

**Regular Meeting of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)****Monday, August 9, 2021****10:00 a.m.****Zoom Link:** <https://pencleanenergy.zoom.us/j/99823324713>**Meeting ID:** 998-2332-4713 **Passcode:** 774-118 **Phone:** +1(669)900-9128**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 to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials should contact Nelly Wogberg, Board Clerk, at least 2 working days before the meeting at nwogberg@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 Executive Committee, please use the "Raise Your Hand" function in the Zoom platform or press *6 if you phoned into the meeting. If you have anything that you wish to be distributed to the Executive Committee and included in the official record, please send to nwogberg@peninsulacleanenergy.com.*

CALL TO ORDER / ROLL CALL**PUBLIC COMMENT**

This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. Members of the public who wish to address the Committee are customarily limited to two minutes per speaker. The Committee Chair may increase or decrease the time allotted to each speaker.

ACTION TO SET AGENDA and to APPROVE CONSENT AGENDA ITEMS

1. Approval of the Minutes for the June 14, 2021 Meeting (Action)

REGULAR AGENDA

2. Chair Report (Discussion)
3. CEO Report (Discussion)
4. Building Electrification On-Bill Financing Program Approval (Action)
5. Proposal to Expand Pilot of School District Energy/Sustainability Dashboards (Discussion)
6. Summary of Findings from Annual Awareness/Perception Research (Discussion)

7. Committee Members' Reports (Discussion)

ADJOURNMENT

Instructions for Joining a Zoom 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– see Option 1 below
- B. Videoconference with Computer Audio – see Option 2 below
- C. Calling in from iPhone using one-tap – see Option 3 below
- D. Calling in via Telephone/Landline – see Option 4 below

Videoconference Options:

Prior to the meeting, we recommend that you install the Zoom Meetings application on your computer by clicking here <https://zoom.us/download>

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

Option 1 Videoconference with Phone Call Audio:

1. From your computer, click on the following link that is also included in the PCE Citizens Advisory Committee Meeting Calendar Invitation:
<https://pencleanenergy.zoom.us/j/99823324713>
2. The Zoom Application will open on its own or you will be instructed to Open Zoom.
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.

Choose ONE of the audio conference options

Phone Call Computer Audio

Country/Region

Dial +1 301 715 8592
+1 646 558 8656
+1 312 626 6799
+1 346 248 7799

Meeting ID 944 1592 2602
Participant ID #495836#

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

4. Please dial one of the phone numbers for the meeting (it does not matter which one) :

+1 312 626 6799

+1 301 715 8592

+1 646 558 8656

+1 253 215 8782

+1 346 248 7799

+1 669 900 9128

5. You will be instructed to enter the meeting ID: **998-2332-4713 followed by #**

6. You will be instructed to enter in your participant ID. Your participant ID is unique to you and is what connects your phone number to your Zoom account.

7. After a few seconds, your phone audio should be connected to the Zoom 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.

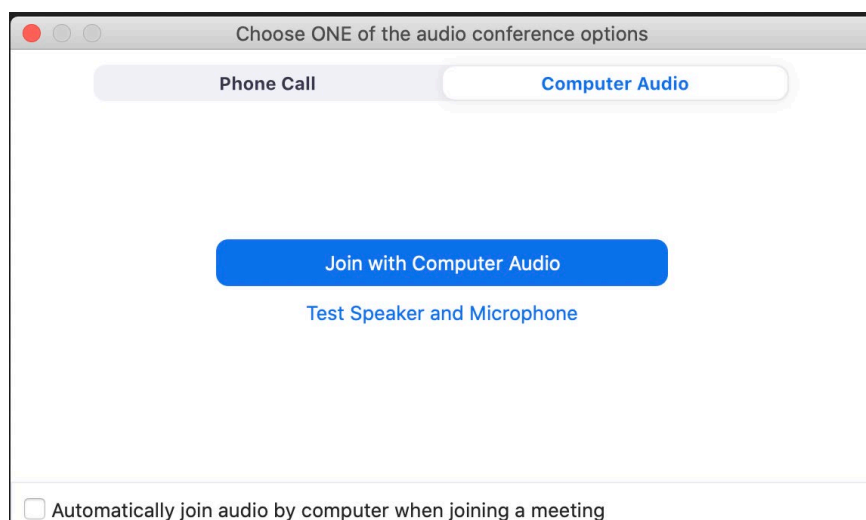
Option 2 Videoconference with Computer Audio:

1. From your computer, click on the following link that is also included in the PCE Citizens Advisory Committee Meeting Calendar Invitation :

<https://pencleanenergy.zoom.us/j/99823324713>

2. The Zoom application will open on its own or you will be instructed to open Zoom.

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



4. Click the blue Join With Computer Audio button

5. In order to enable video, click on “Start Video” in the bottom left hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

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:

+16699009128,,99823324713# US (San Jose)
+12532158782,,99823324713# US (Tacoma)

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

+1 669 900 9128 US (San Jose)
+1 346 248 7799 US (Houston)
+1 253 215 8782 US (Tacoma)
+1 646 558 8656 US (New York)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)

You will be instructed to enter the meeting ID: **998-2332-4713 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 press # to stay on the line.

You will be instructed to enter the meeting passcode **774118** followed by pound.

**REGULAR MEETING of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, June 14, 2021
MINUTES**

10:00 a.m.

Peninsula Clean Energy
Video conference and teleconference

CALL TO ORDER

Meeting was called to order at 10:00 a.m.

ROLL CALL

Present: Rick DeGolia, Town of Atherton, *Chair*
Donna Colson, City of Burlingame, *Vice Chair*
Julia Mates, City of Belmont
Jeff Aalfs, Town of Portola Valley
Giselle Hale, City of Redwood City
Dave Pine, County of San Mateo
Marty Medina, City of San Bruno
Laura Parmer-Lohan, City of San Carlos
Rick Bonilla, City of San Mateo
Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Staff: Jan Pepper, CEO
Andy Stern, CFO
Phillip Kobernick, Programs Manager
Sally Chen, Energy Contracts Manager
Chelsea Keys, Power Resources Manager
Rafael Reyes, Director of Energy Programs
Dave Fribush, DER Technical Advisor
Kim Le, Senior Manager of Data & Technology
Leslie Brown, Director of Customer Care
Marc Hershman, Director of Government Affairs
KJ Janowski, Director of Marketing and Community Relations
Siobhan Doherty, Director of Power Resources
Jennifer Stalzer Kraske, Deputy County Counsel
Hailey Wu, Senior Financial Analyst
Shayna Barnes, Operations Specialist

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Hale / Pine

Motion passed (9-0)

REGULAR AGENDA

1. CHAIR REPORT

Rick DeGolia provided an update on the CEO review process.

2. CEO REPORT

Jan Pepper, *CEO*, provided a CEO report that covered the following topics: a staffing update, a staff committee working on development of a potential remote working policy for staff, cancellation of the July 12, 2021 Executive Committee meeting, the upcoming Board retreat in September, and a legislative update. Jan solicited the Committee's input on whether Peninsula Clean Energy should allow employees to work remotely full-time and Committee members discussed the pros and cons of allowing for full-time remote work.

3. APPROVE EV MANAGED CHARGING PILOT

Phillip Kobernick, *Programs Manager*, gave a presentation on Peninsula Clean Energy's EV (Electric Vehicle) Managed Charging Pilot. The presentation covered how the pilot aligns with Peninsula Clean Energy's goal of 100% renewable energy on a 24/7 hourly basis. Phillip described how Phase 1 of this pilot has been completed and outlined key areas of Phase 2 of the pilot. Philip asked the Committee to recommend approval of Phase 2 of the EV Managed Charging Pilot to the Board of Directors.

Motion Made/Seconded: Bonilla / Aalfs

Motion Passed 8-0 (Absent: Hale)

4. DISADVANTAGED COMMUNITY SOLAR PROGRAM (DAC-GT) UPDATE

Dave Fribush, *DER (Distributed Energy Resources) Technical Advisor*, and Leslie Brown, *Director of Account Services*, gave an update on the Disadvantaged Communities Green Tariff (DAC-GT), and Community Solar Green Tariff (CS-GT) program. The presentation covered the following areas: description of the programs, overview of the programs and their policy history, Peninsula Clean Energy (PCE) activity timeline, PCE program specifics, issues with Los Banos enrollment, the customer enrollment plan, and next steps.

5. COMMITTEE MEMBERS' REPORTS

None.

ADJOURNMENT

Meeting was adjourned at 11:52 a.m.



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: Aug 05, 2021
BOARD MEETING DATE: Aug 09, 2021
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Executive Committee

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

SUBJECT: Building Electrification On-Bill Financing Program

RECOMMENDATION

Executive Committee recommendation of approval to the Board of development of an on-bill finance program with \$1 million loan capital.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in the service territory. California's goal is to be carbon neutral by 2045, which PCE aims to support through investment in local community programs. Methane gas usage in buildings accounts for 20% of directly inventoried GHG emissions in the region; however actual GHGs is estimated to be higher, likely significantly, when accounting for fugitive emissions from methane leakage in the supply chain from extraction to distribution and use. Reducing GHG from existing building stock is critical in achieving decarbonization in the service territory.

In September 2018, the Board approved the PCE Program Roadmap, which identifies programs for 2019 and beyond to include measures on building electrification. Based on that roadmap, PCE developed programs to provide: a) technical assistance for local governments to adopt local building code enhancements, or "reach codes", to deliver increased EV readiness and all-electric buildings in new construction, b) technical assistance to developers and designers on electric and EV-ready design, c) a building electrification consumer awareness, and d) an existing buildings program with appliance rebates, low-income home upgrades, and technology pilots. These programs are ongoing.

DISCUSSION

In order to achieve comprehensive decarbonization by 2045, significant reductions will have to be achieved in the building sector by electrifying all the existing buildings. But consumer economics of building electrification of existing buildings is currently not favorable for our customers. PCE currently offers a rebate for electric heat pump water heater (HPWH) installation in partnership with the regional BayREN Home+ program. Through this program PCE offers up to \$1500 for market rate customers to replace an existing methane gas water heater with a HPWH, and BayREN offers a rebate of \$1000, for a combined total rebate of \$2500 to the customer. Incentive “adders” are available for panel upgrades (up to \$1500) and for low-income customers (up to \$1000).

Analysis by program staff indicates that there are approximately 200,000 single family residential units (1-4 units) in San Mateo County, most of which have methane gas appliances for space and water heating, clothes drying and cooking. The residential building sector contributes to approximately 66% GHG emissions attributed to methane gas use. On an average installation of HPWHs costs \$5000 and heat pump space conditioning costs \$22,000 to \$25,000 in single family homes. PCE’s rebates help eliminate some of the upfront cost barriers for HPWHs, but our rebate budget alone will be insufficient for the large volume of replacements required to meet the 2045 goal. In addition, local jurisdictions including Half Moon Bay and Menlo Park are currently working on adopting existing building electrification ordinances. Local policies can be successful if the mechanisms are in place to help minimize the barriers. Financing can help reduce barriers by eliminating the upfront cost.

A widely used financing mechanism for behind-the-meter energy upgrades is On-Bill Financing (OBF). OBF programs involve repaying financing for energy-related improvements on the customer’s utility bill. OBF programs have been operating for over 30 years across the country and are favorable for various reasons. First, making utility bill payments is a routine part of a customer’s life and it reduces their complexity. Second, a review of 27 OBF programs across the country in a US DOE study¹ found that the median default rates for these programs is extremely low - 0.08% for residential programs whose loan volume was over \$1 billion to over 180,000 participants with an average loan of just under \$5,800. Thirdly, the low default rates can allow program implementers like PCE to offer 0% loans to customer which in-turn can help increase the program uptake. Lastly, OBF can apply to a wide range of behind-the-meter energy related improvements including building electrification, solar and storage, and EV infrastructure.

Some peer agencies are taking steps on financing. Silicon Valley Clean Energy (SVCE) has identified accessible financing as a cornerstone action for existing buildings in their Building Decarbonization Joint Action Plan² released in Nov 2020. Sonoma Clean Power (SCP) launched an OBF program in March 2021. SCP’s Board approved a \$1M revolving capital fund for the program. SCP’s program offers a maximum of \$10,000 loans for up

¹ https://www7.eere.energy.gov/seeaction/sites/default/files/pdfs/onbill_financing.pdf

² https://www.svcleanenergy.org/wp-content/uploads/2020/02/Building-Decarbonization-Joint-Action-Plan_011821-web.pdf

to 10 years with 0% interest to its customers. The loan terms require the customer to be the homeowner where improvements will be made and be in good standing for at least the last 3 billing cycles. SCP's OBF program supports building electrification improvements like HPWHs and heat pump HVAC, energy efficiency improvements and batteries. As of June 2021, their program had received over 32 applications, with an average loan amount of \$3750 per customer.

PCE's On-Bill Finance Program Proposal

The On-Bill Finance (OBF) Program would be offered to PCE residential service customers in good standing to fund the cost of purchasing and installing eligible building electrification and related improvements.

The proposed OBF program would allow qualified customers to receive 0% interest, no-fee, unsecured financing for eligible improvements. Financing would be available to qualified customers for up to 100% of the actual installed cost of eligible improvements, less rebates or incentives received by the customer from PCE or BayREN Home+ program. The maximum loan amount available per customer is proposed to be \$10,000 with a maximum loan term of 10 years.

To qualify for the program, the Customer would need to satisfy the following conditions:

1. Be an active PCE customer on a residential rate with at least one account at the property where improvements would be made.
2. Have \$0.00 past-due balance on at least three of its most recent PG&E bill statements. No other underwriting would be done.
3. Be the owner of the property and have lawful authority to initiate and install improvements.

These terms are consistent with successful similar programs nationally.

PCE's OBF program offering would be integrated with the existing regional BayREN Home+ program, similar to our current HPWH rebate program. Eligible electrification improvements would include heat pump water heaters, heat pump HVAC, induction cooking, heat pump dryers and any electrical panel upgrades that may be required. Eligible measures, amount financed, term and other elements may be adapted over time based on program needs.

The customer experience is anticipated to be as follows:

1. Customer learns about the OBF program either through PCE marketing or directly from a BayREN participating contractor (Contractor)
2. Customer receives a bid for eligible improvements from the Contractor
3. Customer provides PCE staff the Contractor bid and executes an OBF agreement that defines the loan terms
4. Customer works with the Contractor to install the eligible improvements as per the executed OBF agreement
5. Contractor submits project close-out documents on behalf of the Customer

6. Customer has no out-of-pocket first costs for up to \$10,000. Any eligible rebates are directed to the Contractor. PCE pays the Contractor directly after successfully completing the improvements
7. The fixed monthly loan payment is added to the Customer's electric utility bill within 1 or 2 billing cycles
8. Once the OBF payment is added, Customer makes monthly repayments towards the OBF loan

The fixed monthly loan repayment amount will be billed as a line item on the customer's electric bill. Repayment amounts will be determined by funding limits and loan terms. The OBF loans are unsecured and as with PCE's energy charges on the customer bill, non-payment of these loans is not allowed for disconnection of service. As part of the loan agreement with PCE for the loan, Customers will be required to pay the loan in full should they decide to close their electricity account or opt back to PG&E bundled service. Given the historical low default rates for OBF loans nationally, we anticipate no more than 2% loan losses.

FISCAL IMPACT:

Up to \$1,000,000 in loan capital that will be treated as a balance sheet asset and is not part of the annual budget. Customer repayments will also go to the balance sheet to replenish the funds loaned and will not show as income. Should any customers default, those costs will show as expenses to PCE. The \$1,000,000 of upfront capital funding will be returned to PCE as customers pay each appropriate OBF monthly payment over the loan term. The program would include administrative expenses estimated at up to \$50,000 for initial software setup and contractor training by the BayREN administrator plus write-off of up to 4% or \$40,000 over 4 years. Administrative and write-off costs would be within approved budget.