Action Requested

• Executive Committee to recommend to the Board of Directors that PCE form and join a new Joint Powers Agency (currently titled, “California Community Power,” or “CC Power”)
Agenda

- Participating CCAs
- Business/Political Context
- Joint Procurement with CCAs
- Long-Duration Storage Request for Offers
- JPA Agreement
- Project- and CCA-specific Agreements
## 9 CCAs by the Numbers

<table>
<thead>
<tr>
<th>CCA considering Super JPA</th>
<th>Annual Load 2019 (GWh)</th>
<th>Est Peak Load (MW)</th>
<th>Customer Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Coast Community Energy</td>
<td>3,094</td>
<td>679</td>
<td>275,750</td>
</tr>
<tr>
<td>Clean Power SF</td>
<td>2,706</td>
<td>460</td>
<td>380,000</td>
</tr>
<tr>
<td>East Bay Community Energy</td>
<td>5,819</td>
<td>990</td>
<td>533,000</td>
</tr>
<tr>
<td>Marin Clean Energy</td>
<td>5,275</td>
<td>505</td>
<td>470,000</td>
</tr>
<tr>
<td>Peninsula Clean Energy</td>
<td>3,600</td>
<td>733</td>
<td>293,000</td>
</tr>
<tr>
<td>Redwood Coast Energy</td>
<td>699</td>
<td>125</td>
<td>62,000</td>
</tr>
<tr>
<td>San Jose Clean Energy</td>
<td>3,286</td>
<td>1,081</td>
<td>332,500</td>
</tr>
<tr>
<td>Silicon Valley Clean Energy</td>
<td>3,898</td>
<td>800</td>
<td>270,000</td>
</tr>
<tr>
<td>Sonoma Clean Power</td>
<td>2,360</td>
<td>417</td>
<td>227,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30,737</strong></td>
<td><strong>5,790</strong></td>
<td><strong>2,843,250</strong></td>
</tr>
</tbody>
</table>
Business and Political Context

- Economies of Scale
- Enhanced Negotiating Power
- Shared Risk – execution, development and performance
- Potential for Shared Financing
- Strategic value demonstrating CCA self-procurement & reliability contributions
  - Large and growing need for reliability resources with gas plants and Diablo Canyon going offline
  - Utility-centric state-ordered procurement mandates or allocations can result in cost allocation to CCAs
- Legislators and regulators favor large scale procurement
Joint Procurement with CCAs

+ Could allow for larger-scale CCA projects
+ Could optimize use of resources among CCAs
+ Southern California Public Power Authority (SCPPA) and Northern California Power Authority (NCPA) as a model
+ Shielding members from liability of other members
− Some risk may be shared in price or terms
− PCE’s strong credit may benefit other CCAs if value not equalized
Long Duration Storage RFO

• Joint CCAs issued a Request for Offers (RFO) for long-duration storage resources
RFO Scope

- Grid-charged long duration storage technology with a minimum of 8 hours of discharge duration
- In front of the meter
- Commercial operation by 2026
- Minimum delivery term of 10 years
- 50 MW minimum per project participant
Over 50 developers submitted offers for multiple projects in response to the Long Duration Storage RFO.

## RFO Schedule

<table>
<thead>
<tr>
<th>Activity</th>
<th>Scheduled Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuance of RFO</td>
<td>October 15, 2020</td>
</tr>
<tr>
<td>Offerors’ Webinar</td>
<td>October 28, 2020 at 3:30 PM PST</td>
</tr>
<tr>
<td>Deadline to submit questions</td>
<td>October 30, 2020 at 5:00 PM PST</td>
</tr>
<tr>
<td>Responses to questions provided</td>
<td></td>
</tr>
<tr>
<td>Deadline to submit proposals</td>
<td>November 2, 2020 at 5:00 PM PST</td>
</tr>
<tr>
<td>Deadline to submit proposals</td>
<td>December 1, 2020 at 5:00 PM PDT</td>
</tr>
<tr>
<td>Proposal Clarification Contact Period (Tentative)</td>
<td>December 1– February 2, 2021</td>
</tr>
<tr>
<td>Notification of final shortlisted Bidders (Tentative)</td>
<td>March 2, 2021</td>
</tr>
<tr>
<td>PPA negotiations</td>
<td>March – July 2021</td>
</tr>
<tr>
<td>Final contract approval</td>
<td>July 2021</td>
</tr>
</tbody>
</table>
JPA Agreement: General Overview

• JPA given broad powers that match its Members’ powers
• Purpose is “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”
• Members may exit the JPA, but must pay pro-rata share of previously-incurred debts
JPA Agreement: Governance Overview

- JPA Board composed of Members’ CEOs (or designee)
- Equal voting shares
- Majority of attending directors for simple changes
- 2/3 of entire Board for significant changes

- Any decision to participate in a project or approve PCE expenditures for CC Power of more than $100k would come to PCE board for approval first
JPA Agreement: Key Features

• Enjoys the benefit of PCE’s credit and financial strength
• Limits advocacy by the JPA
• JPA administrative costs shared equally among Members
• JPA Board may hire General Manager (GM) and assistant GMs
Project Specific Issues

- Enabling Agreement – allows for CCAs to potentially participate in projects – no obligation
  - E.g. current long duration storage RFO
- Project Participation Agreements - among only those CCAs who are participating in a particular project and CC Power - addresses differences among participants for each project
  - Offtake amount
  - Credit strength
  - Price
  - Collateral requirements
- Project PPA – between CC Power and the project developer
Recommendation - Action

• Authorize PCE to form a new Procurement Joint Powers Authority with other CCAs
  o PCE reviewed with Executive Committee on October 13
  o Will bring to board on December 17 for approval