Power could increase PCE’s proportional share of administrative and general costs to operate CC Power. This risk mitigates to the extent that withdrawal members are responsible for their share of all debts and liabilities of CC power. This risk is further mitigated by the fact that costs associated with any particular “project” are separately specified in that separate project agreement.

- Member Default within a Project: Although each CCA that enters into a separate project agreement is obligated to pay their portion, if a CCA does not meet its

obligation, other CCAs within that project agreement will need to “step up” to meet the obligations of that Project Agreement. There may be opportunities to mitigate this risk in negotiating the terms of the specific project agreement for that project.

- **Regulatory Risk:** The larger scale procurement as provided for under CC Power could create regulatory risk where CPUC action de-values or disqualifies a specific project. Such risk is mitigated because each member CCA is only participating in any project to the extent of its own unique procurement needs. The regulatory risk is therefore generally the same as if the CCA was acting independently of CC Power.

**Executive Committee Discussion:** At the December 7, 2020 Executive Committee meeting, this item was discussed. Members of the EC were unanimous in their support of PCE joining CC Power. Additional discussion was requested by some of the EC members and PCE’s general counsel that was involved in negotiating the terms of the JPA agreement with the other founding members of CC Power. The key questions are in regard to the notification that a CC Power member must give before exiting the JPA and the labor policies for projects undertaken by CC Power. Further clarification about those issues will be provided at the board meeting.

**First Project - Long-Duration Storage:** On October 15, 2020, the nine CCAs intending to form CC Power issued a joint Request for Offers (RFO) for long-duration energy storage projects, which would be contracted through CC Power. The solicitation calls for in front of the meter, grid-charged long duration storage technology with a minimum discharge duration of 8 hours and commercial operation by 2026. The PPA for the project will have a minimum delivery period of 10 years. The deadline for proposals is December 1, 2020 with contract approval targeted for July 2021.

### **FISCAL IMPACT:**

Initial administrative and operating costs is expected to be between \$10,000 and \$30,000/year or less for PCE. CC Power staffing costs would range from one to two part-time to full-time staff, depending on level of activity. Costs would be shared equally among the nine original members and any additional members would also pay an equal share of the original costs. The administrative and operating costs may increase over time if authorized by the CC Power Board. Separate from the administrative and operating costs for CC Power itself, there would be additional costs for any specific project(s) in which PCE chooses and obtains PCE Board approval to participate. The same staff may be used for project agreements and JPA activity, but time spent on project activity would be billed only to the members who had signed onto that project agreement.

### **STRATEGIC PLAN:**

The CC Power JPA supports the following objectives and key tactics in Peninsula Clean Energy’s strategic plan:

- Priority 1: Design a power portfolio that is sourced by 100% carbon free energy<sup>1</sup> by 2025 that aligns supply and consumer demand on a 24x7 basis
- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates
  - Objective A Low Cost and Stable Power: Develop and implement power supply strategies to procure low-cost, reliable power.
    - Key Tactic 4: Manage portfolio to meet risk, cost, and reliability objectives
  - Objective D New Power Resources: Continually explore and support innovative sources and solutions for clean energy.
    - Key Tactic 3: Stimulate development of innovative renewable generation and storage products and technologies
- Organizational Excellence Goal 1: Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity
  - Objective B: Foster a culture of innovation to yield solutions that accelerate our mission
    - Key Tactic 4: Collaborate with other CCAs to find solutions and methods to evolve and drive innovation.

#### **ATTACHMENTS:**

DRAFT CC Power Joint Powers Agreement

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<sup>1</sup> Carbon Free = California RPS-eligible renewable energy, excluding biomass, that can be scheduled by Peninsula Clean Energy on an hourly basis.

# **RESOLUTION**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,**

**STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION APPROVING THE CALIFORNIA COMMUNITY POWER AGENCY  
JOINT POWERS AGREEMENT AND DELEGATING AUTHORITY TO THE CHIEF  
EXECUTIVE OFFICER TO EXECUTE THE AGREEMENT.**

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

**WHEREAS**, the Peninsula Clean Energy Authority (“Peninsula Clean Energy”) was formed on February 29, 2016; and

**WHEREAS**, California has an ever-increasing need for reliability resources, and CCAs are seeking to meet that need by procuring long-duration storage; and

**WHEREAS**, a number of public community choice aggregation agencies (“CCAs”) wish to leverage their combined buying power to provide customers with cost effective services or programs and procure energy resources and products by forming a new joint powers authority (“California Community Power Agency” or “CC Power”), comprised of each CCA as an initial member; and

**WHEREAS**, an agreement (“Agreement”) establishing the formation of CC Power has been drafted and reviewed by the CEOs and general counsels of the initial member CCAs; and

**WHEREAS**, Peninsula Clean Energy’s Executive Committee has reviewed the Agreement and recommended its approval by the Board; and

**WHEREAS**, the Board wishes to join Peninsula Clean Energy as a member of CC Power to jointly procure long-duration energy storage and to participate in any other energy projects with the other member CCAs that are authorized by and approved under the Agreement; and

**WHEREAS**, the Board approves the Agreement.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board does hereby approve the California Community Power Agency Joint Powers Agreement and delegates authority to the Chief Executive Officer to execute the Agreement with any minor, nonsubstantive modifications that have been approved by the Chief Executive Officer and PCE’s legal counsel.

\* \* \* \* \*

# **CALIFORNIA COMMUNITY POWER AGENCY JOINT POWERS AGREEMENT**

This Joint Powers Agreement ("Agreement") is made by and among those public agencies who are signatories to this Agreement, and those public agencies which may hereafter become signatories to this Agreement, for the purpose of operating a separate joint powers agency, which is named "California Community Power" or "CC Power."

## **WITNESSETH**

WHEREAS, it is to the mutual benefit of the Members and in the public interest that the Members join together to engage in the exercise of powers they have in common including, but not limited to, (i) the acquisition and operation of wholesale power supplies, resource adequacy and renewable attributes, (ii) the provision of joint consulting and contracting services via master agreements and bulk purchasing and financing of decarbonization products, (iii) the offering of energy risk management and California Independent System Operator ("CAISO") scheduling services; and (iv) other energy services or programs which may be of benefit to Members (collectively, hereinafter "energy related programs");

WHEREAS, CC Power's primary objective is to provide for joint procurement of electrical power and storage and other energy projects for its Members, as set forth in this Agreement;

WHEREAS, the Members intend that CC Power shall better position the Members to administer community choice energy programs, and achieve their local agency goals, including but not limited to meeting or exceeding California's greenhouse gas emission reduction targets through procurement of renewable resources.

WHEREAS, each of the public community choice aggregation agencies which is a Member to this Agreement has the power to establish, manage, operate and maintain Community Choice Aggregation ("CCA") programs, electric service enterprises available to cities and counties pursuant to California Public Utilities Code Section 331.1(c) and 366.2 and to study, promote, develop, conduct, operate and manage energy related programs; and

WHEREAS, Title I, Division 7, Chapter 5, Article 1 of the California Government Code (the "Joint Powers Act" or "Act") authorizes the joint exercise by two or more public agencies of any power which is common to each of them.

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do hereby agree as follows:

## **Article I. DEFINITIONS**

In addition to the other terms defined herein, the following terms, whether in the singular or in the plural, when used herein and initially capitalized, shall have the meanings specified throughout this Agreement.

**Section 1.01** "Board" means the Board of Directors of CC Power as established by this Agreement.

**Section 1.02** "CC Power" means the Joint Powers Authority established by this Agreement.

**Section 1.03** "Member" means a Public CCA Agency, or other public agency the Board determines to be eligible pursuant to Section 3.02, that is a signatory to this Agreement and has met the requirements of



Article III; the term “Member” shall, however, exclude any Public CCA Agency or other eligible public agency which shall have withdrawn or been excluded from CC Power pursuant to Section 3.04 below.

**Section 1.04 “Project”** means any and all of the following matters, which are approved by the Board pursuant to Article VI: (i) the construction, financing or acquisition of a wholesale power resource, resource adequacy and/or renewable and environmental attributes for use by the Members, and such other transactions, services, and goods that may be necessary or convenient to construct, finance, acquire or optimize the value of such resources, (ii) the bulk purchasing and/or financing of decarbonization products, including, but not limited to, heat pump water heaters, space heater heat pumps and electric vehicle charging services, (iii) energy risk management and CAISO scheduling products and services, (iv) acquisition, construction and financing of facilities for the generation or transmission of electrical energy and any related transactions, services, and goods that may be necessary or convenient to acquire, construct, and finance these facilities, (v) grid integration services, (vi) acquisition of capacity rights in any facility for the generation or transmission of electric energy, and (vii) any other energy related programs.

**Section 1.05 “Project Agreement”** means a contract between and among CC Power and Project Participants.

**Section 1.06 “Project Participants”** means any Member or group of Members who participate in a Project pursuant to Article VI below.

**Section 1.07 “Public CCA Agency”** means any public agency, or such joint powers agencies/authorities consisting of one or more public agencies, that has implemented a CCA program pursuant to California Public Utilities Code Sections 331.1 and 366.2.

## **Article II. FORMATION OF AUTHORITY**

**Section 2.01 Creation of CC Power.** Pursuant to the Joint Powers Act, there is hereby created a public entity, to be known as “CC Power,” which shall be a public entity separate and apart from its Members.

**Section 2.02 Purpose.** The purpose of this Agreement is for CC Power to develop, acquire, construct, own, manage, contract for, engage in, finance and/or provide energy related programs for the use of and by its Members. CC Power is not intended to be a policy-maker or advocate, though it may, from time to time, advance or support public policies in support of its purpose that do not conflict with interests or policies advanced by any Member.

**Section 2.03 Powers.** CC Power is authorized, in its own name, to do all acts necessary to fulfill the purposes of this Agreement as referred to in Section 2.02 above, and engage in the exercise of powers the Members have in common including, but not limited to, each of the following:

- (a) Acquire, purchase, finance, offer, arrange, construct, maintain, utilize and/or operate one or more Projects;
- (b) Establish, operate, maintain and/or fund energy related programs;
- (c) Make and enter into contracts;
- (d) Employ agents and employees;
- (e) Acquire, contract, manage, maintain, sell or otherwise dispose of real and personal property and operate any buildings, infrastructure, works, or improvements;
- (f) Receive contributions and donations of property, funds, services and other forms of assistance from any source;
- (g) Lease real or personal property as lessee and as lessor;
- (h) Sue and be sued in its own name;

- (i) 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;
- (j) Receive, collect, invest and disburse moneys;
- (k) Issue revenue bonds and other forms of indebtedness, as provided by law;
- (l) Apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;
- (m) Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer energy related programs;
- (n) Adopt from time to time such policies, procedures, bylaws, rules or regulations for the conduct of its affairs as deemed necessary by the Board;
- (o) Exercise all other powers necessary and proper to carry out this Agreement; and
- (p) Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.

Such powers shall be exercised in the manner provided in Section 6509 of the Government Code of the State of California, as amended, subject only to such restrictions upon the manner of exercising such powers as are imposed upon Silicon Valley Clean Energy in the exercise of similar powers. Should Silicon Valley Clean Energy withdraw or be excluded from this Agreement pursuant to Section 3.04 hereof, the manner of exercising any power shall be subject only to the restrictions upon the manner of exercising such powers as are imposed upon Marin Clean Energy.

**Section 2.04 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 CC Power within the territory of CC Power 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.

### **Article III. MEMBERSHIP**

**Section 3.01 Member Agencies.** Any Public CCA Agency, or other public agency determined by the Board to be eligible pursuant to Section 3.02, may become a Member upon meeting the following conditions:

- (a) The Public CCA Agency or other eligible public agency shall file with the Board a certified copy of a resolution of its governing body whereby it (i) agrees to the provisions of this Agreement, and (ii) requests to become a Member; and
- (b) No such Public CCA Agency or other eligible public agency shall become a Member until (i) its admission is approved at a regular or special meeting of the Board by at least two-thirds (2/3) of the entire Board, and (ii) it deposits or agrees to pay CC Power a share of organization, planning and other costs and charges as determined by the Board to be appropriate, if any.

Upon completion of the foregoing, the Public CCA Agency or other eligible public agency shall become a Member for all purposes of this Agreement.

**Section 3.02 Eligible Public Agency Members.** The Board may adopt policies to determine whether public agencies that are not Public CCA Agencies may be eligible to become a Member of CC Power.

**Section 3.03 Cost Allocations.**

- (a) Unless otherwise determined by a two-thirds (2/3) vote of the entire Board, each Member shall pay an equal share of one member one share for general and administrative costs as determined by the Board associated with all operations of CC Power. General and administrative costs do not include any costs that relate solely to any specific Project Agreement.

- (b) Project Agreements and other program agreements between and among any Member and/or CC Power will determine cost allocation and may consider, among other relevant factors, credit strength of the Members and may differ in price and collateral requirements as determined solely for such Project Agreement or other program agreements.

**Section 3.04 Withdrawal or Exclusion of Member.**

- (a) Any Member may withdraw from CC Power upon the following conditions:
  - (i) The Member shall have filed with the Board Secretary a certified copy of a resolution of its governing body expressing its desire to so withdraw. Once a Member files a resolution to withdraw with the Board Secretary, that Member no longer has any voting rights on the Board;
  - (ii) Members participating in Projects, programs or services pursuant to Project Agreements or other program agreements approved by the Board are subject to the participation and withdrawal terms and conditions described in the applicable agreement; and
  - (iii) Prior to accepting the Member's filing of such resolution, any Member so terminating shall be obligated to pay its share of all debts, liabilities, and obligations of CC Power specifically assumed by the Member. However, this obligation shall take into account any refunds due to the Member and shall not extend to debts, liabilities and obligations secured or otherwise committed pursuant to Project Agreements or other program agreements between and among any Member and/or CC Power. The debts, liabilities and obligations of the Members to such Project Agreements or other program agreements shall be determined by their terms. Any obligations under this Agreement are subject to the limitations set forth in Article VIII.
- (b) Upon compliance with the conditions specified in Section 3.04(a), the Board shall accept the withdrawing Member's resolution and the withdrawing Member shall no longer be considered a Member for any reason or purpose under this Agreement and its rights and obligations under this Agreement shall terminate. The withdrawal of a Member shall not affect any obligations of such Member under any Project Agreement or other program agreement.
- (c) Any Member which has (i) defaulted under this Agreement, a Project Agreement, or other program agreement, (ii) failed to appoint a Director to serve on the Board in accordance with Section 4.02 below, or (iii) failed to pay any required share of costs in accordance with Sections 3.01 and 3.03 above, may have its rights under this Agreement terminated and may be excluded from participation in CC Power by the vote (taken at a regular or special meeting of the Board) of at least two-thirds (2/3) of the entire Board (including the Director representing the defaulting Member). Prior to any vote to terminate participation of any Member, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Member whose termination is proposed at least 60 days prior to the Board meeting at which such matter shall first be discussed as an agenda item. The written notice of the proposed termination shall specify the particular provisions of this Agreement or a Project Agreement or other program agreement which the Member has allegedly defaulted on, or whether the proposed termination is based on failure to appoint a Director or pay any required share of costs. The Member subject to possible termination shall have the opportunity to cure the violation prior to the meeting at which termination will be considered. At the meeting where termination of the Member is considered, the Member shall be given the opportunity to respond to any reasons and allegations that may be cited as a basis for termination prior to a termination vote. Any excluded Member shall continue to be liable for its obligations under any Project Agreement or other program agreement and for any unpaid contribution, payment, or advance approved by the Board prior to such Member's exclusion.

- (d) The withdrawal or termination of a Member shall not affect the provisions or obligations set forth in Article VIII or Section 11.03 below.

#### **Article IV. POWERS OF BOARD & MANAGEMENT OF CC POWER**

**Section 4.01 Board.** CC Power shall be administered by a Board which shall consist of one Director representing each Member. Such Board shall be the governing body of this CC Power, and, as such, shall be vested with the powers set forth in this Agreement, and shall execute and administer this Agreement in accordance with the purposes and functions provided herein. The Board shall have the authority to provide for the general management and oversight of the affairs, property and business of CC Power.

**Section 4.02 Appointment and Vacancies.** Each Director shall be the Chief Executive Officer, General Manager, or designee of the Chief Executive Officer or General Manager of each Member and shall be appointed by and serve at the pleasure of the Member that the Director represents, and may be removed as Director by such Member at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed by the Member to fill the position of the previous Director in accordance with the provisions of this Article IV within 60 days of the date that such position becomes vacant or the Member shall be subject to the exclusion procedures in Section 3.04(c) above. Each Director may appoint an alternate to serve in their absence.

**Section 4.03 Notices.** The Board shall comply with the applicable provisions of Sections 6503.5, 6503.6 and 53051 of the Government Code requiring the filing of notices and a statement with the Secretary of State, the State Controller, the applicable county clerk and local agency formation commissions, including, but not limited to:

- (a) Causing a notice of the Agreement or any amendment to the Agreement to be prepared and filed with the office of the Secretary of State within 30 days of the effective date of the Agreement or amendment, and
- (b) Filing a statement of facts with the Secretary of State within 70 days after the date of commencement of CC Power's legal existence. Upon any change in the statement of facts presented to the Secretary of State, an amended statement of facts shall be filed with the Secretary of State within 10 days of the change.

**Section 4.04 Committees.** The Board may create committees to provide advice to the Board or conduct the business of CC Power subject to delegation of authority from the Board.

**Section 4.05 Director Compensation.** Compensation for work performed by Directors, including alternates, on behalf of CC Power shall be borne by the Member that appointed the Director. The Board, however, may adopt by resolution a policy relating to the reimbursement of expenses incurred by Directors.

**Section 4.06 Board Officers.** At its first meeting in each calendar year, the Board shall elect or re-elect a Chair and a Vice-Chair each of whom shall be selected from among the Directors and shall also appoint or re-appoint a Secretary and a Treasurer/Controller each of whom may, but need not, be selected from among the Directors.

- (a) **Chair and Vice-Chair.** The duties of the Chair shall be to preside over the Board meetings, sign all ordinances, resolutions, contracts and correspondence adopted or authorized by the Board, and to help ensure the Board's directives and resolutions are carried out. In the absence or inability of the Chair to act, the Vice Chair shall act as Chair.
- (b) **Treasurer and Controller.** The Board shall appoint a qualified person to act as the Treasurer and a qualified person to act as the Controller, neither of whom needs to be a Director. If the Board so designates, and in accordance with the provisions of applicable law,

a qualified person may hold both the office of Treasurer and the office of Controller of CC Power. The Treasurer shall be the depository of CC Power to have custody of all the money of CC Power, from whatever source. The Controller shall draw warrants to pay demands against CC Power when the demands have been approved by the Chair or Vice Chair of CC Power. The Treasurer and Controller shall have the other powers, duties and responsibilities of such officers as specified in Section 6505 of the Government Code of the State of California, as amended, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed, as is provided for and authorized in Section 6550 of the Government Code of the State of California, as amended, pursuant to any resolution, indenture or other instrument providing for the issuance of bonds or notes of CC Power pursuant to this Agreement. The Board may require the Treasurer and/or Controller to file with CC Power an official bond in an amount to be fixed by the Board, and if so requested CC Power shall pay the cost of premiums associated with the bond. The Treasurer and Controller shall cause an independent audit to be made by a certified public accountant, or public accountants, in compliance with Section 6505 of the Government Code.

- (c) **Secretary.** The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of CC Power, and responding to public records requests of the JPA.

**Section 4.07 Management of CC Power.** The Board shall appoint a part-time or full-time General Manager, and may appoint one or more part-time or full-time Assistant General Managers, to serve at the pleasure of the Board. The General Manager shall be responsible for the day-to-day operation and management of CC Power. The General Manager may enter into and execute contracts in accordance with the policies established and direction provided by the Board, and shall file an official bond in the amount determined from time to time by the Board.

**Section 4.08 Other Officers and Employees.** The Board shall have the power to appoint such other officers and staff as it may deem necessary who shall have such powers, duties and responsibilities as are determined by the Board, and to retain independent accountants, legal counsel, engineers and other consultants. The Members may contract with CC Power to provide staff to perform services for CC Power, but such employees shall at all times, and for all purposes including benefits and compensation, remain employees of the Member only.

**Section 4.09 Budget.** The 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 expected expenses. All subsequent budgets of CC Power shall be approved by the Board in accordance with rules as may be adopted by the Board from time to time. All expenditures must be made in accordance with the adopted budget.

## **Article V. MEETINGS OF THE BOARD**

**Section 5.01 Regular Meetings.** The Board shall hold at least one regular meeting 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 of the Board. Regular meetings may be adjourned to another meeting time.

**Section 5.02 Special Meetings.** Special and emergency meetings of the Board may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5, as amended.

**Section 5.03 Brown Act Compliance.** All meetings of the Board shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Section 54950 et seq.), and as

augmented by rules of the Board not inconsistent therewith. Directors may participate in meetings telephonically or by other electronic means, with full voting rights, only to the extent permitted by law.

**Section 5.04 Minutes.** The Secretary shall cause to be kept minutes of the meetings of the Board, both regular and special, and shall cause a copy of the minutes to be forwarded promptly to each Director.

**Section 5.05 Quorum.** A quorum of the Board shall consist of a majority of the Directors, except that less than a quorum may adjourn from time to time in accordance with law.

**Section 5.06 Voting.** Except to the extent set forth in a Project Agreement or as otherwise specified in this Agreement, each Member shall have one vote, which may be cast on any matter before the Board by each Director or alternate. Except to the extent otherwise specified in this Agreement, or by law, a vote of the majority of the Directors in attendance shall be sufficient to constitute action, provided a quorum is established and maintained.

**(a) Special Voting Requirements as specified in this Agreement:**

- (i)** Action of the Board to amend Section 3.03 related to cost allocations shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- (ii)** Action of the Board on the matters set forth in Section 3.04(c) related to involuntary termination of a Member shall require the affirmative vote of at least two-thirds (2/3) of the entire Board.
- (iii)** Action of the Board on the matters set forth in Section 9.01 related to termination of this Agreement shall require the affirmative vote of at least two-thirds (2/3) of the entire Board approved by resolution of each Member's governing body.
- (iv)** Action of the Board to amend this Agreement shall be subject to the voting requirements set forth in Section 11.02 below.

## **Article VI. PROJECTS**

**Section 6.01 Projects.** The Board has the power, upon majority vote of the Directors in attendance, provided a quorum is established and maintained, to establish Projects within the purpose and power of CC Power and to adopt guidelines for their implementation.

**Section 6.02 Right to Participate in Projects.** The Board shall provide at least sixty (60) days prior written notice to all Members, unless such notice is otherwise waived, before any Project may be considered for adoption by a vote of the Board. Such notice shall be provided to the Director of each Member. Once a Project is approved by the Board as set forth in Section 6.01 above, all Members shall have the right, but not the obligation, to participate in a pro-rata share in the Project as determined by the Project Agreement. All Members who elect not to participate in the Project have no obligations under the Project.

**Section 6.03 Project Agreement.** All expenses, rights and obligations to any specific Projects will be handled through Project Agreements that will be separate and distinct from this Agreement.

## **Article VII. BONDS AND OTHER INDEBTEDNESS**

CC Power shall also have the power to issue, sell and deliver bonds in accordance with the provisions of the Joint Powers Act for the purpose of acquiring, financing, performing or constructing one or more Projects and to enter into other indebtedness for the purpose of financing one or more studies or Projects and for the purpose of providing temporary financing of costs of development, construction or acquisition of one or more Projects. The terms and conditions of the issuance of any such bonds or indebtedness shall be set forth in such resolution, indenture or other instrument, as required by law and as approved by the Board. Bonds issued under this article and contracts or obligations entered into to carry out the purposes for which bonds are issued, payable in whole or in part from the proceeds of said bonds, shall not constitute a debt, liability or

obligation of any of the Members unless the governing body of the Member by resolution expressly agrees that the Member will be obligated under the bond or other indebtedness or the Member takes on obligations pursuant to a Project Agreement.

## **Article VIII. LIMITATION ON LIABILITY OF MEMBERS**

**Section 8.01** Pursuant to Section 6508.1 of the Government Code of the State of California, no debt, liability or obligation of CC Power shall be a debt, liability or obligation of any Member unless such Member agrees in writing to assume any of the debts, liabilities, or obligations of CC Power pursuant to a Project Agreement. Nothing contained in this Article VIII shall in any way diminish the liability of any Member with respect to any Project Agreement such Member enters into pursuant to this Agreement.

### **Section 8.02 Individual Member Provisions.**

- (a) The City of San José is a municipal corporation and is precluded under the California State Constitution and applicable law from entering into obligations that financially bind future governing bodies, and, therefore, nothing in the Agreement shall constitute an obligation of future legislative bodies of the City to appropriate funds for purposes of the Agreement. Any obligations under this Agreement and any Project Agreement are special limited obligations of San José Clean Energy payable solely from the Designated Fund (defined as the San Jose Energy Operating Fund established pursuant to City of San Jose Municipal Code, Title 4, Part 63, Section 4.80.4050 *et seq.*) (“Designated Fund”) and shall not be a charge upon the revenues or general fund of the City of San José or upon any non- San José Clean Energy moneys or other property of the Community Energy Department or the City of San José.
- (b) CleanPowerSF’s payment obligations under this Agreement are special limited obligations of CleanPowerSF payable solely from the revenues of CleanPowerSF. CleanPowerSF’s payment obligations under this Agreement are not a charge upon the revenues or general fund of the San Francisco Public Utilities Commission or the City and County of San Francisco or upon any non-CleanPowerSF moneys or other property of the San Francisco Public Utilities Commission or the City and County of San Francisco. CleanPowerSF’s obligations hereunder shall not at any time exceed the amount certified by the San Francisco City Controller for the purpose and period stated in such certification. Except as may be provided by laws governing emergency procedures, officers and employees of CleanPowerSF are not authorized to request, and CleanPowerSF is not required to reimburse CC Power for, commodities or services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law. Officers and employees of CleanPowerSF are not authorized to offer or promise, nor is CleanPowerSF required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the San Francisco City Controller. The San Francisco City Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

## **Article IX. TERM; TERMINATION; LIQUIDATION; DISTRIBUTION**

**Section 9.01 Term and Termination.** This Agreement shall become effective when at least two Members execute this Agreement. This Agreement shall continue in full force and effect until terminated as provided in this Article; provided however, this Agreement cannot be terminated until such time as all principal of and interest on bonds and other forms of indebtedness issued by CC Power are paid in full. Thereafter, this Agreement may be terminated by a two-thirds (2/3) vote of the entire Board approved by resolution of each Member’s governing body; provided, however, that this Agreement and CC Power shall continue to exist after termination for the purpose of disposing of all claims, distribution of assets and all other functions necessary to conclude the obligations and affairs of CC Power. In no event shall this

Agreement or the powers herein granted to CC Power be terminated until (a) all bonds and other indebtedness of CC Power and the interest thereon shall have been paid or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and indebtedness and (b) all other obligations and liabilities of CC Power shall have been met or adequately provided for.

**Section 9.02 Liquidation; Distribution.** Upon termination of this Agreement, the Board shall liquidate the business and assets and the property of CC Power as expeditiously as possible, and distribute any net proceeds, after the conclusions of all debts and obligations of CC Power, to any Members in proportion to the contributions made or in such manner as otherwise provided by law. The Board is vested with all powers of CC Power for the purpose of concluding and dissolving the business affairs of CC Power.

## **ARTICLE X. ACCOUNTS AND REPORTS**

**Section 10.01 Establishment and Administration of Funds.** CC Power is responsible for the strict accountability of all funds and reports of all receipts and disbursements. It will comply with every provision of law relating to the establishment and administration of funds, particularly Section 6505 of the California Government Code. CC Power shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of CC Power securing its bonds or other indebtedness, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of CC Power shall be open to inspection at all reasonable times to each Member and its representatives.

**Section 10.02 Annual Audits and Audit Reports.** The Treasurer/Controller shall cause an annual independent audit of the accounts and records of CC Power to be made by a certified public accountant or public accountant in accordance with all applicable laws. If permitted by applicable law and authorized by the Board, the audit(s) may be conducted at the longer interval authorized by applicable law. A report of the financial audit will be filed as a public record with each Member. CC Power will pay the cost of the financial audit and charge the cost against the Members in the same manner as other administrative costs.

## **ARTICLE XI. GENERAL PROVISIONS**

**Section 11.01 Successors and Assigns.** No Member may assign any right or obligation under this Agreement without the consent of all other Members. This section shall not affect, in any respect, any right of assignment under any Project Agreement.

**Section 11.02 Amendments.** Subject to any requirements of law, a two-thirds (2/3) vote of the entire Board will be required to amend Articles II, III, VIII, and IX of this Agreement. Once an amendment of Articles II, III, VIII, or IX is adopted by the Board, the amendment must be approved by two-thirds of the Members pursuant to that Members' applicable approval process. All other provisions of this Agreement may be amended at any time or from time to time by an amendment approved by at least two-thirds (2/3) vote of the entire Board. Written notice shall be provided to all Members of proposed amendments to this Agreement, including the effective date of such amendments, at least 60 days prior to the date upon which the Board votes on such amendments.

**Section 11.03 Indemnification and Insurance.** To the fullest extent permitted by law, CC Power shall defend, indemnify, and hold harmless the Members and each of their respective Directors, alternates, officers, employees and agents 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 CC Power under this Agreement to the extent not otherwise provided under a Project Agreement. CC Power shall acquire such insurance coverage as the Board deems is necessary and appropriate to protect the interests of CC Power and the Members.



**Section 11.04 Notices.** The Board shall designate its principal office as the location at which it will receive notices, correspondence, and other communications, and shall designate one of its Directors or staff as an officer for the purpose of receiving service on behalf of the Board. Any notice given pursuant to this Agreement shall be in writing and shall be dated and signed by the Member giving such notice. Notice to each Member under this Agreement is sufficient if mailed to the Member and separately to the Member's Director to their respective addresses on file with CC Power.

**Section 11.05 Severability.** Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the remaining portions, terms, conditions, and provisions shall not be affected thereby.

**Section 11.06 Section Headings.** The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section to which they refer.

**Section 11.07 Choice of Law.** This Agreement will be governed and construed in accordance with the laws of the State of California.

**Section 11.08 Counterparts.** This Agreement may be executed in any number of counterparts, and each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument.

**Section 11.09 Dispute Resolution.** The Members 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 fail, the dispute shall be mediated in accordance with policies and procedures established by the Board.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, each of the Members hereto has caused this Agreement to be executed as an original counterpart by its duly authorized representative on the date indicated below.

	Date:	_____
(Seal)	CCA Name:	_____
Attest:	Address:	_____
_____		_____

	Date:	_____
(Seal)	CCA Name:	_____
Attest:	Address:	_____
_____		_____

	Date:	_____
(Seal)	CCA Name:	_____
Attest:	Address:	_____
_____		_____

	Date:	_____
(Seal)	CCA Name:	_____
Attest:	Address:	_____
_____		_____

(Seal)

Attest:

\_\_\_\_\_

Date:

\_\_\_\_\_

CCA Name:

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Address:

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(Seal)

Attest:

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Date:

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CCA Name:

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Address:

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CCA Name:

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Attest:

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Date:

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CCA Name:

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Address:

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\_\_\_\_\_



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** December 4, 2020

**BOARD MEETING DATE:** December 17, 2020

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer  
Siobhan Doherty, Director of Power Resources

**SUBJECT:** Approve resolution delegating authority to the Chief Executive Officer to execute a Power Purchase Confirmation Agreement (PPA) for Renewable Supply from the Voyager Wind project with Shell Energy North America (US), L.P., a Delaware limited partnership, and any necessary ancillary documents. Power Delivery Term: January 1, 2021 through December 31, 2028, in an amount not to exceed \$125,000,000 (Action).

**RECOMMENDATION:**

Approve resolution delegating authority to the Chief Executive Officer to execute a Power Purchase Confirmation Agreement (PPA) for Renewable Supply with Shell Energy North America (US), L.P. a Delaware limited partnership, and any necessary ancillary documents. Power Delivery Term: January 1, 2021 through December 31, 2028, in an amount not to exceed \$125,000,000 (Action).

**BACKGROUND:**

The Board set a goal for Peninsula Clean Energy to procure 100% of its energy supply from renewable energy by 2025. To meet this goal, Peninsula Clean Energy will need to procure significant amounts of wind energy. Wind energy in California is in limited supply and there is strong competition for wind resources.

Voyager Wind is an existing approximately 130 MW wind project located in Tehachapi, CA. The project is under long-term contract with Shell Energy North America (SENA). Peninsula Clean Energy will execute a contract with SENA for half of the project's output. The contract will take effect January 1, 2021 and continue for a term of eight years through December 31, 2028. The project's output represents approximately 6% of Peninsula Clean Energy's annual load. Through the contract, Peninsula Clean Energy

will receive the energy, renewable energy credits, resource adequacy benefits and all other environmental benefits and ancillary services. SENA will be the project's scheduling coordinator with input from Peninsula Clean Energy.

In spring 2020, Peninsula Clean Energy shortlisted SENA in a RFO for short term PPAs of 1 – 8 years. Peninsula Clean Energy received a limited number of offers and the Voyager Wind project was the most competitive. This is an attractive project due to its strong renewable profile that complements other resources in Peninsula Clean Energy's portfolio, and competitive price.

### **DISCUSSION:**

The Strategic Plan approved by the Board in 2020 set Peninsula Clean Energy's Priority One to "design a power portfolio that is sourced by 100% carbon free energy<sup>1</sup> by 2025 that aligns supply and consumer demand on a 24x7 basis". Wind generation will play a key role in meeting Peninsula Clean Energy's renewable energy goals. Currently, Peninsula Clean Energy only has one PPA with wind projects beyond 2023, and there are very few wind projects available to procure in California; the majority are already under contract, and most of the ideal wind locations are already developed. In the recently completed RFO process, of the 29 projects received, only six were for wind resources.

Staff evaluated the Voyager wind project against other wind proposals that Peninsula Clean Energy received through a competitive solicitation earlier in the year, and the Voyager Wind price was among the most competitive. Additionally, Voyager has a generation portfolio that complements Peninsula Clean Energy's load needs and is already operating, so the contract can start on January 1, 2021.

### **FISCAL IMPACT:**

The fiscal impact of the Voyager Wind project will not exceed \$125 million over the 8-year term of the agreement.

### **STRATEGIC PLAN:**

The Voyager Wind PPA supports the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

- Priority 1: Design a power portfolio that is sourced by 100% carbon free energy<sup>2</sup> by 2025 that aligns supply and consumer demand on a 24x7 basis
- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates

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<sup>1</sup> Carbon Free = California RPS-eligible renewable energy, excluding biomass, that can be scheduled by Peninsula Clean Energy on an hourly basis.

<sup>2</sup> Carbon Free = California RPS-eligible renewable energy, excluding biomass, that can be scheduled by Peninsula Clean Energy on an hourly basis.

- Objective A Low Cost and Stable Power: Develop and implement power supply strategies to procure low-cost, reliable power.
  - Key Tactic 4: Manage portfolio to meet risk, cost, and reliability objectives
- Objective B Clean Power: Design a diverse power portfolio that is 100% carbon-free by 2021; and is 100% carbon-free by 2025 that aligns supply and consumer demand on a 24 x 7 basis.
  - Key Tactic 2: Secure additional contracts for renewable energy procurement in alignment with strategies and portfolio identified through IRP process and in compliance with risk management strategy

**RESOLUTION NO. \_\_\_\_\_**

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

**\* \* \* \* \***

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE A POWER PURCHASE CONFIRMATION AGREEMENT FOR  
RENEWABLE SUPPLY FROM THE VOYAGER WIND PROJECT WITH SHELL  
ENERGY NORTH AMERICA (US), L.P., A DELAWARE LIMITED PARTNERSHIP,  
AND ANY NECESSARY ANCILLARY DOCUMENTS WITH A POWER DELIVERY  
TERM FROM JANUARY 1, 2021 THROUGH DECEMBER 31, 2028, IN AN  
AMOUNT NOT TO EXCEED \$125 MILLION.**

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

**WHEREAS**, the Peninsula Clean Energy Authority (“Peninsula Clean Energy”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch of service for Phase II occurred in April 2017; and

**WHEREAS**, Peninsula Clean Energy is purchasing energy, renewable energy, carbon-free energy, and related products and services (the “Products”) to supply its customers; and

**WHEREAS**, consistent with its mission of reducing greenhouse gas emissions by expanding access to sustainable and affordable energy solutions, Peninsula Clean Energy seeks to execute a power purchase agreement (PPA) with Shell Energy North America (US), L.P. (Contractor), to procure half of the output of the approximately 130 MW Voyager Wind project for an eight-year term starting January 1, 2021, based on Contractor's desirable offering of products, pricing, and terms; and

**WHEREAS**, staff is presenting to the Board for its review the related power purchase agreement ("Power Purchase Confirmation Agreement"), reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the Power Purchase Confirmation Agreement and any other ancillary documents required for said purchase of power from the Contractor.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

Execute the Power Purchase Confirmation Agreement and any ancillary documents with the Contractor with terms consistent with those presented, in a form approved by the General Counsel; and for a power delivery term of up to eight years, in an amount not to exceed \$125 million.

\* \* \* \* \*



**POWER PURCHASE AND SALE CONFIRMATION AGREEMENT**

**COVER SHEET**

**Seller:** Shell Energy North America (US), L.P., a Delaware limited partnership

**Buyer:** Peninsula Clean Energy, a California joint powers authority

**Description of Facility:** Voyager Wind II, a 126.35 MW AC wind generating facility located in Kern County, California.

**Expected Delivery Start Date:** January 1, 2021

**Delivery Term:** The period beginning on the Delivery Start Date and ending on December 31, 2028.

**Delivery Term Expected Energy:**

<b>Contract Year</b>	<b>Guaranteed Capacity (MW)</b>	<b>Expected Energy (MWh)</b>
2021	63.175	209,187
2022	63.175	209,187
2023	63.175	209,187
2024	63.175	209,622
2025	63.175	209,187
2026	63.175	209,187
2027	63.175	209,187
2028	63.175	209,622

**Contract Year Expected Energy (Non-Leap Year):**

<b>Month</b>	<b>Expected Energy (MWh)</b>
1	9,409
2	12,623
3	19,094
4	24,127
5	26,986
6	26,451
7	21,701
8	18,357
9	15,156
10	14,624
11	11,442
12	9,652

**Contract Price:**

████████████████████

████████████████████

**Product:**

- x Energy
- x Green Attributes:
  - x Portfolio Content Category 1
  - ☐ Portfolio Content Category 2
- x Capacity Attributes

**Deliverability:**

- ☐ Energy Only Status
- ☒ Full Capacity Deliverability Status

**Scheduling Coordinator:** Seller or Seller's Agent

**Notice Addresses:**

**Seller:**

Shell Energy North America (US), L.P.  
4445 Eastgate Mall, Suite 100  
San Diego, California 92121  
Attn: Contracts North America

Phone No.: (877) 504-2491  
Email: [TR-Contract-Coordimators@shell.com](mailto:TR-Contract-Coordimators@shell.com)

**Scheduling:**

Attn: 24 Hour Operations (**San Diego, California**)  
Phone: 1-858-320-1500  
Fax: 858-320-1550

Buyer:

Peninsula Clean Energy  
2075 Woodside Road  
Redwood City, CA 94061  
Attn: Director of Power Resources

Phone No.: 650-260-0005  
Email: [contracts@peninsulacleanenergy.com](mailto:contracts@peninsulacleanenergy.com)

With a copy to:

Peninsula Clean Energy  
400 County Center, 6<sup>th</sup> Floor  
Redwood City, CA 94063  
Attn: David Silberman, General Counsel  
Fax No.: (650) 363-4034  
Phone No.: (650) 363-4749  
Email: [dsilberman@smcgov.org](mailto:dsilberman@smcgov.org)

Scheduling: [scheduling@peninsulacleanenergy.com](mailto:scheduling@peninsulacleanenergy.com)

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## POWER PURCHASE AND SALE CONFIRMATION AGREEMENT

This Power Purchase and Sale Confirmation Agreement (“**Agreement**”) is entered into as of December 18, 2020 (the “**Effective Date**”), between Seller and Buyer (each also referred to as a “**Party**” and collectively as the “**Parties**”). This Agreement shall be governed by the Amended and Restated Master Power Purchase and Sale Agreement dated December 18, 2020 between the Parties (the “**Master Agreement**”). In the event of any conflict between the terms in the Master Agreement and this Agreement, this Agreement shall govern.

### RECITALS

WHEREAS, Seller has contracted with the owner of the electric generating facility described in Exhibit A (the “**Facility**”) for all the Energy generated by the Facility, all Green Attributes related to the generation of such Energy, and all Capacity Attributes, and has the right to resell the same; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, on the terms and conditions set forth in this Agreement, Buyer’s MW Share of (i) the Energy generated by the Facility, (ii) all Green Attributes, and (iii) all Capacity Attributes.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, and for other good and valuable consideration, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

### ARTICLE 1 **DEFINITIONS**

1.1 **Contract Definitions.** The following terms, when used herein with initial capitalization, shall have the meanings set forth below. Any terms used but not listed below shall have the meanings set forth in the Master Agreement:

“**AC**” means alternating current.

“**Accepted Compliance Costs**” has the meaning set forth in Section 3.8(b).

“**Additional Event of Default**” has the meaning set forth in Section 9.1.

“**Adjusted Energy Production**” has the meaning set forth in Exhibit D.

“**Agreement**” has the meaning set forth in the Preamble and includes any exhibits, schedules and any written supplements hereto, the Cover Sheet, and the Master Agreement.

“**Available Capacity**” means the capacity from the Facility, expressed in whole MWs, that is available at a particular time to generate Product.

“**Buyer**” has the meaning set forth on the Cover Sheet.

“**Buyer Default**” means a failure by Buyer to perform its obligations hereunder.

**“Buyer’s MW Share”** means fifty percent (50%); provided, that if there is a curtailment of Other Buyers’ respective shares of the Energy, which is not a Curtailment Order, then Buyer’s MW Share shall mean the ratio, calculated to the thousandths of a MW (i.e., rounded to three decimal places), of (i) the Guaranteed Capacity to (ii) 126.35 MW minus Other Buyers’ curtailed capacity (in MW).

**“Buyer’s WREGIS Account”** has the meaning set forth in Section 4.8(a).

**“CAISO”** means the California Independent System Operator Corporation or any successor entity performing similar functions.

**“CAISO Approved Meter”** means a CAISO approved revenue quality meter or meters, CAISO approved data processing gateway or remote intelligence gateway, telemetering equipment and data acquisition services sufficient for monitoring, recording and reporting, in real time, all Energy produced by the Facility less Electrical Losses and Station Use, in accordance with the CAISO Tariff.

**“CAISO Grid”** has the same meaning as “CAISO Controlled Grid” as defined in the CAISO Tariff.

**“CAISO Operating Order”** means the “operating order” defined in Section 37.2.1.1 of the CAISO Tariff.

**“CAISO Tariff”** means the California Independent System Operator Corporation Agreement and Tariff, Business Practice Manuals (BPMs), and Operating Procedures, including the rules, protocols, procedures and standards attached thereto, as the same may be amended or modified from time-to-time and approved by FERC.

**“California Renewables Portfolio Standard”** or **“RPS”** means the renewable energy program and policies established by California State Senate Bills 1038 (2002), 1078 (2002), 107 (2008), X-1 2 (2011), 350 (2015) and 100 (2018) codified in, *inter alia*, California Public Utilities Code Sections 399.11 through 399.31 and California Public Resources Code Sections 25740 through 25751, as such provisions are amended or supplemented from time to time.

**“Capacity Attribute”** means any current or future defined characteristic, certificate, tag, credit, or accounting construct associated with the amount of power that the Facility can generate and deliver to the CAISO Grid at a particular moment and that can be purchased and sold under CAISO market rules, including Resource Adequacy Benefits. Capacity Attributes shall also include all rights to provide and all benefits related to the provision of Ancillary Services (as defined in the CAISO Tariff) if applicable to wind generation.

**“CEC”** means the California Energy Resources Conservation and Development Commission or its successor agency.

**“Compliance Actions”** has the meaning set forth in Section 3.8(a).

**“Compliance Expenditure Cap”** has the meaning set forth in Section 3.8(a).



**“Contract Price”** has the meaning set forth in the Cover Sheet, as may be adjusted by Section 3.3.

**“Contract Term”** has the meaning set forth in Section 2.1(a).

**“Contract Year”** means a calendar year, provided that the first Contract Year shall commence on the Delivery Start Date and end on December 31 of the year in which the Delivery Start Date occurs.

**“Costs”** means, with respect to the Non-Defaulting Party, brokerage fees, commissions and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its obligations or entering into new arrangements which replace the Agreement; and all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with terminating the Agreement.

**“Cover Sheet”** means the cover sheet to this Agreement.

**“CPM Soft Offer Cap”** has the meaning set forth in the CAISO Tariff.

**“CPUC”** means the California Public Utilities Commission, or successor entity.

**“Curtailment Order”** means any of the following:

(a) CAISO orders, directs, alerts, or provides notice to a Party, including a CAISO Operating Order, to curtail Energy deliveries for any reason;

(b) a curtailment ordered by the Participating Transmission Owner or distribution operator (if the Facility is interconnected to distribution or sub-transmission system) for reasons including, but not limited to, (i) any situation that affects normal function of the electric system including, but not limited to, any abnormal condition that requires action to prevent circumstances such as equipment damage, loss of load, or abnormal voltage conditions, or (ii) any warning, forecast or anticipation of conditions or situations that jeopardize the Participating Transmission Owner’s or distribution operator’s electric system integrity or the integrity of other systems to which the Participating Transmission Owner is connected;

(c) a curtailment ordered by the Participating Transmission Owner due to scheduled or unscheduled maintenance on the Participating Transmission Owner’s transmission facilities that prevents (i) Buyer from receiving or (ii) Seller from delivering Energy to the Delivery Point; or

(d) a curtailment in accordance with Seller’s obligations under its Interconnection Agreement with the Participating Transmission Owner or distribution operator.

**“Curtailment Period”** means the period of time, as measured using current Settlement Intervals, during which Seller reduces generation from the Facility pursuant to a Curtailment Order.

**“Day-Ahead Forecast”** has the meaning set forth in Section 4.4(c).

**“Day-Ahead LMP”** has the meaning set forth in the CAISO Tariff.

**“Day-Ahead Market”** has the meaning set forth in the CAISO Tariff.

**“Day-Ahead Schedule”** has the meaning set forth in the CAISO Tariff.

**“Deemed Delivered Energy”** means Buyer’s MW Share of the amount of Energy expressed in MWh that the Facility would have produced and delivered to the Delivery Point, but that is not produced by the Facility and delivered to the Delivery Point during an Economic Curtailment Period, which amount shall be equal to:

(a) the final VER Forecast, expressed in MWh, applicable to each Settlement Interval in the applicable Economic Curtailment Period, or

(b) if there is no VER Forecast available or Seller demonstrates to Buyer’s reasonable satisfaction that the VER Forecast does not represent an accurate forecast of generation from the Facility, the result of the equation reasonably calculated and provided by Seller to reflect the potential generation of the Facility as a function of Available Capacity, and wind speed, and using relevant Facility availability, weather, historical and other pertinent data for the period of time during the Economic Curtailment Period, in either case less the amount of Metered Energy delivered to the Delivery Point during the Economic Curtailment Period; *provided that*, if the applicable difference is negative, the Deemed Delivered Energy shall be zero (0).

**“Deficient Month”** has the meaning set forth in Section 4.8(e).

**“Delivery Point”** means the PNode designated by the CAISO for the Facility.

**“Delivery Start Date”** means with respect to Metered Energy and Green Attributes: January 1, 2021; and with respect to Capacity Attributes: January 1, 2022.

**“Delivery Term”** shall mean the period commencing on the Delivery Start Date and ending on December 31, 2028.

**“Economic Curtailment Period”** means the Settlement Intervals during which the Day Ahead LMP is below the Floor Price and there is no applicable Curtailment Order.

**“Effective Date”** has the meaning set forth in the Preamble.

**“Electrical Losses”** means all transmission or transformation losses between the Facility and the Delivery Point.

**“Eligible Intermittent Resources Protocol”** or **“EIRP”** has the meaning set forth in the CAISO Tariff.

**“Eligible Renewable Energy Resource”** has the meaning set forth in California Public Utilities Code Section 399.12(e) and California Public Resources Code Section 25741(a), as either code provision is amended or supplemented from time to time.

**“Energy”** means metered electrical energy, measured in MWh, which is produced by the Facility.

**“Energy Payment Amount”** means the manner in which the Contract Price and the Day-Ahead LMP will be settled under this Agreement, as set forth in Exhibit E.

**“Event of Default”** has the meaning set forth in the Master Agreement.

**“Excess MWh”** has the meaning set forth in Section 3.3(c).

**“Expected Energy”** has the meaning set forth in Section 4.7.

**“Facility”** means the facility described more fully in Exhibit A attached hereto.

**“Facility Owner”** means Voyager Wind II, LLC.

**“FERC”** means the Federal Energy Regulatory Commission or any successor government agency.

**“Flexible Resource Adequacy Benefits”** has the meaning set forth in the CAISO Tariff.

**“Floor Price”** means a price, expressed in \$/MWh, designated by Buyer in a Notice to Seller no later than 6:30 a.m. PPT on the applicable Preschedule Day. Seller’s Floor Price shall remain in effect until it is modified by Buyer in a new Notice to Seller.

**“Force Majeure Event”** has the meaning set forth in Section 8.1.

**“Forced Facility Outage”** means an unexpected failure of one or more components of the Facility or any outage on the Transmission System that prevents Seller from making power available at the Delivery Point and that is not the result of a Force Majeure Event.

**“Forward Certificate Transfers”** has the meaning set forth in the WREGIS Operating Rules.

**“Full Capacity Deliverability Status”** has the meaning set forth in the CAISO Tariff.

**“Governmental Authority”** means any federal, state, provincial, local or municipal government, any political subdivision thereof or any other governmental, congressional or parliamentary, regulatory, or judicial instrumentality, authority, body, agency, department, bureau, or entity with authority to bind a Party at law, including CAISO; *provided, however*, that “Governmental Authority” shall not in any event include any Party.

**“Green Attributes”** means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Facility, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emissions of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons,

perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by Law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere; and (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Facility, (ii) production tax credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or "tipping fees" that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Facility for compliance with local, state, or federal operating and/or air quality permits. If the Facility is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Facility.

**"Green Tag Reporting Rights"** means the right of a purchaser of renewable energy to report ownership of accumulated "green tags" in compliance with and to the extent permitted by applicable Law and include, without limitation, rights under Section 1605(b) of the Energy Policy Act of 1992, and any present or future federal, state or local certification program or emissions trading program, including pursuant to the WREGIS Operating Rules.

**"Guaranteed Capacity"** means 63.175 MW AC for each applicable Contract Year measured at the Delivery Point.

[REDACTED]

**"Guaranteed Energy Production"** has the meaning set forth in Section 4.7.

**"Interconnection Agreement"** means the interconnection agreement entered into by the owner of the Facility pursuant to which the Facility is interconnected with the Transmission System, and pursuant to which the Interconnection Facilities will be operated and maintained during the Contract Term.

**"Interconnection Facilities"** means the interconnection facilities, control and protective devices and metering facilities required to connect the Facility with the Transmission System in accordance with the Interconnection Agreement.

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

**“Joint Powers Agreement”** means that certain Joint Powers Agreement dated February 29, 2016 under which Buyer is organized as a Joint Powers Authority in accordance with the Joint Powers Act.

**“Law”** means any applicable law, statute, rule, regulation, decision, writ, order, decree or judgment, permit or any interpretation thereof, promulgated or issued by a Governmental Authority.

**“Local Capacity Area”** has the meaning set forth in the CAISO Tariff.

**“Local Capacity Area Resource”** has the meaning set forth in the CAISO Tariff.

**“Local Capacity Area Resource Adequacy Benefits”** means the attributes, however defined, of a Local Capacity Area Resource that can be used to satisfy the local resource adequacy obligations of a load serving entity.

**“Locational Marginal Price”** or **“LMP”** has the meaning set forth in the CAISO Tariff.

**“Lost Output”** has the meaning set forth in Exhibit D.

**“Master Agreement”** has the meaning set forth in the Preamble.

**“Metered Energy”** means the product of (a) the electric energy generated by the Facility, expressed in MWh, as recorded by the CAISO Approved Meter(s) and net of all Electrical Losses and Station Use, and (b) Buyer’s MW Share.

**“MW”** means megawatts measured in alternating current.

**“MWh”** means megawatt-hour measured in AC.

**“Negative LMP”** means, in any Settlement Period or Settlement Interval in the Day-Ahead Market, the LMP is less than zero dollars (\$0).

**“Negative LMP Costs”** has the meaning set forth in Section 3.3(c).

**“Net Qualifying Capacity”** or **“NQC”** has the meaning set forth in the CAISO Tariff.

**“Non-Defaulting Party”** has the meaning set forth in the Master Agreement.

**“Notice”** shall, unless otherwise specified in the Agreement, mean written communications by a Party to be delivered by hand delivery, United States mail, overnight courier service, facsimile or electronic messaging (e-mail).

**“Other Buyers”** shall mean any entity other than Buyer with a contract to purchase energy from the Facility that was in effect on or before the Effective Date

**“Participating Transmission Owner”** or **“PTO”** means an entity that owns, operates and maintains transmission or distribution lines and associated facilities and/or has entitlements to use certain transmission or distribution lines and associated facilities where the Facility is interconnected. For purposes of this Agreement, the Participating Transmission Owner is Southern California Edison Company.

**“Party”** has the meaning set forth in the Preamble.

**“Performance Measurement Period”** has the meaning set forth in Section 4.7.

**“Planned Outage”** means the removal of equipment from service availability for inspection and/or general overhaul of one or more major equipment groups. To qualify as a Planned Outage, the maintenance (a) must actually be conducted during the time period specified in the Facility’s Planned Outage schedule pursuant to Section 5.1, and in the Facility Owner’s sole discretion must be of the type that is necessary to reliably maintain the Facility, (b) cannot be reasonably conducted during Facility operations, and (c) causes the generation level of the Facility to be reduced by at least ten percent (10%) of the Guaranteed Capacity.

**“PNode”** has the meaning set forth in the CAISO Tariff.

**“Portfolio Content Category 1”** or **“PCC1”** means any Renewable Energy Credit associated with the generation of electricity from an Eligible Renewable Energy Resource consisting of the portfolio content set forth in California Public Utilities Code Section 399.16(b)(1), as may be amended from time to time or as further defined or supplemented by Law.

**“Preschedule Day”** means the industry standard (in the WECC) day for the scheduling of energy for a subsequent day or days. The current industry standard Preschedule Day timetable in the WECC is as follows:

- (1) Monday – Preschedule Day for Tuesday
- (2) Tuesday – Preschedule Day for Wednesday
- (3) Wednesday – Preschedule Day for Thursday
- (4) Thursday – Preschedule Day for Friday and Saturday
- (5) Friday – Preschedule Day for Sunday and Monday

Exceptions to this standard Monday through Friday Preschedule Day timetable are presently set forth by the WECC in order to accommodate holidays, monthly transitions and other events. Exceptions are posted on the WECC website ([www.wecc.biz](http://www.wecc.biz)) under the document titled, “Preschedule Calendar.”

**“Product”** means (i) the Metered Energy, (ii) Buyer’s MW Share of Green Attributes with a Portfolio Content Category as selected on the cover sheet, and (iii) Buyer’s MW Share of Capacity Attributes.

**“Prudent Operating Practice”** means the practices, methods and standards of professional care, skill and diligence engaged in or approved by a significant portion of the electric power industry in the Western United States for facilities of similar size, type, and design, that, in the exercise of reasonable judgment, in light of the facts known at the time, would have been expected to accomplish results consistent with Law, reliability, safety, environmental protection, applicable codes, and standards of economy and expedition. Prudent Operating Practices are not necessarily defined as the optimal standard practice method or act to the exclusion of others, but rather refer to a range of actions reasonable under the circumstances.

**“RA Deficiency Amount”** means the liquidated damages payment that Seller shall pay to Buyer for an applicable RA Shortfall Month as calculated in accordance with Section 3.6(b).

**“RA Guarantee Start Date”** means January 1, 2022.

**“RA Plan”** means the RA plan, or similar or successor filing, that a Scheduling Coordinator representing resources providing Resource Adequacy Benefits submits to the CAISO or other applicable Governmental Authority pursuant to applicable Laws in order for the Resource Adequacy Benefits, including any Local Capacity Area Resource Adequacy Benefits and Flexible Resource Adequacy Benefits, to count towards a load serving entity’s resource adequacy obligations.

**“RA Shortfall Month”** means the applicable calendar month following the RA Guarantee Start Date during which Seller fails to provide Resource Adequacy Benefits in an amount equal to or greater than the Guaranteed RA Amount as required hereunder for purposes of calculating an RA Deficiency Amount under Section 3.6(b).

**“Renewable Energy Credit”** or **“REC”** has the meaning set forth in California Public Utilities Code Section 399.12(h), as may be amended from time to time or as further defined or supplemented by Law.

**“Renewable Energy Incentives”** means: (a) all federal, state, or local Tax credits or other Tax benefits associated with the construction, ownership, or production of electricity from the Facility (including credits under Sections 38, 45, 46 and 48 of the Internal Revenue Code of 1986, as amended); (b) any federal, state, or local grants, subsidies or other like benefits relating in any way to the Facility, including a cash grant available under Section 1603 of Division B of the American Recovery and Reinvestment Act of 2009, provided in lieu of federal Tax credits or any similar or substitute payment available under subsequently enacted federal legislation; and (c) any other form of incentive relating in any way to the Facility that are not a Green Attribute.

**“Resource Adequacy Benefits”** means the rights and privileges attached to Buyer’s MW Share of the Facility that satisfy any entity’s resource adequacy obligations, as those obligations are set forth in CPUC Decisions 04-01-050, 04-10-035, 05-10-042, 06-06-064, 06-07-031, 07-06-029, 08-06-031, 09-06-028, 10-06-036, 11-06-022, 12-06-025, 13-06-024, 14-06-050, 15-06-063, 16-06-045, 17-06-027, 19-10-021, and any subsequent CPUC ruling or decision or by any other entity including CAISO, and shall include System Resource Adequacy Benefits, Flexible Resource Adequacy Benefits and Local Capacity Area Resource Adequacy Benefits associated with the Facility.

**“Schedule”** has the meaning set forth in the CAISO Tariff.

**“Scheduling Coordinator”** or **“SC”** means an entity certified by the CAISO as qualifying as a Scheduling Coordinator pursuant to the CAISO Tariff for the purposes of undertaking the functions specified in “Responsibilities of a Scheduling Coordinator,” of the CAISO Tariff, as amended from time to time.

**“Seller”** has the meaning set forth on the Cover Sheet.

**“Settlement Interval”** has the meaning set forth in the CAISO Tariff.

**“Settlement Period”** has the meaning set forth in the CAISO Tariff, which as of the Effective Date is the period beginning at the start of the hour and ending at the end of the hour.

**“Showing Deadline”** means the initial deadline that a Scheduling Coordinator must meet to submit its RA Plan, as established by CAISO or any other Governmental Authority. For illustrative purposes only, the CAISO monthly Showing Deadline is approximately 45 days prior to the RA delivery month.

**“Site”** means the real property on which the Facility is or will be located, as further described in Exhibit A.

**“Site Control”** means that the Facility Owner: (a) owns or has the option to purchase the Site; (b) is the lessee or has the option to lease the Site; or (c) is the holder of an easement or an option for an easement, right-of-way grant, or similar instrument with respect to the Site.

**“Station Use”** means:

(a) The electric energy produced by the Facility that is used within the Facility to power the lights, motors, control systems and other electrical loads that are necessary for operation of the Facility; and

(b) The electric energy produced by the Facility that is consumed within the Facility’s electric energy distribution system as losses.

**“System Emergency”** means any condition that: (a) requires, as determined and declared by CAISO or the PTO, automatic or immediate action to (i) prevent or limit harm to or loss of life or property, (ii) prevent loss of transmission facilities or generation supply in the immediate vicinity of the Facility, or (iii) to preserve Transmission System reliability, and (b) directly affects the ability of any Party to perform under any term or condition in this Agreement, in whole or in part.

**“System Resource Adequacy Benefits”** means the attributes, however defined, of a resource that can be used to satisfy the resource adequacy obligations of a load serving entity, other than Flexible Resource Adequacy Benefits and Local Capacity Area Resource Adequacy Benefits.



“**Tax**” or “**Taxes**” means all U.S. federal, state and local and any foreign taxes, levies, assessments, surcharges, duties and other fees and charges of any nature imposed by a Governmental Authority, whether currently in effect or adopted during the Contract Term, including ad valorem, excise, franchise, gross receipts, import/export, license, property, sales and use, stamp, transfer, payroll, unemployment, income, and any and all items of withholding, deficiency, penalty, additions, interest or assessment related thereto.

“**Transmission System**” means the transmission facilities operated by the CAISO, now or hereafter in existence, which provide energy transmission service downstream from the Delivery Point.

“**Variable Energy Resource**” or “**VER**” has the meaning set forth in the CAISO Tariff.

“**Variable Energy Resource Forecast**” or “**VER Forecast**” means, for a given period, the final forecast of the Energy to be produced by the Facility prepared by the CAISO in accordance with the Eligible Intermittent Resources Protocol.

“**WECC**” means the Western Electricity Coordinating Council or its successor.

“**WREGIS**” means the Western Renewable Energy Generation Information System or any successor renewable energy tracking program.

“**WREGIS Certificate Deficit**” has the meaning set forth in Section 4.8(e).

“**WREGIS Certificates**” has the same meaning as “Certificate” as defined by WREGIS in the WREGIS Operating Rules and are designated as eligible for complying with the California Renewables Portfolio Standard.

“**WREGIS Operating Rules**” means those operating rules and requirements adopted by WREGIS as of December 2010, as subsequently amended, supplemented or replaced (in whole or in part) from time to time.

1.2 **Rules of Interpretation.** In this Agreement, except as expressly stated otherwise or unless the context otherwise requires:

(a) headings and the rendering of text in bold and italics are for convenience and reference purposes only and do not affect the meaning or interpretation of this Agreement;

(b) words importing the singular include the plural and vice versa and the masculine, feminine and neuter genders include all genders;

(c) the words “hereof”, “herein”, and “hereunder” and words of similar import shall refer to this Agreement as a whole and not to any particular provision of this Agreement;

(d) a reference to an Article, Section, paragraph, clause, Party, or Exhibit is a reference to that Section, paragraph, clause of, or that Party or Exhibit to, this Agreement unless otherwise specified;

(e) a reference to a document or agreement, including this Agreement shall mean such document, agreement or this Agreement including any amendment or supplement to, or replacement, novation or modification of this Agreement, but disregarding any amendment, supplement, replacement, novation or modification made in breach of such document, agreement or this Agreement;

(f) a reference to a Person includes that Person's successors and permitted assigns;

(g) the term "including" means "including without limitation" and any list of examples following such term shall in no way restrict or limit the generality of the word or provision in respect of which such examples are provided;

(h) references to any statute, code or statutory provision are to be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or reenacted, and include references to all bylaws, instruments, orders and regulations for the time being made thereunder or deriving validity therefrom unless the context otherwise requires;

(i) in the event of a conflict, a mathematical formula or other precise description of a concept or a term shall prevail over words providing a more general description of a concept or a term;

(j) references to any amount of money shall mean a reference to the amount in United States Dollars, and references to a LMP shall mean the LMP at the Delivery Point unless expressly provided otherwise;

(k) the expression "and/or" when used as a conjunction shall connote "any or all of";

(l) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning in Prudent Operating Practice shall have such meaning in this Agreement or (ii) do not have well known and generally accepted meaning in Prudent Operating Practice but that have well known and generally accepted technical or trade meanings, shall have such recognized meanings; and

(m) each Party acknowledges that it was represented by counsel in connection with this Agreement and that it or its counsel reviewed this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

## **ARTICLE 2**

### **TERM**

#### **2.1 Contract Term.**

(a) The term of this Agreement shall commence on the Effective Date and shall remain in full force and effect until the conclusion of the Delivery Term, subject to any early termination provisions set forth herein ("**Contract Term**").

[REDACTED]

**ARTICLE 3**  
**PURCHASE AND SALE**

3.1 **Sale of Product.** Subject to the terms and conditions of this Agreement (including the provisions of Section 7.2 and Exhibit E regarding Energy Payment Amount settlements), during the Delivery Term, Seller shall sell and deliver to Buyer, and Buyer shall purchase and receive from Seller at the Contract Price, the Product. At its sole discretion, Buyer may during the Delivery Term re-sell or use for another purpose all or a portion of the Product, provided that such resale or use for another purpose will not relieve Buyer of any of its obligations under this Agreement. Except for Deemed Delivered Energy, Buyer has no obligation to pay Seller for any Product that is not delivered to the Delivery Point as a result of any circumstance, including, an outage of the Facility, a Force Majeure Event, a Curtailment Order, or during an Economic Curtailment Period. In no event shall Seller have the right to procure any element of the Product from sources other than the Facility for sale or delivery to Buyer under this Agreement.

3.2 **Sale of Green Attributes.** During the Delivery Term, Seller shall sell and deliver to Buyer, and Buyer shall purchase and receive from Seller, Buyer's MW Share of the Green Attributes.

3.3 **Compensation.** Buyer shall compensate Seller for the Product in accordance with this Section 3.3.

[REDACTED]

[REDACTED]

[REDACTED]

3.4 **Ownership of Renewable Energy Incentives.** Buyer acknowledges that Renewable Energy Incentives do not belong to Buyer. If any Renewable Energy Incentives, or values representing the same, are initially credited or paid to Buyer, Buyer shall cause such Renewable Energy Incentives or values relating to same to be assigned or transferred to Seller without delay. Buyer shall reasonably cooperate with Seller, at Seller's sole expense, in Seller's efforts to meet the requirements for any certification, registration, or reporting program relating to Renewable Energy Incentives.

3.5 **Capacity Attributes.**

(a) Throughout the Delivery Term, subject to Section 3.8, Seller grants, pledges, assigns and otherwise commits to Buyer all of the Capacity Attributes from Buyer's MW Share of the Available Capacity.

(b) Throughout the Delivery Term, subject to Section 3.8, Seller shall, or shall cause the Scheduling Coordinator for the Facility to, submit RA Plans to CAISO in accordance with the CAISO and CPUC requirements applicable thereto in order to transfer all Resource Adequacy Benefits to Buyer. No later than ten (10) Business Days before the Showing Deadline, Seller shall notify Buyer of the amount Resource Adequacy Benefits that will be included in the forthcoming RA Plan.

(c) For the duration of the Delivery Term, subject to Section 3.8, Seller shall take all commercially reasonable actions, including complying with all applicable registration and reporting requirements, and execute any and all documents or instruments necessary to enable Buyer to use all of the Capacity Attributes committed by Seller to Buyer pursuant to this Agreement.

3.6 **Resource Adequacy Failure.**

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

■ [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3.7 **California Renewables Portfolio Standard.** Subject to Section 3.8, Seller shall also take all other actions necessary to ensure that the Energy produced from the Facility is tracked for purposes of satisfying the California Renewables Portfolio Standard requirements, as may be amended or supplemented by California statute or by the CPUC or CEC from time to time.

3.8 **Compliance Expenditure Cap.**

[REDACTED]

- (i) Green Attributes; and
- (ii) Capacity Attributes.

Any actions required for Seller to comply with its obligations set forth in the first paragraph above, the cost of which will be included in the Compliance Expenditure Cap, shall be referred to collectively as the “**Compliance Actions.**”

(b) If Seller reasonably anticipates the need to incur out-of-pocket expenses in excess of the Compliance Expenditure Cap in order to take any Compliance Action, Seller shall provide Notice to Buyer of such anticipated out-of-pocket expenses. Buyer will have sixty (60) days to evaluate such Notice (during which time period Seller is not obligated to take any Compliance Actions described in the Notice) and shall, within such time, either (1) agree to reimburse Seller for all of the costs that exceed the Compliance Expenditure Cap (such Buyer-agreed upon costs, the “**Accepted Compliance Costs**”), or (2) if Buyer does not agree to reimburse such costs, then Buyer shall be deemed to have waived Seller’s obligation to take such Compliance Actions, or any part thereof for which Buyer has not agreed to reimburse Seller. If Buyer does not respond to a Notice given by Seller under this Section 3.8 within sixty (60) days after Buyer’s receipt of same, Buyer shall be deemed to have waived its rights to require Seller to take the Compliance Actions that are the subject of the Notice, and Seller shall have no further obligation to take, and no liability for any failure to take, these Compliance Actions for the remainder of the Contract Term.

(c) If Buyer agrees to reimburse Seller for the Accepted Compliance Costs, then Seller shall take such Compliance Actions covered by the Accepted Compliance Costs as agreed upon by the Parties and Buyer shall reimburse Seller for Seller’s actual costs to effect the Compliance Actions, not to exceed the Accepted Compliance Costs, within sixty (60) days from the time that Buyer receives an invoice and reasonable documentation of such costs from Seller.

## **ARTICLE 4**

### **OBLIGATIONS AND DELIVERIES**

#### **4.1 Delivery.**

(a) Energy. Subject to the terms and conditions of this Agreement, Seller shall make available and Buyer shall accept at the Delivery Point all Metered Energy on an as-generated, instantaneous basis. Each Party shall perform all generation, scheduling, and transmission services in compliance with (i) the CAISO Tariff, (ii) WECC scheduling practices, and (iii) Prudent Operating Practice.

(b) Green Attributes. Seller hereby provides and conveys Buyer's MW Share of all Green Attributes as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all such Green Attributes, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product. At Buyer's request, Seller shall use commercially reasonable efforts to cause the Facility to be certified in the Center for Resource Energy Solutions Green-e certification program, or any successor program.

#### **4.2 Title and Risk of Loss.**

(a) Energy. Title to and risk of loss related to the Metered Energy shall pass and transfer from Seller to Buyer at the Delivery Point.

(b) Green Attributes. Title to and risk of loss related to Buyer's MW Share of Green Attributes shall pass and transfer from Seller to Buyer upon the transfer of such Green Attributes in accordance with WREGIS Operating Rules.

#### **4.3 Scheduling Coordinator Responsibilities.**

(a) Seller as Scheduling Coordinator for the Facility. Seller shall be the Scheduling Coordinator or designate a qualified third party to provide Scheduling Coordinator services with the CAISO for the Facility for the delivery of the Product at the Delivery Point. Seller or Seller's designee shall perform all Scheduling responsibilities in accordance with the CAISO Tariff and applicable Law.

(b) Notices. Seller shall provide Buyer with access to all notices and updates required under the CAISO Tariff regarding the Facility's status, including, but not limited to, all outage requests, Forced Facility Outages, Forced Facility Outage reports, clearance requests, or must offer waiver forms. Seller will cooperate with Buyer to provide such notices and updates. Seller shall promptly submit such information to the CAISO and Buyer (in order of preference) telephonically, by electronic mail, or facsimile transmission to the personnel designated to receive such information.

(c) CAISO Settlements. Seller shall be responsible for all settlement functions with the CAISO related to the Facility, shall be responsible for all CAISO costs and charges associated with the Facility and shall be entitled to all CAISO revenues and credits associated with the Facility.

(d) Master Data File and Resource Data Template. Seller shall provide the data to the CAISO (and to Buyer) that is required for the CAISO's Master Data File and Resource Data Template (or successor data systems) for this Facility consistent with this Agreement. Neither Party shall change such data without the other Party's prior written consent, not to be unreasonably withheld.

(e) NERC Reliability Standards. Buyer shall cooperate reasonably with Seller to the extent necessary to enable Seller to comply, and for Seller to demonstrate Seller's compliance with, NERC reliability standards.

4.4 **Forecasting.** Seller's Available Capacity forecasts shall include availability and updated status of transformers, wind turbine unit status, and any other equipment that may impact availability. Seller shall use commercially reasonable efforts to convey forecasts of the Available Capacity of the Facility accurately and to transmit such information in a format reasonably acceptable to Buyer (or Buyer's designee).

(a) Annual Forecast of Available Capacity. No less than ninety (90) days after the Delivery Start Date in respect of the first calendar year during the Delivery Term, and no less than ninety (90) days before the beginning of each subsequent calendar year during the Delivery Term, Seller shall provide a non-binding forecast of the hourly Available Capacity for each day in each month of the following calendar year in a form reasonably acceptable to Buyer.

(b) Monthly Forecast of Available Capacity. By sixty (60) days before the beginning of each month, but no earlier than ninety (90) days after the Delivery Start Date, Seller shall provide to Buyer and Buyer's designee (if applicable) a non-binding forecast of the Available Capacity for each day of the following month in a form reasonably acceptable to Buyer.

(c) Daily Forecast. Seller shall, or shall cause the Facility Owner to, provide the VER Forecasts to Buyer for each Preschedule Day in accordance with the following timeline. For each Preschedule Day, Seller shall provide Notice to Buyer of the final VER Forecast used by Seller to schedule the Facility to the Delivery Point where such VER Forecast is published by the CAISO at 6:40 a.m. PPT ("**Day-Ahead Forecast**") In addition, Seller and Buyer shall agree on protocols to provide an advanced VER Forecast to Buyer.

4.5 **Dispatch Down/Curtailment.**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4.6 **Reduction in Delivery Obligation.** For the avoidance of doubt, and in no way limiting Section 3.1 or Exhibit D:

(a) **Facility Maintenance.** Seller shall be permitted to reduce deliveries of Product during any period of Planned Outages on the Facility.

(b) **Forced Facility Outage.** Seller shall be permitted to reduce deliveries of Product during any Forced Facility Outage. Seller shall provide Buyer with Notice and expected duration (if known) of any Forced Facility Outage, once Seller has notice of such event.

(c) **System Emergencies and other Interconnection Events.** Seller shall be permitted to reduce deliveries of Product during any period of System Emergency, Economic Curtailment Period, or upon Notice of a Curtailment Order, or pursuant to the terms of the Interconnection Agreement or applicable tariff.

(d) **Force Majeure Event.** Seller shall be permitted to reduce deliveries of Product during any Force Majeure Event.

(e) **Health and Safety.** Seller shall be permitted to reduce deliveries of Product as necessary to maintain health and safety pursuant to Section 5.2.

4.7 [REDACTED]



[REDACTED]

4.8 **WREGIS.** Seller shall, at its sole expense, but subject to Section 3.8, take all actions and execute all documents or instruments necessary to ensure that all WREGIS Certificates associated with all Renewable Energy Credits corresponding to all Metered Energy are issued and tracked for purposes of satisfying the requirements of the California Renewables Portfolio Standard for Buyer's sole benefit. Seller shall transfer the Renewable Energy Credits to Buyer. Seller shall comply with all Laws, including the WREGIS Operating Rules, regarding the certification, issuance, and transfer of such WREGIS Certificates to Buyer, and Buyer shall be given sole title to all such WREGIS Certificates. In addition:

(a) Seller shall transfer the WREGIS Certificates using "**Forward Certificate Transfers**" (as described in the WREGIS Operating Rules) from Seller's WREGIS account to the WREGIS account(s) of Buyer or the accounts of a designee that Buyer identifies by Notice to Seller ("**Buyer's WREGIS Account**") Buyer shall not be responsible for any expenses associated with registering the Facility with WREGIS, establishing and maintaining Seller's WREGIS Account, paying WREGIS Certificate issuance and transfer fees, and transferring WREGIS Certificates from Seller's WREGIS Account to Buyer's WREGIS Account.

(b) As between Buyer and Seller, Seller is responsible for satisfying the duties and requirements of "Qualified Reporting Entity" (as that term is defined by WREGIS) for the Facility. Seller shall cause Forward Certificate Transfers to occur on a monthly basis in accordance with the certification procedure established by the WREGIS Operating Rules. Since WREGIS Certificates will only be created for whole MWh amounts of Energy generated, any fractional MWh amounts (i.e., kWh) will be carried forward until sufficient generation is accumulated for creation of a WREGIS Certificate.

(c) Seller shall, at its sole expense, ensure that the WREGIS Certificates for a given calendar month correspond with the Metered Energy for such calendar month as evidenced by the Facility's metered data.

(d) Due to the ninety (90) day delay in the creation of WREGIS Certificates relative to the timing of invoice payment under Section 7.2, Buyer shall make an invoice payment for a given month in accordance with Section 7.2 before the WREGIS Certificates for such month are formally issued to Buyer in accordance with the WREGIS Operating Rules and this Section 4.8. Notwithstanding this delay, Buyer shall have all right and title to all such WREGIS Certificates upon payment to Seller in accordance with Section 7.2.

(e) A “**WREGIS Certificate Deficit**” means any deficit or shortfall in WREGIS Certificates issued to Buyer for a calendar month as compared to the Metered Energy for the same calendar month (“**Deficient Month**”). If any WREGIS Certificate Deficit occurs, then the amount of Metered Energy in the Deficient Month shall be reduced by the amount of the WREGIS Certificate Deficit for purposes of calculating Buyer’s payment to Seller under Article 7 and the Guaranteed Energy Production for the applicable Performance Measurement Period. Without limiting Seller’s obligations under this Section 4.8, if a WREGIS Certificate Deficit is caused solely by an error or omission of WREGIS, the Parties shall cooperate in good faith to cause WREGIS to correct its error or omission. Seller shall use commercially reasonable efforts to rectify any WREGIS Certificate Deficit as expeditiously as possible.

(f) If WREGIS changes the WREGIS Operating Rules after the Effective Date or applies the WREGIS Operating Rules in a manner inconsistent with this Section 4.8 after the Effective Date, the Parties promptly shall modify this Section 4.8 as reasonably required to cause and enable Seller to transfer to Buyer’s WREGIS Account a quantity of WREGIS Certificates for each given calendar month that corresponds to the Metered Energy in the same calendar month.

(g) Seller warrants that all necessary steps to allow the Renewable Energy Credits to be issued to Buyer and tracked in WREGIS will be taken prior to the first delivery under this Agreement.

■ [REDACTED]

(a) Commencing sixty (60) days following notice from Buyer to Seller, or as mutually [REDACTED]

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[REDACTED]

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(ii) As applicable, the meteorological stations, telecommunications path, hardware, and [REDACTED]

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5.2 **Maintenance of Health and Safety.** Seller represents and warrants that its

[REDACTED]

[REDACTED]

## **ARTICLE 6** **METERING**

6.1 **Metering.** All output from the Facility shall be delivered through a single CAISO revenue meter located at the Facility's final step-up transformer (which must be dedicated solely to the Facility) nearest to the Interconnection Point that exclusively measures output for the Facility described herein. All Energy purchased under this Agreement must be measured by the CAISO Approved Meter to be eligible for payment under this Agreement. The meter shall be kept under seal, such seals to be broken only when the meters are to be tested, adjusted, modified or relocated. In the event that the Facility Owner breaks a seal, Seller shall notify Buyer as soon as practicable. In addition, Seller hereby agrees to provide all meter data to Buyer in a form reasonably acceptable to Buyer, and consents to Buyer obtaining from CAISO the CAISO meter data applicable to the Facility and all inspection, testing and calibration data and reports. Seller and Buyer shall cooperate to allow both Parties to retrieve the meter reads from the CAISO Operational Meter Analysis and Reporting (OMAR) web and/or directly from the CAISO Approved Meter. If the CAISO makes any adjustment to any CAISO meter data for a given time period, Seller agrees that it shall submit revised monthly invoices, pursuant to Article 7, covering the entire applicable time period in order to conform fully such adjustments to the meter data. Seller shall submit any such revised invoice no later than thirty (30) days from the date on which the CAISO provides to Seller such binding adjustment to the meter data.

6.2 **Meter Verification.** If Seller has reason to believe there may be a meter malfunction, Seller shall provide notice of such suspected meter malfunction to Buyer. Upon reasonable request by Buyer, Seller shall request the Facility Owner to test the CAISO Approved Meter.

## **ARTICLE 7**

### **INVOICING AND PAYMENT**

7.1 **Invoicing.** Seller shall deliver an invoice to Buyer for Product in accordance with the terms of the Master Agreement. Each invoice shall provide Buyer (a) records of metered data, including CAISO metering and transaction data sufficient to document and verify the generation of Product by the Facility for any Settlement Period during the preceding month, the amount of Product in MWh produced by the Facility as read by the CAISO Approved Meter, the amount and calculation of the Day-Ahead LMP, the calculation of Deemed Delivered Energy and Adjusted Energy Production, and the Energy Payment Amount; and (b) access to any records, including invoices or settlement data from the CAISO, necessary to verify the accuracy of any amount. Invoices shall be in a format specified by Buyer, covering the services provided in the preceding month determined in accordance with the applicable provisions of this Agreement.

7.2 **Payment.** Buyer shall make payment to Seller for Product in accordance with the terms of the Master Agreement. Such payment shall be in an amount equal to the Energy Payment Amount.

7.3 **Payment Adjustments; Billing Errors.** Payment adjustments shall be made if Buyer or Seller discovers there have been good faith inaccuracies in invoicing that are not otherwise disputed under the Master Agreement, an adjustment to an amount previously invoiced or paid is required due to a correction of data by the CAISO, or there is determined to have been a meter inaccuracy sufficient to require a payment adjustment. If the required adjustment is in favor of Buyer, Buyer's next monthly payment shall be credited in an amount equal to the adjustment. If the required adjustment is in favor of Seller, Seller shall add the adjustment amount to Buyer's next monthly invoice. Adjustments in favor of either Buyer or Seller shall bear interest, until settled in full, in accordance with the Master Agreement, accruing from the date on which the adjusted amount should have been due. Except for adjustments required due to a correction of data by the CAISO, any adjustment described in this Section 7.3 is waived if Notice of the adjustment is not provided within twelve (12) months after the invoice is rendered or subsequently adjusted.

## **ARTICLE 8**

### **FORCE MAJEURE**

8.1 **Definition.** "**Force Majeure Event**" means any event or circumstance: (a) that wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party's ability to perform its obligations under this Agreement, or (iii) such event is not the direct or indirect result of the negligence or the failure of, or caused by, the Party seeking to have its performance obligations excused thereby; (b) which by the exercise of due diligence such Party could not reasonably have been expected to avoid; and (c) which by the exercise of due diligence it has been unable to overcome.

(a) Subject to the foregoing, events that could qualify as Force Majeure Events include the following:

(i) flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, volcanic eruption, other natural disaster or unusual or extreme adverse weather-related events;

(ii) war (declared or undeclared), riot or similar civil disturbance, acts of the public enemy (including acts of terrorism), sabotage, blockade, insurrection, revolution, expropriation or confiscation;

(iii) except as set forth in subsection (b)(vii) below, strikes, work stoppage or other labor disputes (in which case the affected Party shall have no obligation to settle the strike or labor dispute on terms it deems unreasonable); or

(iv) emergencies declared by the Transmission Provider or any other authorized successor or regional transmission organization or any state or federal regulator or legislature requiring a forced curtailment of the Facility or making it impossible for the Transmission Provider to transmit Energy, including Energy to be delivered pursuant to this Agreement; provided that, if a curtailment of the Facility pursuant to this subsection (a)(iv) coincides with an Economic Curtailment Period, then it shall be treated as a Curtailment Period for all purposes hereunder; and provided further that curtailment of the Facility shall only be considered a Force Majeure Event if and to the extent that the curtailment was of firm transmission service or its equivalent.

(b) A Force Majeure Event shall not be based on:

(i) Buyer's inability economically to use or resell the Product purchased hereunder;

(ii) Seller's ability to sell the Product at a price greater than the price set forth in this Agreement;

(iii) Seller's inability to obtain permits or approvals of any type for the operation or maintenance of the Facility unless caused solely by a Force Majeure Event of the specific type described in any of subsections (a)(i) through (a)(iv) above;

(iv) a Forced Outage or any other failure of the Facility to generate or deliver Product except where such Forced Outage or failure is caused by a Force Majeure Event of the specific type described in any of subsections (a)(i) through (a)(iv) above;

(v) a strike, work stoppage or labor dispute limited only to any one or more of Seller, Seller's Affiliates, or any third party employed by Seller to work on the Facility;

(vi) any equipment failure except if such equipment failure is caused solely by a Force Majeure Event of the specific type described in any of subsections (a)(i) through (a)(iv) above; or

(vii) a Party's financial condition or inability to pay amounts due to the other Party under this Agreement, except if such inability is caused solely by a Force Majeure Event that disables physical or electronic facilities necessary to transfer funds to the payee Party.

8.2 **No Liability If a Force Majeure Event Occurs.** Neither Seller nor Buyer shall be liable to the other Party in the event it is prevented from performing its obligations hereunder in whole or in part due to a Force Majeure Event. Buyer shall not be obligated to pay for any Product that Seller was not able to deliver as a result of a Force Majeure Event. The Party rendered unable to fulfill any obligation by reason of a Force Majeure Event shall take reasonable actions necessary to remove such inability with due speed and diligence. Nothing herein shall be construed as permitting that Party to continue to fail to perform after said cause has been removed. The obligation to use due speed and diligence shall not be interpreted to require resolution of labor disputes by acceding to demands of the opposition when such course is inadvisable in the discretion of the Party having such difficulty. Neither Party shall be considered in breach or default of this Agreement if and to the extent that any failure or delay in the Party's performance of one or more of its obligations hereunder is caused by a Force Majeure Event. The occurrence and continuation of a Force Majeure Event shall not suspend or excuse the obligation of a Party to make any payments due hereunder.

8.3 **Notice.** In the event of any delay or nonperformance resulting from a Force Majeure Event, the Party suffering the Force Majeure Event shall (a) as soon as practicable, notify the other Party in writing of the nature, cause, estimated date of commencement thereof, and the anticipated extent of any delay or interruption in performance, and (b) notify the other Party in writing of the cessation or termination of such Force Majeure Event, all as known or estimated in good faith by the affected Party; *provided, however*, that a Party's failure to give timely Notice shall not affect such Party's ability to assert that a Force Majeure Event has occurred unless the delay in giving Notice materially prejudices the other Party.

8.4 **Termination Following Force Majeure Event.** If a Force Majeure Event has occurred that has caused either Party to be wholly or partially unable to perform its obligations hereunder, and has continued for a consecutive twelve (12) month period, then the non-claiming Party may terminate this Agreement upon written Notice to the other Party with respect to the Facility experiencing the Force Majeure Event. Upon any such termination, neither Party shall have any liability to the other, save and except for those obligations specified in Section 2.1(b), and Buyer shall promptly return to Seller any Performance Security then held by Buyer.

## **ARTICLE 9**

### **DEFAULTS**

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]

■ [REDACTED]



[REDACTED]

**ARTICLE 10**  
**ADDITIONAL REPRESENTATIONS AND WARRANTIES**

10.1 **Seller's Representations and Warranties.** As of the Effective Date, Seller represents and warrants as follows:

(a) Seller is a limited partnership, duly organized, validly existing and in good standing under the laws of the State of Delaware, and is qualified to conduct business in each jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Seller.

(b) Prior to the Effective Date, Seller has contracted with the owner of the Facility for the rights to all the Energy generated by the Facility, all Green Attributes related to the generation of such Energy, and all Capacity Attributes.

(c) Seller owns or has the exclusive right to the Product sold under this Agreement from the Facility, and shall furnish Buyer, CAISO, CPUC or other Governmental Authorities with such evidence as may reasonably be requested to demonstrate such ownership or exclusive right.

(d) Seller has not sold the Product to be transferred to Buyer to any other person or entity.

(e) The Product delivered meets the specifications set forth herein.

(f) The Product is from the electric energy generated by the Facility.

(g) All rights, title and interest in and to the Product are free and clear of any taxes or security interests except for any right or interest by any entity claiming through Shell Energy.

(h) Seller further represents and warrants to Buyer that the purchase and sale of Product pursuant to this Agreement is a resale and meets the following additional requirements:

(i) The original upstream third party contract(s) meets the criteria of California Public Utilities Code Section 399.16(b)(1)(A);

(ii) this Agreement transfers Energy and RECs that have not yet been generated prior to the Effective Date; and

(iii) in connection with the transfer of the Energy and associated RECs that are included within the Product purchased and sold under this Agreement, the Energy transferred by this Confirmation is transferred to Buyer in real-time.

(i) Seller has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Seller's performance under this Agreement. The execution, delivery and performance of this Agreement by Seller has been duly authorized by all necessary corporate action on the part of Seller and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Seller or any other party to any other agreement with Seller.

(j) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Seller with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Seller, subject to any permits that have not yet been obtained by Seller, the documents of formation of Seller or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Seller is a party or by which any of its property is bound.

(k) This Agreement has been duly executed and delivered by Seller. This Agreement is a legal, valid and binding obligation of Seller enforceable in accordance with its terms, except as limited by Laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(l) The Facility is located in the State of California.

10.2 **Buyer's Representations and Warranties.** As of the Effective Date, Buyer represents and warrants as follows:

(a) Buyer is a joint powers authority and a validly existing community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members. All persons making up the governing body of Buyer are the elected or appointed incumbents in their positions and hold their positions in good standing in accordance with the Joint Powers Agreement and other Law.

(b) Buyer has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Buyer's performance under this Agreement. The execution, delivery and performance of this Agreement by Buyer has been duly authorized by all necessary action on the part of Buyer and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Buyer or any other party to any other agreement with Buyer.

(c) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Buyer with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any Law presently in effect having applicability to Buyer, including but not limited to community choice aggregation, the Joint Powers Act, competitive bidding, public notice, open meetings, election, referendum, or prior appropriation requirements, the documents of formation of Buyer or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Buyer is a party or by which any of its property is bound.

(d) This Agreement has been duly executed and delivered by Buyer. This Agreement is a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, except as limited by Laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(e) Buyer warrants and covenants that with respect to its contractual obligations under this Agreement, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court, (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) execution or enforcement of any judgment.

(f) Buyer is a "local public entity" as defined in Section 900.4 of the Government Code of the State of California.

10.3 **General Covenants.** Each Party covenants that commencing on the Effective Date and continuing throughout the Contract Term:

(a) It shall continue to be duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and to be qualified to conduct business in each jurisdiction where the failure to so qualify would have a material adverse effect on its business or financial condition;

(b) It shall maintain (or obtain from time to time as required) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

(c) It shall perform its obligations under this Agreement in compliance with all terms and conditions in its governing documents and any contracts to which it is a party and in material compliance with any Law.

## **ARTICLE 11**

### **NON-MODIFIABLE TERMS AND CONDITIONS**

11.1 **Eligibility.** Seller, and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement that: (i) the Facility qualifies and is certified by the CEC as an Eligible Renewable Energy Resource ("ERR") as such term is defined in Public Utilities Code Section 399.12 or Section 399.16; and (ii) the Facility's output delivered to Buyer qualifies under the requirements of the California Renewables Portfolio Standard. To the extent a change in law occurs after execution of this Agreement that causes this representation and warranty

11.2 **Applicable Law.** This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each Party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Agreement. **[STC 17, Non-Modifiable. (Source: D.07-11-025, Attachment A) D.08-04-009]**

11.4 **Tracking of RECs in WREGIS.** Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under the contract. [STC REC-2, Non-modifiable, D.11-01-025]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

13.1 **Entire Agreement; Integration; Exhibits.** This Agreement, together with the Cover Sheet and Exhibits attached hereto constitutes the entire agreement and understanding between Seller and Buyer with respect to the subject matter hereof and supersedes all prior agreements relating to the subject matter hereof, which are of no further force or effect. The Exhibits attached hereto are integral parts hereof and are made a part of this Agreement by

reference. The headings used herein are for convenience and reference purposes only. In the event of a conflict between the provisions of this Agreement and those of the Cover Sheet or any Exhibit, the provisions of first the Cover Sheet, and then this Agreement shall prevail, and such Exhibit shall be corrected accordingly. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof.

13.2 **Amendments.** This Agreement may only be amended, modified or supplemented by an instrument in writing executed by duly authorized representatives of Seller and Buyer; *provided*, that, for the avoidance of doubt, this Agreement may not be amended by electronic mail communications.

13.3 **No Waiver.** Waiver by a Party of any default by the other Party shall not be construed as a waiver of any other default.

13.4 **No Agency, Partnership, Joint Venture or Lease.** Seller and the agents and employees of Seller shall, in the performance of this Agreement, act in an independent capacity and not as officers or employees or agents of Buyer. Under this Agreement, Seller and Buyer intend to act as energy seller and energy purchaser, respectively, and do not intend to be treated as, and shall not act as, partners in, co-venturers in or lessor/lessee with respect to the Facility or any business related to the Facility. This Agreement shall not impart any rights enforceable by any third party (other than a permitted successor or assignee bound to this Agreement).

13.5 **Severability.** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, the Parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby. The Parties shall, however, use their best endeavors to agree on the replacement of the void, illegal or unenforceable provision(s) with legally acceptable clauses which correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

13.6 **Mobile-Sierra.** Notwithstanding any other provision of this Agreement, neither Party shall seek, nor shall they support any third party seeking, to prospectively or retroactively revise the rates, terms or conditions of service of this Agreement through application or complaint to FERC pursuant to the provisions of Section 205, 206 or 306 of the Federal Power Act, or any other provisions of the Federal Power Act, absent prior written agreement of the Parties. Further, absent the prior written agreement in writing by both Parties, the standard of review for changes to the rates, terms or conditions of service of this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956).

13.7 **Counterparts.** This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument and each of which shall be deemed an original.

13.8 **Facsimile or Electronic Delivery.** This Agreement may be duly executed and delivered by a Party by execution and facsimile or electronic format (including portable document format (.pdf)) delivery of the signature page of a counterpart to the other Party, and, if delivery is made by facsimile or other electronic format, the executing Party shall promptly deliver, via overnight delivery, a complete original counterpart that it has executed to the other Party, but this Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original counterpart.

13.9 **Binding Effect.** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

13.10 **Venue.** The Parties agree that venue for any litigation arising with respect to this Agreement shall be in the federal courts located in the county of San Mateo, California, provided that if such courts disclaim jurisdiction, then in the state courts located in the county of San Mateo, California.

13.11 **Public Statements.** Neither Party shall issue (or cause its Affiliates to issue) a press release regarding the transactions contemplated by this Agreement unless both Parties have agreed upon the contents of any such press release.

13.12 **Change in Electric Market Design.**

(a) If a change in the CAISO Tariff renders this Agreement or any provisions hereof incapable of being performed or administered, then any Party may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to make this Agreement capable of being performed and administered, while attempting to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date.

(b) If a change to any Law occurs after the Effective Date, including any rule or requirement of WREGIS, that impacts the number or quality of Resource Adequacy Benefits or Green Attributes (including Renewable Energy Credits) available to Buyer from the Facility, then Buyer may request that Buyer and Seller enter into negotiations to make the minimum changes to this Agreement necessary to preserve to the maximum extent possible the benefits, burdens, and obligations set forth in this Agreement as of the Effective Date.

(c) If the Parties are unable to agree on changes to this Agreement under Sections 13.12(a) or 13.12(b), the Parties shall continue to perform their obligations hereunder to the fullest extent practicable and each Party may avail itself of its remedies at law or in equity.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the Effective Date.

**SELLER**  
**Shell Energy North America (US), L.P.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BUYER**  
**Peninsula Clean Energy Authority**

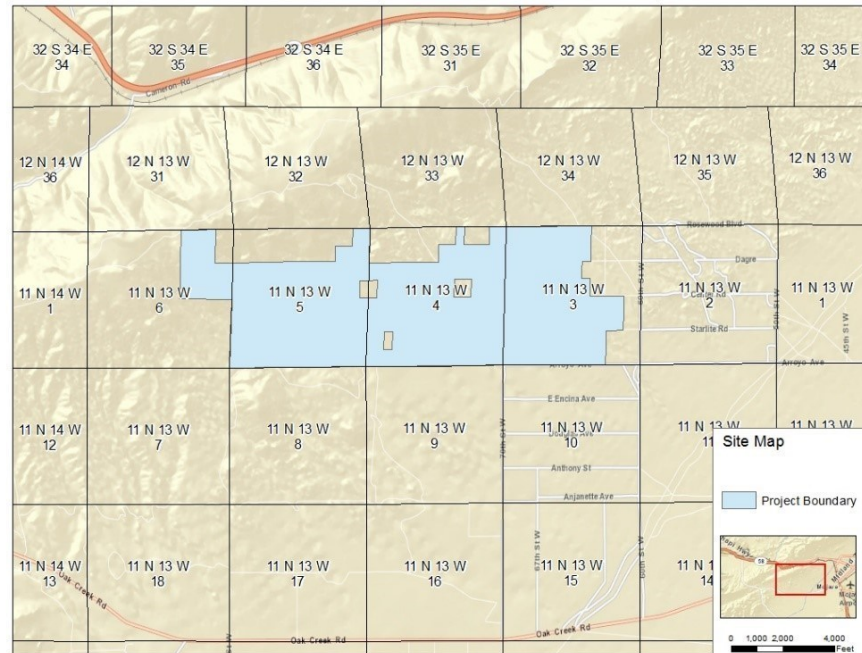
By: \_\_\_\_\_  
PCE Executive Officer

## EXHIBIT A

### DESCRIPTION OF THE FACILITY

**Facility Name:** Voyager Wind II  
**Site Name:** Voyager Wind II  
**Site Description:** Portions of sections 3, 4 and 5 in township 11N, range 13W San Bernardino Base Meridian.  
**Site Address:** Terra-Gen, Oak Creek Road, Mohave, CA  
**GPS Coordinates:** 118°16'9.29"W, 35° 3'27.19"N

#### Site Map:



**County:** Kern County  
**Guaranteed Capacity:** 63.175 MW AC (net, at the Delivery Point)  
**Generation Technology:** Wind; Manufacturer; Vestas; Technology Type: Class I – II Wind Turbine Generator;  
Total number of Units at the Project: 34 – 38  
**Trading Hub:** SP-15  
**P-node/Delivery Point:** Windhub Substation  
**Point of Interconnection:** At Southern California Edison's Windhub Substation  
**CAISO Resource ID:** VOYAGR\_2\_VOYWD2  
**CAISO SCID:** CVOY  
**CEC RPS ID:** 63686A  
**WREGIS ID:** W7267  
**EIA ID:** 61582

**One-Line Diagram:** The Facility will use the following Interconnection Facilities and metering configuration, as depicted in the attached one-line diagram:



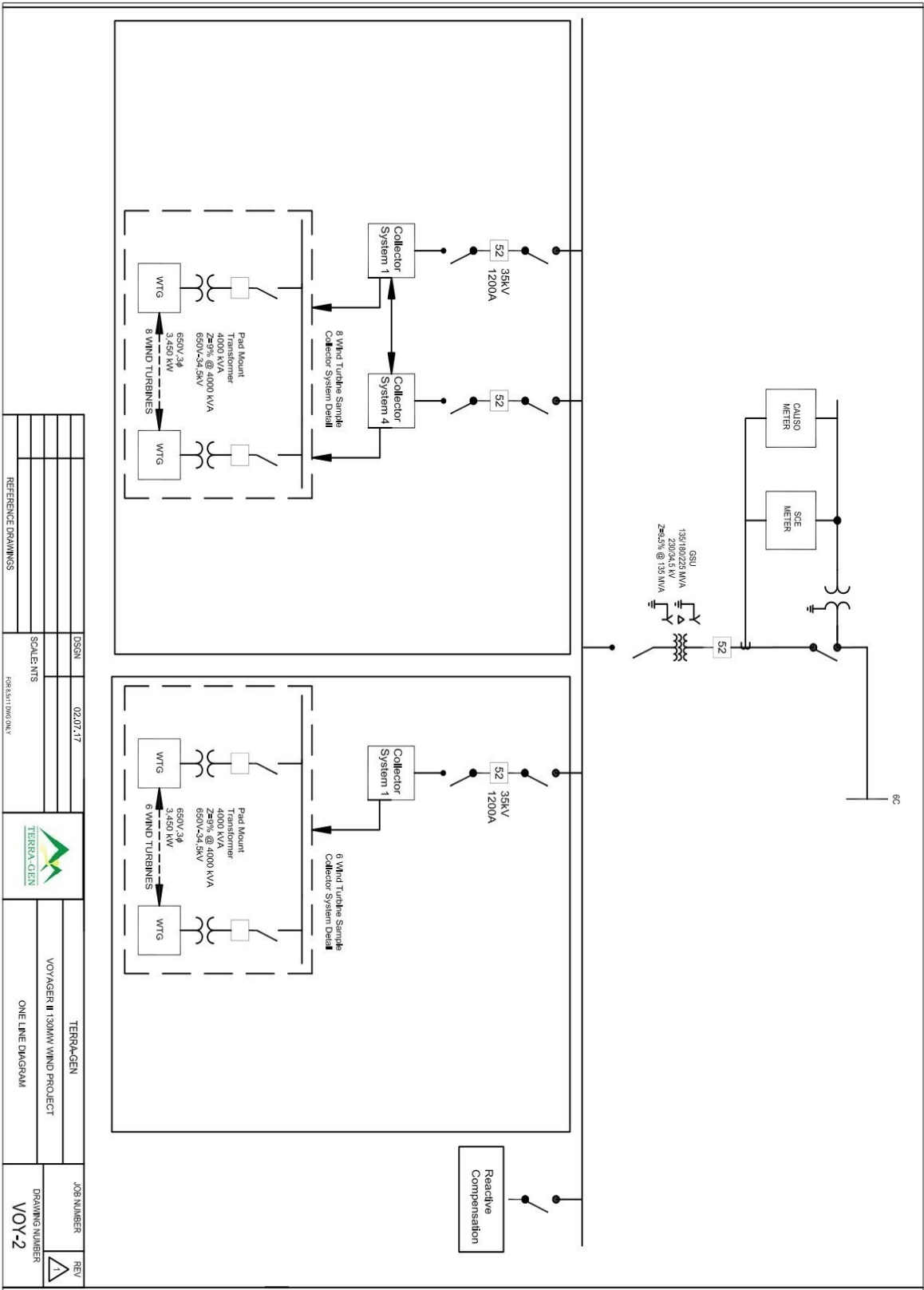


Exhibit A-2

## **EXHIBIT B**

### **EMERGENCY CONTACT INFORMATION**

#### **BUYER:**

Peninsula Clean Energy  
2075 Woodside Road  
Redwood City, CA 94061  
Attn: Director of Power Resources

Phone No.: 650-260-0005  
Email: [contracts@peninsulacleanenergy.com](mailto:contracts@peninsulacleanenergy.com)

#### **SELLER:**

Shell Energy North America (US), L.P.  
4445 Eastgate Mall, Suite 100  
San Diego, California 92121  
Attn: Real Time Power

Phone No.: 858-320-1500  
Email: [gxtrSENAspokaneRealtime@shell.com](mailto:gxtrSENAspokaneRealtime@shell.com)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]



**PENINSULA CLEAN ENERGY AUTHORITY**  
**Board Correspondence**

**DATE:** December 4, 2020

**BOARD MEETING DATE:** December 17, 2020

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Chelsea Keys, Power Resources Manager

**SUBJECT:** Approve Resolution Delegating Authority to Chief Executive Officer to execute a Contract with ZGlobal, Inc. for Scheduling Coordinator Services, Congestion Revenue Rights Portfolio Management, and Short-term Load Forecasting, and any necessary ancillary documents in an amount not to exceed \$850,000 with a term from February 1, 2021 through January 31, 2024.

**RECOMMENDATION:**

Approve Resolution Delegating Authority to Chief Executive Officer to execute a Contract with ZGlobal, Inc. for Scheduling Coordinator Services, Congestion Revenue Rights Portfolio Management, and Short-term Load Forecasting, and any necessary ancillary documents in an amount not to exceed \$850,000 with a term from February 1, 2021 through January 31, 2024.

**BACKGROUND:**

Peninsula Clean Energy requires a Scheduling Coordinator (SC) to schedule and provide operational support for its load and generation resources participating in the California Independent System Operator (CAISO) market. SCs must uphold and acquire a certification from CAISO to participate in the market, operate 24 hour trading desks and may schedule on other entities' behalf. Once certified, SCs can submit bids to purchase and sell energy into CAISO, manage certain operational requirements for Resource Adequacy, and manage Congestion Revenue Rights (CRR) on behalf of load serving entities (LSEs).

The contract with ZGlobal will replace two existing contracts for scheduling coordinator services with Direct Energy and Boston Energy Trading and Marketing.

In June 2016, the Board authorized an agreement with Energy America, LLC (Direct Energy), to provide load scheduling coordinator services, CRR portfolio management, and short-term load forecasting which is due to expire on December 31, 2020.

In June 2019, Peninsula Clean Energy executed a contract with Boston Energy Trading and Marketing LLC (BETM) for a one-year term to provide scheduling coordinator services for the Wright solar resource. In May 2020, the Board authorized an Amendment to this agreement with BETM to provide scheduling coordinator services for six of Peninsula Clean Energy's resources through September 30, 2021.

### **DISCUSSION:**

The Strategic Plan approved by the Board earlier in 2020 set Peninsula Clean Energy's Priority One to "design a power portfolio that is sourced by 100% carbon free energy<sup>1</sup> by 2025 that aligns supply and consumer demand on a 24x7 basis". To achieve this goal, Peninsula Clean Energy will need to hire an experienced SC to optimize its portfolio of resources by matching renewable generation with its load on an hourly basis and shifting generation to serve load in hours where more generation is needed.

In September 2020, in anticipation of the expiration of Peninsula Clean Energy's contract with Direct Energy, staff issued a solicitation to seek proposals for SC services, CRR portfolio management, and forecasting services. At a minimum, proposers were required to provide their financial statements, certificates of insurance for specific coverages, at least two references, disclose if there are any claims or violations against their organization, as well as describe their organizations qualifications and experience specified in the solicitation protocol. Proposers of SC and CRR portfolio management services were required to have SC certification with CAISO. In addition, SC providers were required to have a backup facility to support 24x7 trading responsibilities.

Peninsula Clean Energy received nine proposals for SC services, ten proposals for CRR portfolio management, and twelve offers for forecasting services. Providers were given the option to propose services for one or all of the services Peninsula Clean Energy was seeking in this solicitation. As part of the SC services, proposers were asked to describe how they would help Peninsula Clean Energy manage a portfolio to achieve its goal to serve customer load with 100% carbon free energy by 2025. Staff shortlisted and held interviews with those with the greatest qualifications and experience, with Peninsula Clean Energy's goals in mind, and offered the best value for their service.

In total, staff shortlisted four SC and CRR portfolio management service providers and three forecast providers. Staff selected ZGlobal to provide all SC services including load, resource and CRR portfolio management and day-ahead load forecasting. ZGlobal was chosen based on its vast experience scheduling both load and resources in CAISO, processes for reporting CAISO settlements and resource performance, and analytical capabilities, and because it offered the best value for the services provided. ZGlobal is an SC for several other CCA's and was highly recommended by their staff for their broad knowledge of the CAISO market, reporting and analytical abilities, becoming a reliable source of information, and overall good service.

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<sup>1</sup> Carbon Free = California RPS-eligible renewable energy, excluding biomass, that can be scheduled by Peninsula Clean Energy on an hourly basis.

The term of the agreement will be three years, beginning February 1, 2021 through January 31, 2024. SC services for the six resources that are currently being scheduled by BETM will transfer to ZGlobal after the contract expires in September 2021. The agreement allows Peninsula Clean Energy to add generation resources, as Peninsula Clean Energy continues to sign contracts with renewable energy resources that will require SC services. Staff anticipates it will need SC services for at least three solar resources paired with storage, which will require more costly SC services due to the complexity of optimizing a battery. Staff is requesting approval of this agreement, in an amount not to exceed \$850,000 to account for adding solar resources paired with storage, wind, geothermal, and small hydro resources to Peninsula Clean Energy's portfolio before the term of this agreement expires. The agreement also allows the option to extend the term by one year, if mutually agreed on by both parties near the end of the three-year term. If for any reason Peninsula Clean Energy became unsatisfied with ZGlobal's service, the agreement could be terminated with enough advance notice to transfer the responsibilities to a new SC.

ZGlobal is currently helping staff work through a process to become directly enabled with CAISO, meaning Peninsula Clean Energy would acquire its own Scheduling Coordinator ID (SCID) with CAISO, and ZGlobal would become Peninsula Clean Energy's SC Agent. Currently, all CAISO settlements flow through the current SCID, which is under Direct Energy, who bypasses the settlements to Peninsula Clean Energy. By acquiring its own SCID, Peninsula Clean Energy will settle directly with CAISO, which would alleviate the need for an SC Agent to do this on its behalf and is the preferred method by CAISO. This will also make it easier for Peninsula Clean Energy to change SCs in the future. Peninsula Clean Energy intended to begin the contract with ZGlobal immediately following the expiration of its contract with Direct Energy. However, since Peninsula Clean Energy is simultaneously working to become enabled with CAISO, the soonest Peninsula Clean Energy can do this with ZGlobal as its SC Agent is February 1, 2021. Therefore, staff is also seeking to extend the current contract with Direct Energy by one month, and ZGlobal will take over the responsibilities thereafter.

We recommend that the Board approve this contract with ZGlobal.

### **FISCAL IMPACT:**

The fiscal impact of the contract with ZGlobal will not exceed \$850,000 over the 3-year term of the agreement.

### **STRATEGIC PLAN:**

The contract with ZGlobal supports the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

- Priority 1: Design a power portfolio that is sourced by 100% carbon free energy<sup>2</sup> by 2025 that aligns supply and consumer demand on a 24x7 basis

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<sup>2</sup> Carbon Free = California RPS-eligible renewable energy, excluding biomass, that can be scheduled by Peninsula Clean Energy on an hourly basis



- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates
  - Objective A Low Cost and Stable Power: Develop and implement power supply strategies to procure low-cost, reliable power.
    - Key Tactic 2: Improve load and generation forecasting accuracy by leveraging historical data and sophisticated analytical tools
    - Key Tactic 4: Manage portfolio to meet risk, cost and reliability objectives
  - Objective B Clean Power: Design a diverse power portfolio that is 100% carbon-free by 2021; and is 100% carbon-free by 2025 that aligns supply and consumer demand on a 24 x 7 basis.

**RESOLUTION NO. \_\_\_\_\_**

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

**\* \* \* \* \***

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE AN AGREEMENT WITH ZGLOBAL, INC (“CONTACTOR”) WITH  
TERMS CONSISTENT WITH THOSE PRESENTED, IN A FORM APPROVED BY THE  
GENERAL COUNSEL.**

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**RESOLVED**, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

**WHEREAS**, the Peninsula Clean Energy Authority (“Peninsula Clean Energy”) was formed on February 29, 2016; and

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch of service for Phase II occurred in April 2017; and

**WHEREAS**, in June 2016, Peninsula Clean Energy signed an agreement (“Direct Energy Agreement”) with Energy America, LLC (Direct Energy) to provide scheduling coordinator services, and the Direct Energy Agreement is set to expire on December 31, 2020; and

**WHEREAS**, in September 2020, staff issued a request for proposals (RFP) for scheduling coordinator services, forecasting services, and Congestion Revenue Rights (CRR) portfolio management and received nine competitive proposals; and

**WHEREAS**, staff selected Contractor for its competitive offering, broad experience scheduling load and resources for various California entities, and best value for the services provided; and

**WHEREAS**, Peninsula Clean Energy would like Contractor to provide forecasting services, CRR portfolio management, and scheduling coordinator services for its load and power purchase agreements, including four hydro resources and two solar resources, after the Direct Energy Agreement for resource scheduling ends by its terms in September 2021; and

**WHEREAS**, Peninsula Clean Energy would like to aggregate its load and resources under one scheduling coordinator to effectively optimize its entire portfolio, create further efficiencies, and help prepare Peninsula Clean Energy to reach its goal to become 100% renewable by 2025; and

**WHEREAS**, Peninsula Clean Energy would like to execute a three year agreement with Contractor ("Agreement"), beginning February 1, 2021 for load scheduling services and begin resource scheduling services in September 2021, with an option to add additional resources to the Agreement and an option to renew services for one year near the end of the Agreement's term; and

**WHEREAS**, staff is presenting to the Board for its review the Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the Agreement and any other ancillary documents from the Contractor.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

Execute the Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel, and for a term of three years in an amount not to exceed \$850,000.

\* \* \* \* \*

[CCO-113499]

**SCHEDULING COORDINATOR SERVICES AGREEMENT BETWEEN THE  
PENINSULA CLEAN ENERGY AUTHORITY AND ZGlobal, Inc**

This Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2020 ("Effective Date"), by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, ("PCE") and ZGlobal, Inc. ("Contractor"). Each of PCE and Contractor is sometimes referred to herein individually as a "Party" and collectively as the "Parties".

Whereas, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCE may contract with independent contractors for the furnishing of Services to or for PCE; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of providing the various Services as specified herein to optimize PCE's load and resources.

Now, therefore, it is agreed by the parties to this Agreement as follows:

**1. Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Additional Definitions

Exhibit B—Payments and Rates

Exhibit C—Services

Exhibit D—Instructions of Contractor's Traders Restricting California Trading

**2. Services to be performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform Services for PCE in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit C.

**3. Compensation**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit C, PCE shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCE reserves the right to withhold payment if PCE determines that the quantity or quality of the work performed is unacceptable. In no event shall PCE's total fiscal obligation to Contractor under this Agreement exceed one million dollars (\$850,000). In the event that PCE makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by PCE at the time of contract termination or expiration.

**4. Term**

Subject to compliance with all terms and conditions, the term of this Agreement shall be three (3) years from February 1, 2021 through January 31, 2024 ("Term"). Parties may renew this Agreement for subsequent one-year renewal terms by mutual agreement in writing with one

hundred twenty (120) days' written notice prior to the end of the original term or any renewal terms.

## **5. Termination**

This Agreement may be terminated by the Chief Executive Officer of PCE or his/her designee at any time and for any reason upon one hundred twenty (120) days' advance written notice to the other party. Upon such termination, Contractor shall be entitled to receive payment for services provided hereunder prior to the termination of this Agreement.

Notwithstanding the foregoing, no termination of this Agreement shall take effect until CAISO has confirmed that its systems no longer reflect Contractor as PCE's Scheduling Agent (as defined in the CAISO Business Practice Manuals). Contractor shall complete all necessary notices and filings to CAISO and other third parties to effectuate the transition to PCE's new Scheduling Agent and shall provide to PCE and to PCE's new Scheduling Agent any pertinent information and data related to PCE's CAISO market operations.

PCE may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or PCE funds by providing written notice to Contractor as soon as is reasonably possible after PCE learns of said unavailability of outside funding.

## **6. Representations and Warranties; Authority**

### **(a) Contractor's Representations and Warranties.**

As of the Effective Date, Contractor represents and warrants as follows:

- (i) Contractor is a limited liability company, duly organized, validly existing and in good standing under the laws of the State of California, and is qualified to conduct business in each jurisdiction where the failure to so qualify would have a material adverse effect on the business or financial condition of Contractor.
- (ii) Contractor has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on Contractor's performance under this Agreement. The execution, delivery and performance of this Agreement by Contractor has been duly authorized by all necessary corporate action on the part of Contractor and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of Contractor or any other party to any other agreement with Contractor.
- (iii) Contractor is a certified Scheduling Coordinator ("SC") with CAISO and will maintain all required certifications to continue to provide the Services throughout the Term.
- (iv) Contractor will maintain reasonable and customary off-site backup facilities in order to ensure Contractor's uninterrupted performance of the Services in the event of an emergency.

(v) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by Contractor with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any law presently in effect having applicability to Contractor, subject to any permits that have not yet been obtained by Contractor, the documents of formation of Contractor or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which Contractor is a party or by which any of its property is bound.

(vi) This Agreement has been duly executed and delivered by Contractor. This Agreement is a legal, valid and binding obligation of Contractor enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(vii) Contractor has the professional and technical personnel and resources required to perform the Services in conformance with the terms and conditions herein.

**(b) PCE's Representations and Warranties**

As of the Effective Date, PCE represents and warrants as follows:

(i) PCE is a joint powers authority and a validly existing community choice aggregator, duly organized, validly existing and in good standing under the laws of the State of California and the rules, regulations and orders of the California Public Utilities Commission, and is qualified to conduct business in each jurisdiction of the Joint Powers Agreement members. All persons making up the governing body of PCE are the elected or appointed incumbents in their positions and hold their positions in good standing in accordance with the Joint Powers Agreement and other law.

(ii) PCE has the power and authority to enter into and perform this Agreement and is not prohibited from entering into this Agreement or discharging and performing all covenants and obligations on its part to be performed under and pursuant to this Agreement, except where such failure does not have a material adverse effect on PCE's performance under this Agreement. The execution, delivery and performance of this Agreement by PCE has been duly authorized by all necessary action on the part of PCE and does not and will not require the consent of any trustee or holder of any indebtedness or other obligation of PCE or any other party to any other agreement with PCE.

(iii) The execution and delivery of this Agreement, consummation of the transactions contemplated herein, and fulfillment of and compliance by PCE with the provisions of this Agreement will not conflict with or constitute a breach of or a default under any law presently in effect having applicability to PCE, including but not limited to community choice aggregation, the Joint Powers Act, competitive bidding, public notice, open meetings, election, referendum, or prior appropriation requirements, the documents of formation of PCE or any outstanding trust indenture, deed of trust, mortgage, loan agreement or other evidence of indebtedness or any other agreement or instrument to which PCE is a party or by which any of its property is bound.

(iv) This Agreement has been duly executed and delivered by PCE. This Agreement is a legal, valid and binding obligation of PCE enforceable in accordance with its terms, except as limited by laws of general applicability limiting the enforcement of creditors' rights or by the exercise of judicial discretion in accordance with general principles of equity.

(v) PCE warrants and covenants that with respect to its contractual obligations under this Agreement, it will not claim immunity on the grounds of sovereignty or similar grounds with respect to itself or its revenues or assets from (1) suit, (2) jurisdiction of court, (3) relief by way of injunction, order for specific performance or recovery of property, (4) attachment of assets, or (5) execution or enforcement of any judgment.

(vi) PCE is a "local public entity" as defined in Section 900.4 of the Government Code of the State of California.

### **(c) General Covenants**

Each Party covenants that commencing on the Effective Date and continuing throughout the Term:

(i) It shall continue to be duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and to be qualified to conduct business in each jurisdiction where the failure to so qualify would have a material adverse effect on its business or financial condition;

(ii) It shall maintain (or obtain from time to time as required) all regulatory authorizations necessary for it to legally perform its obligations under this Agreement; and

(iii) It shall perform its obligations under this Agreement in compliance with all terms and conditions in its governing documents and any contracts to which it is a party and in material compliance with any law.

## **7. Additional Services**

PCE may from time to time contract with Contractor for the performance of additional services not included within the services detailed above. Such additional services, if any, shall be described in written task orders under this Agreement (each a "Task Order") mutually agreed between the Parties, which Task Order shall be subject to and constitute a part of this Agreement. Each Task Order shall be sequentially numbered and shall describe the specific scope of desired Additional Services to be performed, the schedule requirements for completion of such Additional Services, the specific documents, reports, drawings, specifications, or other deliverables required by the Task Order and the price (or other basis of compensation) for the completion of such Additional Services. No Task Order shall be effective until executed by the Parties. Contractor shall have no obligation to perform any Additional Services unless and until it agrees to do so pursuant to a Task Order, which it may enter into or not enter into in its sole discretion. Prices for such Additional Services will be by agreement of the Parties and specified in the applicable Task Order.

## **8. Intellectual Property and Ownership of Work Product**



PCE shall and does own all titles, rights, and interests in all materials, tangible or not, created in whatever medium pursuant to this Agreement, including without limitation publications, promotional or educational materials, reports, manuals, specifications, drawings and sketches, computer programs, software and databases, schematics, marks, logos, graphic designs, notes, matters and combinations therefore, and all forms of intellectual property ("Work Products") created by Contractor and any subcontractors under this Agreement. Contractor hereby assigns all titles, rights, and interests in all Work Products to PCE. At the end of this Agreement, or in the event of termination, all Work Products shall be promptly delivered to PCE.

Contractor may not sell, transfer, or permit the use of any Work Products without the express written consent of PCE. Contractor shall not dispute, directly or indirectly, PCE's exclusive right and title to the Work Products, nor the validity of the intellectual property embodied therein.

Contractor may (1) retain its rights to and ownership of pre-existing or open-source materials and/or (2) retain one copy of Work Products for archival use, but in either instance must notify PCE and identify any such materials in writing prior to the commencement of work under this Agreement.

#### **9. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of PCE and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of PCE employees.

#### **10. Hold Harmless**

Contractor shall indemnify and save harmless PCE and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Contractor under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- (A) injuries to or death of any person, including Contractor or its employees/officers/agents;
- (B) damage to any property of any kind whatsoever and to whomsoever belonging;
- (C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCE and/or its officers, agents, employees, or servants. However, Contractor's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCE has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**11. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of PCE. Any direct or indirect change of control of Contractor (whether voluntary or by operation of Law) shall be deemed an assignment and shall require the prior written consent of PCE. Any such assignment or subcontract without PCE's prior written consent shall give PCE the right to automatically and immediately terminate this Agreement without penalty or advance notice.

**12. Payment of Permits/Licenses**

Contractor bears responsibility to obtain any license, permit, or approval required from any agency, including CAISO, for work/services to be performed under this Agreement at Contractor's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

**13. W-9 Form and Submission of Invoices**

Invoices shall only be submitted by electronic form by sending an email to both the **PCE's Contracts email address** ([contracts@peninsulacleanenergy.com](mailto:contracts@peninsulacleanenergy.com)) and to **PCE's Finance email address** ([finance@peninsulacleanenergy.com](mailto:finance@peninsulacleanenergy.com)). Contractor shall submit a completed W-9 form electronically to the same email addresses. Contractor understands that no invoice will be paid by PCE unless and until a W-9 Form is received by PCE.

**14. Insurance**

**a. General Requirements**

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by PCE, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish PCE with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to PCE of any pending change in the limits of liability or of any cancellation or modification of the policy.

**b. Workers' Compensation and Employer's Liability Insurance**

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

**c. Data Protection/Cyber Liability Insurance**

Contractor shall have in effect during the entire term of this Agreement data protection/cyber liability insurance with limits not less than \$1,000,000 per claim and in the aggregate covering liabilities for financial loss resulting or arising from acts, errors, or omissions, in connection with its obligations under this Agreement. Coverage shall include, but not be limited to, damages Contractor is obligated to pay PCE or any third party, which are associated with any Security Breach (as defined in this section), loss of Personally Identifiable Information ("PII" as defined in this section), PCE's Confidential Information, costs to notify individuals whose PII was lost or compromised, and costs to provide credit monitoring and credit restoration services to individuals whose PII was lost or compromised regardless of cause (including, without limitation, Contractor's negligence or gross negligence and unlawful third party acts).

Such policy must provide coverage for wrongful acts, claims, and lawsuits anywhere in the world and must be kept in force during the life of the Agreement and for three (3) years after completion, cancellation or termination of the Agreement. Such policy shall also extend to damages and expenses under this Agreement, as well as to any monetary judgment or award, including consequential damages that are insurable by law.

For the purposes of this section, "Security Breach" means any failure to protect a Contractor or PCE computer system, including an industrial control system, from interruption, failure, denial of service, degradation of services, or malicious code, or any act or omission that compromises the security, confidentiality, or integrity of PII, PCE's Confidential Information, or the physical, technical, administrative or organizational safeguards put in place to protect the security, confidentiality or integrity of PII or PCE's Confidential Information, including, but not limited to: (i) the failure by Contractor to properly handle, manage, store, destroy or otherwise control, or the unauthorized disclosure by Contractor of (A) personal data in any format, or (B) PCE's Confidential Information; (ii) an unintentional violation of Contractor's privacy policy or misappropriation that results in the violation of any applicable data privacy laws or regulations; or (iii) any other act, error, or omission by Contractor in its capacity as such which is reasonably likely to result in the unauthorized disclosure of PII. "PII" means any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual.

**d. Liability Insurance**

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

Yes	Comprehensive General Liability (Applies to all agreements)	\$1,000,000
Yes	Motor Vehicle Liability Insurance (Yes, if motor vehicle is used in performing services)	\$1,000,000
Yes	Professional Liability Insurance (Yes, if Contractor is a licensed professional)	\$1,000,000

PCE and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to PCE and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the PCE or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, PCE, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

#### **15. Further Assurances**

Each Party agrees to provide such information, execute and deliver such instruments and documents and to take such other actions as may be necessary or reasonably requested by any of the other Parties which are not inconsistent with the provisions of this Agreement and which do not involve the assumption of obligations other than those provided for in this Agreement, in order to give full effect to this Agreement and to carry out the intent of the Parties.

#### **16. Confidentiality**

##### **a. Definition of Confidential Information**

The following constitutes "Confidential Information," whether oral or written, and whether delivered by Contractor to PCE or by PCE to Contractor: (a) proposals and negotiations of the Parties in the negotiation of this Agreement; (b) the terms and conditions of this Agreement; and (c) information that either Contractor or PCE stamps or otherwise identifies as "confidential" or "proprietary" or words of similar import before disclosing it to the other. Confidential Information does not include (i) information that was publicly available at the time of the disclosure, other than as a result of a disclosure in breach of this Agreement; (ii) information that becomes publicly available through no fault of the recipient; (iii) information that was rightfully in the possession of the recipient (without confidential or proprietary restriction) at the time of delivery or that becomes available to the recipient from a source not subject to any restriction against disclosing such information to the recipient; and (iv) information that the recipient independently developed without a violation of this Agreement.

**b. Duty to Maintain Confidentiality**

The Party receiving Confidential Information shall treat it as confidential, and shall adopt reasonable information security measures to maintain its confidentiality, employing the higher of (a) the standard of care that the receiving Party uses to preserve its own confidential information, or (b) a standard of care reasonably tailored to prevent unauthorized use or disclosure of such Confidential Information. Confidential Information may be disclosed by the recipient if and to the extent such disclosure is required (a) by law, (b) pursuant to an order of a court or (c) in order to enforce this Agreement. A Party may also disclose Confidential Information to its employees, officers, directors, members, partners, attorneys, auditors, agents and contractors who have reason to need such Confidential Information in connection with such Party's performance under this Agreement and who have agreed to keep such Confidential Information confidential substantially as provided herein. The originator or generator of Confidential Information may use such information for its own purposes, and may publicly disclose such information at its own discretion. Notwithstanding the foregoing, Contractor acknowledges that PCE is required to make some or all of this Agreement available to the public in connection with the process of seeking approval from its board of directors for execution of this Agreement. PCE may, in its discretion, redact certain terms of this Agreement as part of any such public disclosure, and will use reasonable efforts to consult with Contractor prior to any such public disclosure. Contractor further acknowledges that PCE is a public agency subject to the requirements of the California Public Records Act (Cal. Gov. Code section 6250 et seq.). Upon request or demand from any third person not a Party to this Agreement for production, inspection and/or copying of this Agreement or other Confidential Information provided by Contractor to PCE, PCE shall, to the extent permissible, notify Contractor in writing in advance of any disclosure that the request or demand has been made; provided that, upon the advice of its counsel that disclosure is required, PCE may disclose this Agreement or any other requested Confidential Information, whether or not advance written notice to Contractor has been provided; provided that PCE will use reasonable efforts to limit disclosure of Confidential Information to what is required to be disclosed by applicable Law. Contractor shall be solely responsible for taking whatever steps it deems necessary to protect Confidential Information that is the subject of any Public Records Act request submitted by a third person to PCE.

**c. Irreparable Injury; Remedies**

PCE and Contractor each agree that disclosing Confidential Information of the other in violation of the terms of this Article 14 may cause irreparable harm, and that the harmed Party may seek any and all remedies available to it at law or in equity, including injunctive relief and/or consequential damages.

**d. Disclosure to Credit Rating Agency**

Notwithstanding anything to the contrary in this Article 14, Confidential Information may be disclosed by either Party to any nationally recognized credit rating agency (e.g., Moody's Investors Service, Standard & Poor's, or Fitch Ratings) in connection with the issuance of a credit rating for that Party or its affiliates, provided that any such credit rating agency agrees in writing to maintain the confidentiality of such Confidential Information and the disclosing Party notifies the other Party of such disclosure within seven (7) days following such disclosure to the credit rating agency.

**e. Public Statements**

Neither Party shall issue (or cause or allow its affiliates to issue) a press release regarding the transactions contemplated by this Agreement unless both Parties have agreed upon the contents of any such press release.

**17. Conflict of Interest**

Contractor shall not compete with or against PCE or use information it obtains from PCE for its own account or for the account of others. PCE acknowledges and agrees that this Agreement shall not preclude Contractor from providing services or making purchases and sales of a like nature to any other Person, either currently or in the future. Contractor shall issue to its traders the trading restrictions shown in the attached Exhibit D. Contractor will instruct its traders to follow the attached restrictions or face disciplinary actions. Contractor shall inform PCE of any violations of the trading restrictions in Exhibit D no later than 10 days following the discovery of the violation and Contractor's actions with respect to traders who may have violated such restrictions. On January 1 and July 1 of each year, Contractor will provide PCE with a letter signed by an officer of the company or equivalent confirming compliance with this section in a form reasonably agreeable to PCE. Contractor agrees and acknowledges that this provision is an express and absolute condition of this Agreement, is bargained for consideration and is not a mere recital, and any violation of this provision shall constitute a material breach of this Agreement.

**18. Excluded Acts**

- a) Notwithstanding Contractor's obligation to provide data to PCE in support of PCE's compliance obligations with NERC, Contractor shall not under this Agreement (i) be responsible for any NERC compliance activities, or (ii) in any manner be required or deemed to register with NERC.
- b) Nothing contained herein obligates Contractor to provide advice that could reasonably result in Contractor having to register as a commodity trading advisor pursuant to the Commodity Exchange Act regardless of whether an exception, exemption or exclusion to registration may be available.
- c) Nothing contained herein obligates Contractor to negotiate, execute or reconcile to preliminary terms any document, agreement or confirmation on behalf of PCE and PCE will be responsible to execute any such document, agreement or confirmation that binds it as a principal.

**19. PCE's Responsibilities**

As between Contractor and PCE, PCE shall, at its sole cost and expense:

- a) make available to Contractor such information and reports as necessary for Contractor to perform the Services, and perform and comply with any "PCE Responsibility" specified on Exhibit C to this Agreement or in any Task Order, as applicable;

- b) at all times, and in connection with any proceeding before a Governmental Authority or in public statements, or other venue, hold itself out as solely and exclusively responsible for all commercial activity associated with procuring energy to serve customer load and the marketing of energy, ancillary services and capacity associated with the Generation Facilities, and shall not assert that Contractor controls the Generation Facilities in any such proceeding. Additionally, PCE agrees to file with any Governmental Authority, upon Contractor's reasonable request, a statement that PCE solely controls the Generation Facilities and is solely responsible for serving its customer load;
- c) ensure and be responsible to ensure that PCE and any applicable Generation Facility at all times comply with applicable NERC requirements including, but not limited to, those pertaining to a "generation owner" or "generation operator," as those terms are defined by NERC or any other applicable NERC functional designation and file and/or provide or maintain all reports, procedures, and data as may be required by NERC in furtherance of such obligations;
- d) execute all agreements and other documentation reasonably necessary for Contractor to perform the Services, including such authority documents required to be submitted to CAISO to inform CAISO that Contractor will be acting as Scheduling Agent for PCE;
- e) provide Contractor with such information as Contractor reasonably requests in order for Contractor to perform the Services;
- f) not violate any Applicable Law, including in regard to market manipulation;
- g) not settle, compromise (including agreeing to any penalty for any violation of any Applicable Law), assign, pledge, transfer, release or consent to the compromise, assignment, pledge, transfer or release of, any Third Party claim, suit, demand or judgment against or due by Contractor, or submit any such claim, suit, demand or controversy to arbitration or judicial process, or stipulate in respect thereof to a judgment, or consent to do the same.

## **20. Payments**

All payments under this Agreement shall be made in immediately available funds in United States currency within thirty (30) days of receipt of invoice. If a good faith dispute arises over amounts invoiced by Contractor, PCE shall pay the undisputed portion of the invoice in full and promptly notify Contractor of such dispute and the reasons therefor. Promptly after receipt of such a notice, the management representatives of the Parties shall consult with each other in an effort to resolve the dispute. In the event the Parties are unable to resolve such dispute, either Party may pursue any remedy available at law or in equity to enforce its rights. Any amounts owing under this Agreement that are not paid within seven (7) days after the due date shall accrue interest at the Interest Rate, until paid in full. Inadvertent overpayments shall be returned upon request or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Interest Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment.

## **21. Performance Assurance**

Within thirty (30) days of the Effective Date of this Agreement, Contractor will post cash or a letter of credit in the amount of five hundred thousand dollars (\$500,000), issued by a U.S. commercial bank or a foreign bank with a U.S. branch, having U.S. assets of at least ten billion dollars (\$10,000,000,000) and with such bank having a Credit Rating of at least "A-" from S&P or "A3" from Moody's, in a form mutually agreeable to the Parties. PCE may draw on the letter of credit to cover unpaid amounts, including damages, for which PCE has invoiced Contractor and Contractor has failed to pay within the due date subject to any applicable cure period. In the event of a dispute as to whether such amounts are due, PCE may draw upon the letter of credit after a final and non-appealable determination by a jurisdictional court that such amounts are due; provided, however, that if the letter of credit is due to expire in twenty (20) Business Days or less and such final and non-appealable determination has not been received, PCE may draw on the letter of credit for the amounts in dispute; provided further, however, in the event the letter of credit is renewed by the expiration date, PCE shall refund the drawn amounts to Contractor. In the event the letter of credit is drawn upon, within five (5) business days, Contractor shall fully replenish the letter of credit.

## **22. Defaults and Remedies**

### **(a) Events of Default**

A Party will be in default under this Agreement upon the occurrence of any one or more of the following events (an "Event of Default"):

- (i) the failure by a Party to make a timely payment of any amounts due or provide required credit support to the other Party under this Agreement;
- (ii) the failure of a Party to perform its obligations under this Agreement, which failure causes CAISO to suspend or disqualify the Facilities or the Scheduling Coordinator or Scheduling Agent from market participation;
- (iii) the failure by a Party to materially perform any other provision of this Agreement, which failure is not excused by its terms;
- (iv) the appointment (voluntary or involuntary) of a receiver or liquidator or trustee of such Party or of any of the property of such Party by order of a court of competent jurisdiction;
- (v) the filing of a petition or consent seeking relief or assisting in seeking relief in a proceeding under any of the provisions of federal or state bankruptcy or insolvency laws, as any such laws now exist or as those laws may be amended, or the filing of an answer admitting the material allegations of a petition filed against it in such proceeding; the general assignment by a Party for the benefit of its creditors; or the admission by a Party in writing of its inability to pay its debts generally as they become due; and/or

### **(b) Rights of Non-Defaulting Party**



If an Event of Default shall have occurred and be continuing with respect to a Party (the “Defaulting Party”), the Party not in default (“Non-Defaulting Party”) shall have the right to take any one or more, or all of the following actions:

- (i) upon the occurrence of an Event of Default specified under Sections 23(a)(i) or 23(a)(ii), to terminate this Agreement, after giving the Defaulting Party written notice setting forth a description of the Event of Default and providing five (5) Business Days in which to cure the Event of Default;
- (ii) upon the occurrence of an Event of Default specified under Section 23(a)(iii), to terminate this Agreement after giving the defaulting Party written notice setting forth a description of the Event of Default and providing fifteen (15) days in which to cure the Event of Default;
- (iii) upon the occurrence of any Event of Default as specified in Section 23(a)(iii), to suspend performance after giving the defaulting Party written notice setting forth a description of the Event of Default, and providing five (5) Business Days in which to cure the Event of Default;
- (iv) upon the occurrence of an Event of Default specified in Sections 23(a)(iv) or 23(a)(v) to terminate this Agreement immediately;
- (v) to pursue collection of actual damages and seek any other remedy at law or in equity (except to the extent limited by, or waived under, this Agreement); and/or
- (vi) to pursue any other remedy provided under this Agreement or at law or in equity.

## **23. Limitation of Liability**

Neither of the Parties hereto, nor any of their respective Affiliates, nor any employee, shareholder, partner, member, representative, officer, or director of the Parties or such Affiliates, whether past, present, or future, will be liable, whether in contract, in tort or otherwise, for any punitive, special, indirect, incidental, liquidated or consequential damages whatsoever, which in any way arise out of, relate to, or are a consequence of, this Agreement or performance or nonperformance hereunder, or, as applicable, the provision of or failure to provide Services hereunder (including, without limitation, lost revenue or lost profit), even if made aware of the possibility of such damages, provided, however, that this limitation shall not apply where such damages arise due to a Party’s: (a) willful or intentional failure to act in accordance with the Operational Protocols, except to the extent such Party is prevented from doing so by Applicable Law, a Force Majeure Event or because a Generation Facility is not available for dispatch; or (b) gross negligence or fraud.

## **24. Government Authority Notification**

PCE understands and agrees that Contractor may notify FERC or other Governmental Authorities of the existence and nature of this Agreement in connection with Contractor’s FERC authorization to sell power at market-based rates or other regulatory authorizations.

## **25. Compliance with Laws**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Upon request of PCE, Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance with applicable laws.

## **26. Non-Discrimination and Other Requirements**

### **a. General Non-discrimination**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

### **b. Equal Employment Opportunity**

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to PCE upon request.

### **c. Section 504 of the Rehabilitation Act of 1973**

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

### **d. Employee Benefits**

With respect to the provision of benefits to its employees, Contractor shall ensure that employee benefits provided to employees with domestic partners are the same as those provided to employees with spouses.

**e. Discrimination Against Individuals with Disabilities**

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**f. History of Discrimination**

Contractor must check one of the two following options, and by executing this Agreement, Contractor certifies that the option selected is accurate:

☒ No finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.

☐ Finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Contractor shall provide PCE with a written explanation of the outcome(s) or remedy for the discrimination.

**g. Reporting: Violation of Non-discrimination Provisions**

Contractor shall report to the Chief Executive Officer of PCE the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or Section 11, above. Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the Chief Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Contractor from being considered for or being awarded a PCE contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Chief Executive Officer.

To effectuate the provisions of this Section, the Chief Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and PCE.

PCE's sole remedy for a violation of this Section 26 by Contractor shall be the right to terminate this Agreement upon thirty (30) days' written notice to Contractor and Contractor's failure to cure such violation within such thirty (30) day period.

**27. Retention of Records: Right to Monitor and Audit**

(a) Contractor shall maintain all required records relating to services provided under this Agreement for four (4) years after PCE makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by PCE, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCE.

(c) Each Party has the right, at its sole expense and during normal working hours and upon reasonable written notice to the other Party, to examine copies of the relevant portions of the records as necessary to verify the accuracy of any invoice, charge, or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any invoice, the necessary adjustments in such invoice and the payments will be promptly made together with interest at the Interest Rate, if applicable, from the original date of payment. No adjustment for any invoice or payment will be made unless objection to its accuracy was made prior to the lapse of two (2) years from the date that the disputed invoice was delivered. No adjustment will be made to invoices or summaries related to CAISO settlement statements that CAISO has deemed final. In addition, adjustments to any invoice may be made up to four (4) years from the date that the particular Services were completed to adjust for (a) corrections made by CAISO to prior CAISO statements and (b) tax claims. This paragraph of this Agreement survives any termination of the Agreement for a period of four (4) years from the date of such termination of this Agreement for the purpose of the right to examine records and such invoice and payment objections and corrections.

**28. Merger Clause; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each Party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the Parties.

**29. Cyber Security Precautions**

Contractor shall implement reasonable administrative, technical, and physical safeguards, including any specific safeguards specified from time to time by PCE, to protect the security and integrity of both Contractor's and PCE's systems.

A "Security Incident" as used in this section means:

(a) Unless expressly authorized under this Agreement, any use, reproduction, distribution, transfer, disposition, disclosure, possession, memory input, alteration, erasure, damage, breach in the security, or other activity by a person or party other than PCE of

(i) Contractor's computing systems or equipment, including those that contain information about PCE's systems or provide information to PCE's systems, or

(ii) PCE's computing systems or equipment, if caused by the action or inaction of Contractor; or

(b) Any unauthorized access to, interception of, disclosure or acquisition of such information.

Any reasonably suspected or confirmed Security Incident must be reported to PCE immediately upon Contractor's awareness of the event. Notification shall include the nature of the event, date and time of the event, suspected amount and type of information exposed and steps being taken to investigate the circumstances of the exposure. Contractor shall cooperate and assist PCE in the investigation, analysis and resolution of Security Incidents affecting PCE's systems. Contractor shall provide PCE with details of the investigation and final disposition of the Security Incident relevant to the services provided to PCE or which may impact the confidentiality, integrity or availability of those services or of PCE information.

In addition to the above, Contractor shall: (x) regularly scan systems for vulnerabilities, (y) rank all vulnerabilities and promptly remediate detected vulnerabilities ranked as critical, high or moderate, and (z) use commercially reasonable efforts to identify any critical, high or moderate vulnerabilities, risks or threats that could potentially impact PCE, and shall notify PCE in writing within one (1) Business Day after such identification. If Contractor determines that it cannot remediate any such potential or detected vulnerabilities, risks or threats within 30 days after identifying any such potential or detected vulnerabilities, risks, or threats, it shall promptly notify PCE in writing. Contractor's notification shall provide detailed information describing the controls used to mitigate these vulnerabilities, risks or threats.

### **30. Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

### **31. Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail,

postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCE, to:

Name/Title: Jan Pepper, Chief Executive Officer  
Address: 2075 Woodside Road, Redwood City, CA 94061  
Telephone: 650-260-0100  
Email: [jpepper@peninsulacleanenergy.com](mailto:jpepper@peninsulacleanenergy.com)

With copy to:

Name: Director of Power Resources  
Address: 2075 Woodside Road, Redwood City, CA 94061  
Telephone: (650) 817-7076  
Email: [contracts@peninsulacleanenergy.com](mailto:contracts@peninsulacleanenergy.com)

In the case of Contractor, to:

Name/Title: Ziad Alaywan/CEO  
Address: 604 Sutter Street, Suite 250, Folsom, CA 95630  
  
Telephone: 916-985-9461  
Email: [ziad@zglobal.biz](mailto:ziad@zglobal.biz)

With copy to:

Name: Kevin Coffee/VP Operations  
Address: 604 Sutter Street, Suite 250, Folsom, CA 95630  
Telephone: 916-985-9461  
Email: [kcoffee@zglobal.biz](mailto:kcoffee@zglobal.biz)

### **32. Electronic Signature**

If both PCE and Contractor wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law, both boxes below must be checked. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

For PCE: ☒ If this box is checked by PCE, PCE consents to the use of electronic signatures in relation to this Agreement.

For Contractor: ☒ If this box is checked by Contractor, Contractor consents to the use of electronic signatures in relation to this Agreement.

**33. No Recourse Against PCE's Member Agencies**

Contractor acknowledges and agrees that PCE is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCE in connection with this Agreement are undertaken solely by PCE and are not debts, liabilities, or obligations of its member agencies. Contractor waives any recourse against PCE's member agencies.

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY AUTHORITY

By: \_\_\_\_\_  
Chief Executive Officer, Peninsula Clean Energy Authority

Date: \_\_\_\_\_

ZGLOBAL, INC.

\_\_\_\_\_  
Contractor's Signature

Date: \_\_\_\_\_



## **Exhibit A**

### **ADDITIONAL DEFINITIONS**

The Parties hereby agree to the following additional definitions:

**“Business Day”** means any day except a Saturday, Sunday, public holiday under the Applicable Laws of the State of California or a Federal Reserve Bank holiday or NERC holiday. A Business Day shall open at 8:00 a.m. and close at 5:30 p.m. PPT.

**“CAISO”** means the California Independent System Operator Corporation or successor owner.

**“CAISO Charges”** means all CAISO invoiced charges, fees (including but not limited to grid management charges and the CAISO SCID monthly settlements fee in CAISO Charge Code 4575), assessments, adders, surcharges, uplift charges, uninstructed deviation charges or penalties, resource adequacy charges or penalties, or market participant default allocations imposed by the CAISO or by any Applicable Operator or Governmental Authority related to Energy, Ancillary Services or other products scheduled by Contractor when providing the Scheduling Agent Services.

**“CAISO NRI”** or **“NRI”** means the CAISO New Resource Implementation process as defined in the CAISO Tariff and Business Practice Manuals.

**“CAISO Tariff and Business Practice Manuals”** means the operating and procedural documents, agreements, tariffs and manuals published by CAISO.

**“CAISO Requirements”** means any procedure, protocol, rule, standard, agreement or other requirement binding upon a Person as a result of its membership in CAISO or activities under CAISO’s FERC- approved tariff or operating agreement or similar document.

**“COD”** means the date that each Generation Facility achieves commercial operations in accordance with the CAISO Tariff.

**“Facility Operator”** means the entity that is qualified to provide such services in CAISO and designated in writing as the Facility Operator by PCE.

**“FERC”** means the Federal Energy Regulatory Commission and any successor thereto.

**“Force Majeure Event”** means any event or circumstance or combination of events or circumstances that (a) adversely affects, prevents or delays any Party in the performance of its obligations hereunder, (b) is beyond the reasonable control of the affected Party, and (c) could not have been reasonably avoided or overcome with the exercise of due foresight and/or due diligence by such Party, including, to the extent clauses (a) through (c) are satisfied, an act of God, war, civil disturbance, riot, strike or other labor dispute, fire, explosion, flood, earthquake, storm, lightning and other natural catastrophe, breakdown of equipment maintained in accordance with Good Industry Practice, and Change in Law; provided, however, that (i) no event or circumstance or combination of events or circumstances shall be considered to be a Force Majeure Event (A) to the extent such event or circumstance is due to the negligence, gross negligence, breach of this Agreement or willful misconduct of the Party claiming a Force Majeure Event or (B) if such event or circumstance would have been avoided or prevented had

the Party claiming a Force Majeure Event exercised Good Industry Practice in the performance of the relevant activity and (ii) Force Majeure Events shall expressly exclude the failure of a subcontractor to perform its obligations under a subcontract unless such a failure is due to an event which constitutes force majeure under the subcontract.

“Generation Facilities”, or “Facilities” means the energy projects identified in Appendix A, and as may be amended from time to time by mutual written agreement of the Parties, for which the services described in this Agreement arise from or otherwise relate, and any related assets.

“Governmental Authority” means (a) any federal, state, local, municipal, tribal or other governmental, regulatory, administrative, judicial, public or statutory instrumentality, court or governmental tribunal, agency, commission, authority, body or entity, or any political subdivision thereof or (b) any entity authorized by such a governmental body administering or regulating wholesale energy, capacity and/or ancillary services markets or electric transmission systems or generation, including FERC, NERC, and CAISO or Transmission Operator, in all cases in clauses (a) and (b), having competent jurisdiction or authority over the matter or Person in question.

“Interest Rate” means, for any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%) and (b) the maximum rate permitted by applicable law.

“Inter-SC Trade” or “IST” has the meaning set forth in the CAISO Tariff.

“Operational Protocol” means the written arrangements, to which PCE and Contractor shall agree from time to time, pursuant to which the Parties will, among other things in relation to the Services, coordinate the purchase of energy to meet customer load, perform risk management relative to scheduling and bidding practices, take steps to manage and optimize PCE’s Congestion Revenue Rights portfolio, coordinate the sale of the Generation Facilities’ energy products, interface with the Facility Operators, and dispatch the Generation Facilities and/or offer Resource Adequacy.

“Prudent Industry Practice” means any of the practices, methods, and acts engaged in or approved by a significant portion of the electric power generation industry in the United States during the relevant time period, and any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known or that should reasonably have been known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good electric power generation business practices, reliability, safety, economy, expedition, applicable codes and standards, and Applicable Law. Good Industry Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to refer to a range of acceptable practices, methods and acts in light of the circumstances and relevant time period.

“SCADA” means a supervisory control and data acquisition system for the automation control and monitoring of remote equipment.

“Transmission Operator” means any Person responsible for the reliability of its local transmission system, and that operates or directs the operations of the transmission facilities.

## **Exhibit B**

### **PAYMENTS AND RATES**

In consideration of the Services provided by Contractor described in Exhibit C and subject to the terms of the Agreement, PCE shall pay Contractor based on the following fee schedule and terms:

<b>Services by Task:</b>	<b>Term:</b>	<b>Monthly Rate:</b>
Task 1: Load Scheduling Agent Services	36 months: February 1, 2021 – January 31, 2024	\$2,606
Task 2: Resource Scheduling Agent Services Task 3: Load and Resource Optimization	27 months: September 27, 2021 – January 31, 2024	\$3,371
Task 4: Load Forecasting Services - Day-ahead and short-term (1-14-day horizon)	12 months: February 1, 2021 – January 31, 2022	\$4,460
Task 5: Congestion Revenue Rights (CRRs) Portfolio Management Services	36 months: February 1, 2021 – January 31, 2024	\$6,485

## **Exhibit C**

### **Services**

In consideration of the payments set forth herein, Contractor shall provide the following services ("Services"):

#### **Task 1: Load Scheduling Agent Services**

Assist PCE in becoming, and thereafter maintaining its status as, a Scheduling Coordinator ("SC") in the CAISO market by taking actions as reasonably requested by PCE to demonstrate PCE's compliance with the requirements for the registration of an SC with CAISO.

Act as Scheduling Agent on PCE's behalf in the CAISO market and provide the following services while performing in accordance with the obligations of a Scheduling Agent, as defined by CAISO in the Business Practice Manuals:

##### **1. Scheduling:**

- a. Provide 7-day, 24-hour day-ahead pre-scheduling, and any real-time services as needed for scheduling transactions in CAISO, including load, energy, resource adequacy, ancillary services, and/or other products in neighboring markets, as applicable.
- b. Receive load forecasts from forecasting consultant, if provided.
- c. Submit demand bids to CAISO Day Ahead Market to meet PCE's forecasted load requirements.
- d. Monitor bids for accuracy by using commercially reasonable measures to validate submitted bids against their schedules.
- e. Submit Inter-SC Trades (IST), import schedules, and prepare any e-tags as necessary to satisfy any of PCE's agreements with energy suppliers.
- f. Perform the scheduling and bidding services in accordance with the CAISO Tariff, protocols, and business practice modules.
- g. File with the CAISO all schedules and meter data reports required of the Scheduling Coordinator on behalf of PCE.
- h. Establish a single 'Scheduling Coordinator' identification with CAISO for PCE to isolate all CAISO charges and credits specific to PCE.

##### **2. Compliance Submissions:**

- a. Facilitate and assist PCE in all load related filings due to CAISO, such as historical load submissions required of load serving entities.
- b. Coordinate and submit annual and monthly Resource Adequacy Supply Plans to the CAISO through CIRA.
- c. Coordinate and submit PCE requests for remaining import capability through the CAISO annual multi-step process.

##### **3. Settlement Services:**

- a. Calculate, bill, and collect any pass-through charges owed to CAISO and pass-through payments credited from CAISO to PCE, including but not limited to all CAISO charges, Imbalance Charges, Ancillary Services Charges, Grid Management Fees.
  - b. Review charges/revenues on settlement statements for accuracy and resolve any discrepancies.
  - c. File invoice disputes with CAISO on behalf of PCE and organize any further actions necessary to resolve the disputes.
- 4. Reporting and Documentation:
  - a. Develop and formalize an Operational Protocol document to adhere to in collaboration with PCE.
  - b. Store and record all Settlement Quality Meter Data and make data available to PCE, in a form mutually agreed upon.
  - c. Perform shadow settlements and deliver validation report:
    - i. Provide a weekly CAISO invoice report, in a form mutually agreed upon, to summarize all CAISO charges and credits by charge code for that invoice.
    - ii. Provide a monthly CAISO invoice report, in a form mutually agreed upon, to summarize all activities for the prior month.
- 5. Data Requirements:
  - a. Manage and maintain computer systems required to transmit or receive information from CAISO in accordance with Prudent Industry Practice and CAISO Tariff.
- 6. Consulting:
  - a. Provide regular, as needed, consulting to PCE to implement strategies that are consistent with PCE's goals, e.g. achieving 100% renewable on time-coincident basis (matching load with supply).
  - b. Provide pre-scheduling and real-time optimization services to balance load with the resources within PCE's portfolio, as such portfolio may change throughout the Term.
- 7. CAISO Registration:
  - a. Facilitate all CAISO Scheduling Coordinator registration and certification requirements for PCE as SC and Contractor as Scheduling Agent according to CAISO Tariff and Business Practice Manuals.

## **Task 2: Resource Scheduling Agent Services**

Act as Scheduling Agent on behalf of PCE in the CAISO market for generating resources and provide the following services while performing in accordance with the obligations of a Scheduling Agent, as defined by CAISO:

1. Scheduling:

- a. Meet scheduling requirements of CAISO and WECC:
  - i. 7-day, 24-hour real-time services, including weekends and holidays (with backup facilities available)
  - ii. 7-day per week, day-ahead pre-scheduling services
- b. Develop, submit and adjust schedules and bids into the CAISO Day-Ahead Market (DAM) and Real-Time Market (RTM).
- c. Receive renewable resource forecasts from PCE's forecasting consultant.
- d. Update schedules received from Facility Operators and transmit schedules to the Control Area Operator and act on any further instructions received.
- e. Schedule resources under the CAISO prevailing protocols for interconnected variable energy resources (VERs).
- f. Dispatch storage resources into the CAISO market to provide Energy, Resource Adequacy, and Ancillary Services, while adhering to the Tariff, Business Practice Modules, and CPUC regulations for bidding storage resources.
- g. Provide services under a PCE-specific SCID.

2. Asset Management:

- a. Provide dispatch management and act as interface between the plant operator and the Control Area Operator; meeting all Dispatch Operating Targets (DOT), outages, and curtailment notices.
- b. Participate in CAISO's New Resource Implementation process, if applicable, including the following:
  - i. On PCE's behalf, ensure compliance with the SC requirements listed on the New Resource Implementation Checklist provided by CAISO and assist PCE in completing the required documentation for CAISO;
  - ii. Work closely with the Interconnect Customer (IC) and Operation Control Center for Participating Generator in following CAISO's "Bucket" system requirements prior to achieving Commercial Operation; and
  - iii. Coordinate pre-COD testing with PCE, Facility Operator, any of PCE's PPA contract counterparties, and CAISO, including the set up for trial operation for Initial Synchronization as required to be approved for Commercial Operation.

3. Resource Optimization:

- a. Schedule and optimize a portfolio of resources to meet PCE goals and strategies.

4. Compliance Submissions:

- a. Coordinate and submit annual and monthly Resource Adequacy Supply Plans for the generator to the CAISO through CIRA.

5. Settlements:

- a. Obtain, document, and regularly audit settlement quality meter data in accordance with the CAISO Tariff.
  - b. Calculate, bill, and collect any pass-through charges owed to CAISO and pass-through payments credited from CAISO.
  - c. Review charges/revenues on settlement statements for accuracy and resolve any discrepancies.
  - d. Formally submit disputes or questionable charges associated with the Participating Generator through CAISO's dispute process.
- 6. Reporting and Documentation:
  - a. Develop and formalize an Operational Protocol document to adhere to in collaboration with PCE.
  - b. Document communications with CAISO, transmission operators and the plant operator, including but not limited to information requests, outage and curtailment notifications, validation errors, and general notices.
  - c. Collect and report the following resource data in hourly and five-minute intervals, when applicable:
    - i. CAISO shadow settlements with description of the charges types and how they are applied to the scheduled and metered volumes;
    - ii. VER forecasts for Participating Generator;
    - iii. Bids and Self-Schedules submitted to SIBR;
    - iv. Day-ahead and Real-time Market Awards shown in CMRI;
    - v. CAISO Meter Data in MWh's;
    - vi. Imbalance MWh's between Actual and Scheduled; and
    - vii. Day-Ahead and Real-Time LMP's broken down by the three price components; LMP price, congestion, and losses.
- 7. Data Requirements:
  - a. Manage and maintain computer systems required to transmit or receive information from CAISO in accordance with Prudent Industry Practice.
- 8. Outage Management Services:
  - a. Coordinate unit outages with generation operators and CAISO in accordance with the Tariff. Manage, record, and coordinate planned and unplanned outages effectively in the Outage Management System (OMS) in accordance with the CAISO Tariff.
  - b. Monitor Planned Outage Substitution Obligation (POSO) notifications from CAISO and perform substitution requests in CIRA when necessary.
- 9. Consulting:
  - a. Provide regular, as needed, consulting to PCE to implement strategies that are consistent with PCE's goals, e.g. achieving 100% renewable on time-coincident basis (matching load with supply).



- b. Consult with client on strategic bidding strategies to maximize CAISO revenue and/or minimize exposure; e.g., optimizing portfolio of resources in the Day-Ahead Market (DAM) and Real-Time Market (RTM); reducing curtailment risk and exposure to negative pricing; perform risk assessment of deploying new bidding strategies.
  - c. Review PCE PPA with Participating Generator, related project documentation, and PCE's current risk management policies to strategize appropriate scheduling and bidding practices.
- 10. CAISO Registration:
  - a. Facilitate all CAISO Scheduling Coordinator registration and certification requirements for PCE as SC and Contractor as Scheduling Agent according to CAISO Tariff and Business Practice Manuals.

### **Task 3. Load and Resource Optimization**

- 1. Optimize bidding and dispatch strategies across PCE's load and a full range of generation technologies to maximize the value of PCE's overall portfolio in the CAISO market.
- 2. Optimize resources to meet load demand, alleviating over-generation in hours where generation exceeds load.
- 3. Perform Cost-Benefit analyses for battery storage optimization. For example, evaluate whether to dispatch the storage in hours where PCE lacks generation to meet its load or to dispatch the storage economically, during higher priced intervals.
- 4. Consult PCE on strategies to improve load and resource optimization.

### **Task 4: Load Forecasting Services - Day-ahead and short-term (1-14-day horizon)**

- 1. Develop short-term load forecasts to serve as PCE's final demand forecasts to CAISO
  - a. Forecast should take into account at a minimum historical load, recent customer usage, current customer types and counts, and weather forecasts.
- 2. Transmit accurate real-time, hour-ahead, day-ahead, week-ahead, and two week-ahead load forecasts on an appropriate time frame for submission to CAISO.
  - a. Aggregate total load forecast data for PCE service territory and disaggregate by rate class and city.
- 3. Deliver monthly forecast reconciliation reports to compare forecast against actual electricity usage.
  - a. Update forecasting algorithms and models to reduce forecasting errors.
  - b. Including reporting on accuracy of forecast.

## **Task 5. Congestion Revenue Rights (CRRs) Portfolio Management Services**

1. Assist PCE in obtaining CRRs through the CAISO annual and monthly nomination and allocation process.
  - a. Record all CRR trade details into a trade capture system and summarize into a report for PCE.
2. Consult with PCE on CRRs to nominate, which will remain under PCE's sole discretion, and provide the following:
  - a. Market analysis to support selection of CRR nominations including strategies for mitigating congestion costs.
  - b. A report of the results from the market analysis, in a form accepted by PCE, including a description of the deployed strategy, identified constraints, outages, and any other necessary information.
3. Provide a CRR revenue forecast for the relevant calendar year after PCE receives annual allocations.
4. Monitor CRR portfolio monthly using internal market-to-market valuation models and adhere to PCE's CRR risk management policies.
5. Provide a monthly report, in a form accepted by PCE, to summarize the prior month and historical CRR portfolio performance and compare against the CRR revenue forecast.
6. Review all CRR settlement statements for accuracy and highlight any discrepancies.
7. Assist PCE with any CRR holder registration and ongoing administrative requirements throughout the Term.
8. Maintain and update PCE with a calendar of pertinent dates including CRR nominations and auctions, and other dates that are relevant for the CRR process.
9. Minimum Participant Requirement (FERC Order 741)
  - a. PCE will bear the responsibility of funding the CRR Candidate Holder Minimum Participant Requirement, if necessary, with CAISO.

## **PCE Responsibilities**

Without limitation on the other provisions of this Agreement, Contractor's provision of services are subject to the following additional PCE responsibilities (each a "PCE Responsibility"). PCE has the sole right and responsibility, at its sole cost and expense, to:

- a) act in accordance with the Operational Protocol and use reasonable efforts to cause Facility Operators to act in accordance with the Operational Protocol, to make available

to Contractor such information as necessary for Contractor to determine the amount of energy required to meet customer load, and the amount of wholesale energy or capacity available or to be made available from the Generation Facilities at any given time, including updating Generation Facilities' capabilities throughout each day in order to comply with the CAISO Agreements, or to meet Resource Adequacy obligations;

- b) in accordance with the Operational Protocol, provide Contractor on a regular and timely basis updates on load characteristics, plant operations, unit performance data, available unit capacities, and planned unit outage schedules;
- c) retain sole responsibility for approving any plans or strategies on offering wholesale energy and Resource Adequacy and on procuring energy to meet its customer load, and be responsible for the content of answers to any inquiries from the CAISO market monitor (though Contractor will provide such information to the inquirer as required);
- d) upon Contractor's request, instructions of PCE related to Services performed by Contractor will be provided to Contractor in writing;
- e) in the event of a planned outage, forced outage, or any other event affecting the operations of the Generation Facilities, notify Contractor as soon as reasonably possible and make available to Contractor all necessary and available information concerning the resulting output or availability of energy for sale from the Generation Facilities consistent with the operational procedures set forth in this Agreement;
- f) execute all agreements and other documentation reasonably necessary for Contractor to perform the Services, including a CAISO Generator Resource Scheduling Coordinator Transfer/Assignment or similar required documents required to be submitted to CAISO to inform CAISO that Contractor will be acting as PCE's Scheduling Agent. PCE hereby appoints Contractor to act as its agent with CAISO pursuant to such CAISO Generator Resource Scheduling Coordinator Transfer/Assignment documentation;
- g) with Contractor's reasonable cooperation, take action to resolve, directly with the appropriate counterparty, any disputes that arise under any agreements negotiated or renegotiated under this Agreement as part of the Services;
- h) provide notice to Contractor as soon as practicable of any change in the operation or design of the Generation Facilities which PCE believes would be reasonably likely to affect PCE's ability to supply wholesale energy from the Generation Facilities or to meet Resource Adequacy obligations or Contractor's role as Scheduling Agent to PCE, in each case, in sufficient time to allow reconsideration of PCE's offer in light of such change;
- i) in accordance with the Operational Protocol, authorize and use reasonable efforts to require that the Facility Operators provide to Contractor all data and information that Contractor requires to perform the Services (Contractor's obligations to perform the Services shall be subject to and contingent upon the continuing receipt of all such data and information from the Facility Operators); and

- j) in accordance with the Operational Protocol, provide Contractor with information and reports as are needed by Contractor to fulfill its obligations to provide the Services.

### **Reports and Meetings**

In connection with providing Services to PCE hereunder, Contractor shall provide the following reports and participate in the following meetings.

a) Daily Reports:

To be provided by Contractor to PCE as soon as practical but in any event no later than 5:00 p.m. PPT each Business Day unless CAISO issues delayed data in which case it will be within one hour of publication. Generation summary net revenue statement including energy revenues/charges; daily reporting detail is expected to include:

1. VER forecasts for Participating Generator,
2. Bids and Self-Schedules submitted to SIBR,
3. Day-ahead and Real-time Market Awards shown in CMRI,
4. CAISO Meter Data in MWh,
5. Imbalance MWh between Actual and Scheduled, and
6. Day-Ahead and Real-Time LMPs broken down by the three price components; LMP price, congestion, and losses.

b) Weekly & Monthly Reports:

To be provided by Contractor to PCE each month not later than twenty (20) days following the end of each calendar month, and each report shall be with regard to such previous calendar month or other period as applicable:

1. Monthly report to include the actualized version of all daily reporting requirements.
2. Monthly report summarizing all activities for the prior month including PCE's net energy cost for the month, Day-ahead forecasted and settled load, net IST costs/credits, a summary of e-Tag imported deliveries scheduled to PCE or Contractor's PSE sink, and net generation revenue for all resources scheduled by Contractor,
3. A shadow settlement of all CAISO statement versions with description of the charges types and how they are applied to the scheduled and metered volumes, and if applicable, a detailed summary of any disputes to file with CAISO or an update to the status of such dispute.
4. Report summarizing the prior month's CRR portfolio performance compared against the CRR revenue forecast and an updated estimated CRR revenue forecast for the remaining calendar year.

c) Power Settlements

Contractor will set-up and configure a dedicated, secure website (utilizing Power Settlements) and other secure folders or data transfer mechanisms as needed for exchange of reports and Facility data. Contractor will administer site security to ensure data relevant to PCE remains confidential and secure.

d) Contractor & PCE Meetings:

As applicable, Contractor will lead a conference call with PCE asset management staff to discuss CAISO NRI progress pre-COD. Parties anticipate pre-COD meetings will be daily or weekly as needed to ensure adequate coordination and communication to complete the NRI process.

Contractor will lead regular calls to consult PCE on strategies to improve load, resource, and CRR optimization. Contractor shall advise on the impacts of market conditions and refine bidding strategies on a regular basis to complement PCE's desired load and resource scheduling. Contractor will cover Facility availability and offer strategy, performance metrics, market conditions and planned outages / availability. Contractor will advise PCE on CRRs to nominate at least several days before the CAISO annual and monthly nomination and allocation processes, and provide necessary market analysis to support the recommendation. Parties anticipate such meetings will be daily / weekly at first, and subsequent to the initial few months of ongoing activity PCE can determine the desired frequency of ongoing meetings (which are likely to occur weekly but no more often than once daily).

e) Compliance Support as Requested:

As requested from time to time by PCE, Contractor shall provide data within its possession in connection with the Services to assist PCE in satisfying its compliance obligations with NERC and CAISO regulations and with CAISO Market Monitor requests.

### **Limitation of Contractor's Authority**

Nothing contained herein is intended to give Contractor any authority or rights to operate the Generation Facilities or to confer jurisdiction under Part II of the Federal Power Act over Contractor as the owner or operator or entity in control of a public utility, or as a seller of electric energy for resale with respect to this Agreement or any of Contractor's activities hereunder. Contractor shall not hold itself out as controlling the Generation Facilities in filings with Governmental Authorities, including FERC or NERC.

### **CAISO Charges and Payments**

a. **CAISO Charges and Payments**

For each Resource ID (Generation and Load) represented by Contractor, all CAISO Charges and Payments – including but not limited to Charges and Payments for balancing energy and ancillary

services (collectively, "CAISO Charges") – are invoiced directly to PCE by CAISO. Payment of all CAISO invoices is due from (or to) PCE to (or from) CAISO, according to the CAISO payments calendar. Subject to the terms of this Agreement, Contractor shall not receive and shall not be directly liable for any CAISO Charges.

**b. CAISO Charge Estimate Statement**

Within five (5) calendar days following the beginning of each calendar month, Contractor will provide to PCE via electronic mail a reasonably detailed and commercially reasonable estimate of all CAISO Charges that will be invoiced by CAISO with respect to PCE's market performance during the previous trade month. A final reconciliation of all CAISO Charges by charge code shall be provided to PCE following the receipt of CAISO resettlements.

## **Exhibit D**

### **Instructions to Contractor's Traders Restricting California Trading**

Contractor takes seriously its legal and compliance obligations and maintains a risk policy manual that instructs Contractor's traders as to what activities are allowable or not allowable due to either Contractor's own internal policies or its external compliance obligations.

All of Contractor's traders with access to Confidential Information or PCE Materials (as defined above) must follow all of the following directives immediately upon commencement of service to PCE:

- Contractor is acting as PCE's Scheduling Agent. All of Contractor's traders are to treat PCE as a valued customer.
- Contractor's traders will respect the confidentiality of all Confidential Information and PCE Materials.
- Contractor's traders shall not use any Confidential Information or PCE Materials to either support transactions with third parties, to manage the resources of other customers, or benefit Contractor's own trading portfolio.
- This directive will be added as an operational control limit to Contractor's risk policy, and therefore is subject to the same requirements as Contractor's risk policy.

Any failure by a trader or other Contractor personnel to follow the requirements stated in Contractor's risk policy manual will be cause for disciplinary action by Contractor's management, examples of which include written reprimands, docking of wages, loss of trader bonus eligibility, suspension, and/or termination of employment.

## **Appendix A**

### **FACILITIES LIST**

<b>Facility Name</b>	<b>Size</b>	<b>Resource Type</b>	<b>Location</b>
Wright Solar Freeman	200 MW	Solar	Merced County, CA
RE Mustang Two Whirlaway Solar	100 MW	Solar	Kings County, CA
Hatchet Creek	7.5 MW	Small Hydro	Shasta County, CA
Roaring Creek	2.0 MW	Small Hydro	Shasta County, CA
Bidwell Ditch	2.0 MW	Small Hydro	Shasta County, CA
Clover Creek	0.99 MW	Small Hydro	Shasta County, CA





**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 3, 2020  
**BOARD MEETING DATE:** December 17, 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 amendment to TRC Engineers' contract to provide technical support for the development of local policies to advance electrification and electric vehicle readiness in existing buildings

**RECOMMENDATION**

Approve the proposed contract amendment to include an additional \$100,000 in the existing contract with TRC Engineers to support the development of local policies to advance building electrification and electric vehicle readiness in existing buildings.

The Executive Committee has reviewed and supported the proposal for Board approval.

**BACKGROUND**

In September 2018, the Board approved the PCE Program Roadmap, which identifies programs for 2019 and beyond to include transportation measures on EV Infrastructure, as well as Building Electrification for New Construction and Existing Buildings.

In January 2019, the Board approved a contract with TRC Engineers to provide technical assistance to local governments for the development of enhancements to local new construction building codes, known as "reach codes," to deliver increased EV readiness and all-electric buildings. This program is in partnership with Silicon Valley Clean Energy (SVCE) and the San Mateo County Office of Sustainability, with SVCE sharing the costs with PCE for the program. In January 2020, the Board approved additional funds to extend the TRC Engineers' contract to include technical assistance and trainings for developers, designers, contractors and building owners to build all-electric buildings. The current TRC contract is for a total of \$750,000, of which approximately \$400,000 is anticipated to be funded by PCE for work in its territory.

This ongoing program has delivered:

- a) a public process for development of model reach codes for new construction,
- b) model codes for municipalities to consider refining and adopting,
- c) technical assistance for adoption and implementation for both municipalities and building industry stakeholders,
- d) tools and resources for adoption and implementation for both municipalities and building industry stakeholders,
- e) grants of \$10,000 for municipalities considering reach codes, and
- f) trainings for building contractors on all-electric technologies.

To date, nine jurisdictions in San Mateo County (and ten in SVCE service territory out of 40 total statewide) have adopted reach codes, with more in progress. Numerous developers and designers have also participated in the technical assistance.

However, the reach codes are only applicable for new construction, which makes up a small portion of the total buildings in our territory. Achieving the target of decarbonization by 2045 requires eliminating usage of methane gas, commonly referred to as “natural gas”, in existing buildings. Carbon emissions from methane gas usage in existing buildings accounts for nearly 25% of our overall emissions based on metered fuel use. The single-family residential sector in San Mateo County alone consists of at least 158,000 homes (including up to quadruplexes) with methane gas appliances that need to be electrified within the next 25 years. Typically, over 12,000 methane gas water heaters and 6,000 methane gas boilers are replaced every year due to the equipment reaching its end of life, and almost none of those is currently replaced with electric heat pumps.

Replacing existing methane gas appliances with electric heat pump and induction appliances is inherently more complex to install than the like-for-like methane gas appliances due to added electrical and design requirements. As a result, they are more expensive than their methane gas counterparts. PCE has been working on developing rebate programs that will assist in replacing the existing methane gas appliances with all-electric appliances. The first appliance rebates will be available from January 2021 for installing heat pump water heaters (\$1,000), and rebates for other appliances like heat pump space heaters may be incorporated at a later date. This program has a current budget of \$2.8 million and is anticipated to support replacement of up to 1,500 appliances over a four-year period.

Concurrently, the City of Menlo Park has initiated a process intended to support existing building decarbonization. In July 2020, the City of Menlo Park adopted its climate action plan which includes a target of community-wide carbon neutrality by 2030. To achieve this goal, the City is exploring the development of existing building ordinances to advance EV readiness and electrification of its existing building stock. Menlo Park anticipates potential adoption of such codes in late 2021 and has requested technical assistance support from PCE for this work.

## **DISCUSSION**

While PCE is launching its initial heat pump water heater incentive program, the program is geared towards initiating the normalization and market transformation of all-electric technologies. Because heat pump water heaters are expected to remain more expensive to install, market forces alone will likely favor methane gas water heaters indefinitely. As the volume of water heater replacement

increases, it is expected that rebates will be increasingly difficult to sustain. For 12,000 water heaters, providing a rebate of \$1,000 per water heater would mean \$12 million for a single year. Additional policy support is anticipated to be necessary to transition the market.

The City of Menlo Park already played an instrumental role in the new construction reach codes, independently developing a unique code model which became the basis of reach codes adopted by cities throughout San Mateo and Santa Clara Counties and beyond. The project by the City of Menlo Park presents an opportunity for the development of models and tools likely to be of value to other cities wishing to further advance climate goals by addressing existing construction.

The proposed contract amendment would extend the scope of the reach code technical consultants, TRC Engineers, to include technical assistance to the City of Menlo Park for its existing building development effort plus using that project to develop tools and models for other agencies to leverage.

Specific elements include:

- **Research existing codes, policies, and financial incentives:** The research will focus on existing building electrification and multifamily EV charging infrastructure policies and also identify practices that the cities can adopt to develop their own financing mechanisms that can assist in achieving carbon neutral goals.
- **Conduct cost effectiveness analysis:** Assess construction and operating costs of electrification upgrades in existing buildings within San Mateo County. This analysis is also required to meet the criteria for applying for local building amendments to the state.
- **Design guidelines for single family home electrification:** Cost-effective design guidelines for electrification of homes will be developed to inform programs and policies.
- **Recommendations and Stakeholder Engagement:** The above research will be used to develop recommended policy options for local governments and support will be offered for stakeholder engagement activities to gather community feedback.
- **Identify transferable tools and models:** Research and analysis results, model policies, stakeholder feedback and other products of likely value to other jurisdictions will be organized into reusable form.

## **FISCAL IMPACT**

The budget for the expanded scope of work for supporting the development of an existing building ordinance language is estimated to be approximately \$100,000 that PCE would fund, for a total contract amount of \$850,000. The current budget for TRC Engineers contract is \$750,000, of which PCE is projected to contribute \$400,000 and SVCE \$350,000. The new budget for TRC Engineers with the addition of this funding would be for a total of \$850,000, of which PCE is projected to contribute \$500,000 and SVCE \$350,000.

## **STRATEGIC PLAN**

The TRC contract for existing building policy development supports the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

**Priority 2:** Contribute to San Mateo County reaching the state's goal to be 100% greenhouse gas-free by 2045.

- **Community Energy Programs:** Implement robust energy programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups.
  - Objective A. Signature Programs: Develop market momentum for electric transportation and initiate the transition to clean energy buildings
    - Key Tactic 4: Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders
    - Key Tactic 5: Support local government initiatives to advance decarbonization

**RESOLUTION NO. \_\_\_\_\_**

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

\* \* \* \* \*

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXTEND AN AGREEMENT WITH TRC ENGINEERS INC. TO PROVIDE  
SUPPORT FOR DEVELOPMENT OF LOCAL POLICIES TO ADVANCE  
ELECTRIFICATION AND ELECTRIC VEHICLE READINESS IN EXISTING  
BUILDINGS, IN AN AMOUNT NOT TO EXCEED \$100,000**

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**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**, assisting local governments in adopting and implementing building reach codes to reduce greenhouse gasses is part of PCE's program roadmap approved by the Board; and

**WHEREAS**, through a competitive solicitation process, TRC Engineers Inc. was selected to enter into an agreement with PCE ("Agreement") because of its experience with the State of California building codes, building code development, and working with local governments; and

**WHEREAS**, natural gas usage in existing buildings account for nearly 25% of directly inventoried GHG emissions within the County; and

**WHEREAS**, PCE has determined that appliance rebate programs alone will be insufficient to decarbonize existing buildings in the County by 2045, and that local policies and codes are required to advance existing building electrification; and

**WHEREAS**, the City of Menlo Park adopted its climate action plan in July 2020, which includes a target of community-wide carbon neutrality by 2030, and is exploring building ordinances to support existing building decarbonization; and

**WHEREAS**, the project by the City of Menlo Park presents an opportunity for the development of models and tools likely to be of value to other cities wishing to further advance climate goals by addressing existing construction; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to update the scope of the Agreement to include technical support for development of local policies to advance electrification and EV readiness in existing buildings;

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to finalize and execute the amendment of the Agreement with TRC Engineers in an amount not to exceed \$100,000 in a form approved by the General Counsel.

\* \* \* \* \*

**AMENDMENT NO. 2 TO AGREEMENT BETWEEN PENINSULA CLEAN ENERGY AND TRC Engineers, Inc. \_\_\_\_\_**

THIS AMENDMENT TO THE AGREEMENT, entered into this January 05, 2021, by and between PENINSULA CLEAN ENERGY, a California joint powers authority, hereinafter called "PCE," and TRC Engineers, Inc., hereinafter called "Contractor";

**WITNESSETH:**

WHEREAS, the parties entered into an Agreement on January 25, 2019, for the purpose of Contractor's delivery of Reach Code adoption assistance to San Mateo County and its municipalities ("Agreement"); and

WHEREAS, PCE has determined that additional technical assistance for local governments, developers, and contractors is required for successful adoption and implementation of Reach Codes in new construction; and

WHEREAS, PCE has determined that development of local policies to advance building electrification and electric vehicle readiness is instrumental to achieving its decarbonization goals;

WHEREAS, the parties wish to amend the Agreement to increase the maximum amount by \$100,000 to an amount not to exceed \$850,000 for the purpose providing additional support to policy development and replicable tools for existing building decarbonization as described in the amended scope of work.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:**

1. The contract schedule is extended, and all tasks will be completed by July 30, 2022
2. The text of "Exhibit A" shall be updated with the additional text in Sections 4 and Section 5.1 as described in this document and the text of "Exhibit B" shall be deleted and replaced in their entirety with the updated "Exhibit B" as attached.
3. Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.
4. This Amendment No. 2 shall take effect upon the date of execution by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as set forth below.

Peninsula Clean Energy Authority

By: \_\_\_\_\_  
Janis C. Pepper, CEO

Dated: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

## **Exhibit A**

### **4 Support for Existing Building Policy Development**

The consultant will assist the City of Menlo Park to develop prospective policy for existing building electrification and electric vehicle (EV) readiness.

#### **4.1 Administrative tasks**

The consultant will participate in a kick-off meeting within 2 weeks of executing Amendment #2 of this contract. The consultant will also participate in recurring progress meetings with the City of Menlo Park team and PCE as mutually determined.

##### **Deliverables:**

- a. Participate in Kick-off meeting
- b. Participate recurring progress meetings

#### **4.2 Conduct research on existing codes, policies, and financial incentives**

##### **4.2.1 *Research existing state and local codes and policies***

The Consultant will conduct research on relevant state and local building codes or other policies related to existing building electrification and multifamily EV charging infrastructure. This research must include both mandated and incentive-based codes and policy examples. This research will be conducted by collaborating with technical experts in the field of building electrification and policy such as the Building Decarbonization Coalition.

The consultant will develop the outline of the final report with feedback from PCE and the City of Menlo Park. The consultant will submit a draft report to the PCE and City of Menlo Park team for review and feedback at least 2 weeks prior to the final report due date. The final report will incorporate the comments and feedback received and presented in easy to review format suitable for public distribution.

##### **Deliverables:**

- a. State and Local Codes and Policies Report: outlines codes and policies investigated, references to source documents, and analysis of key findings to inform drafting existing building for electrification and EV readiness

##### **4.2.2 *Research financing and funding***

The consultant will research relevant local, regional, state, and federal financial incentives related to existing building electrification and EV charging for multifamily buildings. The research will include identifying incentives that are currently available for application by the City of Menlo Park or any city within San Mateo County and also identify mechanisms that the cities can adopt to develop their own financial incentives or financing that will benefit in achieving carbon neutral goals.



The consultant will also identify other financial programs that would be needed in order to minimize the impact on stakeholders of adopting an existing building electrification ordinance.

The consultant will develop the outline of the final report with feedback from PCE and the City of Menlo Park. The consultant will submit a draft report to the PCE and City of Menlo Park team for review and feedback at least 2 weeks prior to the final report due date. The final report will incorporate the comments and feedback received and presented in easy to review format suitable for public distribution.

**Deliverables:**

- a. Financing and Funding Report: outlines financial incentives and mechanisms investigated, provides direct references, and analysis with key findings to inform prospective policies and programs
- b. The Financing and Funding Report may be combined with the State and Local Codes and Policies Report.

### **4.3 Conduct cost-effectiveness analysis**

#### **4.3.1 *Develop Cost-effectiveness study related to construction upgrades:***

Statewide cost effectiveness studies on some building types like existing single family homes are being conducted by Investor owned utilities. The consultant will leverage these existing statewide studies and develop cost effectiveness studies for comprehensive electrification upgrades for additional four building types not included in the statewide studies like office, retail and hotels within the San Mateo County. As part of the analysis, the consultant will study the current conditions of the building stock and present a typical building condition scenario. The consultant will collect and analyze data from the City of Menlo Park's building department including but not limited to permit and assessor's data, and any other external sources that might be needed to inform the analysis.

Analysis will be compliant with California's 2019 Building Code and is expected to leverage the results of the cost-effectiveness analysis from the 2019 Statewide Codes & Standards Program, as needed. The analysis will be required to meet the criteria for applying for local building amendments to the state. To the extent possible, the cost effectiveness will include an evaluation of costs associated with the any loss of space that may be required for electrification and upgrading electrical panels. Other technical experts from PCE and the City of Menlo Park team may be utilized to support additional analysis.

The consultant will develop the outline of the final report with feedback from PCE and the City of Menlo Park. The consultant will submit a draft report to the PCE and City of Menlo Park team for review and feedback at least 2 weeks prior to the final report due date. The final report will incorporate the comments and feedback received.

**Deliverables**

- a. Cost Effectiveness Report: Using industry-standard methodologies suitable for acceptance by the California Energy Commission, the study will detail the cost-effectiveness of building electrification upgrades of existing construction, , methodology, any assumptions used, data sources that informed the analysis and the resulting conclusions

- b. Any building data set received from the City of Menlo Park including but not limited to permit information and assessor's data
- c. Any additional data sets on demographics, costs, residential and commercial sector acquired from external sources that informed the analysis

#### **4.3.2 Utility Bill Impact Analysis**

The Consultant will provide a separate analysis of utility cost impacts to meter account holders for the selected building types in the Cost-Effectiveness Study. In developing the analysis, clarity and separation is necessary around utility bill savings when applying rate structures and the social costs of climate change using both CEC determined average cost and as established in the City of Menlo Park's 2030 Climate Action Plan. The study will also include the projected cost over the next 15 years, and identify the different ways customers can achieve utility bill reductions, such as through self-education, onsite renewable power, battery storage, or choosing high efficiency appliances.

The consultant will develop the outline of the final report with feedback from PCE and the City of Menlo Park. The consultant will submit a draft report to the PCE and City of Menlo Park team for review and feedback at least 2 weeks prior to the final report due date. The final report will incorporate the comments and feedback received and presented in easy to review format suitable for public distribution.

#### **Deliverable:**

- a. Electrification Utility Bill Impact Analysis Report: Specifies on-bill impact of electrification in select building types using 2021 rate schedules, 15 year forecast, bill reduction strategies and impacts, specifies methodologies and assumptions, data sources that informed the analysis and the resulting conclusions
- b. Any data set received from the City of Menlo Park including but not limited to permit information and assessor's data
- c. Any additional data sets on demographics, costs, residential and commercial sector acquired from external sources that informed the analysis

#### **4.3.3 Additional Analysis Support**

In addition to the analysis outlined in 4.3.1 and 4.3.2, with the input, guidance, and briefs provided by PCE and the City of Menlo Park's staff team the Consultant will also assist in addressing the following issues/concerns for policy options:

- Determine high level implementation requirements and associated costs
- Provide information on what implementation and enforcement will look like, and work with other City of Menlo Park staff that are supporting this analysis.

#### **4.3.4 Recommend a Preferred Pathway(s)**

Based on the analysis outlined in 4.3.1, 4.3.2 and 4.3.3, the Consultant will recommend a preferred cost-effective pathway(s) for the City of Menlo Park to reach its carbon neutral goals with minimal impact to stakeholders. For each of the recommended pathway(s), the consultant

will determine the associated greenhouse gas reductions, and percentage impact toward reaching the City of Menlo Park's goal of carbon neutrality by 2030.

The criteria for determining the preferred pathway(s) will be mutually determined by the consultant, PCE and the City of Menlo Park team. The consultant will gather feedback from public engagement outcomes, PCE and the City of Menlo Park Council and incorporate it into the final report.

The consultant will develop the outline of the final report with feedback from PCE and the City of Menlo Park. The consultant will submit a draft report to the PCE and City of Menlo Park team for review and feedback at least 2 weeks prior to the final report due date. The final report will incorporate the comments and feedback received.

**Deliverable:**

- a. Preferred Pathways Summary: Identify and present a preferred pathway(s) for existing building policies for the City of Menlo Park to achieve its 2030 Climate Action Plan goals
- b. Determine the green house gas reduction potential of each preferred pathway(s)
- c. Present the findings from the analysis at ten public engagement events and incorporate public feedback gathered in the final report

#### **4.4 Develop design guidelines for single family home electrification retrofits**

The consultant will identify up to four different types of single family homes most prevalent in San Mateo County. The consultant will engage with senior experts in the electrical engineering field to conduct a deeper analysis on the current conditions of the identified home models to provide cost effective design guidelines for complete electrification including EV charging , solar and battery storage. The typical models of single family homes will be identified based on their most likely prevalence in the county and feedback from PCE. Building data gathered from the City of Menlo Park can be used to extrapolate and inform the current conditions for San Mateo County.

Based on the current conditions research, the consultant will develop design guidelines for full electrification of these homes. The guidelines will be developed through a mutually-determined and collaborative process including multiple technical representatives to review and provide feedback for refinement. The design guidelines will aim to minimize equipment and installation costs, including minimizing panel capacity upgrades where possible, and minimize adverse on-bill impacts to customers. In addition, the design guidelines should maintain where possible, practices that designers and contractors can readily adopt with little or no training, are easy to operate and maintain, support homeowner performance expectations, and not rely on unproven technologies. The design guidelines will include a decision tree for key design choices such as appliance classes, appliance amperages, EV charging, solar and battery storage recommendations and/or panel upgrades. These design guidelines will be developed to ensure both consumer upfront costs and societal costs associated with grid infrastructure are minimum.

**Deliverables:**

- a. Design guidelines for four typical single family existing home scenarios
- b. Decision tree for major measure implementation

- c. Residential buildings data on existing conditions including electrical panels acquired from the City of Menlo Park and other external sources

#### 4.5 Participate in Public engagement

The Consultant will participate in a public engagement process as outlined by the City of Menlo Park. Participation will include but not limited to presenting research findings to stakeholders and incorporating the feedback received into the final recommendations and report.

##### Deliverable

- a. Co-present along with PCE the analysis findings at five public engagement events and incorporate public feedback gathered in the final report
- b. Co-present along with PCE the final preferred pathway(s) to the City of Menlo Park Council to then prepare drafting of the ordinance

#### 4.6 Identify transferable tools and models

Throughout the analysis and public engagement process, the consultant will identify and report various data sets, tools, models and financial mechanisms that other cities within the San Mateo County can utilize to adopt an existing building electrification ordinance. Apart from the development of recommended pathway(s) for the City of Menlo Park as identified in Section 4.2.4, the consultant will also identify different pathways that might be applicable for other cities in San Mateo County.

##### Deliverables:

- a. Identify specific transferable data sets, tools, models and financial mechanisms that other San Mateo County cities can utilize for existing building policy development and implementation.
- b. Organize the transferrable tools and models into presentable form for easy access

### 5 Schedule

#### 5.1. City of Menlo Park Support Schedule

Task	Due Date(s)	Notes
Kick-off team meeting with all members	January 10, 2021	Weekly to bi-weekly meeting check-ins to follow
Develop cost effectiveness study and associated analysis	April 2021	Includes associated analysis related to other local and state policies that would require modification
Appoint Taskforce	March 2021	
Six (6) Taskforce meetings	April to September 2021	Majority (5) meetings occurring in April/May
City Council Study Session	June 2021	Present results of cost effectiveness study and Taskforce advise
Draft ordinance	July 2021	

Develop implementation and education plan	July/August 2021	
CEQA preparation	July 2021	
Public outreach	August/September 2021	Mailers, website, last taskforce meeting
Ordinance adoption	October 2021	Public Hearing
Second Reading	October 2021	
CEQA Filing	November 2021	
Implementation and education	January 2022	Further work and resources TBD

## **Exhibit B**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Contractor based on the following fee schedule and terms:

1. Time and materials up to \$126,000 cost for administration, model code development and cost-effectiveness analysis (Task 1, Task 2.1 through 2.4, inclusive).
2. Time and materials up to \$174,000 adoption and implementation support (Task 2.5 and 2.6). These costs are not to exceed \$10,000 per municipality unless approved by PCE.
3. The contract fee amount added by the March 20, 2020 amendment shall not exceed \$450,000 for all the tasks as described below:

Task 2.5 and 2.6	\$60,000
Task 3.1	\$343,500
Task 3.2	\$46,500
Total	\$450,000

The individual task amount as described above may be reassigned with prior PCE approval.

4. The contract fee amount added by the Dec 20, 2020 amendment No. 2 shall not exceed \$100,000 for all the tasks as described in Exhibit A Section 4.
5. Billings will utilize the rate schedules below as fully loaded rates. Non-labor expenses are not to exceed \$13,500.
6. Invoices may be submitted no more than monthly, with hours identified by staff, rate and sub-task (ex: 2.1, 2.2, etc.). Invoices for tasks 2.5 and 2.6 must also be sub-totaled by municipality served. Invoices for task 3.1.2 must also be sub-totaled by developer served and for task 3.2 by training.

### **TRC Rate Schedule**

<b>Title</b>	<b>Hourly Rate</b>	<b>Staff</b>
Vice President	\$275	Cathy Chappell, Abhijeet Pande
Associate Vice President	\$230	Katie Wilson
Engineering Director	\$210	Gwelen Paliaga, Colman Snaith, Dhananjay Mangalekar
Associate Director	\$190	Michael Mutmansky, Marian Goebes
Senior Project Manager	\$175	Nicholas Dunfee, Michael Maroney, Daniel Wildenhaus, Farhad Farahmand, Dove Feng
Project Manager	\$160	Rupam Singla, Siobhan McCabe, Ritesh Nayyar, Pratap Jadhav
Associate Project Manager II	\$145	Mayra Vega, Matt Jones
Associate Project Manager	\$115	Avani Goyal, Yamini Arab, Parul Gulati, Kristin Bellows

Research Associate	\$105	Neil Perry, Mia Nakajima, Yolanda Beesemyer, Richard Williams
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#### DNV GL Rate Schedule

Title	Hourly Rate	Staff
Project Lead	\$210	Douglas Kot
Senior Engineer	\$185	Annie Koch
Analyst	\$155	Umay Akkoseoglu
SME	\$205	Celia Hoag, Jen McWilliams, Leo Sommaripa
Project Manager	\$205	Blake Herrschaft

#### Sub-Contractor Rate Schedule

TRC has assembled a list of potential sub-contractors to engage. TRC will engage with subcontractors for the top four areas of expertise and contract, with at least one per area of expertise, within 15 days of PCE contract execution. TRC will provide resumes/CVs of each experts to PCE and SVCE for review prior to executing subcontracts, and execute subcontracts within 60 days of PCE contract execution. Additional sub-contractors may be enrolled with PCE approval. Rates are not to exceed: \$280 per hour.

#	Expertise	Organization	Staff	Status	Hourly Rate	Resumes
1	Affordable Housing Expert(s)	Redwood Energy	Sean Armstrong	Confirmed	\$175	Yes
		Association for Energy Affordability	Nick Young, Andy Brooks, Nick Dirr, John Neal, Sheetal Chitnis, Jack Aitchison	Confirmed	\$175	Yes
2	Central Water Heating Expert(s)	Ecotope	Shawn Oram, Colin Grist, Kristine Adamich, Katie Glore	Confirmed	\$220, \$180, \$170, \$165	Yes
3	Food Service Equipment/ Commercial Kitchens	Frontier Energy (ex. FishNick Labs)	Richard Young	-	-	-
4	Commercial All-electric Design Expert	Integral Group	David Kaneda	Confirmed	\$300	Yes
		Western Allied Mechanical	Todd Gottshall	Confirmed	\$150	Yes
		Smith Group	Stet Sanborn	Confirmed	\$280	Yes
		Guttman Blaevoet	Ted Tiffany, Steve Guttman, Jeff Blaevoet	Confirmed	\$280	No
		EHDD	Scott Shell	-	-	-
5	Electric Vehicle Charging Design Expert	TBD	TBD	TBD	TBD	



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** December 7, 2020  
**BOARD MEETING DATE:** December 17, 2020  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Peninsula Clean Energy Authority Citizens Advisory Committee (CAC)  
**SUBJECT:** Resolution Endorsing Beyond Gasoline Initiative

**RECOMMENDATION:** Adopt a Resolution Endorsing Beyond Gasoline Initiative

**BACKGROUND:**

Peninsula Clean Energy has adopted an organizational priority to contribute to San Mateo County reaching California's goal to be 100% greenhouse gas-free by 2045 and has adopted a strategic goal for 2020-2025 to implement robust energy programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups. The transportation sector is the largest source of San Mateo County's greenhouse gas emissions, with most of those emissions originating from burning gasoline in cars, trucks, and SUVs.

Joint Venture Silicon Valley has launched the "Beyond Gasoline" initiative with the goal of reducing gasoline consumption in Silicon Valley by 50% by 2030. The initiative will accomplish its goal by partnering with local governments and businesses on measures and commitments to reduce gasoline consumption, and by educating the broader community on why and how to reduce gasoline consumption.

More information on this initiative can be found on Joint Venture Silicon Valley's website: <https://jointventure.org/initiatives/climate-change/beyond-gasoline#:~:text=It%20is%20a%20collaboration%20between,from%20gasoline%20to%20cleaner%20alternatives.>



**DISCUSSION:**

At their meeting on December 3, 2020, the Citizens Advisory Committee voted unanimously to recommend that the Board endorse the efforts of the Beyond Gasoline Initiative to reduce gasoline consumption by 50% by 2030 in San Mateo County and direct Peninsula Clean Energy staff to receive a report annually by the end of the second calendar quarter from Joint Venture Silicon Valley regarding gasoline consumption in San Mateo County.

**RESOLUTION NO. \_\_\_\_\_**

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

\* \* \* \* \*

**RESOLUTION ENDORSING BEYOND GASOLINE INITIATIVE**

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

**WHEREAS**, according to the Intergovernmental Plan on Climate Change (IPCC), increasing greenhouse gases (GHG) will cause global temperatures to rise 1.5 degrees Celsius by as early as 2030; and

**WHEREAS**, for San Mateo County, rising global temperatures will cause sea levels to rise (up to six feet or more by 2100 under certain scenarios), contribute to increasingly extreme weather, including intense rainfall, storms and heat events, and heighten risk of large wildfires; and

**WHEREAS**, Peninsula Clean Energy has adopted an organizational priority to contribute to San Mateo County reaching California's goal to be 100% greenhouse gas-free by 2045; and

**WHEREAS**, Peninsula Clean Energy has adopted a strategic goal for 2020-2025 to implement robust energy programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups; and

**WHEREAS**, the transportation sector is the largest source of San Mateo County's greenhouse gas emissions, with most of those emissions originating from burning gasoline in cars, trucks, and SUVs; and

**WHEREAS**, Joint Venture Silicon Valley has launched the "Beyond Gasoline" initiative, with the goal of reducing gasoline consumption in Silicon Valley 50% by 2030, by partnering with local governments and businesses on measures and commitments to reduce gasoline consumption and by educating the broader community on why and how to reduce gasoline consumption,

**NOW, BE IT RESOLVED** that the Board endorses the efforts of the Beyond Gasoline Initiative to reduce gasoline consumption by 50% by 2030 in San Mateo County.

**BE IT FURTHER RESOLVED** that the Board directs Peninsula Clean Energy staff to receive a report annually by the end of the second calendar quarter from Joint Venture Silicon Valley regarding gasoline consumption in San Mateo County.

\* \* \* \* \*



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** Dec 1, 2020  
**BOARD MEETING DATE:** Dec 17, 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  
Sapna Dixit, Strategic Accounts Manager, Peninsula Clean Energy

**SUBJECT:** Authorize the Chief Executive Officer to execute a Contract with UtilityAPI for Energy Data Access Services in an amount not to exceed \$491,500 for a term of 3 years.

**RECOMMENDATION**

Delegate authority to the Chief Executive Officer to execute the attached Contract with UtilityAPI for a total of \$491,500, which includes \$167,500 for implementation services and the remainder covering estimated license fees over the 3-year term. The developed software platform will allow customers and third-party program providers to access energy data.

**SUMMARY**

- *The UtilityAPI data access platform will allow energy program providers to easily request permission and gain access to PCE customer energy data, allowing streamlined deployment of solutions in San Mateo County.*
- *The platform will also include a customer dashboard, where key account customers will be able to log in and retrieve their own PCE usage and billing data, either by download, through email, or through a back-end programmable interface.*

**BACKGROUND**

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in San Mateo County, through supporting our customers' energy needs and investing in local energy programs. Critical to meeting these goals is being able to make secure and complete energy data available to PCE's customers and third-party energy providers.

Currently, accessing CCA energy data for analysis is a cumbersome process. Peninsula Clean Energy program partners or third-party energy providers that need access to customer data must have the customer fill out a Data Authorization form, which allows PCE to share customer data with the third party. This is an electronic form which asks for multiple pieces of information and takes time to complete and return.

Multiple large key account customers in San Mateo County have provided feedback to the PCE customer team that they would like to see an easier method to access their PCE energy data. PG&E currently provides this data through their Share My Data portal, but since PCE does not have a customer portal, they either hire consultants to scrape the pdf energy bills, or they reach out ad-hoc to the PCE customer team to request an Excel report. Some customers would like to do historical analysis of their energy consumption and costs but are not doing so simply because the data is too difficult to obtain.

UtilityAPI is an industry-leading energy data access infrastructure provider, focused on allowing an easy and secure authentication and authorization process for the access of customer energy data. The platform can streamline the above listed manual processes using an online two-factor authentication process and online dashboard. Silicon Valley Clean Energy has currently contracted with UtilityAPI for their DataHive pilot, which deploys the platform at no charge for SVCE customers, with the goal of accelerating the deployment of clean energy programs while empowering consumer choice and supporting local businesses. This pilot has so far had over 90 third-parties register for the platform, second highest only to PG&E in the number of registrations nationwide for this type of data sharing service.

## **DISCUSSION**

Staff is seeking approval by the Board on the contract with UtilityAPI, in accordance with the attached Statement of Work. The contract is for 3 years, with a setup cost of \$167,000 and an implementation cost of \$324,500, for a total cost of \$491,500.

A secure and robust data infrastructure is critical in today's energy economy, in order to provide the energy data required by program providers to support communities with access to valuable energy programs, and in order to provide customers the ability to securely retrieve their own energy data.

As part of the proposed Peninsula Clean Energy UtilityAPI platform, PCE will implement a PCE-specific version of the UtilityAPI product and has also requested UtilityAPI to develop an enhanced customer dashboard through which PCE's customers (initially large commercial customers) can easily access their own energy data. This platform will include:

- Streamlined authentication and authorization process for third-parties to request permission to access customer data, at no cost and with no technical work required;
- Secure and intuitive customer dashboard for data access;

- On-demand energy data for key account customers through the portal or through email;
- Ability to schedule customized reports where customers can determine method and schedule; and
- Back-end API, for more sophisticated customers to integrate with their internal energy management systems.

The ability for UtilityAPI to easily authenticate and secure permission from a customer to share their data with an energy program provider (at no cost) will lower the barrier for these programs to reach San Mateo County customers and provide additional consumer options. Instead of a manual process to provide their data, customers will receive an email or text and can authorize the sharing of their data electronically, and that data will be immediately available to the provider through the dashboard. This functionality will allow the faster deployment of any EE/DER initiatives, such as PCE's municipal and commercial resiliency programs, or any services that a local energy program vendor would like to offer to PCE customers.

In addition, the customer portal will allow key commercial customers to easily view and download their PCE energy data, allowing them to do detailed energy consumption and cost analysis, resulting in the ability to make better business decisions with regards to energy.

## **STRATEGIC PLAN**

The UtilityAPI platform supports the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

- Customer Care Objective C: *Ensure high customer retention and satisfaction*
  - Key Task 4: Educate and engage Key Account customers in order to develop relationships
    - Provide enhanced account services, including access to customer data and reporting
- Organizational Excellence Objective B: *Innovation: Foster a culture of innovation to yield solutions that accelerate our mission*
  - Key Task 3: Assess opportunities to reinvest/invest in innovative technologies that advance the mission

PCE staff is recommending for approval the attached draft contract with UtilityAPI.

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

\* \* \* \* \*

RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE A CONTRACT WITH UTILITYAPI FOR ENERGY DATA ACCESS  
SERVICES IN THE AMOUNT OF \$491,500 OVER THREE YEARS

---

**RESOLVED**, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

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

**WHEREAS**, customer satisfaction and innovation are organizational priorities for PCE; and

**WHEREAS**, a secure and robust energy data infrastructure is critical for today’s energy economy; and

**WHEREAS**, allowing third-party energy program providers to easily access customer data will streamline the deployment of energy programs; and

**WHEREAS**, allowing commercial customers to access their PCE data through a secure dashboard will increase customer satisfaction; and

**WHEREAS**, UtilityAPI is an industry leader in providing energy data access infrastructure; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to contract with UtilityAPI to develop a PCE data access platform.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to execute an Agreement with UtilityAPI for Energy Data Access Services in the amount of \$491,500 over three years, in a form approved by the General Counsel.

\* \* \* \* \*



## **AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND UtilityAPI.**

This Agreement is entered into this 18th day of December, 2020, by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and **UtilityAPI**, hereinafter called "Contractor."

\* \* \*

Whereas, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of energy data access services.

**Now, therefore, it is agreed by the parties to this Agreement as follows:**

### **1. Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services

Exhibit B—Payments and Rates

### **2. Services to be performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for PCEA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

### **3. Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed is unacceptable. In no event shall PCEA's total fiscal obligation under this Agreement exceed four hundred ninety-one thousand five hundred (\$491,500). In the event that the PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

#### **4. Term**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from December 17, 2020 through December 31, 2024.

#### **5. Termination; Availability of Funds**

This Agreement may be terminated by Contractor or by the Chief Executive Officer of the PCEA or his/her designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or PCEA funds by providing written notice to Contractor as soon as is reasonably possible after PCEA learns of said unavailability of outside funding.

#### **6. CONFIDENTIAL INFORMATION and DATA SECURITY**

##### **a. Confidential Information**

Contractor shall maintain in confidence and not disclose to any third party or use in any manner not required or authorized under this Agreement any and all Confidential Information held by PCEA or provided to Contractor by PCEA. B. The term "Confidential Information" includes all information, documents, and materials owned by PCEA or Contractor, including technical, financial, business, or utility customers' personal information which is not available to the general public, as well as information derived from such information, which is furnished or made available to Contractor. Information received by Contractor shall not be considered Confidential Information if: (i) it is or becomes available to the public through no wrongful act of Contractor; (ii) it is already in the possession of Contractor and not subject to any confidentiality agreement between the Parties; (iii) it is received from a third party without restriction for the benefit of PCEA and without breach of this Agreement; (iv) it is independently developed by Contractor; (v) it is disclosed pursuant to a requirement of law, including, but not limited to, the California Public Records Act (Cal. Gov't Code Section 6250, et seq.); or (vi) is disclosed to or by a duly empowered government agency, or a court of competent jurisdiction after due notice and an adequate opportunity to intervene is given to PCEA, unless such notice is prohibited. C. As practicable, PCEA shall mark Confidential Information with the words "Confidential" or "Confidential Material" or with words of

similar import, or, if that is not possible, PCEA shall notify the Contractor (for example, by cover e-mail transmitting an electronic document) that the material is Confidential Information. PCEA's failure, for whatever reason, to mark or notify Contractor at the time the material is produced shall not take the material out of the coverage of this Agreement. D. Contractor will direct its employees, contractors, consultants, and representatives who have access to any Confidential Information to comply with the terms of this Section. E. Upon termination or expiration of this Agreement, Contractor shall, at PCEA's direction, either return or destroy all such Confidential Information and shall so certify in writing, provided, however, any Confidential Information (i) found in drafts, notes, studies, and other documents prepared by or for PCEA or its representatives, or (ii) found in electronic format as part of Contractor's off-site or on-site data storage/archival process system, will be held by Contractor and kept subject to the terms of this provision or destroyed at Contractor's option. The obligations of this provision will survive termination or expiration of this Agreement.

#### **b. Data Security**

If, pursuant to this Agreement, PCEA shares with Contractor personal information as defined in California Civil Code Section 1798.81.5(d) about a California resident ("Personal Information"), Contractor shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform PCEA immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. Contractor shall not use Personal Information for direct marketing purposes without PCEA's express written consent. For purposes of this provision, security procedures are "reasonable and appropriate" when they (i) adequately address all reasonable foreseeable threats to Personal Information, (ii) are appropriate to the quantity, sensitivity, and type of Personal Information accessed and the way that information will be accessed, and (iii) comply with all laws, regulations, and government rules or directives applicable to the Contractor in connection with its access of Personal Information.

### **7. Intellectual Property and Ownership of Work Product**

The Parties acknowledge that the Services and Deliverables are in the nature of SaaS (i.e., Software as a Service), and as such, it is expected that the Contractor will retain any Deliverables and provide any Services without transferring any Contractor Work. As such, any and all Services and Deliverables, expressions, inventions, ideas, discoveries, improvements or developments (whether or not patentable), as well as all copyrights, patents, or trademarks thereof, that may be conceived or made by the

Contractor or the Contractor's partner(s), employee(s), agent(s), vendor(s), contractor(s), supplier(s) or any other party employed by the Contractor, or subcontractor to the Contractor of any tier (any a "Contractor Work"), to satisfy its obligation under the Agreement shall be considered the property of Contractor unless otherwise agreed to in writing between the Parties.

### **c. Intellectual Property Indemnification**

Contractor hereby certifies that it owns, controls, and/or licenses and retains all right, title, and/or interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and/or other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights") except as otherwise noted by this Agreement.

Contractor warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Contractor shall defend, indemnify, and hold harmless PCEA from and against all liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party's IP Rights provided any such right is enforceable in the United States.

Contractor's duty to defend, indemnify, and hold harmless under this Section applies only provided that:

- (a) PCEA notifies Contractor promptly in writing of any notice of any such third-party claim;
- (b) PCEA cooperates with Contractor, at Contractor's expense, in all reasonable respects in connection with the investigation and defense of any such third-party claim;
- (c) Contractor retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Contractor shall not have the right to settle any criminal action, suit, or proceeding without PCEA's prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on PCEA, impair any right of PCEA, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of PCEA without PCEA's prior written consent, not to be unreasonably withheld); and

- (d) Should services under this Agreement become, or in Contractor's opinion be likely to become, the subject of such a claim, or in the event such a third party claim or threatened claim causes PCEA's reasonable use of the services under this Agreement to be seriously endangered or disrupted, Contractor shall, at Contractor's option and expense, either: (i) procure for PCEA the right to continue using the services without infringement or (ii) replace or modify the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Contractor will have no obligation or liability to PCEA under this Section to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for PCEA (other than modification performed by, or at the direction of, Contractor) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by PCEA in a manner prohibited by this Agreement.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**d. Relationship of Parties**

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

**e. Hold Harmless**

**a. General Hold Harmless**

Each party shall indemnify and save harmless the other, including its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services thereunder, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any other loss or cost. However, one party's duty to indemnify and save harmless the other under this Section shall not apply to injuries or damage for which a party has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of one party to indemnify and save harmless the other as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

**f. Assignability and Subcontracting**

Contractor shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of PCEA. Any such assignment or subcontract without PCEA's prior written consent shall give PCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice.

**g. Payment of Permits/Licenses**

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

**h. W-9 Form and Submission of Invoices**

Invoices shall only be submitted by electronic form by sending an email to both the **PCEA project contact's email address** and to **PCEA's Finance email address** ([finance@peninsulacleanenergy.com](mailto:finance@peninsulacleanenergy.com)). Contractor shall submit a completed W-9 form electronically to the same email addresses. Contractor understands that no invoice will be paid by PCEA unless and until a W-9 Form is received by PCE.

**i. Insurance**

**a. General Requirements**

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by PCEA, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish PCEA with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the

contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to PCEA of any pending change in the limits of liability or of any cancellation or modification of the policy.

**b. Workers' Compensation and Employer's Liability Insurance**

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

**c. Liability Insurance**

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

Yes	Comprehensive General Liability (Applies to all agreements)	\$1,000,000
No	Motor Vehicle Liability Insurance	\$1,000,000
Yes	Professional Liability Insurance	\$1,000,000

PCEA and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to PCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the

PCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, PCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

**j. Compliance With Laws**

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

**k. Non-Discrimination and Other Requirements**

**a. General Non-discrimination**

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

**b. Equal Employment Opportunity**



Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to PCEA upon request.

**c. Section 504 of the Rehabilitation Act of 1973**

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

**d. Employee Benefits**

With respect to the provision of benefits to its employees, Contractor shall ensure that employee benefits provided to employees with domestic partners are the same as those provided to employees with spouses.

**e. Discrimination Against Individuals with Disabilities**

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**f. History of Discrimination**

Contractor must check one of the two following options, and by executing this Agreement, Contractor certifies that the option selected is accurate:

X  No finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.

—

**g. Reporting; Violation of Non-discrimination Provisions**

Contractor shall report to the Chief Executive Officer of PCEA the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or Section j, above. Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the Chief Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Contractor from being considered for or being awarded a PCEA contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Chief Executive Officer.

To effectuate the provisions of this Section, the Chief Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and PCEA.

#### **I. Retention of Records; Right to Monitor and Audit**

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Contractor agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant

Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

**m. Merger Clause; Amendments**

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

**n. Controlling Law; Venue**

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

**o. Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Jan Pepper, Chief Executive Officer

Address: 2075 Woodside Road, Redwood City, CA 94061

Telephone: 650-260-0100  
Email: jpepper@peninsulacleanenergy.com

In the case of Contractor, to:

Name/Title: Lynne Wander, Chief Operating Officer  
Address: 1212 Broadway, 16<sup>th</sup> floor, Oakland, CA 94612  
Telephone: 510-907-0009  
Email: lynne@utilityapi.com

**p. Electronic Signature**

PCEA and Contractor wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

**q. No Recourse Against PCEA's Member Agencies**

Contractor acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Contractor waives any recourse against PCEA's member agencies.

\* \* \*

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

**PENINSULA CLEAN ENERGY AUTHORITY**

By: \_\_\_\_\_

Peninsula Clean Energy Authority

Date: \_\_\_\_\_

**UtilityAPI**

\_\_\_\_\_

Contractor's Signature

Date: \_\_\_\_\_

## **Exhibit A**

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

The project is to deploy a data access and exchange platform for Peninsula Clean Energy Authority, through which commercial customers can easily access their own energy data, as well as allows third parties to request and download customer utility bill and usage data. The overarching goal is to provide free, authorized access to standardized and automated energy usage data in accelerating the deployment of clean energy projects, while empowering customer choice and supporting local businesses. UtilityAPI will manage third party registration, data access authorizations, historical and ongoing data collection, and data cleaning and standardization to realize the data exchange platform. The platform includes an easy-to-use dashboard for small and local businesses, and a fully documented API for enterprise and app integration.

### **Set-up:**

Task 1: Create repository, get 5 types of data from Calpine (metadata on accounts, PDF bills, interval data, bill data, and data to link the Green Button ids to customers). The data will then be stored, parsed and put into our standard format.

Task 2: Create public-facing pages for PCEA website: a landing page and a directory page, using PCEA branding and incorporating design feedback from PCEA

Task 3: Create PCEA Administrator page that contains information on PCE customers, registered third parties, and authorizations, and allows PCEA to approve third-party registrants.

Task 4: Create workflow for account holders

Subtask 4.1 Customer Authorization Dashboard

Subtask 4.2 Authentication workflow

Subtask 4.3 Authorization workflow

Task 5: Create user experience for third-parties

Subtask 5.1 Data request workflow for current UtilityAPI customers

### Subtask 5.2 Data request workflow for other third-parties

Task 6: Create a tool that gives the PCEA Administrator the ability to create authorizations for commercial companies to access their own data. This tool will be available on the PCEA Administrator created in Task 3. Additionally, a new button for commercial customers to access this tool will be added to the public-facing pages on the PCEA website.

Task 7: Beta phase—PCEA will provide test users and UtilityAPI will make fixes and changes based on user feedback

#### Ongoing:

Task 8: Technical support and onboarding for third-parties and commercial customers

Task 9: Maintenance of platform

Task 10: Support PCE marketing activities

## Schedule of Performance

Participant shall perform the services so as to complete each Project Deliverable according to the schedule set forth below. The time to complete each Deliverable may be increased or decreased by mutual written agreement of the Project Representatives for both Participant and Authority, so long as all work is completed within the Term of the Agreement.

Project Deliverables	Completion Date
Deliverable 1: Set up, Task 1 / Create repository and sync data with Calpine	2 months after data is obtained from Calpine
Deliverable 2: Set up, Task 2/ Create public facing pages for PCEA website using PCEA design feedback	April 1, 2021
Deliverable 3: Set up, Task 3/ Create PCEA administrative tool	April 1, 2021
Deliverable 4: Set up, Task 4/ Customer-facing workflow	March 1, 2021
Deliverable 5: Set up, Task 5 / Third-party experience	March 1, 2021
Deliverable 6: Set up, Task 6 / Tool for administrator to create authorizations	April 1, 2021
Deliverable 7: Beta fixes and changes	May 1, 2021
Launch, Operations & Support Launch and maintain platform with ongoing support	Monthly starting at platform launch and beginning of software license



## Support and Service Level Agreement

The Services shall be available at 99.9%, measured monthly, excluding holidays and weekends and scheduled maintenance. If PCEA requests maintenance during these hours, any uptime or downtime calculation will exclude periods affected by such maintenance. Further, any downtime resulting from outages of third-party connections or utilities or other reasons beyond UtilityAPI's control will also be excluded from any such calculation. PCEA's sole and exclusive remedy, and UtilityAPI's entire liability, in connection with Service availability shall be that for each period of downtime lasting longer than two hours, UtilityAPI will credit PCEA 0.5% of Annual License Fees for each period of 60 or more consecutive minutes of downtime; provided that no more than one such credit will accrue per day. Downtime shall begin to accrue as soon as PCEA (with notice to UtilityAPI) recognizes that downtime is taking place, and continues until the availability of the Services is restored. In order to receive downtime credit, PCEA must notify UtilityAPI in writing within 24 hours from the time of downtime, and failure to provide such notice will forfeit the right to receive downtime credit. Such credits may not be redeemed for cash and shall not be cumulative beyond a total of credits for 5% of Annual License Fees in any one calendar year. UtilityAPI will only apply a credit to the month in which the incident occurred. UtilityAPI's blocking of data communications or other Service in accordance with its policies shall not be deemed to be a failure of UtilityAPI to provide adequate service levels under this Agreement.

## Technical Support Terms

Company will provide technical support services to Customer via both telephone and electronic mail on weekdays during the hours of 9:00 am through 5:00 pm Pacific time, with the exclusion of Federal Holidays ("Support Hours").

Customer may initiate a support ticket during Support Hours by calling 510-907-0009 or any time by emailing [support@utilityapi.com](mailto:support@utilityapi.com).

Company will use commercially reasonable efforts to respond to all Support tickets within one (1) business day.

## **Exhibit B**

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Contractor based on the following fee schedule and terms:

The compensation to be paid to Participant under this Agreement for all services described in Exhibit "A" shall not exceed a total of four hundred ninety-one thousand five hundred dollars (\$491,500), as set forth below. Any work performed for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to Authority unless previously approved in writing by Authority. No reimbursable expenses are contemplated as a part of this Agreement.

Participant shall perform the categories of work and complete the Deliverables as outlined and budgeted below. Authority's Party Representative may approve in writing the transfer of budget amounts between any of the Deliverables below, provided that the total does not exceed the not-to-exceed amount above.

Project Deliverables	Completion Amount
Deliverable 1: Set up, Task 1 / Create repository and sync data with Calpine	\$0
Deliverable 2: Set up, Task 2/ Create public facing pages for PCEA website	\$34,000
Deliverable 3: Set up, Task 3/ Create PCEA administrative tool	\$34,000
Deliverable 4: Set up, Task 4 / Customer-facing workflow	\$34,000
Deliverable 5: Set up, Task 5 / Third-party experience	\$34,000
Deliverable 6: Set up, Task 6 / Authorization tool	\$31,000
Deliverable 7: Beta fixes and changes	\$0
Year 1: Launch, Operations & Support, Task 7&8 / Launch and maintain platform- Year 1 (8 months)	\$7,375 each month, not to exceed \$59,000 in aggregate over 8-month term
Year 2: Launch, Operations & Support, Task 7&8 / Launch and maintain platform- Year 2	\$9,834 each month, not to exceed \$118,000 in aggregate over one-year term
Year 3: Launch, Operations & Support, Task 7&8 / Launch and maintain platform- Year 3	\$12,292 each month, not to exceed \$147,500 in aggregate over one-year term
Total	\$491,5000



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 4, 2020

**BOARD MEETING DATE:** December 17, 2020

**SPECIAL NOTICE/HEARING:** None

**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer  
Chelsea Keys, Power Contracts Manager

**SUBJECT:** Authorize Chief Executive Officer to execute an Amendment to the Confirmation Agreement with Energy America, LLC (Direct Energy) dated June 24, 2016 to extend scheduling coordinator and Congestion Revenue Rights services through January 31, 2021 with a not to exceed amount for the amendment of \$125,000. (Action)

**RECOMMENDATION:**

Authorize Chief Executive Officer to execute an Amendment to the Confirmation Agreement with Energy America, LLC (Direct Energy) dated June 24, 2016 to extend scheduling coordinator and Congestion Revenue Rights services through January 31, 2021 with a not to exceed amount for the amendment of \$125,000. (Action)

**BACKGROUND:**

Peninsula Clean Energy requires a Scheduling Coordinator (SC) to schedule and provide operational support for its load and resources participating in the California Independent System Operator (CAISO) market. SCs must uphold and acquire a certification from CAISO to participate in the market and schedule on other entities behalf.

In June 2016, the Board authorized an agreement with Energy America, LLC (Direct Energy), to provide load scheduling coordinator services, CRR portfolio management, and short-term load forecasting which is due to expire on December 31, 2020.

In September 2020, in anticipation of the expiration of Peninsula Clean Energy's contract with Direct Energy, staff issued a solicitation to seek proposals for Scheduling Coordinator (SC) services, Congestion Revenue Rights (CRR) portfolio management, and forecasting services. Peninsula Clean Energy received nine competitive proposals for SC and CRR portfolio management services. Staff shortlisted and held interviews with four providers. Staff selected ZGlobal, Inc. (ZGlobal) because they have vast

experience scheduling both load and resources in CAISO, good processes for reporting CAISO settlements and resource performance and excellent analytical capabilities, and because they offered the best value for the services.

### **DISCUSSION:**

Peninsula Clean Energy is working to acquire its own Scheduling Coordinator ID (SCID) with CAISO. Currently, all CAISO settlements flow through Direct Energy, under their SCID, and settlements are bypassed to Peninsula Clean Energy. By acquiring its own SCID, Peninsula Clean Energy will settle directly with CAISO, which will alleviate the need for an SC to do this on its behalf and is the preferred method by CAISO. This will also make it easier for Peninsula Clean Energy to change SCs in the future.

Peninsula Clean Energy cannot acquire its own SCID with CAISO until February 1, 2021 and cannot transfer the scheduling coordinator responsibilities from Direct Energy to ZGlobal until then. Therefore, staff is seeking to extend the current contract with Direct Energy by one month, through January 31, 2021, and ZGlobal will take over the responsibilities thereafter.

We recommend that the Board approve the Amendment with Direct Energy.

### **FISCAL IMPACT:**

The fiscal impact of the Amendment will not exceed \$125,000.

### **STRATEGIC PLAN:**

The Amendment with Direct Energy supports the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

- Priority 1: Design a power portfolio that is sourced by 100% carbon free energy<sup>1</sup> by 2025 that aligns supply and consumer demand on a 24x7 basis
- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates
  - Objective A Low Cost and Stable Power: Develop and implement power supply strategies to procure low-cost, reliable power.
    - Key Tactic 4: Manage portfolio to meet risk, cost and reliability objectives

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<sup>1</sup> Carbon Free = California RPS-eligible renewable energy, excluding biomass, that can be scheduled by Peninsula Clean Energy on an hourly basis

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,**

**STATE OF CALIFORNIA**

**\* \* \* \* \***

**AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT TO  
THE AGREEMENT WITH ENERGY AMERICA, LLC (DIRECT ENERGY) DATED  
JUNE 24, 2016 TO EXTEND SCHEDULING COORDINATOR SERVICES AND  
CONGESTION REVENUE RIGHTS SERVICES THROUGH JANUARY 31, 2021 WITH  
A NOT TO EXCEED AMOUNT FOR THE AMENDMENT OF \$125,000.**

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**RESOLVED**, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

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

**WHEREAS**, launch of service for Phase I occurred in October 2016, and launch of service for Phase II occurred in April 2017; and

**WHEREAS**, in June 2016, Peninsula Clean Energy signed an agreement (“Agreement”) with Energy America, LLC (“Direct Energy”) to provide scheduling coordinator and other services and the Agreement is set to expire on December 31, 2020; and

**WHEREAS**, in September 2020, staff issued a request for proposals (“RFP”) for scheduling coordinator services, forecasting services, and Congestion Revenue Rights (“CRR”) portfolio management, and received nine competitive proposals; and

**WHEREAS**, staff chose to transition to a new provider for scheduling coordinator and CRR portfolio management services when the Agreement expires; and

**WHEREAS**, Peninsula Clean Energy needs to extend the Agreement by one month to complete the process to acquire its own Scheduling Coordinator ID with the California Independent System Operator and ensure a smooth transition to the new scheduling coordinator on February 1, 2021.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the authorization of the Chief Executive Officer to execute an Amendment to the Confirmation Agreement with Energy America, LLC (Direct Energy) dated June 24, 2016 to extend scheduling coordinator and Congestion Revenue Rights services through January 31, 2021 with a not to exceed amount for the amendment of \$125,000.

\* \* \* \* \*

**EIGHTH AMENDMENT AGREEMENT**  
**dated as of December 18, 2020**  
**between**  
**Direct Energy Business Marketing, LLC ("Party A")**  
**and Peninsula Clean Energy Authority ("Party B")**

Party A and Party B are Parties to the transaction confirmation dated as of June 29, 2016 made pursuant to the EEI Master Agreement between the Parties dated June 24, 2016 for the performance of scheduling coordinator services as amended from time to time (the "Confirmation"). The Parties hereby agree that the Confirmation shall be amended as set forth herein.

**1. Amendment to the Confirmation**

The Parties agree that the Confirmation shall hereby be amended such that:

- (a) The End Date as set forth in Section 3 of the Confirmation shall be January 31, 2021.
- (b) Section 6 of the Confirmation shall be amended by adding the following: "Buyer acknowledges that Seller established the CAISO Scheduling Coordinator identification 'PCEA' for the sole purpose of providing SC Services as stated in the Confirmation. Buyer will receive any future credits and pay any future charges received from the CAISO after the expiration of this Confirmation as long as those charges or credits relate to services provided as stated in the Confirmation prior to its expiration and, with respect to future charges, as long as those charges did not result from the fault or negligence of Seller or Seller's failure to comply with its obligations hereunder."
- (c) Section 15 SELLER PERFORMANCE ASSURANCE shall be amended by (i) deleting: "As a condition of Buyer's obligations under this Confirmation, Seller shall transfer to Buyer prior to or concurrently with the execution and delivery of this Confirmation, Independent Amount Performance Assurance in the amount of \$9,000,000; provided, however, that if Seller's credit rating falls below BBB+ from S&P or Baa1 from Moody's, the Independent Amount shall be \$12,000,000 and if Seller's credit rating falls below BBB from S&P or Baa2 from Moody's, the Independent Amount shall be \$24,000,000 (the "Fixed IA Performance Assurance") and such Fixed IA Performance Assurance shall not be reduced for so long as there are any outstanding obligations between the Parties as a result of the Agreement, and shall not be taken into account when calculating Seller's collateral requirements pursuant to this Master Agreement, and shall not be taken into account when calculating Seller's collateral requirements." and (ii) replacing the deleted text with the following: "As a condition of Buyer's obligations under this Confirmation, Seller shall transfer to Buyer prior to or concurrently with the execution and delivery of this Confirmation, Independent Amount Performance Assurance in the amount of \$9,000,000. Buyer shall return to Seller or otherwise release all Independent Amount Performance Assurance no later than January 31, 2021."
- (d) Section 14 of Appendix I to the Confirmation shall be amended by deleting the first sentences in its entirety and replacing it with the following: "Upon expiration of the Delivery Period, Seller shall no longer be Buyer's Scheduling Coordinator or provide SC Services to Buyer hereunder. Buyer and Seller shall take appropriate steps prior to the expiration of the Delivery Period to ensure that all CAISO authorizations and agreements required to transition the Scheduling Coordinator role to a Third-Party SC have been taken so that Seller can stop providing SC Services and the Third-Party SC can begin providing Scheduling Coordinator services to Buyer upon the expiration of the Delivery Period."



- (e) Exhibit A to the Confirmation shall be amended by (i) adding a column for the year 2021 to the Energy Contract Quantity table on Page A-1 with a value of “0 MWh” per month for Month 1, and (ii) adding a column for the year 2021 to the Energy Contract Price table on Page A-1 with a value of “N/A” for Month 1.
- (f) Exhibit B to the Confirmation shall be amended by (i) adding a row for the year 2021 to the Renewable Energy Contract Quantity table with a Compliance Category 1 value of “0 MWh” and a Compliance Category 2 value of “0 MWh”, and (ii) adding a row for the year 2021 to the Renewable Energy Contract Price table with a Compliance Category 1 value of “N/A” and a Compliance Category 2 value of “N/A”.
- (g) Exhibit C to the Confirmation shall be amended by (i) adding a row for the year 2021 to the Carbon Free Energy Contract Quantity table with an Additional Carbon Free value of “0 MWh”, and (ii) adding a row for the year 2021 to the Carbon Free Energy Contract Price table with an Additional Carbon Free value of “N/A”.

## **2. Miscellaneous**

- (a) Except as expressly amended hereby, the Confirmation is in full force and effect.
- (b) Counterparts. This Amendment may be executed and delivered in counterparts (through facsimile transmission, PDF or otherwise in writing), each such counterpart shall be deemed an original, and all such counterparts, together, shall constitute a single agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be duly executed as of the day and year first above written.

**DIRECT ENERGY BUSINESS  
MARKETING, LLC**

**PENINSULA CLEAN ENERGY  
AUTHORITY**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** December 2, 2020

**BOARD MEETING DATE:** December 17, 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  
Siobhan Doherty, Director of Power Resources

**SUBJECT:** Authorize the Chief Executive Officer to execute an Amendment to the Bridge Agreement with Ascend Analytics for risk analysis studies to increase the not to exceed amount for this contract to \$66,000, thereby increasing the not to exceed amount across contracts with Ascend Analytics in 2020 to \$211,000, and to extend the term through May 29, 2021. (Action)

**RECOMMENDATION**

Authorize the Chief Executive Officer to execute an Amendment to the Bridge Agreement with Ascend Analytics for risk analysis studies to increase the not to exceed amount for this contract to \$66,000, thereby increasing the not to exceed amount across contracts with Ascend Analytics in 2020 to \$211,000, and to extend the term through May 29, 2021. (Action)

**BACKGROUND**

One of Peninsula Clean Energy's objectives is to "Develop and implement power supply strategies to procure low-cost, reliable power". As part of this objective, Power Resources Team intends to "Continuously refine Peninsula Clean Energy's risk management strategy to manage power supply resources and minimize risk to financial and rate objectives", and "Secure better risk management analytical tools and staff training to meet risk management strategy objectives". Performing these tasks is complicated and requires specialized knowledge and tools. Ascend Analytics (Ascend) is a software provider that can provide such specialized analysis.

Peninsula Clean Energy completed a pilot of Ascend's analysis and portfolio risk management software last year and has engaged Ascend in a short-term "bridge" contract to continue to evaluate these services with the expectation that this would lead

to a longer-term contract. Peninsula Clean Energy is continuing to evaluate Ascend's services under the bridge contract and would like to extend the term to May 29, 2021. Peninsula Clean Energy has executed other agreements with Ascend in 2020, which brings the total cost of contracts with Ascend to greater than \$100,000. Peninsula Clean Energy first executed the Bridge Evaluation contract with a not to exceed amount of \$36,000. Then, Peninsula Clean Energy executed the RFO evaluation contract with a not to exceed amount of \$145,000. This brought the total not to exceed for contracts executed with Ascend Analytics in 2020 to \$181,000. Peninsula Clean Energy would like to amend the Bridge Evaluation contract to increase the not to exceed amount for that contract by \$30,000 to \$66,000. This will increase the total not to exceed for contracts executed with Ascend Analytics in 2020 to \$211,000. Therefore, counsel advised that this amendment needs to be approved by the Board. Peninsula Clean Energy has previously executed the following agreements with Ascend:

	<b>Agreement</b>	<b>Effective Date</b>	<b>Term</b>	<b>Not To Exceed</b>
1	Pilot	7/24/2019	10/25/2019	\$13,000
2	BatterySimm	5/6/2019	12/31/2020	\$42,000
3	RFO Evaluation	6/25/2020	12/31/2020	\$145,000
4	Bridge Evaluation	6/25/2020	10/29/2020	\$36,000
4a	Amendment to Bridge Evaluation	TBD	5/29/2021	\$30,000, for a total NTE of \$66,000

The RFO Evaluation agreement, which was approved by the Board at the June Board meeting, covers services that are shared between Peninsula Clean Energy and SJCE, but the agreement is between Peninsula Clean Energy and Ascend Analytics. Counsel has advised staff to seek Board approval for contracts that exceed \$100,000 even if the cost is expected to be shared with another CCA.

## **DISCUSSION**

Staff is seeking approval by the Board on the amendment to the agreement with Ascend. Ascend is a premier provider of software solutions to enable optimal management of power portfolio resources and management of energy risk on both the wholesale and retail side. Peninsula Clean Energy is also evaluating other software tools and is extending the Ascend contract to align with these timelines. Peninsula Clean Energy intends to evaluate these software solutions to better understand which solution will best support efforts to quantitatively analyze power supply resources and minimize Peninsula Clean Energy's operational risks.

Currently, we perform these analyses using a variety of Excel and Python modeling tools mostly developed internally. As the complexity of our power portfolio has increased, the complexity of our analysis needs has increased as well. Ascend's tools and services will provide a much more rigorous and sophisticated approach to modeling, including through the use of stochastic analysis tools, which will better analyze the inherently incremental nature of renewable resources.

Peninsula Clean Energy has had positive experiences working jointly with Ascend Analytics on the projects above as well as during the “Long-Term Renewable Energy Contract RFO Development and Evaluation Services” Agreement. Additionally, Ascend has supported at least three CCAs on RFO evaluation and also has extensive experience working with municipal electricity providers and purveyors of retail services providing direct access throughout the United States.

**FISCAL IMPACT:**

The fiscal impact of the amendment to the agreement will not exceed \$30,000 over the extended term of the agreement for a total not to exceed of \$66,000.

**STRATEGIC PLAN:**

The agreement supports the following objectives and key tactics in Peninsula Clean Energy’s strategic plan:

Objective A: Low-Cost and Stable Power

- Develop and implement power supply strategies to procure low-cost, reliable power
- Key Tactics:
  - Continuously refine Peninsula Clean Energy’s risk management strategy to manage power supply resources and minimize risk to financial and rate objectives
  - Secure better risk management analytical tools and staff training to meet risk management strategy objectives

**RESOLUTION NO. \_\_\_\_\_**

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,**

**STATE OF CALIFORNIA**

\* \* \* \* \*

**AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE AN AMENDMENT TO  
THE AGREEMENT WITH ASCEND ANALYTICS FOR RISK ANALYSIS STUDIES IN  
AN AMOUNT NOT TO EXCEED \$66,000 AND FOR A TERM THROUGH  
MAY 29, 2021**

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**RESOLVED**, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

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

**WHEREAS**, in April 2020, the Peninsula Clean Energy Board of Directors (“Board”) approved a Strategic Plan identifying one of Peninsula Clean Energy’s objectives as to “Develop and implement power supply strategies to procure low-cost, reliable power”; and

**WHEREAS**, Peninsula Clean Energy staff plans to quantitatively analyze power supply resources to meet this priority; and

**WHEREAS**, quantitative evaluation of power supply resources is complex and requires specialized tools and knowledge; and

**WHEREAS**, Ascend Analytics has the required knowledge, tools, and experience to support these analyses; and

**WHEREAS**, Peninsula Clean Energy entered into an agreement with Ascend Analytics (“Agreement”) on June 26, 2020 to provide risk analysis studies; and

**WHEREAS**, Peninsula Clean Energy staff would like to extend the Agreement to align with other analytical options staff is evaluating;

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the authorization of the Chief Executive Officer to execute an amendment to the agreement with Ascend Analytics for risk analysis studies in an amount not to exceed \$66,000 for a term through May 29, 2021.

\* \* \* \* \*

**AMENDMENT NO. 1 TO AGREEMENT BETWEEN PENINSULA CLEAN ENERGY  
AND Ascend Analytics, LLC**

THIS AMENDMENT TO THE AGREEMENT, entered into this 18<sup>th</sup> day of December, 2020 by and between PENINSULA CLEAN ENERGY AUTHORITY, a California joint powers authority, hereinafter called "PCE," and Ascend Analytics, hereinafter called "Contractor";

**W I T N E S S E T H:**

WHEREAS, the parties entered into an Agreement on 26<sup>th</sup> day of June, 2020 for the purpose of Contractor providing a 5-year risk analysis studies and PowerSimm user access ("Agreement"); and

WHEREAS, the parties wish to amend the Agreement to increase the maximum amount by \$30,000 to an amount not to exceed \$66,000.

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS  
FOLLOWS:**

1. The text of Section 3. Payments shall be amended to replace "In no event shall PCEA's total fiscal obligation under this Agreement exceed thirty-six thousand dollars (\$36,000)" with the following:

"In no event shall PCEA's total fiscal obligation under this Agreement exceed sixty-six thousand dollars (\$66,000)."

2. The text of Section 4 Term shall be amended to replace, "Subject to compliance with all terms and conditions, the term of this Agreement shall be from June 29, 2020 through October 29, 2020" with the following:

"Subject to compliance with all terms and conditions, the term of this Agreement shall be from June 29, 2020 through May 29, 2021."

3. Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.
4. This Amendment No. 1 shall take effect upon the date of execution by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as set forth below.



Peninsula Clean Energy Authority

By: \_\_\_\_\_  
Janis C. Pepper, CEO

Dated: \_\_\_\_\_

Ascend Analytics, LLC

By: \_\_\_\_\_  
 \_\_\_\_\_

Name: \_\_\_\_\_ Gary Dorris \_\_\_\_\_

Title: \_\_\_\_\_ CEO \_\_\_\_\_

Dated: \_\_12/7/2020\_\_\_\_\_



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** December 4, 2020  
**BOARD MEETING DATE:** December 17, 2020  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer

**SUBJECT:** Authorize an Agreement with ABB Enterprise Software (ABB) to provide additional advisory services in the amount of \$22,000, for a total amount for 2020 of \$167,000.

**RECOMMENDATION:**

Authorize an Agreement with ABB to provide additional advisory services in energy price forecasting, in the amount of \$22,000, for a total amount for 2020 of \$167,000.

**BACKGROUND:**

Peninsula Clean Energy has previously subscribed to ABB's services to acquire energy price forecasts in order to update the budget and analyze the value for renewable energy projects. In order to better evaluate shortlisted offers in the current Long-Term Renewable RFO, Peninsula Clean Energy seeks additional price forecasts from ABB specific to the shortlisted projects. The price forecasts are software developed models that simulate the electricity market, transmission systems, the expansion of renewable generation, energy efficiency, federal regulations, and much more.

**DISCUSSION:**

In June 2018, Peninsula Clean Energy executed a one-year subscription with ABB to acquire energy price forecasts for four large pricing zones within the California Independent System Operator (CAISO). This subscription gave Peninsula Clean Energy access to two of ABB's hourly zonal<sup>1</sup> energy price forecasts, referred to as the Spring and Fall Power Reference Cases. Since then, Peninsula Clean Energy has executed six more service agreements and seeks to execute one more for 2020.

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<sup>1</sup> Zonal Pricing: A larger geographical area on the transmission system that aggregates many nodal pricing locations to publish one aggregated zonal price

- In August 2018, Peninsula Clean Energy purchased additional services from ABB to simulate a long-term, 25-year nodal<sup>2</sup> hourly energy forecast for four of Peninsula Clean Energy's resources, contracted under power purchase agreements (PPAs), and at the single location in which Peninsula Clean Energy purchases power from the grid to serve its customers, referred to as the PG&E Demand Load Aggregation Point (DLAP).
- In September 2018, Peninsula Clean Energy purchased from ABB a 25-year, long-term nodal hourly energy forecast for seven resource locations that Peninsula Clean Energy was considering as PPAs.
- In March 2019, Peninsula Clean Energy signed an agreement with ABB to refresh the energy price forecasts that were previously simulated in August and September of 2018. This allowed Peninsula Clean Energy to evaluate potential PPAs with the most up-to-date energy forecasts.
- In June 2019, after having subscribed to ABB's services for more than one year, Peninsula Clean Energy signed an agreement to purchase the 25-year, hourly zonal energy price forecasts for 2019, 2020 and 2021. The forecasts are delivered twice a year and are referred to as the Spring and Fall Reference Cases. The Reference Cases must be purchased before ABB can provide price analysis at specific project or nodal locations.
- On March 13, 2020, Peninsula Clean Energy signed an agreement for three nodal price refreshes in 2020. This includes a 25-year, long-term nodal hourly energy forecasts for several nodal locations. Peninsula Clean Energy requested three in 2020 due to the timing in which ABB simulates the forecasts and because Peninsula Clean Energy has not updated the price forecasts that are used for its PPAs since March 2019. The total cost of this agreement is \$87,000.
- On March 27, Peninsula Clean Energy signed an agreement for two additional nodal price refreshes in 2021. This includes a 25-year, long-term nodal hourly energy forecasts for several nodal locations. Peninsula Clean Energy requested two in 2021 to align with ABB's Spring 2020 and Fall 2020 Power Reference Case releases. The total cost of this agreement is \$58,000, which brought the total cost for 2020 to \$145,000. Because the total cost is greater than \$100,000, staff sought Board approval for this contract.

ABB provides specialized energy forecast services that Peninsula Clean Energy has not found elsewhere and sees significant value in purchasing. Peninsula Clean Energy has used this data to evaluate the long-term value of PPAs as several factors are considered in ABB's market simulation software, and now Peninsula Clean Energy intends to use this information to better evaluate shortlisted projects from the current Long-Term Renewable RFO. Peninsula Clean Energy is requesting approval to execute a third agreement with ABB this month for additional nodal price forecasts specific to the Long-Term Renewable RFO. These additional nodes would be forecast on a one-time basis only. Peninsula Clean Energy is saving roughly \$15,000 by purchasing the additional nodal forecasts specific to the Long-Term Renewable RFO as a bundle with the existing

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<sup>2</sup> Nodal Pricing: Represents a physical location on the transmission system where energy is injected by generators or withdrawn by loads

contracts. With the first two agreement totaling \$145,000, Peninsula Clean Energy is requesting authorization to execute the third agreement for \$22,000, as the three in total equal \$167,000.

ABB provides comprehensive energy market forecasts that are used to make strategic investment and operational decisions. It requires an enormous amount of resources and expertise to develop these hourly energy forecasts. ABB's forecasts are widely used across the country by utilities, electric service providers, developers, and many other companies in the energy sector.

**FISCAL IMPACT:**

The fiscal impact of the amendment to the agreement will not exceed \$22,000 over the term of the agreement.

**STRATEGIC PLAN:**

The agreement supports the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

Objective A: Low-Cost and Stable Power

- Develop and implement power supply strategies to procure low-cost, reliable power
- Key Tactics:
  - Continuously refine Peninsula Clean Energy's risk management strategy to manage power supply resources and minimize risk to financial and rate objectives
  - Secure better risk management analytical tools and staff training to meet risk management strategy objectives

**RESOLUTION NO. \_\_\_\_\_**

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

\* \* \* \* \*

**RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER  
TO EXECUTE AN AGREEMENT WITH ABB ENTERPRISE SOFTWARE FOR  
ADDITIONAL ADVISORY SERVICES IN ENERGY PRICE FORECASTING IN THE  
AMOUNT OF \$22,000, FOR A TOTAL AMOUNT OF \$167,000**

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

**WHEREAS**, the Peninsula Clean Energy Authority (“Peninsula Clean Energy” or “PCE”) was formed on February 29, 2016; and

**WHEREAS**, ABB Enterprise Software (“Contractor”) develops long-term hourly energy price forecasts for up to 25 years for specific resources located within the California Independent System Operator; and

**WHEREAS**, Peninsula Clean Energy intends to update the energy price forecasts at a minimum of biannually for budgeting and planning purposes; and

**WHEREAS**, Contractor has unique capabilities to analyze regulatory and future market considerations to produce long-term energy price forecasts; and

**WHEREAS**, Contractor has been providing this forecasting service to Peninsula Clean Energy since June 28, 2018; and

**WHEREAS**, in March 2020, the Peninsula Clean Energy Board of Directors approved a two-year agreement with Contractor at a reduced service cost not to exceed \$145,000; and

**WHEREAS**, PCE seeks additional energy price forecasts, on a one-time basis, to support evaluation of shortlisted projects in the Long Term Renewable RFO; and

**WHEREAS**, PCE seeks to approve another agreement with Contractor for additional energy price forecasts at a reduced service cost not to exceed \$22,000, for a total cost of \$167,000.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to:

Execute the Agreement with the Contractor with terms consistent with those presented, in a form approved by the General Counsel.

\* \* \* \* \*



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** December 9, 2020  
**BOARD MEETING DATE:** December 17, 2020  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Siobhan Doherty, Director of Power Resources  
**SUBJECT:** Approve Modification to Policy 7: Risk Management Procedures and Controls for Transactions in the California Independent System Operator Markets (Action)

**RECOMMENDATION:**

Approve Modification to Policy 7: Risk Management Procedures and Controls for Transactions in the California Independent System Operator Markets (Action)

**BACKGROUND:**

At the Peninsula Clean Energy board meeting held on October 27, 2016, the board adopted Policy 7: Risk Management Procedures and Controls for Transactions in the California Independent System Operator Markets, this was further revised at the February 23, 2017 Board meeting.

This policy addresses transactions in the California Independent System Operator (CAISO) market. This is also related to Agenda item 7 for today's Board meeting. Our current scheduling coordinator (SC), Direct Energy, acts as SC for Peninsula Clean Energy. With the transition to Z-Global as Peninsula Clean Energy's SC starting February 1, 2021, staff is working through a process to become directly enabled with CAISO as an SC. This means that Peninsula Clean Energy would acquire its own Scheduling Coordinator ID (SCID) with CAISO, and ZGlobal would become Peninsula Clean Energy's SC Agent. Currently, all CAISO settlements flow through the current SCID, which is under Direct Energy, who passes the settlements to Peninsula Clean

Energy. By acquiring its own SCID, Peninsula Clean Energy will settle directly with CAISO, which will alleviate the need for an SC Agent to do this on its behalf and is the preferred method by CAISO. This will also make it easier for Peninsula Clean Energy to change SCs in the future.

As part of this process, CAISO requires Peninsula Clean Energy to revise its current risk management policy, which describes policies related to Congestion Revenue Rights only to include all transactions with CAISO, including scheduling load and generation and settling inter-SC trades.

### **DISCUSSION:**

Prior to bringing this to the Board, PCE has worked with the CAISO to meet all of the requirements for receiving its own SCID, and CAISO has reviewed this risk management policy. Direct Energy or Z-Global (starting on February 1, 2021), PCE's scheduling coordinator, will execute and manage all transactions in CAISO on behalf of PCE.

Part 2 of this policy describes responsibilities and roles. The Enterprise Risk Management Oversight Committee will be comprised of the CEO and CFO. The Front Office responsibilities will be performed by SC agents, currently Direct Energy and Z-Global starting on February 1, 2021. The Middle Office and Back Office responsibilities will be performed by PCE staff.

Part 3 of this policy describes risk exposures and controls. Direct Energy developed the table listing authorized trading limits for monthly, quarterly, yearly and long-term CRRs, which they will follow as the front office trading group through January 31, 2021 when Z-Global will take over.

Section 4 of this policy describes the monitoring and reporting activities which will occur on a monthly basis.

Section 5 of this policy states that PCE employees, consultants, and agents will meet the training requirements as set by the CAISO to transact in this market.

### **STRATEGIC PLAN:**

The agreement supports the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

#### **Objective A: Low-Cost and Stable Power**

- Develop and implement power supply strategies to procure low-cost, reliable power
- Key Tactics:
  - Continuously refine Peninsula Clean Energy's risk management strategy to manage power supply resources and minimize risk to financial and rate objectives



**RESOLUTION NO. \_\_\_\_\_**

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

\* \* \* \* \*

**RESOLUTION APPROVING MODIFICATION TO POLICY 7: RISK MANAGEMENT  
PROCEDURES AND CONTROLS FOR TRANSACTIONS IN THE CALIFORNIA  
INDEPENDENT SYSTEM OPERATOR MARKETS**

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

**WHEREAS**, Peninsula Clean Energy previously approved its Policy 7: Risk Management Procedures (“RMP”) on February 23, 2017 to address congestion revenue rights (CRR) transactions in the CAISO market; and

**WHEREAS**, Peninsula Clean Energy desires to establish its own scheduling coordinator ID (“SCID”) in the California Independent System Operator (“CAISO”) market to enable energy transactions in the market; and

**WHEREAS**, CAISO requires entities pursuing SCIDs to provide a copy of their RMPs addressing all transaction types to CAISO in order to be certified; and

**WHEREAS**, Peninsula Clean Energy has modified its RMPs as required by CAISO.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves Modification to Policy 7: Risk Management Procedures and Controls for Transactions in the California Independent System Operator Markets.

\* \* \* \* \*



# PENINSULA CLEAN ENERGY

Risk Management Policy

[date] Approved by Peninsula Clean Energy Board

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## **1 Overview**

This Risk Management Procedures and Controls for Transactions in the California Independent System Operator (CAISO) Markets (Risk Management Policy or RMP) establishes criteria and processes for transacting in the CAISO markets. The CAISO markets in which Peninsula Clean Energy participates and to which these policies apply include the following:

- Energy and Ancillary Services Markets
  - Load Schedules
  - Inter-Scheduling Coordinator Trades (IST)
  - Import/Export Schedules
  - Generation Schedules
- Congestion Revenue Rights

The Risk Management policy consists of the following components:

- Objectives
- Roles and Responsibilities
- Risk Exposure and Controls
- Training
- Monitoring and Reporting

## **2 Objectives**

The objectives of the RMP are to:

1. Establish the foundation for interacting in the CAISO markets for Peninsula Clean Energy's load, resources, trades and Congestion Revenue Rights (CRRs);
2. Ensure that participation in the CAISO markets are performed in compliance with established procurement authorities, the CAISO Tariff, applicable laws, regulations and orders;
3. Ensure that adequate funding is available to participate in CAISO markets;
4. Ensure that Peninsula Clean Energy staff and contractors are adequately trained to participate in the CAISO markets, understand associated risks and thoroughly comprehend and act in accordance with Peninsula Clean Energy's risk policies and procedures; and
5. Provide a mechanism to report and communicate CAISO market activity to Peninsula Clean Energy staff and management.

## **3 Roles and Responsibilities**

Peninsula Clean Energy's Risk Management Policy ensures appropriate segregation of responsibility for policy approval, valuation and reporting, and trading.

The Peninsula Clean Energy Governing Board is responsible for approving the Risk Management policy and procedures.

The Enterprise Risk Management (ERM) Oversight Committee is comprised of the Chief Executive Officer and Chief Financial Officer and is responsible for overseeing modifications to and implementation of Peninsula Clean Energy's energy procurement, CAISO bidding/scheduling, and CRR management policy and processes.

The Trading Group (Front Office) is responsible for scheduling and bidding resources, load and counterparty transactions, and executing CRR transactions, consistent with this risk policy. In addition, the Front Office is tasked with complying with all controls, limits and procedures and immediately reporting to the Middle Office discrepancies or deviations from accepted practices, policies or procedures, including breaches of established trading and risk limits, unauthorized trading activities and failure of controls.

The Risk Group (Middle Office) is responsible for valuing and monitoring Peninsula Clean Energy's scheduling and bidding resources, load, counterparty transactions, and CRR positions. The Middle Office is also responsible for providing CAISO market and CRR activity reports to the ERM Oversight Committee and, within 24 hours of discovery, notifying the ERM Oversight Committee of transactions that are inconsistent with this policy. Middle Office supervision and management shall be independent from the Front Office.

The Settlement Group (Back Office) is responsible for confirming, verifying and settling CAISO market transactions, including CRRs executed by the Front Office. The Back Office is also responsible for immediately reporting to the Middle Office discrepancies or deviations from accepted practices, policies or procedures, including breaches of established trading and risk limits, unauthorized trading activities and failure of controls. Back Office supervision and management shall be independent from the Front Office.

The Front Office responsibilities will be primarily performed by SC agents. The Middle Office and Back Office responsibilities will be performed by PCE staff.

## **4 Risk Exposure and Controls**

For day-ahead and intra-day scheduling and bidding into the CAISO markets, Peninsula Clean Energy's Scheduling Agent is authorized to submit load, supply and trades into the CAISO's markets consistent with expected load, contracted supplies and other resources owned or under control by Peninsula Clean Energy. Authorization is granted by Peninsula Clean Energy's Board of Directors which is responsible for approving the contractual arrangement between Peninsula Clean Energy and its Scheduling Agent.

Peninsula Clean Energy uses CRRs for the purpose of hedging congestion costs associated with serving its retail load. Peninsula Clean Energy participates in the CAISO CRR allocation process to obtain CRRs that protect against and minimize

congestion costs. CRR positions are limited to the Seasonal Eligible Quantity and Monthly Eligible Quantity caps as provided by the CAISO with all allocated CRRs sinking to PG&E DLAP or one of PG&E's corresponding SLAPs. All CRR transactions are executed and managed by Peninsula Clean Energy's Scheduling Agent, and confirmation of such transactions are provided to Peninsula Clean Energy personnel who are independent from the CRR trading function.

The table below lists authorized trading limits for personnel authorized to transact on behalf of Peninsula Clean Energy. The limits are expressed in terms of Value at Risk at the 95% confidence interval.

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			Purchases	Sales		
Product	Transaction	Transaction	\$ Limit (Authorize	MW Limit (Authorize	\$ Limit (Authorize	MW Limit (Authorize
CAISO CRRs	Month	1 Month	\$1.0M	1,000MW	N/A	N/A
	Quarter	3 Months	\$3.0M	1,000MW		
	Year	1 Year	\$12.0M	1,000MW		
	Long Term	Up to 10 Years	Approval Required by Peninsula Clean	Approval Required by Peninsula Clean		

Peninsula Clean Energy's policy addresses relevant risks as follows:

#### 4.1 Counterparty Credit Risk

Counterparty credit risk refers to the potential for non-payment or default by the counterparty to a transaction. Peninsula Clean Energy's load, resource, CRRs and trades are settled with the CAISO directly with Peninsula Clean Energy as a CAISO Scheduling Coordinator. Credit risk is mitigated due to the credit policies and procedures in place at the CAISO that require Peninsula Clean Energy to provide the CAISO with collateral consistent with market exposure.

#### 4.2 Liquidity Risk

Liquidity risk refers to the potential inability of Peninsula Clean Energy to remit payment to the CAISO due to lack of funds readily available. Peninsula Clean Energy manages liquidity risk with the CAISO by ensuring that it has operational cash on hand and a reserve margin that accounts for funds if needed. In its normal course of business, Peninsula Clean Energy monitors its liquidity regularly. In addition, Peninsula Clean Energy performs scenario analyses to identify out-of-the-ordinary conditions that could potentially affect cash reserves and liquidity to preempt shortfalls.

#### 4.3 Market Price Risk

Market risk refers to potential cost exposure resulting from changes in market prices for the underlying commodity.

In the CAISO energy and ancillary services markets, Peninsula Clean Energy manages market price risk by matching resources with forecast load within predetermined tolerances. Peninsula Clean Energy forecasts its load at an hourly granularity and procures supply on a forward basis via monthly, quarterly, annually and long-term bilateral contracts. Procurement is designed to off-set forecast load within tolerances designed to account for uncertainty in load forecast and supply availability. In this way, Peninsula Clean Energy limits its exposure to CAISO market prices by buying and selling nearly equal amounts of energy.



CRRs have positive value when congestion exists between the source and the sink associated with the CRR path, such that locational marginal prices are lower at the sources than at the sink. CRRs have negative value when the opposite is true. Peninsula Clean Energy uses CRRs to hedge against congestion costs, which are negatively correlated with CRR values, such that the potential adverse financial impacts of changes in CRR values and congestion costs are mitigated. Peninsula Clean Energy obtains CRRs through the CRR allocation process with the objective of attaining an allocation of CRRs that have consistently cleared with positive value.

#### **4.4 Load and Resource Volumetric Risk**

Peninsula Clean Energy manages energy delivery risks through portfolio diversity (varying resource type, geographical location, energy delivery pattern and optionality in its ability to dispatch resources to desired output levels). In addition, Peninsula Clean Energy supply contract provisions call for financial incentives or the ability to replace or substitute products in the event of non-delivery below a threshold. In that way, resources are incented to deliver energy per expectations, and Peninsula Clean Energy has the ability to dictate output as needed to match load or avoid negative priced settlement intervals.

Peninsula Clean Energy addresses load forecast accuracy risks by utilizing expertise from its scheduling and data management agents who have worked together to integrate historical usage data with forecasting algorithms to forecast and schedule load. Volume and financial accuracy are monitored daily and incorporated into future forecasts.

#### **4.5 Operational Risk**

Peninsula Clean Energy minimizes mistakes made by operators by ensuring that all operators (Peninsula Clean Energy staff and contractors) have read, understand and adhere to Peninsula Clean Energy's risk management policies and procedures, are trained and have experience sufficient to operate in CAISO markets and are staffed appropriately. In addition, Peninsula Clean Energy monitors CAISO market activity via reports and regular formal status updates and informal discussions and performs audits consistent with CAISO requirements and as deemed prudent by Peninsula Clean Energy.

Should an omission or accuracy mistake be made, Peninsula Clean Energy requires operators to notify appropriate personnel as soon as possible after discovery.

#### **4.6 Market Change/Regulatory Risk**

Peninsula Clean Energy manages market and regulatory change by actively monitoring CAISO stakeholder initiatives, CPUC proceedings, FERC activity and California and federal legislative activity. Peninsula Clean Energy relies on its own staff, contractors

and California Community Choice Association (CalCCA) to keep abreast of changes that could affect Peninsula Clean Energy.

## **5 Monitoring and Reporting**

### **5.1 Monitoring**

CRR values shall be monitored at regular intervals, with such intervals selected in consideration of the risk characteristics of Peninsula Clean Energy's CRR holdings, but no less frequently than monthly. CRR's shall be valued using prevailing industry practices including historical congestion analyses, forward pricing and volatility assessments, and auction clearing prices. Peninsula Clean Energy's Scheduling Agent will use its internal valuation systems to assess potential congestion and make recommendations to the Front Office for requesting CRRs in the monthly and annual allocation process. The Front Office shall enter all CRR transactions into a trade capture system, and the Back Office shall ensure that trade details recorded in the trade capture system are accurately reflected in the settlement system and shall report any discrepancies to the Middle Office and if necessary, the ERM Oversight Committee.

The value of Peninsula Clean Energy's CRR portfolio will be monitored by Peninsula Clean Energy Middle Office personnel using internal mark-to-market valuation models, run on a monthly basis. Value at Risk, or the amount that the value of the CRR can be expected to vary within a confidence interval, will be reported at the 95% Confidence interval. Changes in market value and Value at Risk shall be reported as set forth in 4.2. The Back Office will review and validate realized CRR value during the weekly settlement process, and include discrepancies relative to expected values, if any, in a weekly exception report.

Peninsula Clean Energy Middle Office personnel responsible for monitoring the value of Peninsula Clean Energy's CRR holdings shall be independent from those Front Office personnel engaged in transacting in the CAISO's CRR markets.

### **5.2 Reporting**

The Scheduling Agent shall provide monthly reports on transactions in the CAISO market for the previous month. On an interval appropriate to each specific CAISO market, but in no circumstance on less than a monthly basis, the Middle Office shall monitor all CAISO transactions for conformance to expected outcomes. To the extent that the Middle Office identifies contingencies that are likely to result in an impact exceeding 5% of gross revenues, Peninsula Clean Energy shall report such contingencies and their proposed resolution to the ERM Oversight Committee. These contingencies shall include market value changes as well as consideration of credit risk and liquidity risk.

CRR positions shall be reported by the Scheduling Agent on a monthly basis to the ERM Oversight Committee. Reports shall include current CRR positions, changes in

CRR positions (volumes and dollar amounts) from the prior month, and the realized value of Peninsula Clean Energy's CRR portfolio in the prior month. Any material change in such CRR values or risks, including credit, liquidity, and market risks, shall be identified and summarized in the aforementioned report.

## **6 Training**

Peninsula Clean Energy employees, contractors and agents' transactions in CAISO markets shall meet all training requirements set forth in the CAISO Tariff, Business Practices, or applicable CAISO Operating Agreement. Further, all such personnel shall certify that they have read and understand this Risk Management policy and the delegations of authority before being authorized to transact on behalf of Peninsula Clean Energy.

Reviewed and Approved by:

Jan Pepper – Chief Executive Officer, Peninsula Clean Energy

Date

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# PENINSULA CLEAN ENERGY

Risk Management Policy

[date] Approved by Peninsula Clean Energy Board



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and California Community Choice Association (CalCCA) to keep abreast of changes that could affect Peninsula Clean Energy.

## 5 Monitoring and Reporting

### 5.1 Monitoring

CRR values shall be monitored at regular intervals, with such intervals selected in consideration of the risk characteristics of Peninsula Clean Energy's CRR holdings, but no less frequently than monthly. CRR's shall be valued using prevailing industry practices including historical congestion analyses, forward pricing and volatility assessments, and auction clearing prices. Peninsula Clean Energy's Scheduling Agent will use its internal valuation systems to assess potential congestion and make recommendations to the Front Office for requesting CRRs in the monthly and annual allocation process. The Front Office shall enter all CRR transactions into a trade capture system, and the Back Office shall ensure that trade details recorded in the trade capture system are accurately reflected in the settlement system and shall report any discrepancies to the Middle Office and if necessary, the ERM Oversight Committee.

The value of Peninsula Clean Energy's CRR portfolio will be monitored by Peninsula Clean Energy Middle Office personnel using internal mark-to-market valuation models, run on a monthly basis. Value at Risk, or the amount that the value of the CRR can be expected to vary within a confidence interval, will be reported at the 95% Confidence interval. Changes in market value and Value at Risk shall be reported as set forth in 4.2. The Back Office will review and validate realized CRR value during the weekly settlement process, and include discrepancies relative to expected values, if any, in a weekly exception report.

Peninsula Clean Energy Middle Office personnel responsible for monitoring the value of Peninsula Clean Energy's CRR holdings shall be independent from those Front Office personnel engaged in transacting in the CAISO's CRR markets.

### 5.2 Reporting

The Scheduling Agent shall provide monthly reports on transactions in the CAISO market for the previous month. On an interval appropriate to each specific CAISO market, but in no circumstance on less than a monthly basis, the Middle Office shall monitor all CAISO transactions for conformance to expected outcomes. To the extent that the Middle Office identifies contingencies that are likely to result in an impact exceeding 5% of gross revenues, Peninsula Clean Energy shall report such contingencies and their proposed resolution to the ERM Oversight Committee. These contingencies shall include market value changes as well as consideration of credit risk and liquidity risk.

CRR positions shall be reported by the Scheduling Agent on a monthly basis to the ERM Oversight Committee. Reports shall include current CRR positions, changes in

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CRR positions (volumes and dollar amounts) from the prior month, and the realized value of Peninsula Clean Energy's CRR portfolio in the prior month. Any material change in such CRR values or risks, including credit, liquidity, and market risks, shall be identified and summarized in the aforementioned report.

6 Training

Peninsula Clean Energy employees, contractors and agents' transactions in CAISO markets shall meet all training requirements set forth it the CAISO Tariff, Business Practices, or applicable CAISO Operating Agreement. Further, all such personnel shall certify that they have read and understand this Risk Management policy and the delegations of authority before being authorized to transact on behalf of Peninsula Clean Energy.

Reviewed and Approved by:

Jan Pepper – Chief Executive Officer, Peninsula Clean Energy

Date

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PCE Risk Management Policy Minimum Standards Documentation ¶

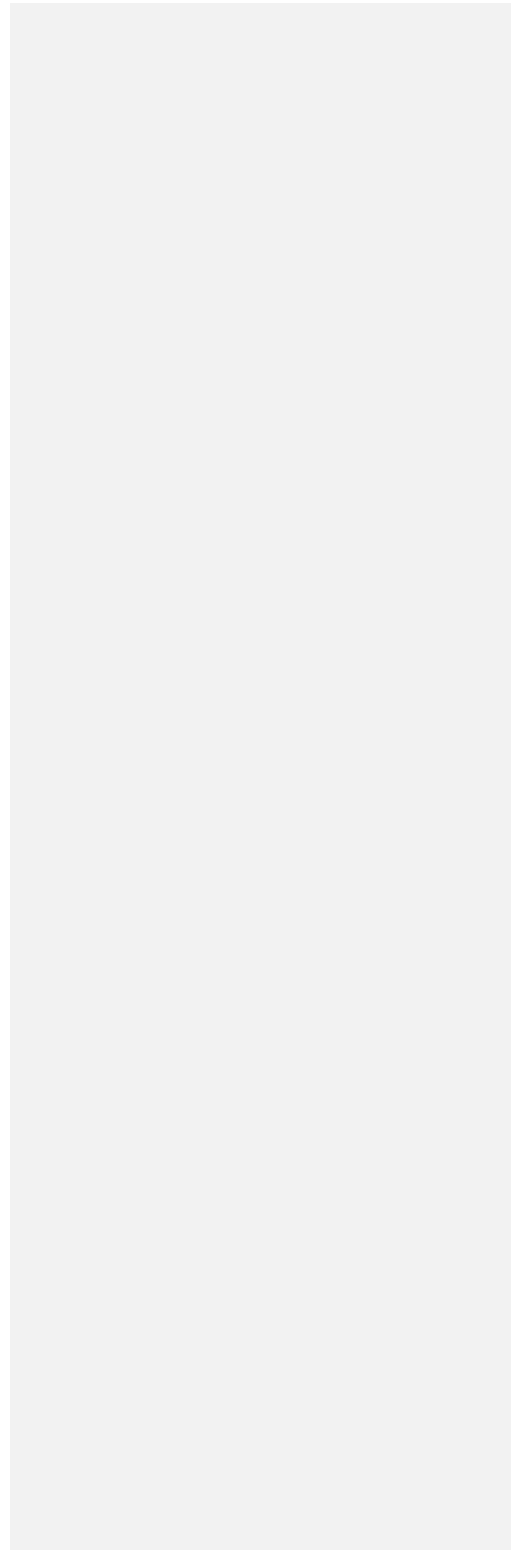
¶  
The Market Participant's risk management framework is documented in a risk policy addressing market, credit, and liquidity risks that has been approved by the Market Participant's risk management governance function, which includes appropriate corporate persons or bodies that are independent of the Market Participant's trading functions, such as a risk management committee, a designated risk officer, a board or board committee, or a board or committee of the Market Participant's parent company; ¶  
- The Market Participant maintains an organizational structure with clearly defined roles and responsibilities that segregate front-, middle-, and back-office functions to as high a level as is practicable; ¶  
See RMP Section 2 ¶  
- Delegations of authority specify the transactions in which traders are allowed to enter; ¶  
See RMP Section 3 ¶  
- The Market Participant ensures that traders have adequate training and experience relative to their delegations of authority in systems and the markets in which they transact; ¶  
See RMP Section 5 ¶  
- As appropriate, risk limits are in place to control risk exposures; ¶  
See RMP Section 3 ¶  
- Reporting is in place to ensure risks are adequately communicated throughout the organization; ¶  
See RMP Section 4.2 ¶  
- Processes are in place for independent confirmation of executed transactions; and See RMP Section 2 (Back

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**REGULAR MEETING of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Thursday, November 19, 2020  
MINUTES**

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

**CALL TO ORDER**

Meeting was called to order at 6:31 p.m.

**ROLL CALL**

**Present:** Dave Pine, County of San Mateo  
Carole Groom, County of San Mateo  
Jeff Aalfs, Town of Portola Valley, *Chair*  
Rick DeGolia, Town of Atherton, *Vice Chair*  
Julia Mates, City of Belmont  
Donna Colson, City of Burlingame  
Roderick Daus-Magbual, City of Daly City  
Carlos Romero, City of East Palo Alto  
Catherine Mahanpour, City of Foster City  
Laurence May, Town of Hillsborough  
Mike Villalta, City of Los Banos  
Catherine Carlton, City of Menlo Park  
Ann Schneider, City of Millbrae  
Deirdre Martin, City of Pacifica  
Ian Bain, City of Redwood City  
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 Brisbane  
Town of Colma  
City of Half Moon Bay

**Staff:** Jan Pepper, Chief Executive Officer  
 Andy Stern, Chief Financial Officer  
 Leslie Brown, Director of Customer Care  
 Kim Le, Senior Manager, Data and Technology  
 Rafael Reyes, Director of Energy Programs  
 Phillip Kobernick, Programs Manager  
 Joseph Wiedman, Director of Legislative and Regulatory Affairs  
 Matthew Rutherford, Regulatory Analyst  
 KJ Janowski, Director of Marketing and Community Affairs  
 Kirsten Andrews-Schwind, Senior Manager of Community Relations  
 Siobhan Doherty, Director of Power Resources  
 Chelsea Keys, Power Resources Manager  
 Mehdi Shahriari, Senior Renewable Energy Analyst  
 Sara Maatta, Renewable Energy and Compliance Analyst  
 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:**

Timothy A. Makovkin, Resident of San Mateo County

Jeff Aalfs—Chair—announced that Item 5 on the Agenda will be pushed to the December meeting.

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

Motion Made to approve the Agenda as amended and approve Consent Agenda Items / Seconded:  
 Parmer-Lohan / Bain

**Motion passed 17-0**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine	X			
County of San Mateo	Director Groom	X			
Town of Atherton	Director DeGolia	X			
City of Belmont	Director Mates	X			
City of Brisbane					X
City of Burlingame	Director Colson	X			
Town of Colma					X
City of Daly City	Director Daus-Magbual	X			
City of East Palo Alto					X
City of Foster City	Director Mahanpour	X			
City of Half Moon Bay					X
Town of Hillsborough	Director May	X			



City of Los Banos					
City of Menlo Park	Director Carlton	X			
City of Millbrae	Alternate Schneider	X			
City of Pacifica					X
Town of Portola Valley	Director Aalfs	X			
City of Redwood City	Director Bain	X			
City of San Bruno	Director Medina	X			
City of San Carlos	Director Parmer-Lohan	X			
City of San Mateo	Director Bonilla	X			
City of South San Francisco	Director Nicolas	X			
Town of Woodside	Director Yost	X			
	Totals	17			5

## REGULAR AGENDA

Jennifer Stalzer Kraske—Deputy County Counsel—presided over the official swearing-in of new Board member Mike Villalta, representing the City of Los Banos.

### 1. CHAIR REPORT

Jeff Aalfs—Chair—congratulated those who won reelection and thanked those who will be moving on. He reported that there will be some vacancies on the Executive Committee. Dave Pine volunteered to chair the Nominating Committee. Jeff asked those interested in joining the Executive Committee to let Dave Pine know.

### 2. CEO REPORT

Jan Pepper—Chief Executive Officer—introduced Kim Le, Senior Manager of Data and Technology, who started on November 16, 2020, and introduced new Board member Mike Villalta, Mayor of Los Banos.

Jan thanked outgoing Board members Catherine Mahanpour of Foster City, Catherine Carlton of Menlo Park, Wayne Lee of Millbrae, Deirdre Martin of Pacifica, Ian Bain of Redwood City, and Daniel Yost of Woodside.

Online Chat from Marty Medina to Everyone: (06:50 PM) thank you all... you all are going to be missed!

Jan reviewed COVID-19 Load Impact Analysis, provided an update on PCIA (Power Charge Indifference Adjustment), and provided updates on the Power On Peninsula program and reach code adoption in San Mateo County.

#### PUBLIC COMMENT:

Mark Roest

### 3. CITIZENS ADVISORY COMMITTEE REPORT

Desiree Thayer—Chair—reported that the Citizens Advisory Committee (CAC) received a presentation on PG&E's GHG (greenhouse gas) free allocation options, and a presentation from KJ Janowski—Director of Marketing and Community Affairs—on market survey results regarding community attitudes about nuclear energy.

Desiree reported that the CAC discussed concerns that nuclear is not in line with PCE's values, impacts to the Power Content Label (PCL), funding for programs, and problems with large hydro. The CAC members voted 7 to 3 with 1 abstention to accept the hydro allocation and decline the nuclear allocation from PG&E.

### 4. AUDIT AND FINANCE COMMITTEE REPORT

Donna Colson—Chair-- reported that the Committee reviewed financial reports, which are included at the end of tonight's agenda packet.

### 5. APPROVE RESOLUTION DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO EXECUTE A POWER PURCHASE CONFIRMATION AGREEMENT (PPA) FOR RENEWABLE SUPPLY WITH SHELL ENERGY NORTH AMERICA (US), L.P. A DELAWARE LIMITED PARTNERSHIP, AND ANY NECESSARY ANCILLARY DOCUMENTS. POWER DELIVERY TERM: JANUARY 1, 2021 THROUGH DECEMBER 31, 2027, IN AN AMOUNT NOT TO EXCEED \$125,000,000

This item was pulled from the Agenda and pushed to the December 17, 2020, meeting.

### 6. APPROVE RESOLUTION DELEGATING AUTHORITY TO CHIEF EXECUTIVE OFFICER TO EXECUTE A POWER PURCHASE AGREEMENT (PPA) FOR RENEWABLE SUPPLY WITH SKY RIVER WIND, LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND ANY NECESSARY ANCILLARY DOCUMENTS WITH A POWER DELIVERY TERM OF 20 YEARS STARTING AT COMMERCIAL OPERATION ON OR AROUND SEPTEMBER 1, 2021 NOT TO EXCEED \$150 MILLION

Siobhan Doherty—Director of Power Resources—presented an overview of the Sky River Wind project and reported on competition for wind resources. Siobhan compared the generation profile and load shape, reported on discussions with a Board working group, and outlined how this project would fit into PCE's Strategic Plan priority to "Design a power portfolio that is sourced by 100% carbon free energy by 2025 that aligns supply and customer demand on a 24x7 basis".

The Board had an in-depth discussion of compliance with PCE's Policy 10: Inclusive and Sustainable Workforce Policy with regard to union labor for the construction of this project. Board members discussed the pre-negotiated nature of the project, vagaries of the wind industry, the need for well-trained labor, the need to diversify PCE's power supply, and possibly considering changes to Policy 10 in the future.

#### **PUBLIC COMMENT:**

Mark Roest

Motion Made / Seconded: DeGolia / Colson

**Motion passed 16-3 with 1 abstention**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine	X			
County of San Mateo	Director Groom		X		
Town of Atherton	Director DeGolia	X			
City of Belmont	Director Mates	X			
City of Brisbane					X
City of Burlingame	Director Colson	X			
Town of Colma					X
City of Daly City	Director Daus-Magbual		X		
City of East Palo Alto	Director Romero	X			
City of Foster City	Director Mahanpour	X			
City of Half Moon Bay					X
Town of Hillsborough	Director May	X			
City of Los Banos	Director Villalta	X			
City of Menlo Park	Director Carlton	X			
City of Millbrae	Alternate Schneider	X			
City of Pacifica	Director Martin	X			
Town of Portola Valley	Director Aalfs	X			
City of Redwood City	Director Bain	X			
City of San Bruno	Director Medina	X			
City of San Carlos	Director Parmer-Lohan	X			
City of San Mateo	Director Bonilla		X		
City of South San Francisco	Director Nicolas	X			
Town of Woodside	Director Yost			X	
	Totals	16	3	1	3

## **7. APPROVE PCE DECISION/POLICY ON PG&E NUCLEAR ALLOCATION**

Siobhan Doherty requested direction from the Board on whether to accept or reject PG&E's allocation of large hydro and/or nuclear carbon-free attributes for 2021-2023. Jan Pepper reported that staff met with a subcommittee of Board members, including Jeff Aalfs, Rick DeGolia, Catherine Carlton, and Julia Mates, to ensure that the staff memo and presentation include a broad base of information to assist the Board in reaching a decision.

Siobhan Doherty reviewed PCE's 2021-2023 product targets for renewable and GHG-free resources, outlined the expected allocation volumes, and detailed the pros and cons and costs associated with each of three options:

Option 1: Accept Hydro but Not Nuclear

Option 2: Accept Hydro and Nuclear, but prioritize Hydro on the PCL

Option 3: Accept Hydro and Nuclear, but sell excess Hydro

Siobhan outlined the PCL under each of the options, the risks involved, how other CCAs (Community Choice Aggregators) are approaching the allocation, and the CAC's vote on this topic.

Board members discussed the impact of waiving the right to make petitions in PCIA proceedings regarding the PG&E allocation of carbon-free attributes, market survey results regarding nuclear attitudes in the community, PCL, the decommissioning of the Diablo Canyon nuclear power plant, GHG energy versus the attributes, and the meaning and impact of PCE's ECO100 premium product.

**PUBLIC COMMENT:**

None

Motion Made to accept Option 1 / Seconded: Carlton / Bonilla

**Motion to accept Option 1: Accept Hydro but Not Nuclear. Motion tied on a Roll Call vote 10-10**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine		X		
County of San Mateo	Director Groom	X			
Town of Atherton	Director DeGolia		X		
City of Belmont	Director Mates		X		
City of Brisbane					X
City of Burlingame	Director Colson		X		
Town of Colma					X
City of Daly City	Director Daus-Magbual	X			
City of East Palo Alto	Director Romero	X			
City of Foster City	Director Mahanpour	X			
City of Half Moon Bay					X
Town of Hillsborough	Director May		X		
City of Los Banos	Director Villalta		X		
City of Menlo Park	Director Carlton	X			
City of Millbrae	Alternate Schneider		X		
City of Pacifica	Director Martin	X			
Town of Portola Valley	Director Aalfs	X			
City of Redwood City	Director Bain		X		
City of San Bruno	Director Medina		X		
City of San Carlos	Director Parmer-Lohan	X			
City of San Mateo	Director Bonilla	X			
City of South San Francisco	Director Nicolas	X			
Town of Woodside	Director Yost		X		
	Totals	10	10		3

Motion Made to accept Option 2 / Seconded: Yost / Bonilla

**Motion to accept Option 2: Accept Hydro and Nuclear, but prioritize Hydro on the PCL. Motion failed on a Roll Call vote 7-13**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine		X		
County of San Mateo	Director Groom		X		
Town of Atherton	Director DeGolia	X			
City of Belmont	Director Mates	X			
City of Brisbane					X
City of Burlingame	Director Colson	X			
Town of Colma					X
City of Daly City	Director Daus-Magbual		X		
City of East Palo Alto	Director Romero		X		
City of Foster City	Director Mahanpour		X		
City of Half Moon Bay					X
Town of Hillsborough	Director May	X			
City of Los Banos	Director Villalta	X			
City of Menlo Park	Director Carlton		X		
City of Millbrae	Alternate Schneider		X		
City of Pacifica	Director Martin		X		
Town of Portola Valley	Director Aalfs		X		
City of Redwood City	Director Bain		X		
City of San Bruno	Director Medina	X			
City of San Carlos	Director Parmer-Lohan		X		
City of San Mateo	Director Bonilla		X		
City of South San Francisco	Director Nicolas		X		
Town of Woodside	Director Yost	X			
	Totals	7	13		3

Motion Made for Weighted Vote on Option 1 / Seconded: Bonilla / Groom

Board members discussed using a weighted vote. Jennifer Stalzer Kraske—Deputy County Counsel—confirmed that the weighted vote is based on the power usage of each jurisdiction, so Los Banos has a vote but not a weighted vote, and Jennifer confirmed that a motion must have passed with a majority vote of the Board members present in order to employ a weighted vote. Jeff Aalfs tabled this motion.

Motion Made to accept Option 3 / Seconded: Pine / DeGolia

**Motion to accept Option 3: Accept Hydro and Nuclear, but sell excess Hydro. Motion failed on a Roll Call vote 9-11**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine	X			
County of San Mateo	Director Groom		X		
Town of Atherton	Director DeGolia	X			
City of Belmont	Director Mates	X			
City of Brisbane					X
City of Burlingame	Director Colson	X			
Town of Colma					X
City of Daly City	Director Daus-Magbual		X		
City of East Palo Alto	Director Romero		X		
City of Foster City	Director Mahanpour		X		
City of Half Moon Bay					X
Town of Hillsborough	Director May	X			
City of Los Banos	Director Villalta	X			
City of Menlo Park	Director Carlton		X		
City of Millbrae	Alternate Schneider	X			
City of Pacifica	Director Martin		X		
Town of Portola Valley	Director Aalfs		X		
City of Redwood City	Director Bain	X			
City of San Bruno	Director Medina	X			
City of San Carlos	Director Parmer-Lohan		X		
City of San Mateo	Director Bonilla		X		
City of South San Francisco	Director Nicolas		X		
Town of Woodside	Director Yost		X		
	Totals	9	11		3

Motion Made to not accept any allocations / Seconded: Bonilla / Martin

No vote taken on this motion.

Motion Made to bring Option 1 back on the Floor / Seconded: Martin / Carlton

**Motion to accept Option 1: Accept Hydro but Not Nuclear. Motion passed on a Roll Call vote 11-9**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine		X		
County of San Mateo	Director Groom	X			

Town of Atherton	Director DeGolia		X		
City of Belmont	Director Mates		X		
City of Brisbane					X
City of Burlingame	Director Colson		X		
Town of Colma					X
City of Daly City	Director Daus-Magbual	X			
City of East Palo Alto	Director Romero	X			
City of Foster City	Director Mahanpour	X			
City of Half Moon Bay					X
Town of Hillsborough	Director May		X		
City of Los Banos	Director Villalta		X		
City of Menlo Park	Director Carlton	X			
City of Millbrae	Alternate Schneider		X		
City of Pacifica	Director Martin	X			
Town of Portola Valley	Director Aalfs	X			
City of Redwood City	Director Bain		X		
City of San Bruno	Director Medina		X		
City of San Carlos	Director Parmer-Lohan	X			
City of San Mateo	Director Bonilla	X			
City of South San Francisco	Director Nicolas	X			
Town of Woodside	Director Yost	X			
	Totals	11	9		3

Marty Medina formally requested a weighted vote.

**Weighted Vote Results: Yes = 62.75%, No = 33.35%**

Jurisdiction	Voting Share (Percent)	Vote on Option 1 (Y/N)	<u>Yes</u>	<u>No</u>
San Mateo County	3.15%	N	0.00%	3.15%
San Mateo County	3.15%	Y	3.15%	0.00%
Atherton	1.80%	N	0.00%	1.80%
Belmont	2.50%	N	0.00%	2.50%
Brisbane	1.70%		0.00%	0.00%
Burlingame	5.60%	N	0.00%	5.60%
Colma	0.60%		0.00%	0.00%
Daly City	6.80%	Y	6.80%	0.00%
East Palo Alto	1.90%	Y	1.90%	0.00%
Foster City	5.40%	Y	5.40%	0.00%
Half Moon Bay	1.60%		0.00%	0.00%
Hillsborough	1.60%	N	0.00%	1.60%
Los Banos		N		

Menlo Park	8.70%	Y	8.70%	0.00%
Millbrae	2.10%	N	0.00%	2.10%
Pacifica	2.70%	Y	2.70%	0.00%
Portola Valley	0.60%	Y	0.60%	0.00%
Redwood City	13.00%	N	0.00%	13.00%
San Bruno	3.60%	N	0.00%	3.60%
San Carlos	4.60%	Y	4.60%	0.00%
San Mateo	12.80%	Y	12.80%	0.00%
South San Francisco	15.00%	Y	15.00%	0.00%
Woodside	1.10%	Y	1.10%	0.00%
	100.00%		62.75%	33.35%

## 8. APPROVE LOCAL GOVERNMENT FLEETS PROGRAM

Phillip Kobernick—Programs Manager—reviewed three primary components of the program, including support, funding, and a vehicle-to-building (V2B) resiliency pilot, and he outlined the eligibility requirements and budget. Board members discussed eligibility requirements and suggested potential fleets to target.

### PUBLIC COMMENT:

Mark Roest

Motion Made / Seconded: Bonilla / Martin

**Motion passed 20-0**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine	X			
County of San Mateo	Director Groom	X			
Town of Atherton	Director DeGolia	X			
City of Belmont	Director Mates	X			
City of Brisbane					X
City of Burlingame	Director Colson	X			
Town of Colma					X
City of Daly City	Director Daus-Magbual	X			
City of East Palo Alto	Director Romero	X			
City of Foster City	Director Mahanpour	X			
City of Half Moon Bay					X
Town of Hillsborough	Director May	X			
City of Los Banos	Director Villalta	X			
City of Menlo Park	Director Carlton	X			
City of Millbrae	Alternate Schneider	X			



City of Pacifica	Director Martin	x			
Town of Portola Valley	Director Aalfs	X			
City of Redwood City	Director Bain	X			
City of San Bruno	Director Medina	X			
City of San Carlos	Director Parmer-Lohan	X			
City of San Mateo	Director Bonilla	X			
City of South San Francisco	Director Nicolas	X			
Town of Woodside	Director Yost	X			
	Totals	20			3

**9. APPROVE HARVEST THERMAL CONTRACT FOR HARVEST THERMAL PILOT IN AN AMOUNT NOT TO EXCEED \$250,000 (ACTION)**

Rafael Reyes—Director of Energy Programs—reviewed a summary of the existing buildings electrification plan, and the design of the Harvest Thermal system to provide water and space heating through one heat pump and storage. Rafael introduced Harvest Thermal CEO—Jane Melia—and provided an overview of the company and details on the pilot implementation.

Board members discussed eligibility, applicability to radiant heat and air conditioning, availability geographically across the county, and potential for demand shifting.

**PUBLIC COMMENT:**

Mark Roest

Motion Made / Seconded: Parmer-Lohan / Mahanpour

**Motion passed 19-0 with 1 abstention**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine	X			
County of San Mateo	Director Groom	X			
Town of Atherton	Director DeGolia	X			
City of Belmont	Director Mates	X			
City of Brisbane					X
City of Burlingame	Director Colson	X			
Town of Colma					X
City of Daly City	Director Daus-Magbual	X			
City of East Palo Alto	Director Romero	X			
City of Foster City	Director Mahanpour	X			
City of Half Moon Bay					X
Town of Hillsborough	Director May	X			
City of Los Banos	Director Villalta	X			
City of Menlo Park	Director Carlton	X			

City of Millbrae	Alternate Schneider	X			
City of Pacifica	Director Martin	X			
Town of Portola Valley	Director Aalfs	X			
City of Redwood City	Director Bain	X			
City of San Bruno	Director Medina	X			
City of San Carlos	Director Parmer-Lohan	X			
City of San Mateo	Director Bonilla	X			
City of South San Francisco	Director Nicolas	X			
Town of Woodside	Director Yost			X	
	Totals	19		1	3

#### 10. REVIEW/APPROVE BOARD OF DIRECTORS MEETING SCHEDULE FOR 2021

Anne Bartoletti—Clerk of the Board—reviewed a draft of the 2021 Board meeting schedule.

Motion Made / Seconded: Bonilla / Parmer-Lohan

**Motion passed 19-0 with 1 abstention**

JURISDICTION	NAME	YES	NO	ABSTAIN	ABSENT
County of San Mateo	Director Pine	X			
County of San Mateo	Director Groom	X			
Town of Atherton	Director DeGolia	X			
City of Belmont	Director Mates	X			
City of Brisbane					X
City of Burlingame	Director Colson	X			
Town of Colma					X
City of Daly City	Director Daus-Magbual	X			
City of East Palo Alto	Director Romero	x			
City of Foster City	Director Mahanpour	X			
City of Half Moon Bay					X
Town of Hillsborough	Director May	X			
City of Los Banos	Director Villalta	x			
City of Menlo Park	Director Carlton	X			
City of Millbrae	Alternate Schneider	X			
City of Pacifica	Director Martin	x			
Town of Portola Valley	Director Aalfs	X			
City of Redwood City	Director Bain			X	
City of San Bruno	Director Medina	X			
City of San Carlos	Director Parmer-Lohan	X			
City of San Mateo	Director Bonilla	X			

City of South San Francisco	Director Nicolas	X			
Town of Woodside	Director Yost	X			
	Totals	19		1	3

#### **11. REVIEW DISADVANTAGED COMMUNITIES GREEN TARIFF AND COMMUNITY SOLAR GREEN TARIFF PROGRAM**

Matthew Rutherford—Regulatory Analyst—presented background information on efforts to increase adoption of renewable generation in disadvantaged communities (DACs). Matthew outlined two programs, DAC-GT (disadvantaged communities green tariff) and CS-GT (community solar green tariff), designed to create new generation resources in DACs. He reviewed program elements, eligibility requirements, customer benefits, and the status of CPUC (California Public Utilities Commission) approval.

Board members discussed equity and how DACs are defined.

#### **PUBLIC COMMENT:**

Mark Roest

#### **12. BOARD MEMBERS' REPORTS**

Board members and staff thanked the departing Board members.

#### **ADJOURNMENT**

Meeting was adjourned at 10:13 p.m.



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** December 2, 2020

**BOARD MEETING DATE:** December 17, 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), school engagement programs, and customer care.

**DISCUSSION:**

The following is an update of activities that are currently underway. See "Strategic Plan" section below for how these activities support Peninsula Clean Energy's strategic plan objectives.

**New EV Rebate Program**

In Mid-November, to supplement our current marketing efforts, we mailed ~60,000 letters to customers who have shown interest in our New EV Rebate program. To date, our program marketing efforts have generated over 19 million targeted impressions of our program messaging, leading to 11,800 clickthroughs to our New EV Rebate webpage. We will continue digital ads and community outreach for this program until December 31<sup>st</sup>.

**\$250 Small Business Credit**

Due to the low uptake of this bill credit, staff has decided to extend the deadline for applications to December 31, 2020. As of December 3, roughly 1,912 businesses have

applied for their credit. (The board authorized this credit for up to 6,000 qualifying small business customers.) The credit has been announced and promoted through various channels including direct mail letters, emails, on our website, press announcements, social media, Nextdoor, Chambers of Commerce, and through our Citizens Advisory Committee. An additional email will be sent to small business customers announcing the extension. The application form for the credit gathers information about the small businesses so that we may better understand this segment of our customer base and better target programs to their needs.

### **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 provides portable batteries to medically vulnerable residents in areas at high risk for power shutoffs and, through our relationship with Sunrun, offers grid storage that helps reduce greenhouse gas emissions and move Peninsula Clean Energy toward its goal of 100% renewable energy.

#### Power On Peninsula –Homeowners

We recently launched a digital ad on Facebook, which started on November 18<sup>th</sup>, and have achieved ~170,000 impressions and ~3,000 clickthroughs. Plans are in place to send a direct mailer in January 2021 to homeowners who have higher electricity usage.

#### Power On Peninsula –Medically Vulnerable

As of November 30, Senior Coastsiders and Puente captured information from 362 interested customers. 125 batteries have been approved for delivery (123 delivered and several pending), and 27 solar briefcases have been delivered.

### **Building Electrification Awareness Program**

Call for entries for the All-Electric Leadership Awards and All-Electric Buildings Directory kicked off in November. The original award submission deadline of December 11, 2020 has been extended to January 15, 2021. Five building design and electrification experts have agreed to join the [awards selection committee](#). The program description and submission forms are available at [PenCleanEnergy.com/all-electric](https://PenCleanEnergy.com/all-electric).

### **“Methane” Gas vs. “Natural” Gas**

Staff has decided to begin referring to “natural gas” as “methane gas” since it has a more negative connotation and is more strongly associated with the concept of pollution. This decision is based on findings from this [study](#) by the Yale Program on Climate Communications. We will be encouraging our partners to begin using the “methane” terminology.

### **News & Media**

Peninsula Clean Energy released two press announcements in the past month. Announcements include our [new All-Electric Buildings Awards Program](#) and the [100-MW Mustang Two Whirlaway Solar Farm coming online](#). We had a great month of news coverage with two articles in Palo Alto Online ([“How to buy a used EV”](#) and [“EVs for](#)

[Everyone](#)") and coverage of Mustang Two Whirlaway Solar Farm ("[New solar farm brings clean energy on the peninsula](#)," "[New solar farm brings clean energy on the peninsula](#)," and "[New solar farm brings clean energy on the peninsula](#)"). Full coverage of Peninsula Clean Energy in the news can be found on our newly designed [News & Media](#) webpage.

## **ENROLLMENT UPDATE:**

### **ECO100 Statistics**

Total ECO100 accounts at end of November: 6,038  
 ECO100 accounts added in the month: 38  
 ECO100 accounts dropped in the month: 38  
 Total ECO100 accounts at the end of October: 6,038

### **Enrollment Statistics**

Opt-outs slightly increased from October 2020 (33) to November 2020 (35) (as of Nov. 27). As of November 27, 2020, the opt-out rate adjusted for move-in/move-outs is 2.70%, and our overall participation rate is 96.88% of eligible accounts.

### Opt-Outs by City

CITY	Eligible Ac	Total	TOTAL OPT OUT
ATHERTON INC	2,716	47	1.73%
BELMONT INC	11,938	322	2.70%
BRISBANE INC	2,529	60	2.37%
BURLINGAME INC	15,424	351	2.28%
COLMA INC	769	11	1.43%
DALY CITY INC	34,149	1240	3.63%
EAST PALO ALTO INC	7,922	324	4.09%
FOSTER CITY INC	14,862	309	2.08%
HALF MOON BAY INC	4,982	156	3.13%
HILLSBOROUGH INC	4,056	95	2.34%
MENLO PARK INC	15,766	254	1.61%
MILLBRAE INC	9,344	300	3.21%
PACIFICA INC	15,479	605	3.91%
PORTOLA VALLEY INC	1,681	112	6.66%
REDWOOD CITY INC	35,149	837	2.38%
SAN BRUNO INC	16,470	698	4.24%
SAN CARLOS INC	14,659	393	2.68%
SAN MATEO INC	44,470	1233	2.77%
SO SAN FRANCISCO INC	25,237	983	3.90%
UNINC SAN MATEO CO	24,620	747	3.03%
WOODSIDE INC	2,292	46	2.01%
Grand Total	304,514	9,123	3.00%
Adjusted Total	304,016	8,218	2.70%

Table reflects data as of 11/27/2020

In addition to the County of San Mateo, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of December 2, 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

<b>City</b>	<b>Active Accounts</b>	<b>ECO100 Opt-Up %</b>
Atherton	2,658	2.14%
Belmont	11,603	1.58%
Brisbane	2,475	3.47%
Burlingame	15,028	2.24%
Colma	756	3.97%
Daly City	32,947	0.27%
East Palo Alto	7,592	0.30%
Foster City	14,492	2.22%
Half Moon Bay	4,831	2.21%
Hillsborough	3,951	1.72%
Menlo Park	15,435	3.23%
Millbrae	9,047	1.16%
Pacifica	14,874	1.08%
Portola Valley	1,585	93.00%
Redwood City	34,205	2.08%
San Bruno	15,783	0.56%
San Carlos	14,225	2.18%
San Mateo	43,196	1.56%
So. San Francisco	24,255	0.47%
Uninc. San Mateo Co	23,844	2.37%
Woodside	2,245	2.54%
<b>Grand Total</b>	<b>295,027</b>	<b>2.05%</b>

Table reflects data as of 11/27/2020

**STRATEGIC PLAN:**

This section describes how the above Marketing and Community Care activities and enrollment statistics relate to the overall goal and objectives laid out in the strategic plan. The table indicates which objectives and particular Key Tactics are supported by each of the Items/Projects discussed in this memo. The strategic goal for Marketing and Customer Care is: Develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs and ensures customer satisfaction and retention.

<b>Item/Project</b>	<b>Objective A:</b> Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry	<b>Objective B:</b> Educate and engage stakeholders in order to gather input, inspire action and drive program participation	<b>Objective C:</b> Ensure high customer satisfaction and retention
New EV Rebate Launch	KT*3: Tell the story of Peninsula Clean Energy through diverse channels	KT5: Provide inspirational, informative content that spurs action to reduce emissions KT6: Promote programs and services, including community energy programs and premium energy services	
Power on Peninsula Resilience Program		KT6 (see above)	
Building Electrification Awareness Program		KT6 (see above)	
Small Business Credit Outreach	KT3 (see above)		KT1: Assess needs and attitudes of all customer segments to support the development of and communication about programs and services
Outreach Grants		KT1: Foster relationships with community-based, faith-based, and non-profit organizations	
News and Media Announcements	KT1: Position leadership as experts on CCAs and the industry		



	KT2: Cultivate relationships with industry media and influencers KT3 (see above)		
ECO100 and Enrollment Statistics			Reports on main objective C

\* "KT" refers to Key Tactic



**PENINSULA CLEAN ENERGY AUTHORITY  
Board Correspondence**

**DATE:** December 4, 2020  
**BOARD MEETING DATE:** December 17, 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 November and December Regulatory and Legislative Activities

**SUMMARY:**

Late November and early-December were very busy months on the regulatory front. As noted below, several proceedings related to the Power Charge Indifference Adjustment (PCIA) were resolved due to extensive work by Jeremy Waen on our team. The resolution of the dockets discussed below will result in significant changes to the PCIA and PG&E's rates, which will impact PCE's revenue. Transportation electrification efforts and integrated resource planning also saw significant movement. Both topics are areas where the Commission has been much more open to CCA involvement and support. We continue to use these proceedings as venues to build rapport with the Commission and staff. Finally, the legislative year is getting underway. PCE staff is working on updates to PCE's Policy #1 and developing a legislative platform to guide PCE's legislative engagement in the coming year.

**DEEPER DIVE:**

**Regulatory Advocacy and Outreach**

**Power Charge Indifference Adjustment (PCIA)**

The month of November was once again very active with PCIA-related matters. Jeremy Waen continues to lead PCE's involvement in these matters both through joint engagement with other CCAs, as the Joint CCAs, and through CalCCA's efforts. Within the 2021 Energy Resource Recovery Account (ERRA) Forecast proceeding, PG&E on November 9, 2020 submitted its November Update to testimony so that revised benchmark values provided by California Public Utilities Commission ("Commission", hereinafter) staff are incorporated into the calculation of the

PCIA. These revised benchmarks resulted in a lower forecast rate for the PCIA for 2021 than initially indicated in June. On November 18, 2020, PG&E provided a further amendment to this testimony. On November 20, 2020 parties (including the Joint CCAs) had an opportunity to file comments on these revisions.

Distinct from the 2021 ERRRA Forecast, but related to it, is PG&E's Expedited Application to collect the 2020 PCIA Undercollection Balancing Account (PUBA) as an adder to 2021 PCIA rates. The PUBA is the balancing account which tracks uncollected PCIA revenues from departing load due to the Commission-imposed cap on Annual PCIA rate adjustments. These revenues are collected from the bundled customers to cover the costs that are not fully recovered from unbundled customers due to the cap on PCIA rate increases. These costs are then recovered from departing load customers through rate adjustments that add to the capped PCIA rates in subsequent years. Although the proceeding began in late September, the Commission did not issue a Scoping Ruling for this case until November 5, 2020. In the Scoping Memo, the Assigned Commissioner determined that evidentiary hearings would be unnecessary and that consolidation of this case with the ongoing 2021 ERRRA Forecast proceeding was procedurally efficient because it would allow the Commission to address several PCIA-related matters in a single decision. Due to the expedited nature of the proceeding, the Joint CCAs presented opening legal briefs on November 9, 2020 and reply briefs on November 17, 2020. Briefing mainly focused on the merits for amortization of the 2020 PUBA balance across a 36-month period, rather than the proposed 12-month period, to avoid rate shock to customers. In parallel with these formal steps, the Joint CCAs, alongside CalCCA, entered into settlement negotiations with PG&E over the resolution of these two proceedings with an aim to simplify the going-forward approach to PCIA rate calculations.

Although the timeline was highly compressed, negotiations between the CCAs, PG&E and other parties in the proceeding proved fruitful, leading to a joint motion for approval of settlement signed by PG&E, the Joint CCAs, CalCCA, and The Utility Reform Network (TURN) on November 20, 2020. Herding all of these parties to a successful settlement was a major undertaking in a very short amount of time. On December 4, 2020 the Commission issued its Proposed Decision to resolve pending matters in both the 2021 ERRRA Forecast and 2020 PUBA proceedings. In the Proposed Decision, the Commission rejected adoption of the proposed settlement on technical grounds. While the decision was unfortunate, the Proposed Decision did adopt many positive aspects of the settlement, including obligating PG&E to prepare and update a master data request (MDR) that provides the CCAs with improved transparency into how PG&E's annual rate adjustments are derived. Thus, the proposed decision represents a mixed bag of some wins and losses. The signatories to the settlement are considering their options in light of the situation. The Commission intends to vote on this matter during the December 17, 2020 meeting, the Commission's last voting meeting of the year. This would allow for new PCIA and generation rates to become effective January 1, 2021.

Lastly, on December 3, 2020 the Commission voted out a revised decision concluding PG&E's 2020 General Rate Case Phase 1 proceeding. PCE has been engaging jointly with other CCAs in this case since late 2018 to achieve positive results. The Joint CCAs advocated therein for the shifting of certain operational costs from PG&E's distribution rates (which all customers pay) to its generation rates (which CCA customers do not pay) based on more accurate cost allocation principles. The Joint CCAs also pushed back on numerous proposals by PG&E seeking additional cost recovery for matters that seemed inappropriate or unnecessary for ratepayers to bear the burden of, such as forecasted decommissioning costs for PG&E utility-owned hydroelectric and solar resources. This adoption of this case will cause both PG&E's generation and PCIA rates to increase. The Commission has deferred the implementation of

this matter from January 1, 2021 to March 1, 2021. PCE staff are continuing to evaluate how to best implement its own 2021 rates in light of the impacts from all three of these cases.

(Public Policy Objective A, Key Tactic 1)

### **Transportation Electrification**

Jeremy Waen and Matthew Rutherford continue to lead PCE's engagement in Transportation Electrification (TE) cases before the Commission. While PCE's core ask to become program administrators of TE programs funded by all ratepayers remains pending within the Commission's TE Framework proceeding, other opportunities for engagement have developed. On November 13, 2020 the Commission issued a Proposed Decision concerning the implementation of Senate Bill 676 and vehicle-to-grid integration (VGI) strategies. Among other things, this proposed decision would impose new reporting requirements on CCAs that are required by the legislation. Fortunately, the Commission has signaled flexibility in the reporting requirements by tasking the CCAs and Energy Division to develop a workable reporting framework. On December 3, 2020 PCE, as part of a joint CCA effort, provided limited comments to this proposed decision, highlighting areas where VGI efforts and metrics could be further improved upon.

Separate from the TE Framework case, PG&E submitted an Application to the Commission on October 23, 2020 seeking the approval of a pilot program to explore the viability of offering Real-Time Pricing (RTP) rates to commercial customers with electric vehicle charging usage. On November 23, 2020 PCE and East Bay Community Energy (EBCE) presented a joint response to PG&E's Application. In this response, the CCAs supported PG&E offering innovative EV-charging rates. Both PCE and EBCE also signaled their interest in working with PG&E to test out these rate structures for CCA customers. This case is just beginning and will likely lead to pilot programs commencing sometime in 2022.

(Public Policy Objective A, Key Tactic 1 and Key Tactic 3)

### **Integrated Resource Planning**

Doug Karpa leads PCE's engagement in the Commission's integrated resource planning proceeding. In the last month, the Commission issued a Proposed Decision governing milestones and backstop procurement for the 3,300MW of capacity ordered in November 2019. This decision adopted nearly all of CalCCA's recommendations, including allowing delayed projects to proceed without backstop and allowing partial self-procurement. However, the cost allocation issues were delayed until a following decision expected early next year. Also, the Commission issued a staff proposal for a framework to align procurement with Integrated Resources Planning plans both on the 2025 timeframe to address the retirement of Diablo Canyon Power Plant and on the longer 2030 timeframe. While review of the proposal is ongoing, the proposal is off to a good start as it includes many favorable elements that PCE staff advocated for with Commission staff and currently preserves wide latitude for self-procuring CCAs, although it will be subject to workshop and comments before adoption.

### **CAISO Engagement**

The California Independent System Operator, the Public Utilities Commission, and California Energy Commission held a joint workshop on November 24, 2020 to examine issues related to recognizing the ability of behind-the-meter resources to address reliability needs. The workshop

addressed issues at a high-level but did lay out the key issues for the Public Utilities and Energy Commissions to address as they move forward with improved methodologies for behind-the-meter resources. Doug Karpa attended the workshop on behalf of PCE.

(Public Policy Objective A, Key Tactic 3 and Public Policy Objective C, Key Tactic 3)

### **Stakeholder Outreach**

On November 18 and 23, 2020, the California Public Utilities Commission hosted two workshops on future constructs to replace the existing peak capacity System Resource Adequacy program. Doug Karpa continued our work advancing our proposal jointly with CalCCA and SCE to move to a net load duration curve methodology, which would fully capture the contribution of variable renewable resources and the need for dispatchable and baseload renewable resources (including storage) to meet evening and overnight load.

On November 18, 2020, PCE and the other CCAs that will offer Disadvantage Community Green Tariff ("DAC-GT") and Community Solar Green Tariff ("CS-GT") programs for their customers met with PG&E staff and staff from the CPUC to discuss some of the implementation issues related to the billing of participating customers. These programs provide a 20% discount on both the distribution and generation portions of the bill, and the meeting was an opportunity for the CPUC staff to learn more about the CCA and PG&E respective positions on how best to implement a billing process to apply the bill discount. As the parties could not agree to a compromise, the issue will need to be addressed in the resolution approving the CCAs' DAC-GT and CS-GT programs. Matthew Rutherford leads PCE's implementation efforts and attended the workshop on behalf of PCE.

On December 4, 2020, the California Energy Commission held a workshop on the results of its final SB 100 study outlining approaches to achieving the SB100 standard by 2045. Doug Karpa attended and recommended that the report translate the portfolio generation costs evaluated into potential cost increases of customer bills, including all charges. Doug Karpa recommended the use of methodologies developed by the California Public Utilities Commission to evaluate those increases relative to disposable income and other recently approved increases, such as recent large transmission cost increases or costs for wildfire hardening.

(Public Policy Objective A, Key Tactic 2)

On December 3, 2020, the California Energy Commission held two workshops on forecasts of transportation electrification and behind the meter resources which feed into the load forecasts that are the basis for our planning in the Integrated Resources Planning proceeding. Doug Karpa attended the workshop on behalf of PCE.

(Public Policy Objective A, Key Tactic 3)

### **Legislative Advocacy and Outreach**

#### **Legislative Calendar**

December 7, 2020 marks the commencement of the 2021-22 legislative session at which time new legislators will be sworn in, changes to committee chair and membership may be announced, and bills will begin to be introduced. The Legislature will be in session for a few

days before recessing for the winter holidays, and then will reconvene on January 4. The deadline to introduce legislation is February 19, 2021.

### **Legislature**

All activity related to the Legislature has been in relation to the outcomes of the November 3 election. Notable outcomes as pertinent to PCE are:

- Josh Becker won the Senate District 13 race to replace Jerry Hill.
- Scott Wiener defended his Senate District 11 seat and remains in the Senate.
- Ben Hueso lost the race for San Diego County Supervisor District 1, meaning Senator Hueso will remain in the Senate until he terms out in 2022. This means Senator Hueso is likely to remain Chair of Senate Energy, Communications, and Utilities Committee.
- Phil Ting, Marc Berman, and Kevin Mullin all defended their seats and remain in the Assembly.
- Democrats picked up two seats in the Senate; Democrats have 31 seats and Republicans have 9 seats in the Senate.
- Republicans picked up one seat in the Assembly; Democrats have 60 seats, Republicans have 19 seats, and one seat is Independent in the Assembly.

Staff and PCE's lobbyist, Mark Fenstermaker of Pacific Policy Group (PPG), plan to meet this month with the committee consultants of the Senate Energy, Communications, and Utilities Commission and the Assembly Utilities & Energy Committee to discuss their views on the energy issues that are salient for the coming year. Like last year, PCE staff believes COVID-19 will continue to heavily impact the workings of the Legislature and the matters committees choose to address. The Assembly Utilities & Energy Committee has a new committee consultant, Laura Shybut, who previously served as Jerry Hill's Chief of Staff.

In addition, Staff and PPG are working to schedule meetings in January with PCE's five legislators. Consistent with PCE's Strategic Plan, staff is also developing PCE's legislative platform along with revisions to PCE's Policy 1 for consideration by the Board at the January voting meeting.

### **FISCAL IMPACT:**

Not applicable.



**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** Dec. 13, 2020

**BOARD MEETING DATE:** Dec. 17, 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. Building and EV Reach Codes
2. Existing Building Electrification
3. "EV Ready" Charging Incentive Program
4. Low-Income Used EV Program
5. New EV Program
6. EV Ride & Drives/Virtual Engagement
7. E-Bikes Incentive Program
8. Municipal Fleets Program
9. Ride-Hail Electrification Pilot
10. MUD Low-Power EV Charging Pilot
11. EV Managed Charging Pilot
12. Curbside Charging Pilot

In addition to the Community Energy Programs highlighted in this report, we also have several energy resilience initiatives that are either in development or currently active. Those initiatives include:

1. Public Facility Resilience
2. San Mateo County Facilities DER Evaluation
3. Power on Peninsula – Homeowner
4. Power on Peninsula – Medical

You can learn more about those programs in the monthly Energy Resiliency Strategy Report.

## **DETAIL**

### **1. 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](http://www.PeninsulaReachCodes.org)).

In PCE territory, Burlingame, Brisbane, E. Palo Alto, Menlo Park, Millbrae, Pacifica, Redwood City, San Mateo and San Mateo County have adopted reach codes. In addition, San Mateo updated their reach code to align with the “all-electric” approach taken by other agencies. A number of additional agencies are in progress, including Belmont, Daly City, San Bruno, San Carlos, and Portola Valley. Across San Mateo and Santa Clara Counties, 20 agencies have adopted some kind of reach code. Below is a sampling of agencies across PCE and SVCE territories:

City	Buildings			Electric Vehicles
	Choice All-Electric or High Efficiency Mixed-Fuel	All-Electric with Limited Gas Usage	Natural Gas Ban	
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
Redwood City		ADOPTED		EV Ready code (PCE model)
San Mateo		ADOPTED		Increase chargers & EV Capable
San Jose		ADOPTED	ADOPTED (low rise)	Increase chargers & EV Capable

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

- Education and training for developers and contractors. To date, two developer round tables and one contractor training has been completed.
- Consumer education program on the benefits of all-electric buildings

This technical assistance is now publicly available at [www.AllElectricDesign.org](http://www.AllElectricDesign.org). We have had 19 unique technical assistance requests, of which 12 have been resolved.

Lastly, the draft contract amendment with the reach code consultant, TRC Engineers, to provide support for the development of local policies to advance building electrification



and EV readiness in existing buildings is separately included in this month's agenda packet as an action item.

**Status:**

- **Belmont:** PCE staff is working with city staff which is aiming for a Council study session anticipated to be in the fall. The letter of intent was received on August 19.
- **Daly City:** City staff is working with PCE staff and consultant. Due to some staffing challenges, timing for a Council briefing has been moved to early next year.
- **Portola Valley:** The reach code is drafted and pending first hearing to be scheduled.
- **San Bruno:** The city has experienced staff turnover, and timing for the reach code has been pushed back to late next year.
- **San Carlos:** The Letter of Intent was received in November. With PCE consultant support, city staff is preparing a Council study session anticipated to be in January.

**Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 3: Ensure nearly all new construction is all-electric and EV ready
- Key Tactic 4: Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders

## **2. Existing Building Electrification**

**Background:** In May, the Board approved a 4-year, \$6.1 million program for electrifying existing buildings. This program includes a number of elements, such as 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. In November, the Board approved the draft contract with Harvest Thermal for a combined space and water heating technology pilot.

**Status:** The contract with CLEAResult has been executed. It is anticipated that the heat pump water heater (HPWH) incentive program will go live January 2021 (pushed back from original plans for a fall launch due to forthcoming adjustments in Home+ eligibility). In addition, staff released a Request for Proposals (RFP) for a program implementer of the low-income home upgrade program, responses for which were due November 30<sup>th</sup>. Three proposals were received. Staff and one CAC member interviewed all three as finalists on December 2<sup>nd</sup> and 3<sup>rd</sup>. A decision on the selected implementer is expected in December, and the contract with this consultant will be brought to the Board at a later date. It is anticipated that program will enter a design phase in Q1 and be ready for public launch in Q2 or Q3 2021.

This program is associated with the Building Electrification Awareness Program led by the Marketing team.

**Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 4: Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 1: Invest in programs that benefit underserved communities
- Key Tactic 3: Support workforce development programs in the County

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization

**3. “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 in conjunction 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.

**Status:** PCE’s technical assistance and outreach is ongoing. In total 33 different locations are in the technical assistance process requesting 540 charging ports. PCE’s dedicated incentives launched on September 16<sup>th</sup> and have received 3 applications for funding for a total of 148 ports. The contract for CALeVIP is executed and CALeVIP applications opened on December 16<sup>th</sup>; PCE is awaiting preliminary application data. PCE provided CALeVIP pre-application and day-of phone support to all technical assistance customers and hosted a webinar for local governments interested in submitting an application and pursuing an EV charging project.

**Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation to majority adoption
- Key Tactic 5: Support local government initiatives to advance decarbonization

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 3: Support workforce development programs in the County

#### 4. Low-Income Used EV Program

**Background:** Launched in March 2019, the Low-Income Used EV Program (also referred to as “DriveForward Electric”) provides an incentive up to \$4,000 for the purchase of used plug-in hybrid electric vehicles (PHEVs) and full battery electric vehicles (BEVs) to low- and moderate- income San Mateo County residents. The incentives may be combined with other programs such as Clean Cars for All from the Bay Area Air Quality Management District or the state-wide Clean Vehicle Assistance Program from Beneficial State Foundation. When combined with another program, PCE offers \$2,000 as a follow-on rebate. The program operates in partnership with Peninsula Family Service’s (PFS) DriveForward program, a robust program that provides financial coaching and access to financing to help participants purchase reliable used vehicles.

**Status:** The program is under continuous operation, and as of December 4, 2020, has provided rebates to 77 low-income residents. In October 2020, the Board approved expanding the program to offer used EV incentives to all San Mateo County residents, while maintaining the increased incentives for low-income residents. Staff has released a Request for Proposals (RFP) for a program administrator of the revamped used EV program, and responses are due December 4, 2020. The contract for the selected administrator will be brought to the Board at a later date. It is anticipated that the expanded program would launch in Q1 2021.

#### Strategic Plan:

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation towards majority adoption

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 1: Invest in programs that benefit underserved communities

#### 5. New EV Program

**Background:** This program provides time-limited incentives on electric vehicles (EVs), \$700 for plug-in hybrid EVs and \$1,000 for all-battery EVs, during the fourth quarter of the year to address the up-front cost, which is one of the key barriers to EV adoption. In addition, the program provides 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. In previous years, 2018 and 2019, the PCE incentive was only available through participating dealerships which were selected annually through a competitive process in which dealers were eligible to apply by offering discounts below the Manufacturer’s Suggested Retail Price (MSRP) on their EVs. 120 vehicles were sold/leased through the program in 2018 and 167 in 2019. To address low uptake and improve additionality, the program was restructured for the 2020 cycle. Notable modifications to the program include:

- Available to vehicles purchased at in-county *and* out-of-county dealerships and online retailers (still only for San Mateo County residents).
- Only for vehicles with a vehicle cash price of \$45,000 or less, before taxes.
- Targeted to “first time” EV buyers; past PCE EV incentive recipients will be ineligible for another incentive.
- Only for purchases, not leases.

Additionally, in October 2020, the Board approved the restructured program model for the following three years (2021-2023) and an approximate budget of \$2M over the three years.

**Status:** This revamped program was launched on October 1 and will run until December 31, 2020. As of December 4, 45 applications have been received, 28 of which have been approved to receive the rebate (the remaining 17 were denied for various reasons including purchases outside of the program period and ineligible vehicles). It is anticipated that the majority of applications will come towards the end of the program period and beyond, as customers have until January 1, 2021 to submit their applications (though purchases have to take place before December 31, 2020).

#### **Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation towards majority adoption

## **6. EV Ride & Drives / Virtual Engagement**

**Background:** In February 2019, the Board approved continuation of the EV Ride & Drive program over three years (2019-2021) following a 2018 pilot. 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 33% response rate, and 17% of respondents indicate they acquired an EV after the event.

**Status:** Due to the COVID-19 pandemic, ride & drive events have been paused and it is uncertain when in-person events will become feasible again. As a result, staff has developed a suite of virtual EV engagement strategies that will replace the in-person ride & drive events but may continue on even if ride & drive events begin to take place again. The new engagement programs aim to provide a platform for residents to learn about EVs and opportunities to experience driving an EV as a way to increase overall awareness and interest in EVs to increase adoption. The new programs were launched in October 2020.

The new virtual EV engagement strategies and status are as follows:

- **1-on-1 Dealer Test Drives:** partner with local dealerships who offer 'at-home' test drives and serve as a liaison between the resident and the dealership scheduling the test drive. Launched on October 1, and as of December 4, 16 test drives have been requested.
- **EV Rental Rebate:** provide a rebate (up to \$200) for residents to rent an EV through rental platforms. Launched on October 1, and as of December 4, 23 rental rebates have been approved.
- **EV Info Line & Chat Box:** a platform to enable residents to speak to an EV Specialist to get information about EVs and get questions answered. Launched October 22, and as of December 4, 14 chats and 11 phone calls have taken place.
- **Virtual EV Forums:** partner with San Mateo County corporate partners/large employers to offer virtual forums/webinars to their employees on EVs. First forum took place with Genentech on September 30, with 50 attendees. Event with Oracle took place October 22, with 40 attendees. Engaging other partners for future events.

#### **Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation towards majority adoption

### **7. E-Bikes Incentive Program**

**Background:** The Board approved the E-Bikes Rebate program in July 2020. This program will run for 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 with an expected launch in Q1 2021.

#### **Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation to majority adoption

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 1: Invest in programs that benefit underserved communities

### **8. Municipal Fleet Program**

**Background:** The Board approved the Municipal Fleet Program in November 2020. This program will run for three years with a total budget of \$900,000 and is comprised of three components to help local agencies begin their fleet electrification efforts: hands-on technical assistance and resources, gap funding, and a vehicle to building resiliency

demonstration that will assess the costs and benefits of utilizing fleet EVs as backup power resources for agencies in grid failures and other emergencies.

**Status:** The program is under development with an expected launch in early to mid 2021. An RFP will be released to hire a consulting team to work with PCE on providing detailed technical assistance to agencies, including project cost estimations and EV infrastructure designs.

**Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 2: Bolster electrification of fleets and shared transportation
- Key Tactic 5: Support local government initiatives to advance decarbonization

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization

## **9. 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:** The pilot formally kicked off in December 2020, and PCE staff are coordinating with Lyft on development. Vehicles are anticipated to become available in mid-2021.

**Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 2: Bolster electrification of fleets and shared transportation

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization

## **10. MUD Low-Power EV Charging Pilot**

**Background:** This project was initially approved by the Board in 2018. Energy Solutions was selected as the consultant partner as part of a competitive bid process, and the project was kicked off in August 2019. 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. 13 Plugzio devices (smart outlets) have been installed at 3 MUDs in Millbrae and Foster City. Lessons learned from this pilot are already informing inclusion of low-power charging solutions in PCE's EV Ready Program and may result in featuring additional technology solutions.

**Status:** The project team selected Plugzio, an internet-connected 120V outlet, as the pilot technology for the first round of testing. Installations have been successfully completed at the three sites, and the team is evaluating the possible inclusion of one additional site with Orange Outlet, a similar technology. The next major milestone will be the completion of a cost efficiency analysis. New regulations from the California Department of Food and Agriculture (CDFA), which regulates fuel measurement, have created potential uncertainty regarding requirements for digital displays on EV fuel dispensers which may impact Plugzio and other smart plug technologies that are not compliant. PCE staff is researching the CDFA issue.

#### **Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation to majority adoption

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 1: Invest in programs that benefit underserved communities

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization

### **11. EV Managed Charging Pilot**

**Background:** PCE contracted with startup FlexCharging to test managed charging through vehicle-based telematics. The system utilizes existing Connected Car Apps and allows PCE to manage EV charging via algorithms as a non-hardware-based approach to shift more charging to occur during off-peak hours.

**Status:** Phase 1 of the project, which tested basic functionality of the App and connectivity with Tesla and Nissan vehicles, ran from January - August 2020 and was a successful proof of concept, though certain technical limitations were discovered with Nissan and other vehicle OEMs, which limited the pilot to Tesla vehicles. PCE was able to analyze incoming data from this pilot and gather lessons learned from a vehicle-based approach to managed charging. Further, PCE was able to verify that these data could be utilized in the monetization of Low Carbon Fuel Standard Credits, which PCE is exploring.

Staff is now developing the approach for Phase 2. PCE is collaborating with an academic team from the University of California, Davis Energy Economics Program (DEEP) and the University of Chicago's Harris School of Public Policy to develop an incentive structure experiment that will be used to inform PCE's Managed Charging Program design. Staff anticipates coming to the board with a proposal soon.

#### **Strategic Plan:**

Goal 3 – Community Energy Programs

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

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization

## **12. Curbside Charging Pilot**

**Background:** Curbside charging has the potential benefit of bringing new charging solutions to current or potential EV drivers who lack residential charging, such as many EV residents and renters. Originally approved in 2018 but delayed for various reasons, this pilot will first assess the cost effectiveness of curbside charging in various scenarios, including streetlight-mounted stations, and potential technical and policy barriers that need to be addressed prior to installation. The first phase will also analyze the scaling potential, costs, and feasibility of curbside charging. If the assessment phase shows curbside charging to be viable, PCE will facilitate pilot installations in 1-2 cities in the second phase.

**Status:** PCE has contracted with Arup to provide technical assistance in the first phase of this project and is gathering information from agencies that have expressed interest in partnering with PCE on feasibility assessments, including South San Francisco, Burlingame, Redwood City, and San Mateo. The team will be kicking off these assessments on December 10, which will last through the first half of 2021.

### **Strategic Plan:**

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation to majority adoption
- Key Tactic 5: Support local government initiatives to advance decarbonization

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 1: Invest in programs that benefit underserved communities

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization





**PENINSULA CLEAN ENERGY**  
**JPA Board Correspondence**

**DATE:** December 4, 2020  
**BOARD MEETING DATE:** December 17, 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 –December 2020

**BACKGROUND:**

This memo summarizes energy procurement agreements entered into by the Chief Executive Officer since the last regular Board meeting in November. 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 Policy Number 15 (discussed below) since the last board meeting.

<b>Execution Month</b>	<b>Purpose</b>	<b>Counterparty</b>	<b>Term</b>
November	Purchase of Carbon Free Energy	Avangrid Renewables, LLC	2 months
November	Purchase of Carbon Free Energy	Brookfield Renewable Trading and Marketing LP	2 months
November	Purchase of Carbon Free Energy	Powerex Corp.	2 months
November	Purchase of Carbon Free Energy	Morgan Stanley Capital Group Inc.	2 months
November	Sale of System Resource Adequacy	NRG Power Marketing LLC	1 month
November	Purchase of System Resource Adequacy	NRG Power Marketing LLC	1 month

December	Sale of System Resource Adequacy	San Diego Gas & Electric	1 month

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 31 <sup>st</sup> of the prior year	Up to 36 months
System Resource Adequacy	In year 1, must demonstrate capacity to meet 90% of system	Up to 12 months

	obligation for summer months (May – September) by October 31 <sup>st</sup> of the prior year	
Flexible Resource Adequacy	In year 1, must demonstrate capacity to meet 90% of monthly flexible obligation by October 31 <sup>st</sup> 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.

### **STRATEGIC PLAN:**

The contracts executed in October support the Power Resources Objective A for Low Cost and Stable Power: Develop and implement power supply strategies to procure low-cost, reliable power.



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** December 4, 2020  
**BOARD MEETING DATE:** December 17, 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](https://www.peninsulacleanenergy.com/wp-content/uploads/2020/02/Resiliency-Strategy_January.pdf)

Below is a list of goals associated with each program, and progress towards each of those goals.

Program as specified in Resiliency Strategy	Initial Goal (MW)	Initial Goal (Customers Served) <sup>1</sup>	Updated Goal (MW)	Updated Goal (Customers Served)	MW Installed to Date	Customers Served to Date
Medically Fragile Customers	4 MW Solar / 16 MWh Storage	675	0.2 MW solar / 0.45 MWh storage <sup>2</sup>	140	0.06 MW solar / 0.38 MWh storage	114
Municipal Community Resilience Centers (CRCs)	5.8 MW Solar / 23 MWh Storage	9,000 – 18,000	5.8 MW Solar / 23 MWh Storage	9,000 – 18,000	0	0
Distributed Resource Adequacy (RA)	40 MWh Storage	900	2.3-12.8 MW Solar / 8-44 MWh Storage	400-2,200	0 MW Solar / 0 MWh storage	0

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 – Homeowner
4. Power on Peninsula - Medical
5. Community Resiliency at Faith Institutions – Interfaith Power & Light

## **STRATEGIC PLAN**

The activities and programs described below support the following objectives and key tactics in Peninsula Clean Energy's strategic plan:

- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates

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<sup>1</sup> This figure refers to customers served directly and indirectly

<sup>2</sup> The wide difference in the initial goals and the updated goals for this program is due to a change in program direction, and due to the Distributed RA program serving a significant portion of medically vulnerable customers

- Objective C Local Power Sources: Create a minimum of 20 MW of new power sources in San Mateo County by 2025
  - Key tactic 2: Implement Board-approved strategy to increase community resilience.
  - Key tactic 3: Work with local government partners to identify and catalog opportunities for distributed energy resources across San Mateo County.

## **DETAIL**

### **1. Public Facility Resilience (under Municipal CRCs Program)**

#### **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 \(RFI\)](#) 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.

Staff began a deeper evaluation of 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 resilience benefits of a system. This question may be muddled by the COVID-19 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.

The Power Resources Team presented preliminary findings from its DER valuation work internally. We are sharing these preliminary findings with other CCAs and organizations to get their feedback and will continue to vet the calculations and assumptions and refine/explore cost and value streams further. Our determination at this time is that the costs of DERs capable of providing meaningful resilience will be higher than what can be directly captured through currently available incentives and value streams. A key question we are working on to gain better insight is how to value resiliency, as many

benefits of resiliency are not easy to quantify. These projects will likely require supplemental funding. While we continue to explore how we can monetize value streams from resilience-sized systems, such as using them to offset Peninsula Clean Energy's most costly energy purchases, we are also exploring customers' ability and willingness to pay for these incremental costs. We are scoping a small project to explore with our public partners how to value resilience and to identify funding pathways for associated costs. Internally, we have begun developing a DER strategy to be used to make decisions about which types of DER projects to partially or fully fund, ownership models, and associated costs and benefits.

### Current Status

We have drafted a scope of work for the above-referenced work around the value of resilience, which has been expanded to include engagement with facility managers on how to identify and categorize critical loads. The expanded scope includes work to inform a process for resilience DER project intake, as well as inform our understanding of willingness and ability to pay by public partners for these types of projects. We are also considering expanding the scope of engagement to include essential businesses and organizations conducting essential work that are subject to direct financial losses in the event of sustained power outages (for example grocery stores and food banks). We are currently circulating the project scope for internal review and plan to present to executive leadership in November. This project will also help inform our work on a broader DER strategy, as referenced above.

Additionally, we have received Board approval for an additional budget to move to on-site evaluations utilizing McCalmont Engineering, the firm contracted with to provide the services described below. We expect to be able to support 7 to 10 DER municipal site evaluations. We have reached out to those municipalities that participated in the work done under the BAAQMD grant and with buildings that underwent a preliminary evaluation by Arup as described above. We have asked each municipality with a qualifying building to indicate their interest in selecting one site for an on-site evaluation by December 4, 2020.

In the event interest oversubscribes our available funding, we will invoke a lottery system to ensure fairness. This work logically builds on what was done in the BAAQMD/Arup project to date and is intended to inform the creation of a standardized process through which potential DER projects can be evaluated and moved from concept to completion. The funding at this stage would only cover on-site evaluation and preparation of materials for an equipment solicitation but does not include funding for the procurement of equipment.

## **2. San Mateo County Facilities DER Evaluation: RFP for DER Site Evaluation and Engineering Services (will inform Municipal CRC program, but funded separately)**

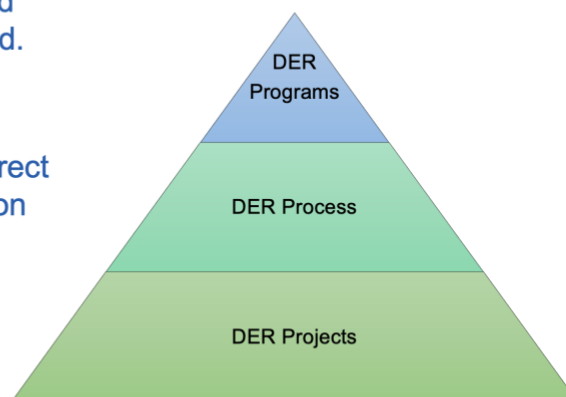
### Background and Current Status



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. Not all sites will be suitable for hosting storage and providing resilience via stored energy, but we expect a number of these sites will be candidates. 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 of providing resiliency.

## Review of high-level project goals

- Many DER projects don't progress beyond concept due to a lack of clear path forward.
- PCEA can potentially help address this barrier
- Utilize the 7 county facilities to develop direct experience and learnings to inform creation of a clear process through which DER projects can be developed
- With a process in place, effective and targeted DER programs can be provided



The RFP Evaluation Team completed shortlist interviews and selected McCalmont Engineering for this project. A recommendation to approve the contract and associated budget was made to the Board at the October 22, 2020 meeting and approved by the Board. We are budgeting beyond the seven County sites originally planned as additional sites may be identified for evaluation over the term of the contract. In early November we held a kickoff meeting with San Mateo County Department of Public

Works, McCalmont Engineering, and our internal team to review project goals, sites, and initial project schedule.

### Current Status

The current site list that SMC has indicated it is interested in for evaluation includes:

- Half Moon Bay Airport
- HSA/Fair Oaks Medical
- Pescadero Landfill
- San Carlos Airport
- San Mateo County Events Center
- San Mateo Medical Center
- San Mateo County Youth Services/Camp Kemp/Fire Station
- San Mateo Election Building
- San Mateo County Animal Shelter

As our original site list was 7 sites we will make a determination with the County and McCalmont Engineering as to the priority of the different sites.

All sites will be considered for solar and energy storage, though the characteristics of each site will determine what equipment can actually be deployed. The Board approved additional budget for further site evaluations; the complete list of sites is still being developed.

### **3. Power on Peninsula – Homeowner (Distributed RA Program)**

#### 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.

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 customers who sign up for this program may receive an incentive between \$500 - \$1,250.

### Current Status

Key activities and accomplishments during the month of October are as follows:

Peninsula Clean Energy and Sunrun continued to implement the activities related to the **Co-Marketing Agreement** for this program. This month's activities included a launch on Facebook after the end of the election blackout period, the "swap out" of existing Sunrun ads in Peninsula Clean Energy territory to Peninsula Clean Energy-Sunrun co-marketing ads and posting banners in Home Depot stores. These efforts helped generate over 200,000 impressions. While those impressions will usually develop into many new leads, we are learning that marketing solar services during the winter yields fewer leads and sales than from marketing during other seasons.

Sunrun created a new **Reporting Dashboard** that tracks leads, opportunities, sales, and installation status in detail. Sunrun is in the process of quantifying **incremental volume** from the co-marketing program as well as "swap out" volume from Sunrun's other marketing efforts in San Mateo County and will include this data in future reporting.

Sunrun's product team is in the process of developing details about Sunrun's **Retrofit Program**, which will target existing Sunrun solar customers for the battery program. Currently there are 33 customers on the retrofit waiting list.

For the **Multifamily Program**, Sunrun and Peninsula Clean Energy are working to develop an engagement strategy for this customer segment. Additionally, Peninsula Clean Energy is working with other CCAs on the launch of a coordinated multifamily property developer outreach effort.

Sunrun **completed installation** of one solar PV and battery storage system, which is pending permission to operate (PTO) from PG&E.

## **4. Power on Peninsula – Medical (Medically Fragile Customers 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<sup>3</sup> 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.<sup>4,5</sup> This portable battery donation program provides a long-term solution to increase safety, resilience, and independence for medically vulnerable residents.

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.

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.

#### Current Status

The initial batch of batteries were received August 19<sup>th</sup>, and Hassett started delivering to high-priority customers immediately. As of early-December, **Hassett had delivered 125 Yeti 3000x batteries to a total of 114 medically vulnerable Peninsula Clean Energy customers.**<sup>6</sup> In addition, the full shipment of Boulder 200 Briefcase foldable solar panels was received in mid-September, and Hassett has delivered 29 units to medically vulnerable Peninsula Clean Energy customers

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.

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<sup>3</sup> CPUC Fire Map: <https://ia.cpuc.ca.gov/firemap/#>

<sup>4</sup> “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](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)

<sup>5</sup> “Medical Baseline”: <https://www.cpuc.ca.gov/medicalbaseline/>

<sup>6</sup> Customers with certain medical equipment may require more than one battery to provide the appropriate amount of backup power.

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 sought 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 captured 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:* The Peninsula Sinai Board of Directors approved plans to purchase a solar+storage system from Luminalt, which will be installed in Q3 2021.

*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.

The term of the contract between California Interfaith Power & Light and Peninsula Clean Energy has ended. Peninsula Clean Energy will evaluate the opportunity for follow-on engagement with California Interfaith Power & Light in Q1 2021.

## **6. Vehicle-To-Building Pilot**

Details about this pilot project will be reported on in the Community Energy Programs report.