

**Regular Meeting of the Audit and Finance Committee of the  
Peninsula Clean Energy Authority (PCEA)****AGENDA****Monday, November 8, 2021****8:30 a.m.****Zoom Link:** <https://pencleanenergy.zoom.us/j/82172572134>**Meeting ID:** 821-7257-2134 **Passcode:** 2075 **Phone:** +1(253)215-8782**NOTE: Please see attached document for additional detailed teleconference instructions.**

*In accordance with AB 361, the Committee will adopt findings that meeting in person would present imminent risks to the health or safety of attendees of in-person meetings. Consistent with those findings, this Committee Meeting will be held remotely. 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](mailto: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 Audit and Finance 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 Audit and Finance Committee and included in the official record, please send to [nwogberg@peninsulacleanenergy.com](mailto: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 August 9 and October 12, 2021 Meetings
2. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Board Meetings Due to Health Risks Posed by In-Person Meetings

**REGULAR AGENDA**

3. Chair Report (Discussion)
4. Staff Report (Discussion)

5. Review of Quarterly Financials (Discussion)
6. Approval of 2022 Audit and Finance Committee Schedule of Meetings (Action)
7. Committee Members' Reports (Discussion)

### **ADJOURNMENT**

Public records that relate to any item on the open session agenda are available for public inspection. The records are available at the Peninsula Clean Energy offices or on PCEA's Website at: <https://www.peninsulacleanenergy.com>.

## 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 2 below) rather than your computer audio

### Options for Joining

- A. Videoconference with Computer Audio – see Option 1 below
- B. Videoconference with Phone Call Audio– see Option 2 below
- C. Calling in via Telephone/Landline – see Option 3 below

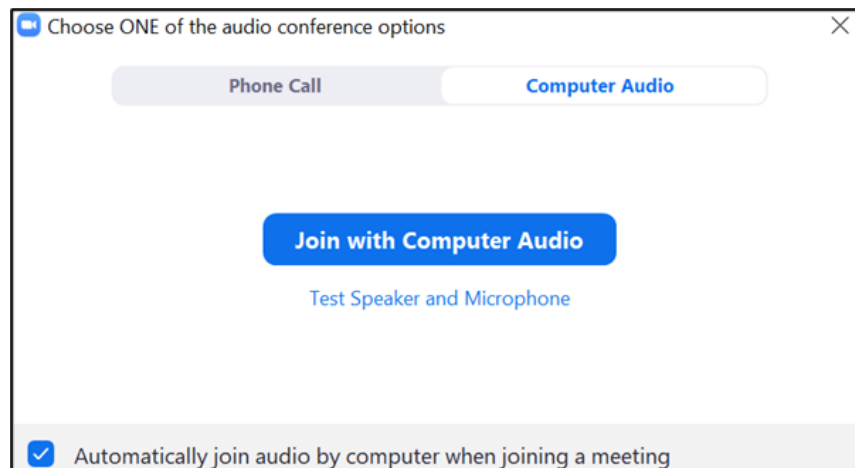
### Videoconference Options:

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 Computer Audio:

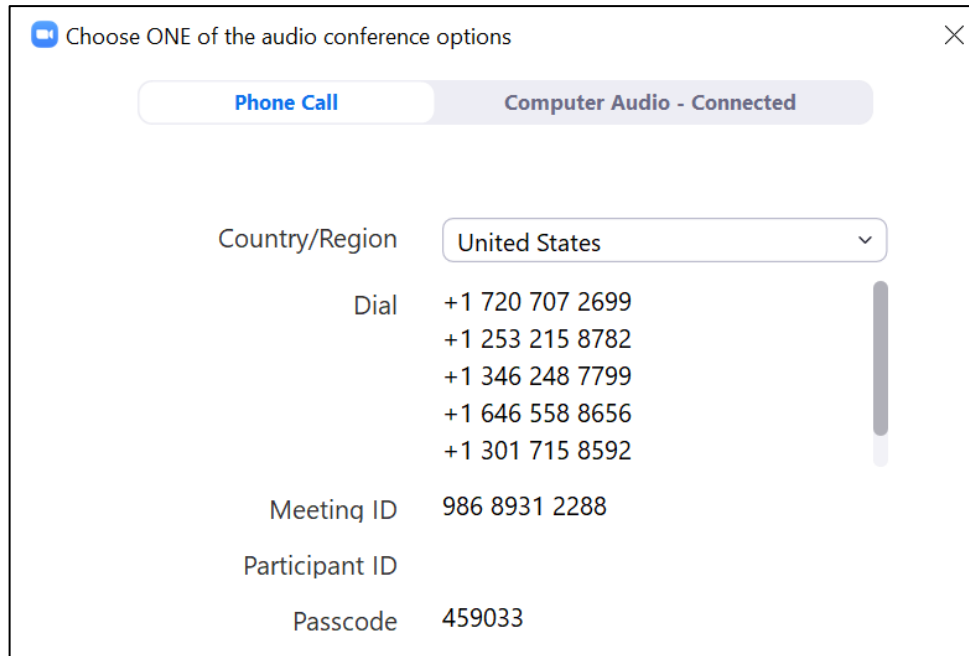
1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation : <https://pencleanenergy.zoom.us/j/98689312288>
2. The Zoom application will open on its own or you will be instructed to open Zoom.
3. After the application opens, the pop-up screen below will 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.

### **Option 2 Videoconference with Phone Call Audio:**

1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: <https://pencleanenergy.zoom.us/j/98689312288>
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.



4. Please dial +1 (669) 900-9128
5. You will be instructed to enter the meeting ID: **986-8931-2288 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.

### **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 via Telephone/Landline:**

1. Dial +1 (669) 900-9128.
2. You will be instructed to enter the meeting ID: **986-9831-2288 followed by #**.
3. 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.
4. You will be instructed to enter the meeting passcode **459033 followed by #**.



**Regular Meeting of the Audit and Finance Committee of the  
Peninsula Clean Energy Authority (PCEA)  
Minutes**

Monday, August 9, 2021  
8:30 a.m.

**CALL TO ORDER**

Meeting was called to order at 8:32 a.m. in virtual teleconference.

**ROLL CALL**

**Participating Remotely:**

Carole Groom, County of San Mateo  
Laurence May, Town of Hillsborough, *Chair*  
Carlos Romero, City of East Palo Alto  
John Keener, Director Emeritus  
Pradeep Gupta, Director Emeritus

**Absent:** Donna Colson, City of Burlingame  
Jeff Aalfs, Town of Portola Valley

**Staff:** Jan Pepper, Chief Executive Officer  
Andy Stern, Chief Financial Officer  
Shayna Barnes, Operations Specialist  
Marc Hershman, Director of Government Affairs  
Rafael Reyes, Director of Energy Programs  
Jennifer Stalzer Kraske, Deputy County Counsel  
Nelly Wogberg, Board Clerk

**A quorum was established.**

**PUBLIC COMMENT**

None

**ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS**

**Motion:** Director Romero moved, seconded by Director Groom to set the Agenda, and approve Agenda Item Number 1.

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

**Motion passed:** 3-0 (Burlingame, Portola Valley absent)

**REGULAR AGENDA**

2. Chair Report

None

3. Staff Report

Andy Stern, Chief Financial Officer, provided an update to the Committee on the process for the Fiscal Year 2020-2021 budget and information on the upcoming audit including a meeting with two committee members and the auditors.

4. Review Financial Reports and Investment Summary for Fourth Quarter FY 2020-2021

Andy Stern, Chief Financial Officer, gave a presentation on the Fiscal Year 2020-2021 Q4 and Year-end preliminary financial review and detailed revenue changes, slightly higher energy expenses due in part to early summer heat waves, community energy programs, non-operating income, and cash management changes.

5. Investment Managers – Review

Monique Spyke, Managing Director of PFM Asset Management LLC, gave the first investment update on the Peninsula Clean Energy Investment Portfolio. The presentation included objectives of safety, liquidity, yield as well as the initial strategy. Dave Anderson, Director of PFM Financial Advisors LLC, gave a presentation on the Environmental, Social, and Governance (ESG) Investment Approach. Committee Members discussed evaluating the performance of the portion of the portfolio that includes ESG.

Mike Hickey, Fixed Income and Portfolio Manager and Director of Fixed Income Strategy for First Republic Investment Management, gave a presentation on Peninsula Clean Energy's Investment Portfolio.

6. Committee Members' Reports

None

**ADJOURNMENT**

Meeting was adjourned at 9:44 a.m.

## Regular Meeting of the Audit and Finance Committee of the Peninsula Clean Energy Authority (PCEA) Minutes

Monday, October 12, 2021  
8:30 a.m.  
Zoom Video Conference and Teleconference

### **CALL TO ORDER**

Meeting was called to order at 8:32 a.m. in virtual teleconference.

### **ROLL CALL**

#### **Participating Remotely:**

Donna Colson, Burlingame  
Carlos Romero, East Palo Alto  
Laurence May, Hillsborough, *Chair*  
Jeff Aafls, Portola Valley; arrived at 8:45 a.m.

John Keener, Director Emeritus  
Pradeep Gupta, Director Emeritus

**Absent:** Carole Groom, San Mateo County

**Staff:** Jan Pepper, Chief Executive Officer  
Andy Stern, Chief Financial Officer  
Ilana Mandelbaum, Deputy County Counsel  
Nelly Wogberg, Board Clerk

**A quorum was established.**

### **PUBLIC COMMENT**

None

### **ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS**

**MOTION:** Director Romero moved, seconded by Director Colson to set the Agenda and approve Agenda Item Numbers 1 and 2.

1. Approval of the Minutes for the September 29, 2021 Meeting
2. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Board Meetings Due to Health Risks Posed by In-Person Meetings

**MOTION PASSED/FAILED:** 3-0 (Absent: San Mateo County, Portola Valley)

JURISDICTION	COMMITTEE MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Groom				x
Burlingame	Director Colson	x			
East Palo Alto	Director Romero	x			
Hillsborough	Director May	x			
Portola Valley	Director Aalfs				x
	Totals	3			2

### **REGULAR AGENDA**

#### 3. Chair Report

None

#### 4. Staff Report

Andy Stern, Chief Financial Officer, provided an update to the Committee on the completion of the audit, including preliminary financials.

5. Recommend Board Approval of Revised Spending Plan for the prior Fiscal Year (FY) 2020-2021 to Authorize Operating Expenses in an Amount Not to Exceed \$236,361,472, an Amount that is \$10,719,019 Above the Originally Approved Budget of \$225,642,453

Andy Stern, Chief Financial Officer, gave a presentation covering an overview of the Spending Plan for Fiscal Year 2020-2021. Andy detailed that Q1 (July 1 – September 30) accounted for most of the overage and that the cost of electricity category went over the approved budget; all other categories were below budget. This overage was attributed to extreme smoke and fire periods.

**MOTION:** Director Romero moved, seconded by Director Colson to Recommend Board Approval of the Revised Spending Plan for the Prior Fiscal Year 2020-2021 to Authorize Total Operating Expenses in an Amount Not to Exceed \$236,361,472, an Amount that is \$10,719,019 Above the Originally Approved Budget of \$225,642,453.

**MOTION PASSED:** 3-0 (Absent: San Mateo County, Portola Valley)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Groom				x
Burlingame	Director Colson	X			
East Palo Alto	Director Romero	X			
Hillsborough	Director May	X			
Portola Valley	Director Aalfs				x
	Totals	3			2

6. Recommend Board Approval of the Audited Financial Statements for Fiscal Year (FY) 2020-2021



Andy Stern, Chief Financial Officer, gave an overview of the Financial Statements for Fiscal Year 2020-2021.

Andrea Lifo, Engagement Manager with Pisenti & Brinker, and Brett Bradford, Audit Partner with Pisenti & Brinker, gave a presentation on the results of the audit, which is currently in final quality control review. Andrea noted that no significant deficiencies or material weaknesses were identified in the internal controls.

Committee Members discussed the ability to predict the cost of electricity more accurately through the use of Power Purchase Agreements (PPAs), the precautions Peninsula Clean Energy is taking with phishing and other financial breaches, and the write-off in accounts receivable for uncollectible accounts.

**MOTION:** Director Colson moved, seconded by Director Romero to Recommend Approval by the Board of Directors of the Audited Financial Statements for Fiscal Year 2020-2021.

**MOTION PASSED:** 4-0 (Absent: San Mateo County)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Groom				x
Burlingame	Director Colson	X			
East Palo Alto	Director Romero	X			
Hillsborough	Director May	X			
Portola Valley	Director Aalfs	X			
	Totals	4			1

#### 7. Committee Members' Reports

None

#### **ADJOURNMENT**

Meeting was adjourned at 9:07 a.m.

**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** November 4, 2021  
**COMMITTEE MEETING DATE:** November 8, 2021  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Audit & Finance  
Committee

**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy Authority

**SUBJECT:** Resolution to Make Findings Allowing Continued Remote Meetings  
Under Brown Act

**RECOMMENDATION:**

Adopt a resolution finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees.

**BACKGROUND:**

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which rescinded his prior Executive Order N-29-20 and set a date of October 1, 2021 for public agencies to transition back to public meetings held in full compliance with the Brown Act. The original Executive Order provided that all provisions of the Brown Act that required the physical presence of members or other personnel as a condition of participation or as a quorum for a public meeting were waived for public health reasons. If these waivers fully sunset on October 1, 2021, legislative bodies subject to the Brown Act would have to contend with a sudden return to full compliance with in-person meeting requirements as they existed prior to March 2020, including the requirement for full physical public access to all teleconference locations from which committee members were participating.

On September 16, 2021, the Governor signed AB 361, a bill that formalizes and modifies the teleconference procedures implemented by California public agencies in response to the Governor's Executive Orders addressing Brown Act compliance during shelter-in-place periods. AB 361 allows a local agency to continue to use teleconferencing under the same basic rules as provided in the Executive Orders when certain circumstances occur or when certain findings have been made and adopted by the local agency.

AB 361 also requires that, if the state of emergency remains active for more than 30 days, the agency must make findings by majority vote every 30 days to continue using the bill's exemption to the Brown Act teleconferencing rules. The findings are to the

effect that the need for teleconferencing persists due to the nature of the ongoing public health emergency and the social distancing recommendations of local public health officials. **Effectively, this means that agencies, including PCEA, must agendaize a Brown Act meeting once every thirty days to make findings regarding the circumstances of the emergency and to vote to continue relying upon the law's provision for teleconference procedures in lieu of in-person meetings.**

AB 361 provides that Brown Act legislative bodies must return to in-person meetings on October 1, 2021, unless they choose to continue with fully teleconferenced meetings because a specific declaration of a state or local health emergency is appropriately made. AB 361 allows for meetings to be conducted virtually *as long as* there is a gubernatorially-proclaimed public emergency in combination with (1) local health official recommendations for social distancing or (2) adopted findings that meeting in person would present risks to health. AB 361 is effective immediately as urgency legislation and will sunset on January 1, 2024.

On September 25, 2021, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361. Out of an abundance of caution given AB 361's narrative that describes each legislative body's responsibility to reauthorize remote meetings, staff and counsel brings this memo and corresponding resolution to the attention of the Audit and Finance Committee.

On September 29, 2021, the Peninsula Clean Energy Audit & Finance Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On October 12, 2021, the Peninsula Clean Energy Audit & Finance Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

**DISCUSSION:**

Because local rates of transmission of COVID-19 are still in the "substantial" tier as measured by the Centers for Disease Control, it is recommended that the Peninsula Clean Energy Audit and Finance Committee avail itself of the provisions of AB 361 allowing continuation of online meetings by adopting findings to the effect that conducting in-person meetings would present an imminent risk to the health and safety of attendees. A resolution to that effect, and directing staff to return each 30 days with the opportunity to renew such findings, is attached hereto.

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

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

**STATE OF CALIFORNIA**

\* \* \* \* \*

**RESOLUTION FINDING THAT, AS A RESULT OF THE CONTINUING COVID-19 PANDEMIC STATE OF EMERGENCY DECLARED BY GOVERNOR NEWSOM, MEETING IN PERSON FOR MEETINGS OF THE PENINSULA CLEAN ENERGY AUDIT AND FINANCE COMMITTEE WOULD PRESENT IMMINENT RISKS TO THE HEALTH OR SAFETY OF ATTENDEES**

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**WHEREAS**, on March 4, 2020, the Governor proclaimed pursuant to his authority under the California Emergency Services Act, California Government Code section 8625, that a state of emergency exists with regard to a novel coronavirus (a disease now known as COVID-19); and

**WHEREAS**, on June 4, 2021, the Governor clarified that the “reopening” of California on June 15, 2021 did not include any change to the proclaimed state of emergency or the powers exercised thereunder, and as of the date of this Resolution, neither the Governor nor the Legislature have exercised their respective powers pursuant to California Government Code section 8629 to lift the state of emergency either by proclamation or by concurrent resolution in the state Legislature; and

**WHEREAS**, on March 17, 2020, Governor Newsom issued Executive Order N-29-20 that suspended the teleconferencing rules set forth in the California Open Meeting law, Government Code section 54950 et seq. (the “Brown Act”), provided certain requirements were met and followed; and

**WHEREAS**, on September 16, 2021, Governor Newsom signed AB 361 that provides that a legislative body subject to the Brown Act may continue to meet without fully complying with the teleconferencing rules in the Brown Act provided the legislative body determines that meeting in person would present imminent risks to the health or safety of attendees, and further requires that certain findings be made by the legislative body every thirty (30) days; and,

**WHEREAS**, California Department of Public Health (“CDPH”) and the federal Centers for Disease Control and Prevention (“CDC”) caution that the Delta variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus, may cause more severe illness, and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations (<https://www.cdc.gov/coronavirus/2019-ncov/variants/delta-variant.html>); and,

**WHEREAS**, the CDC has established a “Community Transmission” metric with 4 tiers designed to reflect a community’s COVID-19 case rate and percent positivity; and,

**WHEREAS**, the County of San Mateo currently has a Community Transmission metric of “substantial” which is the second most serious of the tiers, and;

**WHEREAS**, the Committee has an important governmental interest in protecting the health, safety and welfare of those who participate in its meetings;

**WHEREAS**, on September 25, 2021, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with

AB 361. Out of an abundance of caution given AB 361's narrative that describes each legislative body's responsibility to reauthorize remote meetings, staff and counsel bring this resolution to the attention of the Audit and Finance Committee, and;

**WHEREAS**, on September 29, 2021, the Peninsula Clean Energy Audit and Finance Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on October 12, 2021, the Peninsula Clean Energy Audit and Finance Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, in the interest of public health and safety, as affected by the emergency caused by the spread of COVID-19, the Committee deems it necessary to find that meeting in person would present imminent risks to the health or safety of attendees, and thus intends to invoke the provisions of AB 361 related to teleconferencing.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that

1. The recitals set forth above are true and correct.
2. The Committee finds that meeting in person would present imminent risks to the health or safety of attendees.
3. Staff is directed to return no later than thirty (30) days after the adoption of this resolution with an item for the Committee to consider making the

findings required by AB 361 in order to continue meeting under its provisions.

4. Staff is directed to take such other necessary or appropriate actions to implement the intent and purposes of this resolution.

\* \* \* \* \*

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
September 30, 2021  
(\$000s)



Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
September 30, 2021  
(\$000s)

<u>Net Position Balance</u>		
<u>Fiscal Year Ending</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	(\$1,044)
June 30, 2017	Audited	\$21,711
June 30, 2018	Audited	\$85,365
June 30, 2019	Audited	\$139,840
June 30, 2020	Audited	\$188,628
June 30, 2021	Audited	\$180,343
<b>September 30, 2021</b>	<b>Unaudited</b>	<b>\$178,185</b>
September 30, 2022	Budget	\$165,599

<u>Unrestricted Cash/Investments Balance</u>		
<u>Fiscal Year Ending</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	\$2,333
June 30, 2017	Audited	\$17,382
June 30, 2018	Audited	\$64,889
June 30, 2019	Audited	\$114,069
June 30, 2020	Audited	\$178,176
June 30, 2021	Audited	\$166,173
<b>September 30, 2021</b>	<b>Unaudited</b>	<b>\$157,428</b>
September 30, 2022	Budget	\$165,593

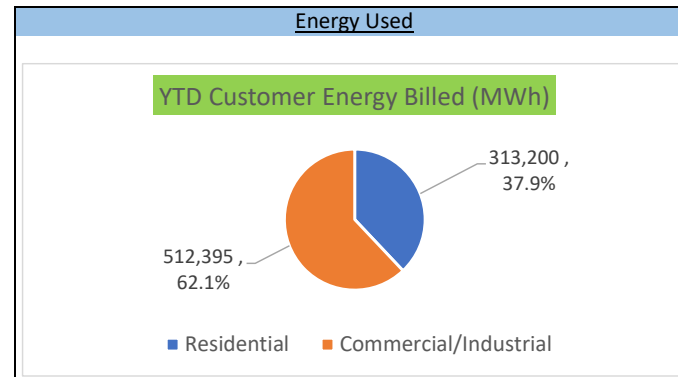
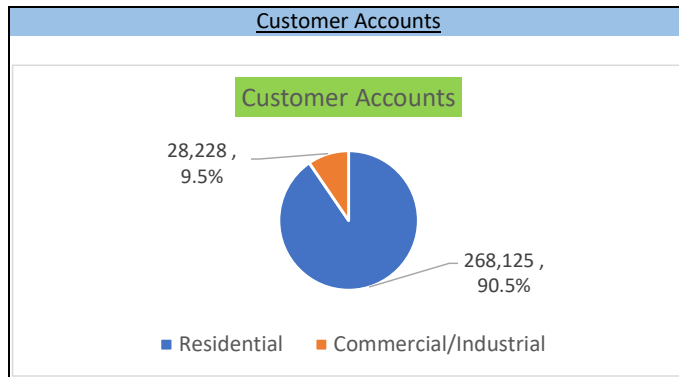
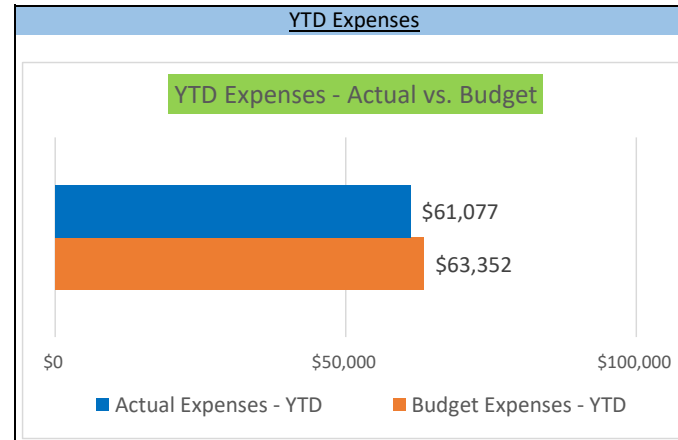
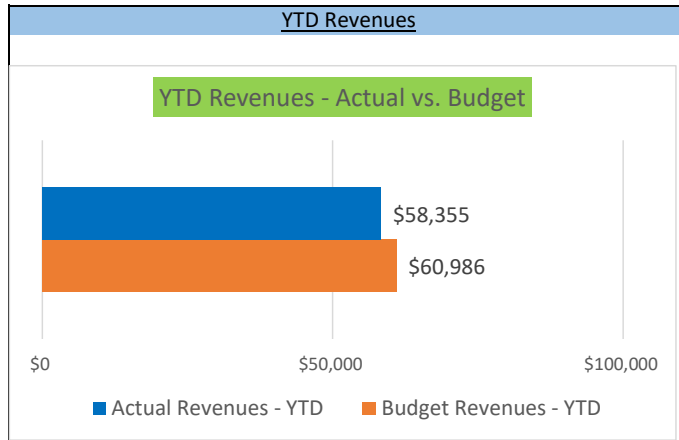
<u>Change in Net Position</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	(\$1,044)
FY2016-2017	Audited	\$22,755
FY2017-2018	Audited	\$63,655
FY2018-2019	Audited	\$54,774
FY2019-2020	Audited	\$48,788
FY2020-2021	Audited	(\$8,285)
<b>September 30, 2021</b>	<b>Unaudited YTD</b>	<b>(\$2,159)</b>
FY2021-2022	Budget	(\$18,672)

<u>Cost of Electricity</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$0
FY2016-2017	Audited	\$64,501
FY2017-2018	Audited	\$170,135
FY2018-2019	Audited	\$194,035
FY2019-2020	Audited	\$216,066
FY2020-2021	Audited	\$213,834
<b>September 30, 2021</b>	<b>Unaudited YTD</b>	<b>\$56,464</b>
FY2021-2022	Budget	\$216,706

<u>Revenues</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$0
FY2016-2017	Audited	\$93,129
FY2017-2018	Audited	\$244,738
FY2018-2019	Audited	\$259,782
FY2019-2020	Audited	\$278,093
FY2020-2021	Audited	\$228,101
<b>September 30, 2021</b>	<b>Unaudited YTD</b>	<b>\$58,355</b>
FY2021-2022	Budget	\$222,240

<u>Total Operating Expenses</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$1,041
FY2016-2017	Audited	\$70,104
FY2017-2018	Audited	\$180,970
FY2018-2019	Audited	\$207,251
FY2019-2020	Audited	\$231,482
FY2020-2021	Audited	\$236,373
<b>September 30, 2021</b>	<b>Unaudited YTD</b>	<b>\$61,077</b>
FY2021-2022	Budget	\$241,812

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
September 30, 2021  
(\$000s)



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

- **Revenues** were \$2.6 MM below Budget in Q1; 4.5% below Budgeted level.

Total load was 3.8% below budget. However, load relative to Budget was mixed.

Commercial load was above budget. Residential load was 10.4% below Budget.

- **Total Expenses** were \$2.3 MM below Budget in Q1 - All categories were below Budget.

Cost of energy was \$1.1 million below Budget. Although energy prices were high, lower usage (due to mild summer) and successful hedging practices mitigated the high prices.

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
September 30, 2021  
(\$000s)

	Year-to-date				Full Year (FY 2021-2022)		Prior Year Actual (YTD)
	Actual	Budget	Variance: Favorable / (Unfavorable)	YTD Actual as % of YTD Budget	Budget	YTD Actual as % of Full Year Budget	
<b>OPERATING REVENUES</b>							
Electricity Sales, net	\$ 57,618	\$ 60,305	\$ (2,687)	95.5%	\$ 219,619	26.2%	\$ 74,403
Green electricity premium	737	682	55	108.1%	2,621	28.1%	681
<b>Total Operating Revenues</b>	<b>\$58,355</b>	<b>\$60,986</b>	<b>(\$2,632)</b>	<b>95.7%</b>	<b>\$222,240</b>	<b>26.3%</b>	<b>\$75,084</b>
<b>OPERATING EXPENSES</b>							
Cost of energy	56,464	57,579	1,115	98.1%	216,706	26.1%	66,741
Staff compensation	1,478	1,604	126	92.1%	6,464	22.9%	1,356
Data Manager	849	855	6	99.2%	3,420	24.8%	845
Service Fees - PG&E	314	315	1	99.8%	1,260	25.0%	313
Consultants/Professional Svcs	279	325	46	85.8%	1,351	20.7%	841
Legal	319	414	95	77.0%	1,616	19.7%	374
Communications/Noticing	504	546	42	92.3%	2,068	24.4%	223
General and Administrative	455	552	97	82.5%	2,259	20.2%	410
Community Energy Programs	394	1,138	744	34.6%	6,556	6.0%	285
Depreciation	21	25	4	84.1%	112	18.5%	24
<b>Total Operating Expenses</b>	<b>61,077</b>	<b>63,352</b>	<b>2,276</b>	<b>96.4%</b>	<b>241,812</b>	<b>25.3%</b>	<b>71,413</b>
<b>Operating Income (Loss)</b>	<b>(\$2,722)</b>	<b>(\$2,366)</b>	<b>(\$356)</b>	<b>115.0%</b>	<b>(\$19,572)</b>	<b>13.9%</b>	<b>\$3,671</b>
<b>Total Nonoperating Inc/(Exp)</b>	<b>563</b>	<b>225</b>	<b>338</b>	<b>250.3%</b>	<b>900</b>	<b>62.6%</b>	<b>274</b>
<b>CHANGE IN NET POSITION</b>	<b>(\$2,159)</b>	<b>(\$2,141)</b>	<b>(\$18)</b>		<b>(\$18,672)</b>		<b>\$3,944</b>



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (PCE), a California Joint Powers Authority, which comprise the statement of net position as of September 30, 2021, and the statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. PCE's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to PCE because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
October 25, 2021

# PENINSULA CLEAN ENERGY AUTHORITY

## STATEMENT OF NET POSITION

As of September 30, 2021

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 17,947,461
Accounts receivable, net of allowance	21,378,382
Accrued revenue	11,267,128
Investments	14,586,156
Other receivables	2,717,237
Prepaid expenses	2,223,112
Deposits	7,947,178
Restricted cash	3,808,546
Total current assets	<u>81,875,200</u>

#### Noncurrent assets

Capital assets, net of depreciation	323,002
Intangible assets	2,114,527
Investments	124,374,329
Deposits and other assets	248,976
Total noncurrent assets	<u>127,060,834</u>

Total assets 208,936,034

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	22,139,528
Accounts payable	1,434,789
Other accrued liabilities	620,697
User taxes and energy surcharges due to other governments	855,299
Supplier deposits - energy suppliers	1,539,749
Lease liability	446,445
Total current liabilities	<u>27,036,507</u>

#### Noncurrent liabilities

Supplier deposits - energy suppliers	1,593,433
Lease liability	2,121,366
Total noncurrent liabilities	<u>3,714,799</u>

Total liabilities 30,751,306

### NET POSITION

Investment in capital assets	323,002
Restricted for security collateral	3,808,546
Unrestricted	<u>174,053,180</u>
Total net position	<u>\$ 178,184,728</u>

**PENINSULA CLEAN ENERGY AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**July 1, 2021 through September 30, 2021**

**OPERATING REVENUES**

Electricity sales, net	\$ 57,618,027
Green electricity premium	736,681
Total operating revenues	58,354,708

**OPERATING EXPENSES**

Cost of electricity	56,463,956
Contract services	2,538,485
Staff compensation	1,477,989
General and administration	449,292
Depreciation and amortization	126,364
Total operating expenses	61,056,086
Operating income (loss)	(2,701,378)

**NONOPERATING REVENUES (EXPENSES)**

Liquidated damages revenue	483,200
Interest and investment income (loss)	79,968
Interest expense	(20,461)
Nonoperating revenues (expenses), net	542,707

**CHANGE IN NET POSITION**

	(2,158,671)
Net position at beginning of period (as restated)	180,343,399
Net position at end of period	\$ 178,184,728

**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF CASH FLOWS**

**July 1, 2021 through September 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 56,061,111
Payments to suppliers for electricity	(56,103,294)
Payments for other goods and services	(2,852,284)
Payments for staff compensation	(1,504,736)
Payments of taxes and surcharges to other governments	(880,597)
Net cash provided (used) by operating activities	<u>(5,279,800)</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Interest expense paid	(20,461)
Deposits and collateral paid	(4,165,284)
Net cash provided (used) by non-capital financing activities	<u>(4,185,745)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from investment sales	19,003,833
Investment income received	491,351
Purchase of investments	(4,427,235)
Net cash provided (used) by investing activities	<u>15,067,949</u>

Net change in cash and cash equivalents	5,602,404
Cash and cash equivalents at beginning of period	16,153,603
Cash and cash equivalents at end of period	<u>\$ 21,756,007</u>

**Reconciliation to the Statement of Net Position**

Cash and cash equivalents (unrestricted)	\$ 17,947,461
Restricted cash	3,808,546
Cash and cash equivalents	<u>\$ 21,756,007</u>

**PENINSULA CLEAN ENERGY AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**July 1, 2021 through September 30, 2021**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (2,701,378)
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation and amortization expense	126,364
Revenue adjusted for allowance for uncollectible accounts	440,968
(Increase) decrease in:	
Accounts receivable	(3,409,354)
Accrued revenue	(312,117)
Other receivables	2,154,018
Prepaid expenses	1,348,100
Increase (decrease) in:	
Accrued cost of electricity	(1,434,728)
Accounts payable	187,681
Other accrued liabilities	(482,437)
User taxes and energy surcharges due to other governments	106,312
Lease liability	(107,581)
Supplier security deposits	(1,195,648)
Net cash provided (used) by operating activities	<u>\$ (5,279,800)</u>

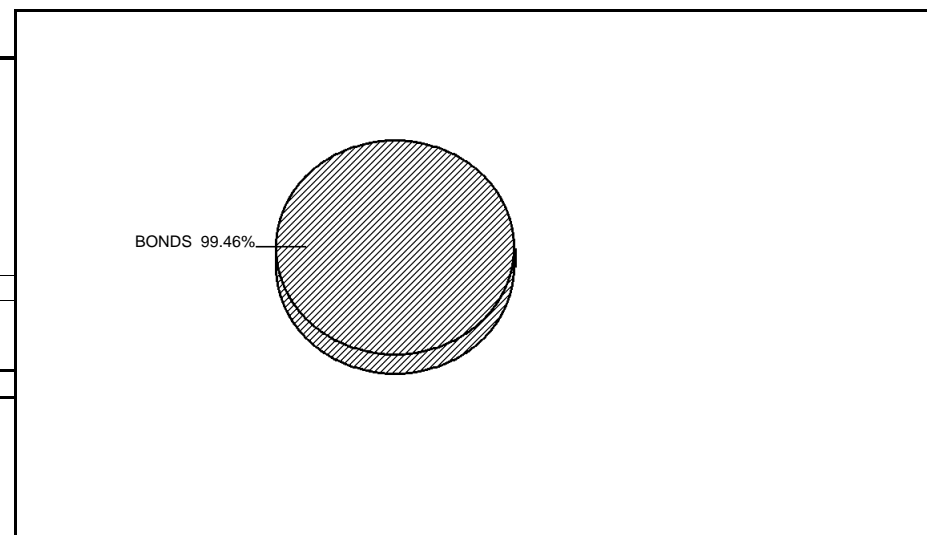


**MARKET VALUE RECONCILIATION**

	<b>CURRENT PERIOD</b> <b>07/01/2021 TO 09/30/2021</b>	<b>YEAR TO DATE</b> <b>07/01/2021 TO 09/30/2021</b>
<b>Beginning Market Value</b>	<b>78,792,787.40</b>	<b>78,792,787.40</b>
<b>Disbursements</b>		
Cash Disbursements	- 8,770,199.93	- 8,770,199.93
<b>Total Disbursements</b>	<b>- 8,770,199.93</b>	<b>- 8,770,199.93</b>
<b>Asset Activity</b>		
Taxable Interest	250,252.17	250,252.17
Realized Gain/Loss	- 67,953.31	- 67,953.31
Change In Unrealized Gain/Loss	- 99,683.47	- 99,683.47
Change In Accrued Income	- 21,602.07	- 21,602.07
<b>Total Asset Activity</b>	<b>61,013.32</b>	<b>61,013.32</b>
<b>Net Change In Market Value</b>	<b>- 8,709,186.61</b>	<b>- 8,709,186.61</b>
<b>Ending Market Value</b>	<b>70,083,600.79</b>	<b>70,083,600.79</b>

**ASSET SUMMARY**

<b>ASSETS</b>	<b>09/30/2021 MARKET VALUE</b>	<b>% OF MARKET</b>
Cash And Equivalents	162,897.07	0.23
U.S. Government Issues	50,911,748.40	72.65
Corporate Issues	12,083,030.67	17.24
Municipal Issues	6,705,862.75	9.57
<b>Total Assets</b>	<b>69,863,538.89</b>	<b>99.69</b>
Accrued Income	220,061.90	0.31
<b>Grand Total</b>	<b>70,083,600.79</b>	<b>100.00</b>



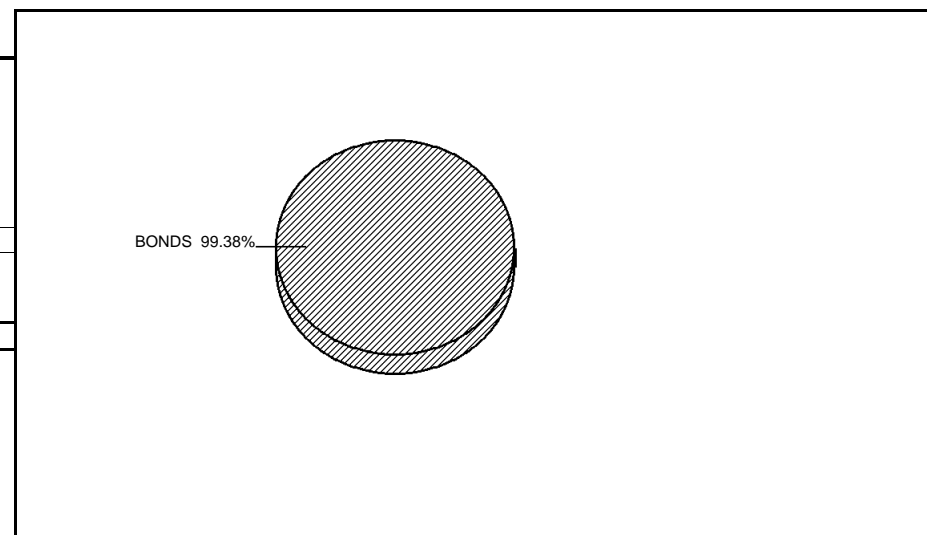


## MARKET VALUE RECONCILIATION

	CURRENT PERIOD 07/01/2021 TO 09/30/2021	YEAR TO DATE 07/01/2021 TO 09/30/2021
<b>Beginning Market Value</b>	<b>78,460,818.58</b>	<b>78,460,818.58</b>
<b>Disbursements</b>		
Cash Disbursements	- 8,785,310.70	- 8,785,310.70
<b>Total Disbursements</b>	<b>- 8,785,310.70</b>	<b>- 8,785,310.70</b>
<b>Asset Activity</b>		
Taxable Interest	240,537.47	240,537.47
Realized Gain/Loss	- 75,718.43	- 75,718.43
Change In Unrealized Gain/Loss	- 166,957.84	- 166,957.84
Change In Accrued Income	20,437.25	20,437.25
<b>Total Asset Activity</b>	<b>18,298.45</b>	<b>18,298.45</b>
<b>Net Change In Market Value</b>	<b>- 8,767,012.25</b>	<b>- 8,767,012.25</b>
<b>Ending Market Value</b>	<b>69,693,806.33</b>	<b>69,693,806.33</b>

**ASSET SUMMARY**

<b>ASSETS</b>	<b>09/30/2021 MARKET VALUE</b>	<b>% OF MARKET</b>
Cash And Equivalents	134,212.66	0.19
U.S. Government Issues	49,267,529.85	70.69
Corporate Issues	19,992,313.51	28.69
<b>Total Assets</b>	<b>69,394,056.02</b>	<b>99.57</b>
Accrued Income	299,750.31	0.43
<b>Grand Total</b>	<b>69,693,806.33</b>	<b>100.00</b>



## Audit & Finance Committee Meeting Schedule 2022

Meeting Date:	Time:	Primary Purpose:	Location:
January 13, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
January 27, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
February 14, 2022	8:30 am	<b>Q2-FY 2021 Financial Review</b>	Video/Teleconference
February 24, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
March 24, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
April 21, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
May 9, 2022	8:30 am	<b>Q3-FY2021 Financial Review/Budget Draft #1</b>	Video/Teleconference
May 26, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
June 13, 2022	8:30 am	<b>Budget Draft #2/Budget Final</b>	Video/Teleconference
June 23, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
July 21, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
August 8, 2022	8:30 am	<b>Q4-FY2021 Financial Review</b>	Video/Teleconference
August 25, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
September 24, 2022	<b>8:55 am (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
October 12, 2022 ( <b>Wednesday</b> )	8:30 am	<b>Review Audited Financial Statements FY2021</b>	Video/Teleconference
November 7, 2022	8:30 am	<b>Q1-FY2022 Financial Review</b>	Video/Teleconference
November 17, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference
December 15, 2022	<b>6:25 pm (BOD)</b>	AB 361 (first 5 mins of BOD)	Video/Teleconference