

**Regular Meeting of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)****AGENDA****Thursday, November 18, 2021****6:30 p.m.****Zoom Link:** <https://pencleanenergy.zoom.us/j/82688645399>**Meeting ID:** 826-8864-5399 **Passcode:** 2075 **Phone:** +1(346)248-7799**NOTE: Please see attached document for additional detailed teleconference instructions.**

In accordance with AB 361, the Board 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 Board 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. 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 of Directors, 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 Board of Directors 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 Board are customarily limited to two minutes per speaker. The Board 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 October 28, 2021 Meeting
2. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings

REGULAR AGENDA

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

5. Citizens Advisory Committee Report (Discussion)
6. Approval of Draft Program Plan for California Public Utilities Commission (CPUC) Market Access Program (Action)
7. Resolution Delegating Authority to Chief Executive Officer to Execute the Power Purchase and Sale Agreement, as Revised, for Renewable Supply With Gonzaga Ridge Wind Farm, LLC, and any Necessary Ancillary Documents With a Power Delivery Term of 15 Years Beginning at the Commercial Operation Date on or About October 31, 2024, in an Amount Not to Exceed \$204 Million
8. Approval of 2022 Board of Directors Schedule of Meetings (Action)
9. Board Members' Reports (Discussion)

INFORMATIONAL REPORTS

10. Update on Marketing, Outreach Activities, and Customer Care
11. Update on Regulatory Policy Activities
12. Update on Legislative Activities
13. Update on Community Energy Programs
14. Update on Energy Supply Procurement
15. Financial Reports for Quarter Ending September 30, 2021
16. Report on California Community Power (CC Power) Joint Powers Authority
17. Industry Acronyms and Terms

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

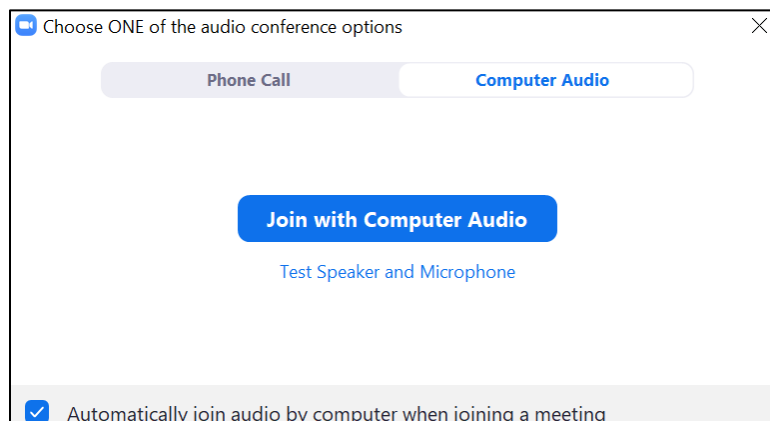
Videoconference Options:

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:

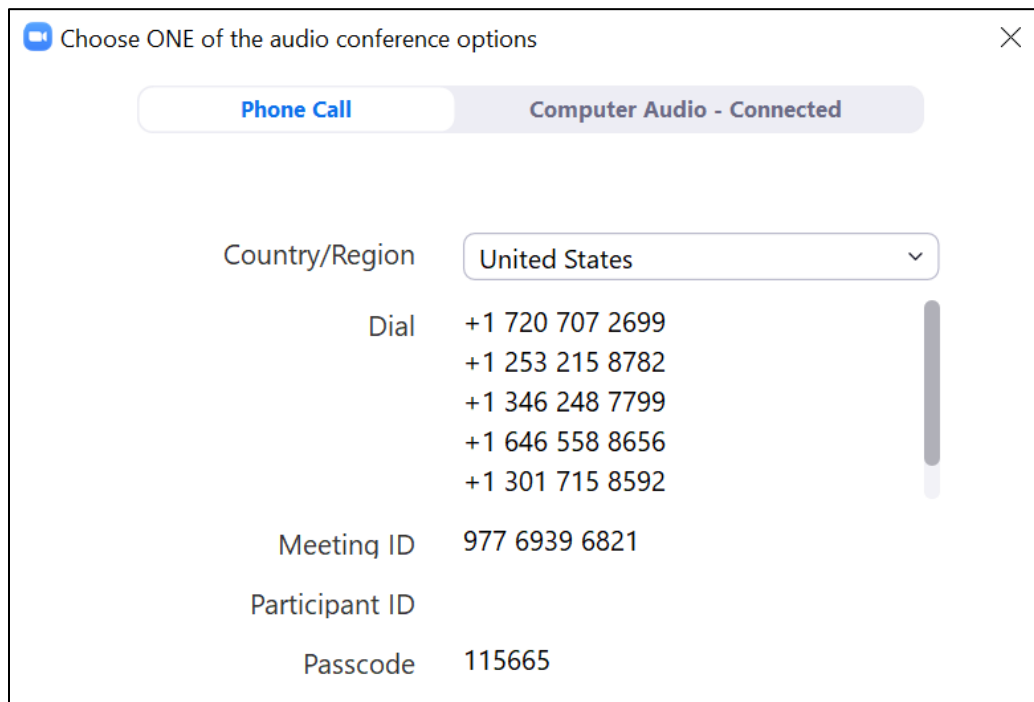
1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: <https://pencleanenergy.zoom.us/j/97769396821>
2. The Zoom application will open on its own or you will be instructed to open Zoom.
3. After the application opens, the pop-up screen below will 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/97769396821>
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 audioconference options. Click on the Phone Call option at the top of the pop-up screen.



The screenshot shows a Zoom pop-up window titled "Choose ONE of the audio conference options". At the top, there are two tabs: "Phone Call" (selected) and "Computer Audio - Connected". Below the tabs, there is a "Country/Region" dropdown menu set to "United States". Underneath, a list of phone numbers is shown with a vertical scrollbar on the right. The numbers are: +1 720 707 2699, +1 253 215 8782, +1 346 248 7799, +1 646 558 8656, and +1 301 715 8592. Below the list, the "Meeting ID" is 977 6939 6821, the "Participant ID" is blank, and the "Passcode" is 115665.

4. Please dial +1 (669) 900-9128
5. You will be instructed to enter the meeting ID: **977-6939-6821 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: **977-6939-6821 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 **115665 followed by #**.

Regular Meeting of the Board of Directors of the Peninsula Clean Energy Authority (PCEA) Minutes

Thursday, October 28, 2021
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 6:31 p.m. in virtual teleconference.

ROLL CALL

Participating Remotely:

Dave Pine, San Mateo County
Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Raquel Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Harvey Rarback, Half Moon Bay
Laurence May, Hillsborough
Tom Faria, Los Banos
Betsy Nash, Menlo Park
Ann Schneider, Millbrae, arrived at 6:33 p.m.
Mary Bier, Pacifica
Jeff Aalfs, Portola Valley
Giselle Hale, Redwood City
Marty Medina, San Bruno
Laura Parmer-Lohan, San Carlos
Rick Bonilla, San Mateo, arrived at 6:33 p.m.
Flor Nicolas, South San Francisco

Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent:

Carole Groom, San Mateo County
Carlos Romero, East Palo Alto
Sam Hindi, Foster City
Jennifer Wall, Woodside

Staff:

Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
Leslie Brown, Director of Customer Care
KJ Janowski, Director of Marketing and
Community Relations
Siobhan Doherty, Director of Power
Resources
Marc Hershman, Director of Government
Affairs
Rafael Reyes, Director of Community Energy
Programs
Jeremy Waen, Director of Regulatory Policy
David Silberman, General Counsel
Darren Goode, Public Relations Consultant
Shayna Barnes, Operations Specialist
Phillip Kobernick, Programs Manager
Dave Fribush, DER Technical Advisor
Nelly Wogberg, Board Clerk

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET THE AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

MOTION: Director Colson moved, seconded by Director Nicolas to set the Agenda, and approve Agenda Item Numbers 1-5.

1. Approval of the Minutes for the September 25, 2021 Board Retreat
2. Approval of a 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
3. Approval of a Contract with UC Davis for EV Managed Charging Pilot
4. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings
5. Approval of a Resolution to Approve an Amendment to the Contract with Newgen to add Phase Two Services for Ongoing Support and Other Analyses and Increase the Not to Exceed Amount to \$145,000

MOTION PASSED: 19-0 (Absent: San Mateo County, East Palo Alto, Foster City, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Groom				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero				X
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director May	X			
Los Banos	Director Faria	X			
Menlo Park	Director Nash	X			
Millbrae	Director Schneider	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			

San Mateo	Director Bonilla	X			
South San Francisco	Director Nicolas	X			
Woodside	Director Wall				X
	Totals	19			4

REGULAR AGENDA

6. Chair Report

Chair DeGolia reminded Board Members that meeting dates for November and December Board of Director meetings will not fall on the typical 4th Thursday due to holiday conflicts and information on a conference that he and Director Aalfs attended.

7. CEO Report

Jan Pepper, CEO, gave a presentation with staffing updates including two new hires, one hire in process and an open recruitment, and an update on California Community Power's (CC Power) Request for Offers for 200 Megawatts of Firm Clean Resources.

8. Citizens Advisory Committee Report

Kirsten Andrews-Schwind, Senior Manager of Community Relations, gave a report on behalf of Ray Larios, that the Citizens Advisory Commission (CAC) passed a Resolution in honor of Desiree Thayer for her two terms as the CAC Chair.

9. Approval of the Audited Financial Statements for Fiscal Year (FY) 2020-2021 (Action)

Andy Stern, Chief Financial Officer, gave a presentation on the audited financial statements including the auditor conclusions which found no significant deficiencies or material weakness in the internal controls and found the financial statements materially accurate.

Director May reported on the meeting that he and Director Colson had with the auditors. Director May reported that they had no questions, but highly complemented the audit procedures both with staff and the auditors.

MOTION: Director May moved, seconded by Director Dugan to approve the Audited Financial Statements for Fiscal Year (FY) 2020-2021.

MOTION PASSED: 19-0 (Absent: San Mateo County, East Palo Alto, Foster City, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Groom				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			

Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero				X
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director May	X			
Los Banos	Director Faria	X			
Menlo Park	Director Nash	X			
Millbrae	Director Schneider	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Bonilla	X			
South San Francisco	Director Nicolas	X			
Woodside	Director Wall				X
	Totals	19			4

10. Approval of a Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase and Sale Agreement for Renewable Supply with Arica Solar, LLC, and any Necessary Ancillary Documents with a Power Delivery Term of 15 Years Starting at the Commercial Operation Date on or about April 1, 2024, in an Amount Not to Exceed \$215 Million (Action)

Siobhan Doherty, Director of Power Resources, gave a presentation on a Power Purchase and Sale Agreement (PPA) with Arica Solar, LLC including request for proposal history, contract structure, labor agreements, permitting, an environmental review, and generation information.

MOTION: Director Bonilla moved, seconded by Director Schneider to Approve Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase Agreement for Renewable Supply Arica Solar, LLC, and any necessary ancillary documents with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about April 1, 2024, in an amount not to exceed \$215 million.

Siobhan answered questions on Resource Adequacy (RA) credits, solar charging versus grid charging of the storage facilities, and the pricing of batteries.

Public Comment: Mark Roest

MOTION PASSED: 19-0 (Absent: San Mateo County, East Palo Alto, Foster City, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Groom				X

Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero				X
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director May	X			
Los Banos	Director Faria	X			
Menlo Park	Director Nash	X			
Millbrae	Director Schneider	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Bonilla	X			
South San Francisco	Director Nicolas	X			
Woodside	Director Wall				X
	Totals	19			4

10A. Approval of a Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase and Sale Agreement for Renewable Supply with Gonzaga Ridge Wind Farm, LLC**, and any Necessary Ancillary Documents with a Power Delivery Term of 15 Years Starting at the Commercial Operation Date on or about October 31, 2024, in an Amount Not to Exceed \$204 Million (Action)

Chelsea Keys, Senior Manager of Power Resources, gave a presentation on a Power Purchase and Sale Agreement (PPA) with Gonzaga Ridge Wind Farm, LLC. including request for proposal history, contract structure, labor agreements, permitting, an environmental review, and generation information.

Board Members discussed the impact of wind technology and flying animal impacts, the type of turbines being installed in wind farms, and energy storage information.

Public Comment: Mark Roest

MOTION: Director Faria moved, seconded by Director Mates to Approve Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase Agreement for Renewable Supply with Gonzaga Ridge Wind Farm, LLC, and any necessary ancillary documents with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about October 31, 2024, in an amount not to exceed \$204 million.

MOTION PASSED: 19-0 (Absent: San Mateo County, East Palo Alto, Foster City, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Groom				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero				X
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director May	X			
Los Banos	Director Faria	X			
Menlo Park	Director Nash	X			
Millbrae	Director Schneider	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Bonilla	X			
South San Francisco	Director Nicolas	X			
Woodside	Director Wall				X
	Totals	19			4

11. Approval of a Resolution Delegating Authority to the Chief Executive Officer to Execute an Agreement with GCAP Services, Inc. in Amount Not to Exceed \$175,650 for Diversity, Equity, Accessibility, and Inclusion Consulting Services (Action)

Shayna Barnes, Operations Specialist, gave a presentation on the Diversity, Equity, Accessibility, and Inclusion (DEAI) contract approval with GCAP Services, Inc. including background on the project and the Citizens Advisory Committee Equity statement, SB 255 and Utility Supplier Diversity, the DEAI request for proposal process, and background information on GCAP Services, Inc. and their subcontractor, Rosales Business Partners.

Board Members discussed their enthusiasm for the project and appreciation to the DEAI Subcommittee, as well as next steps in developing a DEAI Policy for Peninsula Clean Energy.

Public Comment: Mark Roest

MOTION: Director Daus-Magbual moved, seconded by Director Rarback to Approve a contract with GCAP Services, Inc. for Diversity, Equity, Accessibility, and Inclusion (DEAI) Consulting Services in an amount not to exceed \$175,650.

MOTION PASSED: 19-0 (Absent: San Mateo County, East Palo Alto, Foster City, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Groom				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero				X
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director May	X			
Los Banos	Director Faria	X			
Menlo Park	Director Nash	X			
Millbrae	Director Schneider	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Bonilla	X			
South San Francisco	Director Nicolas	X			
Woodside	Director Wall				X
	Totals	19			4

12. Update on California Community Power (CC Power) Long Duration Storage Project (Discussion)

Siobhan Doherty, Director of Power Resources, provided an update on the California Community Power (CC Power) Long Duration Storage Project including background information on the request for offers (RFO), evaluation of offers received, the shortlisting and negotiating process, contract structure, and information on LS Power's Tumbleweed project.

Board Members discussed the Commercial Operating Date (COD), and which Community Choice Aggregators (CCAs) are participating in this project.

Public Comment: Mark Roest

13. Board Members' Reports.

Director Faria recognized Sandra Benetti for joining Peninsula Clean Energy as our new Associate Manager, Community Relations. Sandra was formerly with the City of Los Banos.

Director Schneider noted that she serves on a statewide commission looking at markets for recyclables and handling the clean-up legislation for SB 1383. She asked the commission to add biomass to their workload.

Chair DeGolia announced that the new Atherton Town Center building is now open, and staff moved in last week. There is no methane gas associated with this building as it is all-electric.

ADJOURNMENT

Meeting was adjourned at 8:21 p.m.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: November 9, 2021
BOARD MEETING DATE: November 18, 2021
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 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 board 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 agendize 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 Board of Directors for another 30-day extension.

On October 28, 2021, the Peninsula Clean Energy Board of Directors 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 Board 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
BOARD OF DIRECTORS WOULD PRESENT IMMINENT RISKS TO THE HEALTH
OR SAFETY OF ATTENDEES**

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

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 Board of Directors, and;

WHEREAS, on October 28, 2021, the Peninsula Clean Energy Board of Directors 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 Board 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 Board 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 Board 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 AUTHORITY
JPA Board Correspondence

DATE: November 15, 2021
BOARD MEETING DATE: November 18, 2021
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority (PCEA) Board of Directors
FROM: Jan Pepper, Chief Executive Officer
SUBJECT: CEO Report

REPORT

Staffing Updates:

I am very pleased to announce three new additions to the PCE team:

- Sandra Benetti joined Peninsula Clean Energy on November 1 as the Associate Manager, Community Relations in Los Banos.
- Blake Herrschaft is joining Peninsula Clean Energy as our Building Electrification Programs Manager, effective November 29.
- Masha Doubrovskaya is joining Peninsula Clean Energy as our Account Services Analyst, effective November 29.

I am working with some board members to bring on a search firm for the recruitment of a Chief Operating Officer. We hope to get this position filled early in 2022.

Impact of COVID-19 on PCE Load

Summary graphs of the impact of COVID-19 on PCE's load will be presented at the board meeting.

Reach Codes

Attached to this report is an updated table showing the status of Reach Code adoption by Peninsula Clean Energy jurisdictions. New items:

- Oct 12: Belmont City Council directed staff to develop a new construction reach code
- Nov 3: Atherton Council directed staff to develop a new construction reach code
- Oct 5: Half Moon Bay Council directed staff to develop a new and existing construction reach code
 - First reading is Tuesday, November 16

Member Agency	Reach Code Status	Building (proposed)	EV
Brisbane	Adopted	All-electric w/ exceptions	PCE model code (variant)
Burlingame	Adopted	All-electric w/ exceptions	PCE model code (variant)
Daly City	Adopted	All-electric w/ exceptions	PCE model code
East Palo Alto	Adopted	All-electric w/ exceptions	PCE model code (variant)
Millbrae	Adopted	All-electric w/ exceptions	PCE model code (variant)
Menlo Park	Adopted	All-electric w/ exceptions	(existing EV code)
Pacifica	Adopted	All-electric w/ exceptions	(existing EV code)
County of San Mateo	Adopted	All-electric w/ exceptions	PCE model code
Redwood City	Adopted	All-electric w/ exceptions	PCE model code
San Mateo	Adopted	All-electric w/ exceptions (updated)	Increase EV capable
San Carlos	Adopted	All-electric w/ exceptions (updated)	PCE model code
South San Francisco	Adopted	All-electric w/ exceptions (residential)	PCE model code
Colma	Adopted	Prewiring required	Increase EV capable
Portola Valley	1 st reading TBD	(All-electric w/ exceptions)	(existing EV code)
Half Moon Bay	1st reading 11/16	All-electric new construction + existing construction	PCE model code
Atherton, Belmont	Under development		
Foster City, Hillsborough, San Bruno	Staff discussions or Council briefing done		
Woodside	Declined		

Other Meetings and Events Attended by CEO

Attended November 10 meeting of CC Power. The notes from this board meeting are found in this agenda package.

Every year, we hold an in-district meeting with the legislators that represent us in Sacramento as an opportunity for PCE staff and board members to discuss PCE-specific issues. We have held and are scheduled to hold the following meetings:

- Met with Assembly Member Marc Berman on October 25, along with Peninsula Clean Energy board members Rick DeGolia (Atherton) and Jenn Wall (Woodside) to thank him for his support of CCA issues and his outlook on 2022.
- Meeting with State Senator Scott Wiener on November 15.
- Meeting with State Senator Josh Becker on November 19.
- Meeting with Assembly Member Kevin Mullin on December 9.

Met with 4 Los Banos Council Members on November 9, along with Sandra Benetti and Marc Hershman, to update them on Peninsula Clean Energy's enrollment of Los Banos residential and commercial customers in April 2022.

Will participate in “Defining Tiers of Decarbonization Collaborative Session” on November 19, sponsored by the Smart Electric Power Alliance (SEPA).

Participated in the annual CalCCA board retreat on November 8 and 9. Also attended weekly and monthly CalCCA Board and Executive Committee meetings.

Participated in SV5 (formerly called MAG5) meetings.



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: Nov. 8, 2021

BOARD MEETING DATE: Nov. 18, 2021

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: Approval of Draft Program Plan for CPUC Market Access Program

RECOMMENDATION

Approval of Draft Program Plan for CPUC Market Access Program.

BACKGROUND

Peninsula Clean Energy's organizational priorities include supporting the service territory in reaching a goal to be 100% greenhouse gas-free and to deliver 100% renewable energy each and every hour of the day. Achieving these two goals requires shifting uses of methane gas and petroleum to electric power (electrification) and fostering alignment between power demand and renewable supply.

Two peer community choice energy agencies (MCE, East Bay Community Energy) have implemented a program platform known as a "FLEXmarket" to support both electrification and demand alignment. PG&E has also been piloting it.

The FLEXmarket is a market-driven resource program that assigns an hourly price to measured, behind-the-meter energy load reduction impacts. Energy companies can then implement local projects to deliver efficiency and load shifting and be paid based on measured outcomes. The FLEXmarket is supported by a robust measurement and verification ("M&V") plan, and a program platform that will be regularly updated with smart meter data covering Peninsula Clean Energy's entire service area. This model offers significant innovation over traditional approaches that pay on specific installed measures with imprecise or very expensive outcome measurement.

The effect of the FLEXmarket structure is to enable grid serving demand flexibility, what is sometimes referred to as a “virtual power plant” (VPP), using a market approach as opposed to a more conventional direct control management approach. It also allows the top-level program administrator to focus on managing to end performance, leaving the specific approach (customer segment, technology, marketing) to the energy companies.

Through the program, Peninsula Clean Energy seeks to achieve the following outcomes:

- Peak load reduction benefits
- Avoided GHG
- Customer utility bill savings
- Energy savings

Recent Developments: In recent weeks there have been two significant developments. PCE’s data manager Calpine formally partnered with Recurve to make available the FLEXmarket through a streamlined program. That development accelerated PCE’s investigations and PCE has been engaged in close discussions with Calpine and Recurve since June on program and contracting structures.

Subsequently, the California Public Utilities Commission (CPUC) released on October 29th a Proposed Decision as part of rulemaking for Energy Efficiency Actions to Enhance Summer 2022 and 2023 Electric Reliability. This is one of a series of accelerated policy efforts by the CPUC to address concerns surrounding power reliability in the next two years.

In the Proposed Decision, the CPUC proposes the creation of a \$150 million program to dramatically expand the FLEXmarket concept state-wide (referred to as a “Market Access” program by the CPUC). The program would be funded through existing rate-payer Public Purpose funds and available to existing authorized Program Administrators. PCE is not currently an authorized Program Administrator. The timeline for the CPUC process is rapid, with a Final Decision expected as soon as December 2nd and a requirement that interested Program Administrators wishing to participate in the Market Access/FLEXmarket program submit a participation request no later than 45 days after the Final Decision is issued, likely mid-January.

DISCUSSION

PCE has been investigating the FLEXmarket for months. Overall, the FLEXmarket approach is novel and presents a potentially significant innovation in delivering certain program objectives. The program structure provides potentially delivering greater impact for the same investment as well as novel partnership opportunities, such as PCE key accounts.

It is however, not yet demonstrated. Preliminary indications from MCE, the earliest adopter, are positive including both in yield and in drawing more energy companies to

participate. PCE has requested additional data from their validated August performance and that data is expected soon.

The CPUC Proposed Decision however has created a new, time sensitive opportunity and challenge. The opportunity is the prospect that PCE could launch a FLEXmarket program with its costs fully recovered via CPUC directed Public Purpose funds, delivering a high value opportunity to its customers and service providers. If PCE launched a FLEXmarket on its own it would likely be uncompetitive to one operated by PG&E as PCE would likely not be able to offer as attractive a price point to energy companies.

The challenge is the very compressed timeframe required to secure CPUC authorization to participate. As part of a request for authorization to become a Program Administrator, PCE must submit a Program Plan to the CPUC and have it authorized in time to subsequently request participate in the Market Access program. PCE is seeking to request that the CPUC allow these two actions to happen together. It remains to be determined if PCE will be successful in this request.

In the interim, PCE is requesting approval of a Draft Program Plan to submit to the CPUC. The Draft Program Plan is modeled after the plan developed by EBCE. The major features of the plan are:

- An open market that service providers can participate in across all solutions including energy efficiency, smart controls of all kinds, and batteries.
- Inclusion of select customer segments in both residential and commercial where there is potential and overlap with existing programs is limited.
- Setting price points based on the state-wide “Avoided Cost Calculator” which provides a formal methodology for valuation of avoided costs such as generation, transmission, distribution, greenhouse gas mitigation and other factors.
- PCE providing payments to service providers according to those price points and recouping those funds from the CPUC.
- Partnering with Calpine and Recurve to deliver the FLEXmarket.
- Providing formal measurement and verification, as well as auditing, to the CPUC consistent with CPUC requirements.
- Coordinating with PG&E and other providers on program details to ensure resources provided are not double-counted in local and state programs.
- Launching the program in time to deliver grid benefits for the 2022 summer period and beyond.

The draft plan is attached. Additional quantification is forthcoming but may not be available until after the Board meeting. Specific contracts that would be considered under this program would come to the Board at a future date.

FISCAL IMPACT

Approval of the Draft Program Plan has no immediate fiscal impact. If the plan is approved by the CPUC and implemented by PCE it will result in expenditures that will be fully

recovered from the CPUC. The cost of the program will be determined at a later date by the CPUC.

ATTACHMENTS

- Draft Program Plan
- Resolution

STRATEGIC PLAN

Goal 1 – Power Resources

Objective B: Clean Power: Design a diverse power portfolio that is 100% carbon free by 2021; and 100% carbon free by 2025 on a 24 x 7 basis

Goal 3 – Community Energy Programs

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

Objective B: Community Benefits: Deliver tangible benefits throughout our diverse communities

- Key Tactic 2. Develop programs that support the satisfaction and retention of residential and key accounts
- Key Tactic 4. Ensure programs are broadly deployed across the County

Objective C: Innovation and Scale: Leverage leadership, innovation and regulatory action for scaled impact

- Key Tactic 1. Identify, pilot, and develop innovative solutions for decarbonization



Peninsula Clean Energy's Market Access Program Plan

Prepared: November 12, 2021

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1 INTRODUCTION

Peninsula Clean Energy Authority issues this Program Plan for the purpose of advancing building decarbonization and aligning power demand with renewable power supply.

This document provides:

- General background on Peninsula Clean Energy
- Detail on the Peninsula Clean Energy Market Access program
- An outline on how the program will comply with state requirements

1.1 About Peninsula Clean Energy

Peninsula Clean Energy is a Community Choice Aggregation agency. It is the official electricity provider for San Mateo County and, beginning in 2022, for the City of Los Banos. Founded in 2016, the agency serves 295,000 customers by procuring approximately 3,500 gigawatt hours annually of electricity that is 100% renewable or carbon-free and at a lower cost than PG&E.

As a community-led, not-for-profit agency, Peninsula Clean Energy's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. The agency has earned investment grade credit ratings from Moody's and Fitch. For more information on Peninsula Clean Energy, please go to www.peninsulacleanenergy.com.

1.1.1 Organizational Priorities & Current Programs

Peninsula Clean Energy has two strategic organizational priorities:

- 1) By 2025, deliver 100% renewable energy each and every hour of the day
- 2) Contribute to the service territory reaching the state's goal to be 100% greenhouse gas-free by 2045

Most recently the organization has begun to assess the feasibility of accelerating the second organizational priority for decarbonization to 2035.

Peninsula Clean Energy has in progress a spectrum of existing programs which complement the Market Access program described in this plan including:

- Used Electric Vehicle incentives, which include up to \$4,000 for low-income residents
- EV charging incentives and technical assistance, which include a special emphasis on the needs of multi-unit dwellings
- Municipal and residential solar and storage programs
- Heat pump water heater incentives and a forthcoming on-bill finance program
- Low-income turnkey home upgrade program

- Reach code program for new and existing building codes
- Pilot for advanced combined space and water heating system

1.2 Overview of Market Access Program

Peninsula Clean Energy's Market Access Program, also commonly referred to as FLEXmarket, is a market-based program structure for delivering energy efficiency and power demand flexibility to support grid needs. The market structure allows a) setting a price point for distributed energy services provided by companies working locally (service providers) and b) paying the companies according to that price point based on their actual performance yield as measured by industry-standard meter data analysis.

The yield measurement is based on the open-source CalTRACK methodologies for Normalized Metered Energy Consumption (NMEC) analysis of portfolios of treated sites and compares them against a counterfactual - the estimated consumption of energy in a building following an intervention as if the intervention had not taken place. This methodology is both low-cost and "smooths out" the natural variability found from building to building.

1.2.1 Summary Yield and Budget

Two budgets are proposed for the two-year term with program yields as shown in Table 1 below. These first figures are based on an assumed load prorated budget and the second larger yield reflects greater assessed potential and budget to provide it.

In both cases these reflect program designs in accordance with the October 29, 2021 Proposed Decision in Rulemaking 13-11-005. Should the CPUC propose an alternate budget or program design requirements, the metrics will be updated accordingly. Further detail may be found below in Sections 2 and 3 on approach and costs.

Table 1: Summary Yield and Budget

Metric	Option 1: Prorated Budget Forecast	Option 2: Assessed Potential Budget & Forecast
Total Budget	\$2,350,000	\$5,000,000
Gross kWh Savings	2,009,942	4,243,122
Net kWh Savings	1,808,948	3,848,810
Peak kW Demand Impact (Gross)	916	1,948
Peak kW Demand Impact (Net)	824	1,753
Total System Benefit (TSB)	\$2,153,739	\$4,582,401
Total Resource Cost (TRC)	0.67	0.67
Program Administrator Cost (PAC)	0.92	0.92

Through the Market Access Program, Peninsula Clean Energy seeks to achieve the following outcomes:

- Peak load reduction benefits
- Avoided GHG
- Customer utility bill savings
- Energy savings

The program is designed to incent behaviors and solutions that directly address the needs espoused in the Emergency Proclamation; namely, reducing peak demand and improving grid reliability.

1.3 Consideration Requested to the California Public Utilities Commission

Peninsula Clean Energy is electing to become an administrator of ratepayer funds by the California Public Utilities Commission (“CPUC”) for cost-effective energy efficiency and conservation programs. Peninsula Clean Energy submits this program plan to the CPUC for certification under California Public Utilities Code 381.1 (e) and (f) to administer one program: a Market Access Pay-for-Performance program, also known as FLEXmarket.

Peninsula Clean Energy has deep connections to the communities it serves and is fully qualified to provide energy services to our customers. Peninsula Clean Energy puts forth this energy program plan pursuant to Public Utilities Code 381.1:

(e) The impartial process established by the commission shall allow a registered community choice aggregator to elect to become the administrator of funds collected from the aggregator’s electric service customers and collected through a non-bypassable charge authorized by the commission, for cost-effective energy efficiency and conservation programs, except those funds collected for broader statewide and regional programs authorized by the commission.

(f) A community choice aggregator electing to become an administrator shall submit a plan, approved by its governing board, to the commission for the administration of cost-effective energy efficiency and conservation programs for the aggregator’s electric service customers that includes funding requirements, a program description, a cost-effectiveness analysis, and the duration of the program. The commission shall certify that the plan submitted does all of the following:

- 1) Is consistent with the goals of the programs established pursuant to this section and Section 399.4.
- 2) Advances the public interest in maximizing cost-effective electricity savings and related benefits.
- 3) Accommodates the need for broader statewide or regional programs.

- 4) Includes audit and reporting requirements consistent with the audit and reporting requirements established by the commission pursuant to this section.
- 5) Includes evaluation, measurement, and verification protocols established by the community choice aggregator.
- 6) Includes performance metrics regarding the community choice aggregator's achievement of the objectives listed in paragraphs (1) to (5), inclusive, and in any previous plan.

2 Market Access Program

2.1 Approach

2.1.1 Program Structure

The FLEXmarket is a market-driven resource program that assigns an hourly value to measured, behind-the-meter (“BTM”) load reduction impacts. The FLEXmarket is supported by a robust measurement and verification (“M&V”) plan, and a program platform that will be regularly updated with smart meter data covering Peninsula Clean Energy’s entire service area.

The FLEXmarket platform typically includes two major mechanisms: a) energy efficiency market, and b) peak market. Typically the Energy Efficiency Market assigns an hourly value based on avoided costs and the Peak market integrates an hourly value for peak hours as determined by Peninsula Clean Energy (or the Commission, should this request for funding be approved).

If this plan is approved as part of the CPUC Market Access program under consideration, the Energy Efficiency Market will be optimized to deliver summer reliability through permanent load reduction and permanent load shift through price signals that include a “peak kicker” that will strongly favor reductions during the critical summer peak periods. The effect will be to deliver efficiency and permanent peak shifts through a unified mechanism.

One of the primary attributes of a price-signal driven program is that it enables the FLEXmarket to remain technology agnostic. It is a program framework with the tools to measure and value hourly reductions in energy use.

This has a number of strategic benefits:

- Providing greater flexibility to adapt to market conditions by avoiding prescriptive solutions;
- Dramatically reducing risk to program funding, as program payments are made entirely on a performance basis;
- Allowing rapid program scaling and expansion by avoiding the administratively burdensome process of launching direct contracts with service providers;
- Seamless integration with existing EE programs.

Customers and/or service providers can participate under the market with a full spectrum of offerings including traditional efficiency, demand response, load shaping tactics, and other solutions that generate verifiable results and can also be accommodated without administrative requirements. By offering a payment for energy reductions that values a range of resources equally, the FLEXmarket ensures that incentives flow to projects with verifiable impacts and allows for different behind-the-meter solutions to work together in a coordinated way.

2.1.2 Program Enrollment

Program enrollment is available to any service provider. It is expected that a broad range of service providers will enroll from large energy services administrators, startup technology

companies, non-profit service providers, and small independent firms. In addition, large individual customers may themselves directly participate to increase their direct economic benefit and motivation to deliver.

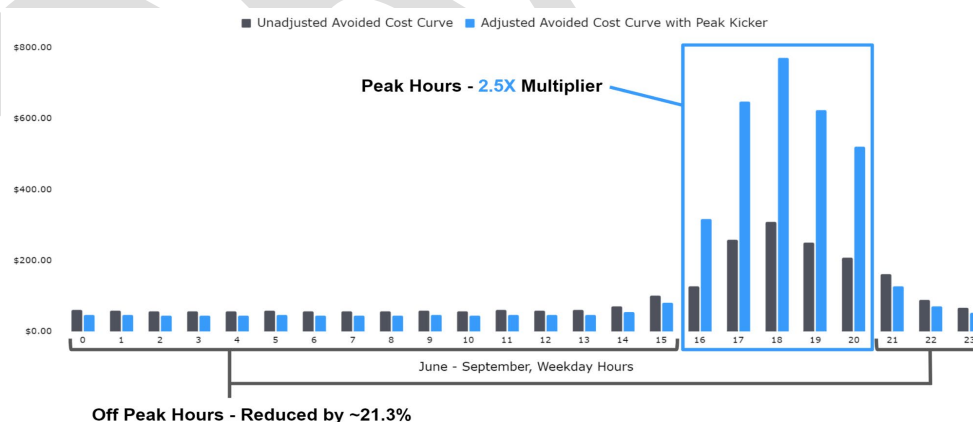
Service providers enroll by signing a “Flexibility Purchase Agreement,” which outlines the key terms of participation and requirements. Service providers may then submit participating meters to the FLEXmarket, where they are pre-screened for data sufficiency, potential dual program enrollment, and other factors that may impact eligibility. Once eligibility is confirmed, a service provider’s customer portfolio is tracked, and compensation is provided based on demonstrated performance.

Existing programs at MCE and East Bay Community Energy have demonstrated market participation from service providers who are new to programs such as demand response. These partners have now been presented with a value proposition for demand flexibility, which can be incorporated into new project specifications and incentive structures in ways not previously available given current complex and difficult to join alternative existing programs.

2.1.3 Payment/Incentive Structure

Assuming participation in the CPUC Market Access program, payments to service providers are anchored on the Total System Benefit¹ (TSB) avoided cost curve, with a 2.5X multiplier applied to peak hours. Value is subtracted from non-peak hours to offset the increase in value of peak hours. This kicker is projected to increase the summer weekday peak hour average value from \$230/MWh to \$576/MWh (see Figure 1 below), providing ample incentive for service providers to target peak hour reductions. In order to offset the increase in peak hour value, the value of all non-peak hours throughout the year is reduced by approximately 21.3% in the projected model. These figures will be subject to refinement upon program approval.

Figure 1: “Peak Kicker” Avoided Cost Curve Adjustment



¹ “Total system benefit” is a new metric established by the CPUC that provides an expression, in dollar value, of the lifecycle energy, capacity, and GHG benefits of an energy efficiency program portfolio. <https://www.cpuc.ca.gov/news-and-updates/all-news/cpuc-better-aligns-energy-efficiency-programs-to-reduce-ghg-emissions-and-increase-grid-stability>

Although this change is made for payments to service providers, TSB benefits calculated and forecasted for the program are based on the original, unadjusted TSB avoided cost curve. For this reason, the forecasted Program Administrator Cost² (PAC) is 0.92 for the program. The forecasted TRC is below 1.0 due to anticipated participant cost and adaptation of program design to meet the parameters described in the PD. However, following the 2022-2023 Summer Reliability focused program, the incentive design can be adapted to match or exceed the 1.0 Total Resource Cost³ (TRC) threshold, creating a sustainable ongoing program.

2.1.4 Measurement & Verification

The measurement and verification methods to be deployed in the FLEXmarket are open source and publicly available. Energy impacts will be determined through the CalTRACK methods, paired with a comparison group adjustment.⁴ The methods are distinct for efficiency, permanent peak reduction and resiliency event-only participants.

Within the FLEXmarket, determining demand flexibility impacts begins with a thorough assessment of a customer's baseline. First, up to a full year of baseline data is collected to develop a counterfactual that is normalized for weather. Additionally, the comparison group adjustment generates further confidence in measured impacts through a "difference of differences" calculation. As a result, the FLEXmarket can credit both savings and the energy impacts generated during Resiliency Events, or Resiliency Events alone for customers who do not engage in load shifting. In summary, the FLEXmarket's methods demonstrate a substantial improvement over commonly used DR baseline methodologies, which undervalue DR impacts and thus discourage deeper engagement from providers and customers.⁵ These methods also provide

² The Program Administrator Cost Test measures the net costs of a demand-side management program as a resource option based on the costs incurred by the program administrator (including incentive costs) and excluding any net costs incurred by the participant. https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/energy_programs/cpuc-standard-practice-manual.pdf

³ The Total Resource Cost Test measures the net costs of a demand-side management program as a resource option based on the total costs of the program, including both the participants' and the utility's costs. https://www.cpuc.ca.gov/-/media/cpuc-website/files/uploadedfiles/cpuc_public_website/content/utilities_and_industries/energy_-_electricity_and_natural_gas/energy_programs/cpuc-standard-practice-manual.pdf

⁴ A comparison group is a group constructed after participants have been enrolled in a program, wherein the purpose is to compare energy consumption changes from program participants against non-participants with otherwise similar usage characteristics. Comparison group analysis can help determine net savings by accounting for externally driven changes or trends that affect energy usage across all customers or all customers within a segment. (NMEC Rulebook at 21.)

⁵ See U.S. Department of Energy and National Renewable Energy Laboratory "Study of Demand Response during the California August 2020 blackouts" (December 2020), pp. 6-7, (explaining the drawbacks of prevailing DR baseline methodologies and noting that "current baseline methods understate performance on the days when the grid has the greatest need for demand response, resulting in reduced incentive to support the grid in future events. More accurate methods for measurement and verification will help companies...bring more flexible demand from local distributed energy resources to help balance the grid."), accessible at <https://assets.website->

Peninsula Clean Energy with a pathway to reliably and verifiably integrate demand flexibility into its portfolio of programs and, importantly, supply side planning.

2.1.5 Incremental Value

The FLEXmarket is geared nearly exclusively towards new project development and recruiting new customers into the program. As noted previously, one of the program's most promising attributes is that it is drawing interest from service providers and customers who have never participated in DR programs or worked to incorporate the value of demand flexibility into their projects.

As a general rule, dual participation in more than one program is not allowed and FLEXmarket participants must disclose participation under any other program when enrolling in FLEXmarket. Further detail is provided below.

2.2 Segments and Measures

2.2.1 Specific measures or technologies

The FLEXmarket is technology and measure agnostic by design. It is capable of integrating a wide range of measures including traditional efficiency such as lighting, appliances, and behavioral strategies, as well as demand response and load shaping tactics utilizing batteries, smart thermostats, building load controls, or managed electric vehicle chargers. Other solutions that generate verifiable results can also be accommodated without administrative requirements.

By offering a payment for energy impacts that value technologies and strategies equally, the FLEXmarket ensures that program incentives are directed towards the technologies and providers that can deliver energy impacts most effectively, thereby minimizing performance risk to the program and optimizing the deployment of demand flexibility solutions.

2.2.2 Building type

The FLEXmarket is agnostic to building type.

2.2.3 Customer market segment

The FLEXmarket operates best when largely agnostic to customer market segment, but can be tailored through participant requirements to be segment-specific. This may be done for reasons of measurement methodology or administrative considerations, such as ensuring there is no overlap with other programs in the territory.

Methodologically it is best applied to customer segments with consistent load shapes, for whom a comparison group can readily be drawn per the program's current M&V Plan.⁶ Customers with

[files.com/5cb0a177570549b5f11b9550/6050a2a48c39eb09319c9382_Quantifying%20The%20OhmConnect%20Virtual%20Power%20Plant%20During%20the%20California%20Blackouts%20\(1\).pdf](https://files.com/5cb0a177570549b5f11b9550/6050a2a48c39eb09319c9382_Quantifying%20The%20OhmConnect%20Virtual%20Power%20Plant%20During%20the%20California%20Blackouts%20(1).pdf).

⁶ For commercial customers, the primary strategy to assemble the comparison group will be to weight the number of meters by business type (determined by NAICS codes) such that the comparison group has the

highly unique load shapes (e.g., large industrial customers) are not an optimal fit for the FLEXmarket at present.

For the purpose of efficiency, it is envisioned to cover single-family residential and large commercial as preventing dual enrollment is administratively straightforward. Other segments such as multi-family and small and medium commercial may be considered based on coordination discussions with BayREN and PG&E. For the purpose of the Peak FLEXmarket, segment restrictions are not anticipated. Please see Section 5 for detail on preventing dual enrollment.

2.3 Program Tasks and Schedule

The program is anticipated to launch within three months of CPUC approval and will run for a minimum of two years. Below is a high-level schedule of tasks for the initial program launch. Once the program is enrolling customers, tasks 1-4 will be continuously operational. Time brackets identified around tasks 3 and 4 represent estimated time for a single project (i.e., measurement begins with project interventions but continues a full 14 months following project completion).

The following are expected program tasks.

1. Contracting & Administrative Setup (Months 1-2)

Peninsula Clean Energy is leveraging existing contracting discussions with Calpine and Recurve as well as our experience and existing resources from current initiatives, which should support the timely and efficient launch of the proposed program.

2. Refinement, Coordination and Forecasting (Month 2)

Significant expertise has already been established in the existing FLEXmarket programs. The initial step will be to confer with the CPUC and other stakeholders regarding pricing strategy. By reviewing existing FLEXmarket program results, other programs, available budget, service territory potential and anticipated summer needs, a refined pricing strategy will be established.

Peninsula Clean Energy will also confer with BayREN and PG&E to review possible program overlaps, evaluate segments best omitted and, where appropriate, determine procedures to ensure no dual participation. See below Section 5 for more detail.

Consistency across service territories will also be encouraged, including with new FLEXmarket administrators. Finally, the identified price points will be used to model results and benefits.

3. Service Provider Recruitment (Months 2-4)

same proportionality as the treatment group. Residential comparison groups will be created using distance-based matching or stratified sampling.

As noted above, service providers will be recruited to the market on the basis of the determined price points and benefits. This will begin through direct relationships Peninsula Clean Energy already has with numerous service providers such as CLEAResult, TRC, OhmConnect, Swell, Ecology Action and others. Peninsula Clean Energy will also leverage media releases to industry channels, social media, and peer agencies to notify other service providers. Finally, through existing key account relationships large commercial customers will be encouraged to participate.

In addition to the market program structure and direct benefits, Peninsula Clean Energy offers a supportive service, Data Connect. Data Connect is a free, secure, easy-to-use software tool built on the UtilityAPI data exchange platform, available at no cost to third-parties and energy contractors in the service territory. The data exchange provides ready access to energy bill data for customers with an easy method for service providers to request access by their clients, the participating accounts. This dramatically reduces the complexity for service providers to readily get the data necessary for broad based energy programs.

4. Interventions (starting at 3 months)

Participating service providers will be encouraged to promptly begin scoping, enrolling and implementing interventions in advance of the summer season. Efficiency and permanent load shifts are expected begin delivering impacts soon after implementation.

5. Measurement (Months 5+)

Once a project has been performed on a property, the actual meter-based consumption post-intervention will be compared against the expected baseline in a “no-intervention” scenario, and the difference will be attributed to the project and will become the basis of incentive payments. Individual project impacts will be calculated by comparing the treatment group (i.e., participating customers) to the control group (i.e., non-participating customers), using 14 months of pre- and post-project data to minimize the noise from non-routine events. In the event that there are lingering impacts associated with the novel coronavirus pandemic, modifications may be made to the control and treatment group selection and measurement as developed in the CalTRACK methodology.⁷

6. Incentive Processing and Reporting (Month 19)

When a project is successfully submitted to the program, it must pass verification checks (QA/QC) that include review of all documents (scopes of work, photos, etc.) to confirm eligibility, then the meter will be assigned to a control group for the purposes of tracking incentive payments. Incentives will be paid on the project following final verification of program

⁷ <https://grid.recurve.com/>

impacts, no less than 14 months following project completion. Service providers will provide monthly submissions of project enrollments, including anticipated energy savings impacts of the project, and this information will be captured for the purposes of program reporting, incentive reservations, and final incentive payment verification.

Completed projects are submitted with information on participating accounts, measures, and costs. This data can be used for future complementary offerings such as building electrification and distributed generation.

Once the measurement and verification of savings has been completed, Peninsula Clean Energy will issue incentives on portfolios of projects to service providers. While initial incentives aren't expected to be processed for a full 17 months following approval of the program, eventually Peninsula Clean Energy envisions this settlement occurring on a quarterly basis.

7. Peninsula Clean Energy Validation (Month 19)

Because the market model remains relatively novel, Peninsula Clean Energy will apply its own analytics to a sampling of projects. The purpose will be to verify at a high level that the reported results are consistent with Peninsula Clean Energy's own data.

8. Supply-side forecasting (Month 19+)

Once complete data is available after the first year, the data will also be assessed based on the yield and costs to evaluate supply-side implications. The analysis may inform seasonal and time frame targeting and price points for the second year. It will also be used to inform supply-side forecasts and the potential for increased benefits with increased scale or refined targeting.

Given the necessary lag in quantifying program impacts from pay-for-performance programs, the initial savings results will not be available until a minimum of 14 months following program rollout, and the final savings figures and incentive spend from the initial two-year implementation will not be available until 14 months after the final project is completed.

3 Maximizing Savings & Related Benefits

3.1 Budget

The FLEXmarket program is inherently scalable. Two budgets are offered with program yield as shown in the table below. These first figures, (Option 1) are based on an assumed load prorated budget and the second (Option 2) larger yield reflects greater assessed potential and budget to provide it.

1. **Option 1:** The \$2,350,000 budget reflects a pro-rated budget based on the \$150 million proposed for the state-wide Market Access program and the percentage load covered by Peninsula Clean Energy and Los Banos in 2020 as compared to the overall load of the three Investor-Owned Utility territories.
2. **Option 2:** Analysis indicates that the program is scalable to at least \$5,000,000 based on service territory and customer base. Analysis of the service territory over 20,000 commercial customers indicates significant potential for efficiency and peak load reduction. In that sector alone, over 5,000 commercial customers have load shapes with twice the average peak usage of the sector.

In both cases these reflect program designs in accordance with the October 29, 2021 Proposed Decision in Rulemaking 13-11-005. Should the CPUC propose an alternate budget or program design requirements, the metrics will be updated accordingly. Further detail may be found below in Sections 2 and 3 on approach and costs.

Table 1: Summary Yield and Budget

Metric	Option 1: Prorated Budget Forecast	Option 2: Assessed Potential Budget & Forecast
Total Budget	\$2,350,000	\$5,000,000
Gross kWh Savings	2,009,942	4,243,122
Net kWh Savings	1,808,948	3,848,810
Peak kW Demand Impact (Gross)	916	1,948
Peak kW Demand Impact (Net)	824	1,753
TSB	\$2,153,739	\$4,582,401
TRC	0.67	0.67
PAC	0.92	0.92

The budget breakdowns are shown below.

Peninsula Clean Energy Two-Year Program Budget - Market Access Program

Cost Category	Option 1: Prorated Budget Total	Option 2: Assessed Potential Budget Total	% of Total Budget
Non-Incentives			
Administration	\$235,000	\$500,000	10%
Direct Implementation - Non Incentive	\$352,500	\$750,000	15%
Non Incentive Subtotal	\$587,500	\$1,250,000	25%
Incentives			
Direct Implementation - Incentives	\$1,762,500	\$3,750,000	75%
Total Budget	\$2,350,000	\$5,000,000	100%

Notes on the budget:

1. **Administration:** Administration includes Administrative labor, Reporting, Data Request Responses, Ad-hoc support, Platform Setup, and Targeting Support. In addition the Administration and EM&V costs are combined as part of a unified cost with the service provider. The meter-based analysis that determines the payout is the same platform that generates the EM&V reports. As a result, these costs are combined. Peninsula Clean Energy does not plan to factor its own administrative costs into the budget.
2. **Direct Implementation - Non Incentive:** Direct Implementation expenses include: Processing project submittals, QA/QC, Aggregator Outreach, Education/Training of service providers, Project Management, and Ongoing Savings Tracking.
3. **Marketing, Education and Outreach:** There are no direct marketing costs anticipated to Peninsula Clean Energy. Service providers are responsible for their own marketing and outreach and those costs are captured within the performance-based payouts to those providers. Low administration and marketing costs are inherently encouraged due to the payment structure.

If the budget for the program is allocated at a different level, the yield for the program will be adjusted accordingly.

3.2 Cost Effectiveness

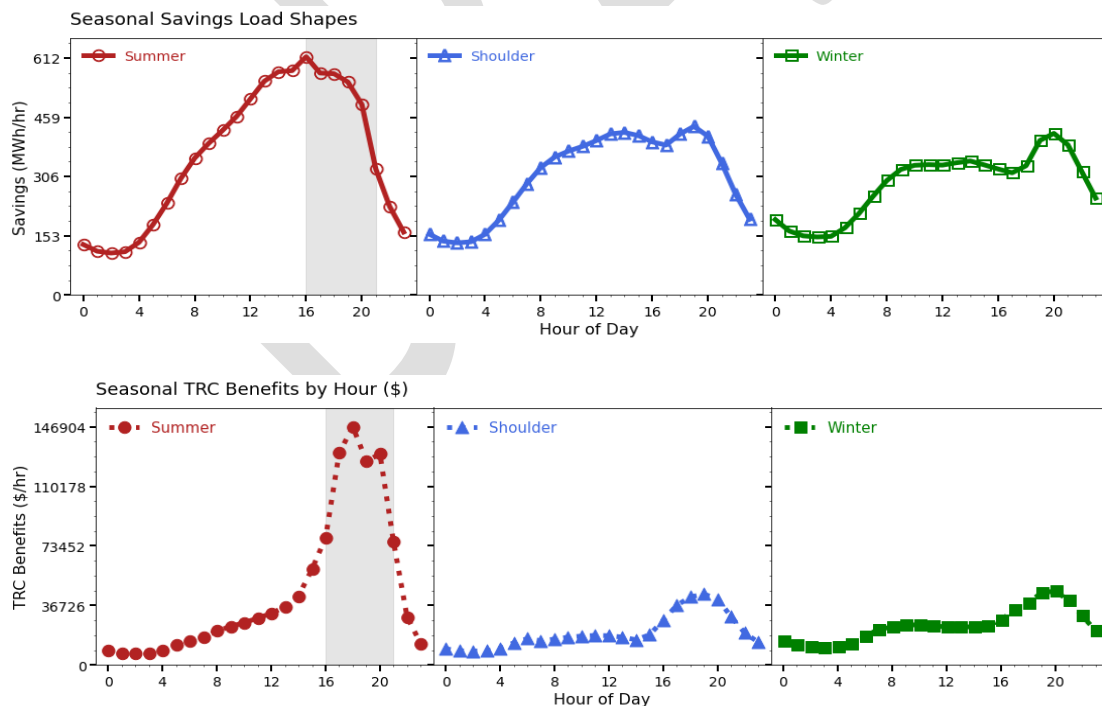
The FLEXmarket program is highly cost effective for the state, administrators and service providers. Service providers participating in the FLEXmarket have their administrative costs significantly reduced compared to traditional programs, which often involve spreadsheets and assessment tools with hundreds of rows to fill out, endless paperwork and forms, heavy post inspections that disrupt the jobsite, and more. The FLEXmarket eliminates most of these costs by streamlining project enrollment and measuring savings at the meter after project installation, rather than burdening service providers and customers with bottlenecks up front. In this sense, the FLEXmarket adds very little administrative cost to service providers' existing business models, and instead offers a new revenue stream tied directly to grid value that wasn't accessible before.

In addition, the FLEXmarket program can require service providers to meet cost-effectiveness targets as a prerequisite of payouts. Or more accurately, because payouts are performance based, the price point can be calibrated to ensure a specific cost-effectiveness level.

It is important to note however that the CPUC proposed Market Access program has lifted the traditional cost-effectiveness metrics due to the urgency of ensuring grid reliability in the immediate timeframe. Flexibility in cost-effectiveness is critical to ensure that the extreme consequences and costs of blackouts are prevented, with costs not captured in the traditional cost-effectiveness metrics.

The projected program results are highly aligned with the State needs for summer reliability as indicated by the forecasted savings load shapes and system benefits shown below.

Figure 2: Forecasted Savings Load Shapes and System Benefits



While the cost-effectiveness metrics are proposed to be suspended for the CPUC Market Access program, Peninsula Clean Energy is committed to deliver a cost effective program. Peninsula Clean Energy's Market Access Program will have service providers deliver cost-effective, high performing, installed measures that lower baseload consumption and deliver peak reductions.

For the purpose of meeting the requirements of the CPUC Market Access program, the forecasted PAC is 0.92 for the program. Similarly, the forecasted TRC is below 1.0 due to anticipated participant cost and adaptation of program design to meet the parameters described in the October 29, 2021 CPUC Proposed Decision. However, for funds not allocated under the CPUC Market Access program or following the 2022-2023 Summer Reliability focused program, the incentive design for the energy efficiency market can be adapted to match or exceed the 1.0 TRC threshold and peak programs will utilize the Total System Benefit (TSB) metric, creating a sustainable ongoing program in accordance with the methodologies included in the California Standard Practices manual.

4 Consistency with Commission Requirements

Peninsula Clean Energy's programs will deliver cost-effective energy savings to our customers while remaining consistent with CPUC goals and supporting Peninsula Clean Energy's Organizational Priorities.

Peninsula Clean Energy has and will continue to prioritize advancing the public interest as aligned with Public Utilities Code sections 399.4 and 381.1. Peninsula Clean Energy's programs are consistent with broader regional or statewide energy efficiency programs and are designed to integrate demand side management activities in a way that will value stack the deployment of distributed energy resources. This will support relevant rulings and decisions such as, but not limited to, D.07-10-032 and D.12-11-015.

Peninsula Clean Energy's Plan is consistent with the "elect to administer" pathway for CCA program administration as defined in D.14-01-033. Peninsula Clean Energy's plan also conforms to recent guidance from CPUC in D.21-05-031 that directs all PAs to segment their portfolios based on primary program purpose into three categories: resource acquisition, equity, and market support.⁸ Peninsula Clean Energy's Market Access Program is focused on resource acquisition. Peninsula Clean Energy's resource acquisition program meets a 1.0 TRC on a forecasted basis as directed by CPUC in D.21-05-032.

D.21-05-031 also directs PAs to report on a new Total System Benefit (TSB) metric,⁹ which Peninsula Clean Energy has estimated for our portfolio and included in our Plan.

Peninsula Clean Energy's programs will fully follow Public Utilities Code Section 399.4 requirements that participants comply with applicable permitting requirements. Participating contractors will be required to pull permits as required by code. Peninsula Clean Energy will comply with Section 399.4(b)(1) by requiring all installing contractors or non-residential and residential customers who receive a rebate or incentive to certify that they have complied with Title 24.

Peninsula Clean Energy's Plan will show that it complies with Section 399.4(c) by prioritizing local and regional interests in our program portfolio design, and by proposing to incorporate local governments, community-based organizations, and energy efficiency service providers as participants in program implementation where appropriate.

Peninsula Clean Energy's proposed Market Access Program supports the mandate set forth in Section 399.4(d)(2) by providing incentives that are linked to measured energy savings. Peninsula Clean Energy programs will fulfill the Section 399.4 requirement that incentives be based on values and methodology stated in customer agreements and derived from measured results. Peninsula Clean Energy understands that cost-effectiveness calculations require specific inputs:

⁸ D.21-05-031 OP 2 at 81

⁹ Ibid, OP 1 at 80

costs (project costs and incentives) and benefits (energy savings). Peninsula Clean Energy is committed to accurately forecasting portfolio averaged incentive values to ensure cost-effectiveness calculations are accurate, achievable, and based on realistic and timebound values.

Compliance with Section 399.4(d)(2) will also support the goals noted in D.07-10-032 for overcoming barriers to more widespread adoption of energy efficiency and capturing longer-term savings, and the roadmap for energy efficiency beyond 2020 as established in the subsequent California Long-Term Energy Efficiency Strategic Plan (Strategic Plan) adopted in D.08-09-040.

By acting as point of contact for Peninsula Clean Energy customers, Peninsula Clean Energy will simplify the goals set forth in Section 381.1 ensuring that local and statewide goals are met, such as those associated with Senate Bill 350. The proposed Plan also supports the State's goals to decarbonize California as detailed in the 2021 Integrated Energy Policy Report ("IEPR") Final Scoping Order. The California Energy Commission is committed to advancing building decarbonization incentive programs, while assessing existing and future policies and programs in an equitable manner. Peninsula Clean Energy's Plan aligns with such goals as we enroll customers into Energy Efficiency incentive programs that save customers money and reduce emissions.

5 Accommodation of Statewide and Regional Programs

5.1 Collaboration with Existing Programs

Peninsula Clean Energy is a public agency and is committed to supporting the best interests of our customers and constituents. To that end, Peninsula Clean Energy will consistently recommend leveraging statewide and regional programs when and where they are staged to provide the best service to our customer base.

Examples of Peninsula Clean Energy coordination with other state and regional programs include:

1. **Heat Pump Water Heaters:** Peninsula Clean Energy directly coordinates with BayREN on its residential Heat Pump Water Heater incentive and forthcoming On-Bill Finance Program. Customers can access both BayREN and Peninsula Clean Energy incentives through a unified BayREN Home+ application process which reduces complexity for customers and contractors.
2. **Home Upgrade Program:** Peninsula Clean Energy program administrators coordinate with programs such as the PG&E Energy Savings Assistance and Peninsula Minor Home Repair programs to deliver the maximum benefits for low-income homeowners.
3. **Used EV Incentives:** Peninsula Clean Energy program administrators guide low-income applicants to the state-wide Clean Vehicle Assistance Program and Bay Area Air Quality Management District Clean Cars for All program for incentives that are stackable with Peninsula Clean Energy's incentives.
4. **EV Charging Incentives:** Peninsula Clean Energy co-funds the CALeVIP incentive program with the California Energy Commission and provides a separate complementary incentive program for segments not well served by CALeVIP. Peninsula Clean Energy technical assistance administrators provide technical guidance including selecting and applying for one or more incentive programs to best benefit customers.

Additional cooperation includes data sharing with PG&E on gas data, efficiency projects as well as participation in working groups on program coordination.

5.2 Coordination for Non-Dual Enrollment

Peninsula Clean Energy's Market Access Program has the potential to overlap with programs offered by both BayREN and PG&E. To address this potential concern Peninsula Clean Energy will make every effort to differentiate our locally administered program from PG&E's and BayREN's. In addition, Peninsula Clean Energy will continue to work to bring regional and statewide programs to our constituents as noted above.

Peninsula Clean Energy plans to coordinate closely with BayREN and PG&E to encourage collaboration between selected third-party vendors – particularly those whose programs have not yet launched – and to minimize customer confusion to the greatest extent possible.

Peninsula Clean Energy will provide program delivery information to both organizations through the assigned representatives. Peninsula Clean Energy will also provide both organizations all necessary information regarding locally funded programs and statewide and regional program referrals. Peninsula Clean Energy plans to maintain strong partnerships to collectively direct customers to the very best service, while reducing confusion at every step.

In the instances of program overlap with existing regional programs (for example, BayREN Home+ and the PG&E commercial pay-for-performance program), Peninsula Clean Energy plans to work directly with program staff at each program administrator to develop systems for verifying that customers have not dual enrolled in programs. These processes are expected to include the following:

1. **Provider Education and Certification:** In all cases, service providers will be educated on the range of available programs and must certify that their projects are not enrolled in or receiving incentives for multiple programs.
2. **Efficiency Customer Lists:** For single-family efficiency and electrification, processes are already in place to ensure dual-enrollment is not occurring on potentially overlapping residential incentives. This is being handled through Peninsula Clean Energy's incentive processing system's existing integration with BayREN's Home+ program administrator's system. These existing processes can be extended to ensure the FLEXmarket does not pay incentives on projects that have already received incentives through existing programs by comparing project lists before FLEXmarket payments are issued. The same approach will apply to other segments.
3. **Peak and Rule 24:** For load control strategies, we will compare project lists against Rule 24 customer lists and verify there is not program overlap.

Peninsula Clean Energy will coordinate with PG&E and BayREN on an ongoing basis to ensure that both PAs understand what Peninsula Clean Energy is offering to our customers, and to ensure Peninsula Clean Energy's information on PG&E/BayREN programs is up to date. This will enable all PAs to help navigate which offerings may be best suited to serve potential customers. In the instances where Peninsula Clean Energy receives program applications from non-CCA customers who are not eligible for enrollment in the CCA product, Peninsula Clean Energy will work with BayREN and/or PG&E staff to help those customers find the best suited program for their needs.

6 Auditing and Reporting

Peninsula Clean Energy performs annual financial audits using generally accepted accounting principles specific to government entities. These reports are publicly available and are currently accessible on our website. As a Joint Powers Authority, once Peninsula Clean Energy's Program Plan is certified and programs begin, current auditing procedures will be extended to include program administration data. This will ensure appropriate accounting controls for program funds.

In keeping with the requirements under the Governmental Accounting Standards Board Statement No. 34, the management's discussion and analysis will be included in the report to supplement the basic financial statements. To evaluate the effective use of resources and management procedures, Peninsula Clean Energy will also complete all regulatory filings and reports as directed by CPUC staff. These documents will provide the results of program efforts that can be evaluated against the performance metrics identified by Peninsula Clean Energy, including adherence to cost-effectiveness requirements.

Peninsula Clean Energy will take all necessary actions to remain compliant with additional auditing and reporting requirements.

7 Evaluation, Measurement and Verification Protocols

Peninsula Clean Energy will contract with an independent third-party to perform process evaluation or market studies to assess the effectiveness of program implementation activities and evaluate challenges and opportunities in the Peninsula Clean Energy service territory. The studies will be performed according to the Commission oversight process of IOU Evaluation Measurement and Verification (EM&V) projects as detailed in the Energy Efficiency EM&V Plan. Peninsula Clean Energy will be subject to the same protocol as IOUs for CPUC-directed impact evaluations to determine actual energy savings, benefits, costs, and goal achievement as directed in D. 05-01-055.

The EM&V methods are open source and publicly available. Savings will be determined through the CalTRACK 2.04 Hourly methods executed via the OpenEEmeter (both CalTRACK and the OpenEEmeter codebase are curated within Linux Foundation Energy), along with the GRIDMeter methods for comparison group adjustment. The CalTRACK methods quantify the weather normalized, occupancy-dependent change in energy use for each hour compared to past usage. Background on the development of CalTRACK and the OpenEEmeter can be accessed through www.caltrack.org.

Evaluations directed by Peninsula Clean Energy will focus on market conditions and needs, program design flaws or opportunities for improvement, and solutions to address those challenges. Peninsula Clean Energy will avoid duplication and build on existing efforts by referring to existing EM&V studies led by IOUs and the CPUC.

- Compare Peninsula Clean Energy's program to other similar program offerings.
- Evaluate successes, failures, and replicability of the program.
- Evaluate the unique challenges and opportunities of the Peninsula Clean Energy market and determine viable solutions.
- Compare *ex ante* and *ex post* data.
- Assess value to supply-side planning and costs.

8 Performance Metrics

The overall performance target for the program is delivery of the following assuming a projected budgets of \$2,350,000 and \$5,000,000 respectively:

- | | | |
|-------------------------------|-----------|-----------|
| • Net kWh Savings | 1,808,948 | 3,848,810 |
| • Peak kW Demand Impact (Net) | 824 | 1,753 |

The following Performance Metrics will indicate progress toward meeting the goals and objectives of the CPUC objectives, especially for summer reliability, and Peninsula Clean Energy goals. The specific objective of Public Utilities Code Section 381.1(f) that each metric addresses (if applicable) is included in parenthesis.

- Program energy savings (381.1(f)(2))
- Tracking the Program cost-effectiveness annually (381.1(f)(2))
- Number of projects referred to other EE or other DER programs (381.1(f)(3))
- Total participating customers by segment (381.1(f)(4))
- Percentage of customers who receive electrification measures
- EM&V process, tracking, and incorporation into program design (381.1(f)(5))
- EM&V of project energy savings forecasts and energy savings realized (381.1(f)(5))
- Market penetration of FLEXmarket program
- Supply-side generation cost reductions

RESOLUTION NO. _____

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

* * * * *

**RESOLUTION APPROVING DRAFT MARKET ACCESS PROGRAM PLAN
FOR RELIABILITY AND DECARBONIZATION**

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

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

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

WHEREAS, PCE's Organizational Priorities goals call for supporting the service territory to become 100% greenhouse gas-free and to deliver 100% renewable energy each and every hour of the day; and

WHEREAS, reducing and shifting power demand helps to better align renewable energy and energy demand, in support of PCE's Organizational Priorities; and

WHEREAS, PCE has been investigating promising innovative program models to achieve these goals including market-based programs; and

WHEREAS, the California Public Utilities Commission (CPUC) announced support for these innovative market-based programs, referred to as Market Access

programs, for eligible administrators that present a Program Plan, including CCAs, for the purpose of ensuring Summer reliability and decarbonization goals; and

WHEREAS, PCE can apply to administer CPUC programs and has developed a Program Plan adhering to CPUC requirements for the purpose of administering such a market-based program.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves the Draft Market Access Program Plan for reliability and decarbonization and that the Board delegates authority to the Chief Executive Officer to finalize the plan for the purpose of applying to the CPUC to administer a Market Access program.

* * * * *



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: November 15, 2021
BOARD MEETING DATE: November 18, 2021
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, Senior Manager, Power Resources

SUBJECT: Approve Resolution Delegating Authority to Chief Executive Officer to execute the Power Purchase and Sale Agreement, as revised, for Renewable Supply with Gonzaga Ridge Wind Farm, LLC, and any necessary ancillary documents with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about October 31, 2024, in an amount not to exceed \$204 million.

RECOMMENDATION:

Approve Resolution Delegating Authority to Chief Executive Officer to execute the Power Purchase and Sale Agreement, as revised, for Renewable Supply with Gonzaga Ridge Wind Farm, LLC, and any necessary ancillary documents with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about October 31, 2024, in an amount not to exceed \$204 million.

BACKGROUND:

On October 28, 2021, the Peninsula Clean Energy Board approved the Power Purchase and Sale Agreement (PPA) with Gonzaga Ridge Wind Farm, LLC. Following the Board's approval, Scout Clean Energy, LLC, (Scout) the developer for Gonzaga, sought their Board's approval but their approval was not granted due to some concerns they felt remained unresolved. Peninsula Clean Energy staff have been negotiating with Scout to come to an agreement on the specific terms that concerned Scout's Board.

The project information presented at the October 28, 2021, board meeting and communicated in the board memo remains the same. An overview of Gonzaga including: project details, solicitation, developer background, environmental impacts, workforce requirements, and its contribution to Peninsula Clean Energy's Strategic Plan can be found in the board memo, item 10A-1 in the October 2021 board packet.¹

¹ October 2021 Board meeting packet is available on Peninsula Clean Energy's website:
<https://www.peninsulacleanenergy.com/wp-content/uploads/2021/04/10-28-2021-BOD-REVISED->

Due to recent inflation and significant price spikes in commodities and goods, Scout is concerned with how this may affect their purchases of major equipment prior to construction. Scout's Board is concerned that if prices continue to rise this could adversely impact the economics of project. Peninsula Clean Energy staff and Scout have worked toward an agreement to help alleviate some of these concerns in the PPA without adversely impacting Peninsula Clean Energy. Staff has agreed with Scout to reassess the market closer to when they are required to make their procurement decisions to determine whether the project will remain viable and reach construction. The terms allow Scout to reassess the market in roughly six months. After that point the PPA remains enforced and the terms to progress the project through commercial operation become binding. Due to the confidential nature of these terms, staff is sensitive with sharing particular matters that could influence future PPA negotiations with Peninsula Clean Energy. The terms are unique to the project and the current state of the market.

FISCAL IMPACT:

There is no financial impact related to the revisions to the PPA. The financial impact remains unchanged from what was communicated in the October 2021 board memo.

The fiscal impact of the Gonzaga project will not exceed \$204 million over the 15-year term of the Agreement.

STRATEGIC PLAN:

The Gonzaga project supports the following objectives in Peninsula Clean Energy's strategic plan:

- Priority 1: Design a power portfolio that is sourced by 100% renewable energy by 2025 that aligns supply and consumer demand on a 24/7 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

ATTACHMENTS:

None

RESOLUTION NO. _____

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

*** * * * ***

**RESOLUTION DELEGATING AUTHORITY TO CHIEF EXECUTIVE OFFICER TO
EXECUTE THE POWER PURCHASE AND SALE AGREEMENT, AS REVISED, FOR
RENEWABLE SUPPLY WITH GONZAGA RIDGE WIND FARM, LLC, AND ANY
NECESSARY ANCILLARY DOCUMENTS WITH A POWER DELIVERY TERM OF 15
YEARS BEGINNING AT THE COMMERCIAL OPERATION DATE ON OR ABOUT
OCTOBER 31, 2024, IN AN AMOUNT NOT TO EXCEED \$204 MILLION.**

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 and Sale Agreement with Gonzaga Ridge Wind Farm, LLC (Contractor), to procure 76.35 MW of power generation from the Gonzaga wind project, based on Contractor's desirable offering of products, pricing, and terms; and

WHEREAS, the Gonzaga project will contribute toward the Board's goal for Peninsula Clean Energy to procure 100% of its energy supply from renewable energy by providing renewable generation for a term of fifteen years starting on or about October 31, 2024; and

WHEREAS, on October 28, 2021, staff presented to the Peninsula Clean Energy Board for its review the Power Purchase and Sale Agreement, reference to which should be made for further particulars; and

WHEREAS, on October 28, 2021, the Peninsula Clean Energy Board approved a resolution delegating authority to the CEO to execute the Power Purchase and Sale Agreement; and

WHEREAS, the Board's decision to delegate to the Chief Executive Officer the authority to execute the Agreements was contingent on the Board for Scout Clean Energy, LLC, the developer of the Gonzaga project, approving the Agreements' terms as presented to the Peninsula Clean Energy Board on October 28, 2021; and

WHEREAS, the Board for Scout Clean Energy, LLC, did not approve the Agreements due to concerns raised with specific terms, therefore, staff negotiated these specific terms and came to a mutual agreement with Scout Clean Energy, LLC; and

WHEREAS, the Board for Scout Clean Energy, LLC has now approved the PPA as revised as of [date]; and

WHEREAS, staff is confident that the revised terms are fair and do not significantly adversely impact Peninsula Clean Energy; and

WHEREAS, the Board wishes to delegate to the Chief Executive Officer authority to execute the Agreement, as revised 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 Agreements 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 fifteen years, in an amount not to exceed \$204 million.

* * * * *

Board of Directors Meeting Schedule 2022

Location: Please see posted Agenda for location or teleconference options

Meeting Date:	Time:	Location:
January 13, 2022	6:30 pm (5 min – AB 361)	Video/Teleconference
January 27, 2022	6:30 pm	Video/Teleconference
February 24, 2022	6:30 pm	Video/Teleconference
March 24, 2022	6:30 pm	Video/Teleconference
April 21, 2022	6:30 pm (5 min – AB 361)	Video/Teleconference
April 28, 2022	6:30 pm	Video/Teleconference
May 26, 2022	6:30 pm	Video/Teleconference
June 23, 2022	6:30 pm	Video/Teleconference
July 21, 2022	6:30 pm (5 min – AB 361)	Video/Teleconference
July 28, 2022	6:30 pm	Video/Teleconference
August 25, 2022	6:30 pm	Video/Teleconference
September 22, 2022 (Retreat – Thurs.)	5:30-9:30pm	Video/Teleconference
October 20, 2022	6:30 pm (5 min – AB 361)	Video/Teleconference
October 27, 2022	6:30 pm	Video/Teleconference
November 17, 2022 (3rd Thursday)	6:30 pm	Video/Teleconference
December 15, 2022 (3rd Thursday)	6:30 pm	Video/Teleconference



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: November 12, 2021

BOARD MEETING DATE: November 18, 2021

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Karen Janowski, Director of Marketing and Community Relations &
Leslie Brown, Director of Account Services

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

BACKGROUND

The Marketing, Community Relations, 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.

Heat Pump Water Heater (HPWH) Incentive Program

Marketing is supporting the program goal to install 200 heat pump water heaters in the first two years. As of November 4, 2021, we have had more than 17.5K unique visitors to the HPWH incentive page through owned media (email), earned media and paid digital advertising.

Electric Vehicle (EV) Campaign

The expanded Used EV program was launched on August 9, 2021. Since launch, our digital advertising campaign and email bulletin have brought more than 10.6K visitors to the Used EV web page. Over 300 interest forms have been completed. Significant updates have been made to the EV web pages, messaging, and resources.

Schools Engagement Programs

We have executed a contract, authorized by the Peninsula Clean Energy Board of Directors in August, with San Mateo County Office of Education (SMCOE) to sponsor an expanded pilot of the Energy and Sustainability Dashboard for school districts in the County. A Climate Corps Fellow has been hired to coordinate the program.

On November 7, we presented Peninsula Clean Energy background information in a “Virtual Tour” event as part of the San Mateo Environmental Learning Collaborative Teacher Fellowship program, which we support with grant funding.

Building Electrification Awareness Program

On October 6, 2021, we opened the call for submissions for the second annual [All-Electric Awards](#) program. This program showcases leadership and innovation in residential and commercial building projects. Application deadline is November 17. Award winners will be featured on our website (see the 2021 winners [here](#)) and in social media and will receive a customized plaque and \$2,000 cash award. Selected award winners may be featured in future virtual or in-person tours.

Community Outreach Grants

A Call for Proposals for Outreach Grants was issued on September 8, 2021 with a proposal submission deadline of October 15, 2021. Decisions about grant funding will be made by December 1, 2021 for a grant period starting in January 2022.

Los Banos Update

On October 23, we participated in our second in-person community event in the City of Los Banos, the “Fall Party in the Park” and were able to speak with about 50 community members in person.

Community Relations

Some in-person events are beginning to take place again in outdoor venues. We participated in the Millbrae Japanese Cultural Festival on October 3 and the Redwood City Day of the Dead Event on November 7.

News & Media

Peninsula Clean Energy issued one news release since our last monthly report to the Board of Directors:

- [Peninsula Clean Energy Reaches 100-MW Solar, 50-MW Storage Purchase Deal](#)

Full coverage of Peninsula Clean Energy in the news can be found on our [News & Media](#) webpage.

Hiring

Sandra Benetti joined us on 11/1/21 as Associate Manager of Community Relations for Los Banos.

The Account Services team had a successful recruitment for the Account Services Analyst position. Our new team member, Masha Doubrovskaya, will be joining us on 11/29/21.

ENROLLMENT UPDATE

ECO100 Statistics (since October report)

Total ECO100 accounts at end of October:	6,281
ECO100 accounts added in October:	67
ECO100 accounts dropped in October:	42
Total ECO100 accounts at the end of September:	6,256

Enrollment Statistics

Opt-outs during the month of October were 24, one less than the previous month of September (25). Total participation rate across all of San Mateo County at the end of October was 97.15%.

In addition to the County of San Mateo, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of October 31st, 2021, 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 as of October 31st								
TOT	RES Count	COM Count	Active Count	Eligible Count	Participation Percent	ECO100 Count	ECO100 Percent	
ATHERTON INC	2421	231	2652	2729	97.18%	58	2.19%	
BELMONT INC	10735	925	11660	11937	97.68%	191	1.64%	
BRISBANE INC	1970	495	2465	2530	97.43%	83	3.37%	
BURLINGAME INC	13318	1966	15284	15626	97.81%	345	2.26%	
COLMA INC	467	289	756	767	98.57%	30	3.97%	
DALY CITY INC	31076	2009	33085	34157	96.86%	104	0.31%	
EAST PALO ALTO INC	7115	452	7567	7894	95.86%	26	0.34%	
FOSTER CITY INC	13675	847	14522	14796	98.15%	330	2.27%	
HALF MOON BAY INC	4206	633	4839	4979	97.19%	109	2.25%	
HILLSBOROUGH INC	3812	140	3952	4061	97.32%	72	1.82%	
MENLO PARK INC	13868	1708	15576	15913	97.88%	518	3.33%	
MILLBRAE INC	8412	647	9059	9328	97.12%	105	1.16%	
PACIFICA INC	14021	869	14890	15449	96.38%	179	1.20%	
PORTOLA VALLEY INC	1469	133	1602	1702	94.12%	1505	93.95%	
REDWOOD CITY INC	31464	3341	34805	35603	97.76%	727	2.09%	
SAN BRUNO INC	14729	1067	15796	16473	95.89%	95	0.60%	
SAN CARLOS INC	12193	2099	14292	14658	97.50%	333	2.33%	
SAN MATEO INC	39703	3895	43598	44707	97.52%	679	1.56%	
SO SAN FRANCISCO INC	21308	3233	24541	25524	96.15%	121	0.49%	
UNINC SAN MATEO CO	20834	3024	23858	24614	96.93%	637	2.67%	
WOODSIDE INC	2015	225	2240	2293	97.69%	56	2.50%	

Table reflects data as of October 31st, 2021

E-TOU-C Transition

Peninsula Clean Energy residential customers currently on the flat-rate E-1 rate schedule have transitioned to the Time-of-use E-TOU-C rate schedule as of September 2021. The E-TOU-C rate schedule has higher rates from 4-9 PM every day and this transition will impact nearly 200,000 PCE customers. A total of 72% of these customers ended up transitioning to the E-TOU-C rate. PG&E and Peninsula Clean Energy will be providing bill protection for customers participating in the E-TOU-C transition for the first 12-months of the program.

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.

Item/Project	Objective A: Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry	Objective B: Educate and engage stakeholders in order to gather input, inspire action and drive program participation	Objective C: Ensure high customer satisfaction and retention
HPWH Incentive		KT6 Promote programs and services, including community energy programs and premium energy services	
EV Campaign		KT6 (see above)	
Schools Engagement Programs		KT2: Continue to support schools-based literacy programs focused on energy	
Building Electrification Awareness Program		KT6 (see above)	

Community Outreach Grants		KT1: Foster relationships with community-based, faith-based, and non-profit organizations	
Los Banos Update	KT4: Engage community through participation in local events		
Community Relations	KT4 (see above)		
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: November 4, 2021
BOARD MEETING DATE: November 18, 2021
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority (PCE) Board of Directors
FROM: Marc Hershman, Director of Government Affairs
SUBJECT: Update on PCE's October Legislative Activities

SACRAMENTO SUMMARY:

The 2021 session of the California Legislature ended on September 10 and the Legislature will not reconvene until January 3, 2022.

The 2022 legislative calendar was recently released. Key dates include January 10, the date by which the governor must submit his initial 2022-23 budget. The annual revision to that budget will be made public in May and the budget will need to be adopted in June.

Of great interest were the governor's remarks in an October press conference where he indicated that the state is once again anticipating a significant budget surplus, on the order of \$14 billion in 2022.

February 18, 2022, is the last day by which new legislation must be introduced.

All legislation introduced in 2021 and carried over to 2022 (i.e., all 2-year bills) will need to be passed out of policy committees no later than January 14. The last day for those bills to be voted off the floor of the house of origin is January 31.

LEGISLATIVE ADVOCACY AND OUTREACH:

Peninsula Clean Energy Legislative Initiative in 2022

Peninsula Clean Energy is weighing the possibility of taking a leadership role in championing a legislative initiative in 2022. We are working with other CCAs and clean energy organizations to identify legislative needs and priorities.

Staff has been reaching out to our local state legislators to arrange for meetings, in the local legislative offices if conditions permit, or virtually. Peninsula Clean Energy board members and staff met with Assemblymember Marc Berman in October.

These meetings offer an opportunity to thank our local legislators for their strong support of SB 612 and other 2021 legislation of importance to Peninsula Clean Energy.

In the coming weeks we will learn more about the shape of legislative districts for the 2022 election cycle. All Assembly seats will be up for election in 2022, as will be one-half of the state Senate seats. All state constitutional offices will also be on the 2022 ballot.

CalCCA Legislative Committee and Board Activity in 2021 – Continued to 2022

Unfinished Business

SB 612 (Portantino) PCIA Reform, was CalCCA's priority bill for the 2021 legislative session and the first bill CalCCA sponsored. Securing Senator Portantino as the author was critical to the success of the measure. He chairs the powerful Senate Appropriations Committee through which all spending bills must pass.

SB 612 provides fair and equal access to the benefits of legacy resource products procured on behalf of IOU, CCA and Direct Access customers in proportion to their load share. It also requires the CPUC to recognize the value of GHG-free energy and any new products in assigning cost responsibility for above-market legacy resources in the same way value is recognized for renewable energy and other products.

Many Peninsula Clean Energy jurisdictions weighed in with letters of strong support for **SB 612**.

SB 612 was passed off the floor of the Senate by an overwhelming and bi-partisan vote of 33-6. However, the bill never received a hearing in the Assembly Committee on Utilities and Energy. **SB 612** can move ahead next year as a 2-year bill and could be heard and passed by the Assembly Committee on Utilities and Energy as late as the spring of 2022.

(Public Policy Objective B, Key Tactic 1)

Additional 2021 Legislation that could be brought back in 2022:

SB 67 (Becker) The bill would establish the California 24/7 Clean Energy Standard Program, which would require that 85% of retail sales annually and at least 60% of retail sales within certain subperiods by December 31, 2030, and 90% of retail sales annually and at least 75% of retail sales within certain subperiods by December 31, 2035, be supplied by eligible clean energy resources, as defined. **SB 67** was held before being heard in the Senate Committee on Energy, Utilities and Communications and is now a 2-year bill. As such, it will need to clear the Senate by January 31, 2022.

SB 771 (Becker) would provide a state-only (not local) sales tax exemption for income-qualified participants who replace an older vehicle through the Clean Cars 4 All program with a low- or zero-emission vehicle. SB 771 was voted off the floor of the Senate 34-4 and has not been referred to an Assembly committee for consideration. It could become a 2-year bill.

(Public Policy Objective B, Key Tactic 1)

**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: November 5, 2021
BOARD MEETING DATE: November 18, 2021
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

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

FROM: Jeremy Waen, Director of Regulatory Policy
Doug Karpa, Senior Regulatory Analyst
Matthew Rutherford, Senior Regulatory Analyst

SUBJECT: Update on October Regulatory Policy Activities

SUMMARY

Over the last month the Regulatory Policy team continues to be busy. Jeremy has focused his time on the numerous PG&E ERRA proceedings, further reform to the PCIA, and ongoing PG&E General Rate Case matters. Doug has been heavily focused on Integrated Resources Planning issues to plan California's energy mix through 2045 and work to reform the CPUC's Resource Adequacy construct. Matthew has continued his work in supporting PCE's programmatic efforts through Transportation Electrification, Resiliency, Supplier Diversity, and DAC-Green Tariff matters.

DEEPER DIVE

Power Charge Indifference Adjustment (PCIA)

Presently, there are three active cases relating to PG&E's ongoing Energy Resource Recovery Account ("ERRA") accounting processes: (i) the 2019 ERRA Compliance case, (ii) the 2020 ERRA Compliance case, and (iii) the 2022 ERRA Forecast case. ERRA Forecast proceedings establish PG&E's generation and PCIA rates for the upcoming year, while ERRA Compliance proceedings look to the previous year to evaluate whether PG&E appropriately dispatched its generation portfolio to serve load in a least-cost manner in accordance with Commission guidelines. Among other considerations, both the 2019 and 2020 ERRA Compliance proceedings are attempting to reconcile the impacts on PG&E's rate setting practices due to Public Safety Power Shutoffs ("PSPS") that took place during those years. To that end, the CPUC convened

a workshop on October 26, 2021 to begin its exploration of how PSPS events impact IOU accounting processes.

Relating to PG&E's 2022 ERRRA Forecast case, CPUC Energy Division staff just issued revised benchmark calculations on November 1, 2021, which will be used by PG&E to revise its forecasted PCIA rates for 2022. These revised rates appeared in PG&E's November Update which was circulated on November 8, 2021. A preliminary comparison between the revised 2022 Forecast Adders circulated by the CPUC staff and the 2021 Adopted Adders (see Table 1) shows a significant increase in the Energy Index component and moderate increases to the Local and Flexible RA Adders. The System RA Adder decreases slightly and the RPS Adder decreases somewhat significantly.

Table 1: Comparisons of Market Price Benchmark Components

		2021 Adopted Adders	2022 Forecast Adders	Change		
Energy Index	On-Peak	\$43.16	\$72.96	\$29.80	69%	\$/MWh
	Off-Peak	\$35.05	\$58.34	\$23.29	66%	\$/MWh
RA Adder	System RA	\$6.10	\$6.03	(\$0.07)	-1%	\$/kw-Mo
	Local RA	\$6.15	\$6.35	\$0.20	3%	\$/kw-Mo
	Flexible RA	\$5.69	\$6.41	\$0.72	13%	\$/kw-Mo
RPS Adder		\$14.49	\$13.70	(\$0.79)	-5%	\$/MWh

While each Adder impacts the PCIA market value calculation in differing magnitudes, movement in the Energy Index has the most significant impact on PCIA rates. The significant rise in these index values relative to those values used to set the 2021 PCIA rates, means we will experience a significant decrease in PCIA rates applied to PCE's customers in 2022.

Based on PG&E's November Update testimony, we anticipate favorable changes to both PG&E's generation and PCIA rates. On a system average basis, we are anticipating a 27% increase to PG&E's generation rates which equates to an increase of approximately 4¢/kWh (see Table 2). Looking at the changes to the 2016 PCIA Vintage, which corresponds with our San Mateo customers, we are anticipating a 303% decrease to their PCIA rates which equates to a decrease of approximately 3.5¢/kWh (see Table 3). Similarly, looking at the changes to the 2021 PCIA Vintage, which corresponds with our yet-to-be-enrolled Los Banos customers, we are anticipating a 6% increase to their PCIA rates which equates to an increase of approximately 0.17¢/kWh (see Table 4).

Both increases to PG&E's generation rates and decreases to PCIA rates impact PCE's headroom. Our headroom is calculated by deducting the applicable PCIA rate from 95% of the corresponding PG&E generation rate. Since the changes to the PCIA rates

differ between our San Mateo and Los Banos customers, the headroom calculations differ as well (see Tables 5 & 6). Based on PG&E's November Update testimony, we anticipate an increase in headroom for San Mateo customers of approximate 56% which equates to an increase of approximately 7¢/kWh. For Los Banos customers we anticipate an increase in headroom of approximately 32% which equates to an increase of approximately 3.5¢/kWh.

Table 2: Comparisons of Anticipated Changes to PG&E Generation Rates (\$/MWh)

Customer Class	2021 Gen. Rates	2022 Gen. Rates	Change	% Change
Residential	\$ 0.11418	\$ 0.15549	\$ 0.04131	27%
Small L&P	\$ 0.10950	\$ 0.14841	\$ 0.03891	26%
Medium L&P	\$ 0.11715	\$ 0.15975	\$ 0.04260	27%
B19/E19	\$ 0.10839	\$ 0.15002	\$ 0.04163	28%
Streetlights	\$ 0.09091	\$ 0.12380	\$ 0.03289	27%
Standby	\$ 0.08207	\$ 0.11163	\$ 0.02956	26%
Agriculture	\$ 0.10296	\$ 0.13868	\$ 0.03572	26%
B20/E20 T	\$ 0.09304	\$ 0.13035	\$ 0.03731	29%
B20/E20 P	\$ 0.09965	\$ 0.13577	\$ 0.03612	27%
B20/E20 S	\$ 0.10394	\$ 0.13902	\$ 0.03508	25%
System Average	\$ 0.10893	\$ 0.14849	\$ 0.03956	27%

Table 3: Comparisons of Anticipated Changes to San Mateo Customers' PCIA Rates (\$/MWh)

Customer Class	2021 PCIA Rates	2022 PCIA Rates	Change	% Change
Residential	\$ 0.04866	\$ 0.01201	\$ (0.03665)	-305%
Small L&P	\$ 0.04720	\$ 0.01147	\$ (0.03573)	-312%
Medium L&P	\$ 0.05062	\$ 0.01234	\$ (0.03828)	-310%
B19/E19	\$ 0.04639	\$ 0.01159	\$ (0.03480)	-300%
Streetlights	\$ 0.03875	\$ 0.00957	\$ (0.02918)	-305%
Standby	\$ 0.03520	\$ 0.00864	\$ (0.02656)	-307%
Agriculture	\$ 0.04392	\$ 0.01072	\$ (0.03320)	-310%
B20/E20 T	\$ 0.03969	\$ 0.01008	\$ (0.02961)	-294%
B20/E20 P	\$ 0.04255	\$ 0.01049	\$ (0.03206)	-306%
B20/E20 S	\$ 0.04446	\$ 0.01074	\$ (0.03372)	-314%
System Average	\$ 0.04656	\$ 0.01154	\$ (0.03502)	-303%

**Table 4: Comparisons of Anticipated Changes
to Los Banos Customers' PCIA Rates (\$/MWh)**

Customer Class	2021 PCIA Rates	2022 PCIA Rates	Change	% Change
Residential	\$ 0.02915	\$ 0.03092	\$ 0.00177	6%
Small L&P	\$ 0.02828	\$ 0.02951	\$ 0.00123	4%
Medium L&P	\$ 0.03033	\$ 0.03176	\$ 0.00143	5%
B19/E19	\$ 0.02779	\$ 0.02983	\$ 0.00204	7%
Streetlights	\$ 0.02321	\$ 0.02462	\$ 0.00141	6%
Standby	\$ 0.02109	\$ 0.02221	\$ 0.00112	5%
Agriculture	\$ 0.02631	\$ 0.02758	\$ 0.00127	5%
B20/E20 T	\$ 0.02378	\$ 0.02593	\$ 0.00215	8%
B20/E20 P	\$ 0.02549	\$ 0.02700	\$ 0.00151	6%
B20/E20 S	\$ 0.02663	\$ 0.02765	\$ 0.00102	4%
System Average	\$ 0.02789	\$ 0.02959	\$ 0.00170	6%

**Table 5: Headroom Calculations
for San Mateo Customers (\$/MWh)**

Customer Class	2021	2022	Change	% Change
Residential	\$ 0.05981	\$ 0.13571	\$ 0.07589	56%
Small L&P	\$ 0.05682	\$ 0.12952	\$ 0.07270	56%
Medium L&P	\$ 0.06067	\$ 0.13942	\$ 0.07875	56%
B19/E19	\$ 0.05658	\$ 0.13093	\$ 0.07435	57%
Streetlights	\$ 0.04762	\$ 0.10804	\$ 0.06042	56%
Standby	\$ 0.04276	\$ 0.09741	\$ 0.05464	56%
Agriculture	\$ 0.05389	\$ 0.12103	\$ 0.06713	55%
B20/E20 T	\$ 0.04869	\$ 0.11375	\$ 0.06506	57%
B20/E20 P	\$ 0.05212	\$ 0.11849	\$ 0.06637	56%
B20/E20 S	\$ 0.05428	\$ 0.12133	\$ 0.06705	55%
System Average	\$ 0.05692	\$ 0.12953	\$ 0.07260	56%

**Table 6: Headroom Calculations
for Los Banos Customers (\$/MWh)**

Customer Class	2021	2022	Change	% Change
Residential	\$ 0.07932	\$ 0.11680	\$ 0.03748	32%
Small L&P	\$ 0.07575	\$ 0.11148	\$ 0.03573	32%
Medium L&P	\$ 0.08097	\$ 0.12000	\$ 0.03904	33%
B19/E19	\$ 0.07518	\$ 0.11269	\$ 0.03751	33%
Streetlights	\$ 0.06315	\$ 0.09299	\$ 0.02984	32%
Standby	\$ 0.05688	\$ 0.08384	\$ 0.02696	32%
Agriculture	\$ 0.07150	\$ 0.10417	\$ 0.03266	31%
B20/E20 T	\$ 0.06461	\$ 0.09790	\$ 0.03329	34%
B20/E20 P	\$ 0.06918	\$ 0.10198	\$ 0.03280	32%
B20/E20 S	\$ 0.07211	\$ 0.10442	\$ 0.03231	31%
System Average	\$ 0.07559	\$ 0.11148	\$ 0.03588	32%

All the rate changes described herein are “approximate” because they refer to the “system average” rate calculations. PCE staff is beginning the process of analyzing these anticipated rate changes on a more granular basis to inform PCE’s budgeting processes. Additional information is also required from PG&E before PCE staff can be proposing specific rate changes for the coming year.

Lastly, we are presently awaiting further direction from the CPUC within the PCIA Order Instituted Rulemaking proceeding, where further structural changes to the PCIA calculation may take place. Jeremy is continuing to work closely with counsel, technical experts, and peers at other CCAs to ensure optimal outcomes for PCE’s interests across all these interrelated proceedings.

(Public Policy Objective A, Key Tactic 1)

DAC-GT/CSGT Programs

On July 9, 2021, the CPUC approved PCE’s Advice Letter containing solicitation documents for the procurement of permanent resources to serve the DAC-GT and CSGT programs. On July 14, 2021, the CPUC approved PCE’s Advice Letter containing updates to the 2021 and 2022 budgets according to certain programmatic costs that the CPUC required of the CCAs that are offering these programs.

On August 25, 2021, PCE filed a letter to the CPUC executive director requesting an extension on the September 7, 2021 deadline to issue PCE’s RFO for permanent solar projects to serve these programs. PCE filed the request to allow the request for additional capacity to serve customers in Los Banos who will be enrolled in PCE’s general service in Spring of 2022 and then included within a singular RFO. The request was then granted on September 7, 2021. And on August 31, 2021, PCE and PG&E filed a Joint Advice Letter to transfer the approximate 2.5 MW of program capacity that is

needed to serve the Los Banos customers from PG&E to PCE. According to our regulatory counsel, it may be the first time that a CCA and an IOU have filed a joint advice letter. On September 30, 2021, the Joint Advice Letter was approved.

The latest version of CalEnviroScreen (CES) was updated by CalEPA in mid-October 2021. All of the DAC-GT and CSGT program administrators are required to update the customer eligibility requirements based on the new CES 4.0 data. The new data expands both the total number of census tracts and the number of residents in San Mateo County that are eligible to participate in the programs.

(Public Policy Objective A, Key Tactic 1, Key Tactic 2 and Key Tactic 3)

Transportation and Electrification

Matthew continues to lead PCE's policy advocacy to support PCE's programmatic objectives to enable electrification. Activity in the Commission's Transportation Electrification Framework (TEF) proceeding has most recently been centered around an En Banc meeting with the CPUC Commissioners held on October 12, 2021. It is unusual to hold an En Banc centered around a single-ongoing proceeding. The central issues that the CPUC was hoping to address were the appropriate role that the IOUs should play in achieving California's ambitious TE goals, specifically when considering the significant behind-the-meter (BTM) investment that will be required. The primary concern is that most CPUC-approved IOU programs are funded with ratepayer dollars. Some Commissioner's referred to this approach as regressive as it collects funding proportionally from ratepayers though those of the least means very often are unable to own or lease an EV therefore cannot benefit from these investments. In the long-term, the Commissioners agreed that the ratepayers cannot be expected to continue to fund these investments and that the short- and medium-term investment should serve simply to help the EV charging market mature enough to attract private investment. The Commissioners did however recognize that certain customer segments may need further public funds support as they are not as attractive for EV charging network providers, such as rural, multi-family, and low-income communities. There was also discussion of potentially setting aside some amount of funds collected from ratepayers for TE investment programs that would be administered by the California Energy Commission (CEC). If this idea matures and is adopted in some fashion, it could provide a means for CCAs to apply to receive some of those funds to support new TE efforts in our service territories.

In a separate but related case, in October of 2020, PG&E filed an application for a real-time pricing rate pilot for commercial EV customers. The Pilot would be available to roughly 50 commercial customer accounts that are used to serve EV charging load. The concept is meant to provide these customers with price signals that would reflect the costs of grid stress of charging the vehicles during certain time periods during the day, but with a higher level of granularity than traditional dynamic rate offerings like TOU. East Bay Community Energy and PCE have been tracking the proceeding and has informal conversations with PG&E because the application had originally proposed working with two CCA partners who would be able to make use of PG&E's development

work to offer the rate to their customers, thereby providing a more complete set of data to evaluate when PG&E and the Commission would later consider expanding the rate to a broader number of customers. The CPUC recently issued a Proposed Decision that would skip the pilot and assessment phases by making the rate available to all commercial customers that are eligible to participate in the Business EV (BEV) rate. PCE and EBCE are in the process of drafting comments on the Proposed Decision.

(Public Policy Objective A, Key Tactic 1, Key Tactic 2, and Key Tactic 3)

Integrated Resource Planning & Resource Adequacy

Doug Karpa continues to lead PCE's engagement in the California Public Utilities Commission's Integrated Resource Plan (IRP) and Resource Adequacy (RA) efforts on several fronts. Doug has been and will continue to be quite busy over the next month in these subject areas as the Commission just issued three relating Proposed Decisions:

1) On October 13, 2021, the CPUC issued a report expressing a desire to either allow or require Load Serving Entities to procure new refurbished methane gas generation capacity. Peninsula Clean Energy filed comment faulting the Commission's lack of analysis of the need for any such procurement, especially considering recent analysis by the Energy Commission demonstrating that there is no need for additional procurement after summer 2022 beyond existing orders and that swapping methane gas generation for renewables actually degrades reliability because of the higher forced outage rates of gas. In addition, the Commission raised concerns that battery storage projects would either not come online in time or would not perform as expected. These concerns seemed to disregard testimony from the California Independent System Operator showing some 3,500 MW of storage has come online this year, increasing the size of the storage fleet by eightfold, and showing that this storage is successfully storing energy during the solar window and discharging during the evening hours.

2) The CPUC Working Group on resource adequacy reform is continuing work to develop a replacement for the existing Resource Adequacy construct. Currently, two related proposals are under consideration: PG&E's "slice-of-day" construct, which would create capacity requirements for blocks of hours throughout the day, and a proposal from Southern California Edison, which would apply an hourly requirement. Both have strong potential to credit renewable generation far more accurately for its reliability contributions than existing methods. Work on these constructs is scheduled to continue through January.

(Public Policy Objective A, Key Tactic 1, and Key Tactic 3; Public Policy Objective C, Key Tactic 3)

CPUC General Order (GO) 156: Supplier Diversity

Matthew is leading on PCE's engagement with the CPUC on GO 156 implementation and reporting. On March 18, 2021, the CPUC issued an Order Instituting Rulemaking to revise General Order 156 to include Energy Service Providers and CCAs and other

requirements pursuant to Senate Bill 255 (Bradford, 2019). The CCAs, including PCE, had filed Supplier Diversity reports in January 2021 pursuant to this new requirement and through the guidance of CPUC staff that have led the administration of the CPUC's supplier diversity efforts since the inception of GO 156 in 1988. GO 156 is designed to encourage utilities to award a proportionate share of total utility procurement contracts to by women-, minority-, disabled veteran-, and LGBT-Owned business enterprises. The provisions pertaining to increased procurement from qualified suppliers are voluntary but the provisions relating to submitting annual compliance plans and reporting on diversity goals are mandatory.

The CCAs are working with the CPUC staff to help us comply with the new reporting requirement. And through comments in the proceeding that have come from CalCCA, the CCAs have conveyed that the CCAs are eager to be good partners in the Supplier Diversity program and expand our spend with qualified vendors where possible. However, we have also raised with the Commission that as government entities, we are subject to Prop 209 provisions and therefore cannot select bidders based upon any of the diversity characteristics that may make them a qualified vendor. We have also pointed out that as generation providers, the vast majority of our spending goes to power procurement, and the high cost of entry in the power generation market means that there is a limited pool of market participants that we can select from. This is also true for the IOUs, and the majority of their qualified spending comes from grid operations, such as purchasing of poles, wire, and other distribution and transmission equipment, which is inherently not part of the CCA business model. When comparing their qualified spend in power purchasing in the most recently filed reports, it is in line with CCA qualified spend on power purchasing.

The CPUC held its annual En Banc on GO 156 on October 13, 2021, which included a panel of CCA representatives. Commissioners and Staff appreciated the CCAs efforts in our first round of GO 156 reporting. They also acknowledged that the business model and regulatory hurdles that CCAs are subject to which can impact how aggressively they can pursue contracting with qualified suppliers. There was also a suggestion from some Commissioners that it may make sense for CCAs to have separate reporting requirements that would reflect these differences between the CCA and IOU.

CPUC staff and CCAs have committed to continue to work together to expand our supplier diversity efforts in light of these constraints. To that end, PCE attended and Shayna Barnes presented at a CPUC hosted Diverse and Small Business Expo on October 27, 2021 which is designed to give these business owners a chance to connect and network with representatives of the utilities and the CCAs.

(Public Policy Objective A, Key Tactic 1; Public Policy Objective C, Key Tactic 3)

Stakeholder Outreach

Doug continues to host the regular bi-weekly call with staff from CCAs and environmental and environmental justice stakeholders, although the ongoing RA

workshops and activities in IRP have precluded the two normally scheduled meetings this last month from occurring.

(Public Policy Objective A, Key Tactic 2)

FISCAL IMPACT

Not applicable.



PENINSULA CLEAN ENERGY
JPA Board Correspondence

DATE: Nov.12, 2021
BOARD MEETING DATE: Nov. 18, 2021
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 Buildings
 - 2.1. Appliance Rebates
 - 2.2. Low-Income Home Upgrades & Electrification
 - 2.3. Building Pilots
3. Distributed Resources
 - 3.1. Local Government DER Project Development
 - 3.2. Power On Peninsula – Homeowner
4. Transportation
 - 4.1. “EV Ready” Charging Incentive Program
 - 4.2. Used EV Rebate Program
 - 4.3. EV Ride & Drives/Virtual Engagement
 - 4.4. E-Bikes for Everyone Rebate Program
 - 4.5. Municipal Fleets Program
 - 4.6. Transportation Pilots

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).

In addition, in January 2020 the Board approved an extension of the reach code technical assistance plus additional elements – Education and training for developers and contractors, and consumer education program on the benefits of all-electric buildings. This technical assistance is now publicly available at www.AllElectricDesign.org. Lastly in December 2020, the Board approved the draft contract amendment with TRC Engineers to extend the scope to include technical assistance for developing policy language for existing buildings.

Status:

- **Reach Codes:** In PCE territory, Burlingame, Brisbane, Colma, Daly City, E. Palo Alto, Menlo Park, Millbrae, Pacifica, Redwood City, San Carlos, San Mateo, San Mateo County, and South San Francisco have adopted reach codes. A number of additional agencies are in progress including Atherton, Belmont, Half Moon Bay and Portola Valley. South San Francisco is now considering a commercial building code. Its initial code was solely for the residential sector. Across San Mateo and Santa Clara Counties, 26 agencies have adopted some kind of all-electric reach code. PCE is providing some support to Half Moon Bay and South San Francisco commercial stakeholder engagement. Project attention is now turning to the 2022 code cycle. Draft new model codes are expected to become available at the beginning of next year. The Half Moon Bay Council has provided direction to staff to develop reach codes with new and existing building electrification measures.
- **Training and Technical Assistance:** Training and technical assistance efforts are being deemphasized to focus on the 2022 model code development, though developer technical assistance is still available.
- **Existing Building policy development:** A policy and financing literature review and analysis of existing building electrification and multifamily EV charging was completed. The technical consultant, TRC, is currently developing design guidelines for key residential scenarios. A menu of policy options has been presented to Menlo Park's city council on August 31 and council provided direction to develop pilot programs and other measures.

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. Buildings Programs

2.1. Appliance Rebates

Background: In May 2020, the Board approved a 4-year, \$6.1 million for electrifying existing buildings. This included \$2.8 million for implementing an appliance rebate program. PCE successfully launched the heat pump water heater rebates on January 01,

2021 for San Mateo residents. PCE rebates are offered in partnership with BayREN's Home+ program. BayREN offers a rebate of \$1,000 and PCE offers an additional rebate of \$1,000 for methane gas to HPWH or \$500 for electric resistance to HPWH. PCE also offers a bonus rebate for low-income customers (CARE/FERA participants) of \$1,000 and \$1,500 for electrical panel updates of up to 100 Amp and \$750 for up to 200 Amp that might be needed to accommodate the HPWH.

Status: The heat pump water heater (HPWH) rebate program was launched on January 01, 2021 and to date we have received 121 applications and 99 have been paid or approved. Currently five San Mateo County contractors and 19 contractors outside the county are enrolled in the program. PCE has been promoting the incentive through digital ads, email outreach and other channels.

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

2.2. (Low-Income) Home Upgrade Program

Background: In May 2020, The Board approved \$2 million for implementing a turn-key low-income home upgrade program. The measures implemented through the program will vary depending on each home's needs but will include at least one electrification measure such as installing a HPWH or replacing a gas furnace with electric. The contract with the administration and implementation firm, Richard Heath & Associates (RHA), was executed after being approved by the Board in the March 2021 meeting.

Status: The program was announced on September 28, 2021 and received coverage in the San Mateo Daily Journal. Nearly 200 homes have already expressed interest in the program through PCE outreach, the program's outreach partner El Concilio, and other community-based organizations and cities. RHA has been screening the eligibility of the homes and scheduling in-person home assessments for those that meet the criteria. As of October 31, 2021, 20 homes have been fully enrolled in the program and installations are forthcoming.

Strategic Plan:

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

2.3. Building Pilots

Background: In May 2020, The Board approved \$300,000 for piloting a new innovative technology from Harvest Thermal Inc., a Bay Area-based startup, that combines

residential space and water heating into a unified heat pump electric system with a single water storage tank. Through this project, this technology will be installed in 3-5 homes within the San Mateo County to assess its performance and demonstrate its effectiveness for emission reductions.

Status: The home recruitment process began in late April and the project received 290 applications. Homes are being selected based on technical criteria (home characteristics, energy usage patterns, and technical feasible of the upgrade within budget). The top 8 homes have been identified and contractor bids are taking place through the end of September. Final 3-5 participation homes will be selected based on project costs based on bids. Installation of the systems are expected to take place in Q4 2021 through Q1 2022. TRC has been contracted to provide independent measurement and verification services for the project. Lastly, the Technical Advisory Committee (TAC) met September 30, 2021 to review and provided feedback on the project. TAC members include former building officials, former contractor, city commissioner, peer CCA program managers, CPUC staff, CAC member and Board member Jeff Aalfs.

Strategic Plan:

Goal 3 – Community Energy Programs, Objective C:

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization

3. Distributed Energy Programs

Peninsula Clean Energy has Board-approved strategies for the promotion of 20 MW of new distributed energy resources in San Mateo County and a three-year, \$10 million strategy to deploy local electricity resiliency programs in San Mateo County. The projects described below are efforts towards meeting both of these goals.

3.1. Local Government DER Project Development

Background: In October 2020, the Board approved a DER Site Evaluation Services contract with McCalmont Engineering for DER site evaluation and designs for County and municipal facilities identified as candidates for solar-only non-resilience or solar + storage resilience projects.

Status: We have completed site visits and DER designs for fourteen (14) facilities. The total portfolio size would be up to 2.1 MW of new solar, assuming all facility owners participate. We have begun active exploration of an aggregate procurement and novel contracting mechanism as part of our overall strategic initiatives with DERs through which customers could receive DER benefits and savings with no up-front costs and where Peninsula Clean Energy would manage procurement, operations, performance, and maintenance. We have begun securing commitments from participating local governments to take part in this procurement should pricing received via competitive solicitation and our parallel exploration of financing and ownership mechanisms enable

Peninsula Clean Energy to provide a Power Purchase Agreement (PPA) with community benefits. Brisbane, Hillsborough, San Carlos, and San Mateo have already committed to participate. Other member jurisdictions are expected to commit soon.

3.2. Power On Peninsula – Homeowner

Background: Power on Peninsula – Homeowner is a solar+storage energy resiliency program run by Peninsula Clean Energy in partnership with Sunrun and TerraVerde Energy. This program provides energy storage systems paired with solar power to single family and multifamily Peninsula Clean Energy customers. Customers who sign up for this program receive an incentive up to \$1,250. At Peninsula Clean Energy's direction, Sunrun will dispatch the stored energy during evening hours when renewable generation on the California grid is low. This will also help Peninsula Clean Energy to reduce its peak load and thereby reduce our resource adequacy requirements.

Status: The program is being impacted by supply chain issues including contractor, materials, and product supply and cost. However, program promotion has been ongoing. Sunrun and Peninsula Clean Energy staff are preparing for the beginning of the storage dispatch phase beginning January 2022, when the storage systems will provide a portion of their power on PCE's schedule. The incentive of \$1,250 is planned to drop to \$500 at the end of the 2021 calendar year. PCE is exploring possible expansion of the program. Staff is planning to launch a customer satisfaction survey for program participants towards the end of the year. Additionally, staff signed a contract with a firm to provide labor compliance assistance and has begun developing the process for analyzing workforce data.

Strategic Plan: The activities and programs described in the DER and Energy Resilience activities 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
 - 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.

4. Transportation Programs

4.1. Used EV Rebate Program

Background: Launched in March 2019, the Used EV Rebate Program (formerly 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

income-qualified San Mateo County residents (those making 400% of the Federal Poverty Level or less). The incentives may be combined with other state-funded income-qualified EV incentive programs. 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 income-qualified residents. The program includes a \$25,000 vehicle price cap and local dealership network with point-of-sale rebate. In February 2021, PCE executed a competitively bid contract with GRID Alternatives (“GRID”) to administer the expanded program.

Status: The ‘old’ program incentivized 105 rebates since the launch in March 2019. A total of 17 rebates have been provided under the new program and a large queue of over 200 applications are in progress. Because vehicle supplies are extremely tight due to global supply chain issues in the market currently and pricing is high, it is taking applicants longer than normal to purchase vehicles.

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

4.2. “EV Ready” Charging Incentive Program (ongoing, no updates)

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. 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 Level 1 charging, assigned parking in multi-family dwellings, affordable housing new construction, public agency new construction, and charging for resiliency purposes.

Status: The program has been impacted by supply chain issues including contractor, materials, and product supply and cost. This has resulted in installation delays. PCE’s technical assistance and outreach is ongoing. In total 100+ different locations are in the technical assistance process requesting over 800 charging ports. In the course of technical assistance, PCE delivered over 50 evaluations equaling 950+ ports. PCE’s dedicated incentive program of \$4 million has received 22 applications for funding for a total of 363 ports. Eleven applications were approved totaling 293 ports and \$594,000.

CALeVIP is processing Year-1 applications and PCE staff anticipate 798 L2 ports and 310 DCFC ports to be funded for a total of \$16M (\$12M in DCFC funds and \$4M in L2 funds). Year 2 and Year 3 funding application review has not started. PCE contacted all

CALeVIP applicants in San Mateo to offer technical assistance and facilitate project success.

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

4.3. 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 19 events and 3,033 experiences since inception in 2018. 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. Due to the COVID-19 pandemic, ride & drive events have been paused. As a result, staff developed a suite of virtual EV engagement pilot programs that replaced the in-person ride & drive events. Staff evaluated these pilots in January 2021 and phased out some due to low uptake and to prioritize limited funding for the most successful programs – Virtual EV Forums & EV Rental Rebate.

Status: The Virtual EV Forums in partnership with large San Mateo County employers continued through the end of FY20-21. Four EV Forums were held. The EV Rental Rebate, which offers a rebate up to \$200 on the rental of an EV and as of October 31, 2021 has issued 130 rebates, has seen good uptake and shown positive impact in participant's opinions of EVs and likeliness to get an EV as their next vehicle. Most of the FY21-22 EV Ride & Drive/Engagement budget will be dedicated to the EV Rental Rebate. Staff will consider re-starting ride & drive events again sometime next calendar year.

Strategic Plan:

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 1: Drive personal electrified transportation towards majority adoption

4.4. E-Bikes for Everyone Rebate Program

Background: The Board approved the E-Bikes Rebate program in July 2020. This program has a total budget of \$300,000, originally intended for three years, to 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 is under contract to PCE as an outreach and promotional partner and local bike shops are under contract to provide the

rebate as a point-of-sale discount to customers. Enrolled bike shops include Summit Bicycles, Mike's Bikes, Sports Basement, and RidePanda (as an online retail partner).

Status: The program launched in May and sold out within a week. Over 275 e-bikes have been purchased so far. Staff are preparing to return to the Board with a proposal for additional funding.

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

4.5. 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. An RFP is under development will be released in Q4 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

4.6. Transportation Pilots

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 start becoming available in Q1 2022. Supply chain issues are currently slowing new vehicle orders.

MUD Low-Power EV Charging Pilot

Background: This project was initially approved by the Board in 2018. This pilot program has completed a needs assessment among various multi-unit dwelling (MUD) ownership types as well as a review of various low-power charging technology solutions. 13 Plugzio devices (smart outlets) have been installed at 3 MUDs in Millbrae and Foster City. A cost-efficiency analysis found that the project saved nearly \$180,000 in costs at one MUD alone, compared to the cost of traditional Level 2 charging (40 amps of power to each station), which would have triggered the need for significant upgrades. Installing L2 instead of L1 would have been over 4X more expensive in these cases. Lessons learned from this pilot are already informing inclusion of low-power charging solutions in PCE's EV Ready Program.

Status: A final report is being developed now.

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. The proof-of-concept test ran during the first half of 2020 and was a successful demonstration.

Status: Staff released an RFP for the telematics-based platform for the Phase 2 pilot and are currently interviewing finalists. The contract for the recommended winner will be brought to the Board for approval soon. PCE is collaborating with an academic team from the University of California, Davis' Davis Energy Economics Program (DEEP) to develop an incentive structure experiment that will be used to inform PCE's Managed Charging Program design. The contract with UC Davis will be brought to the Board for approval in October.

Curbside Charging Pilot

Background: Curbside charging has the potential benefit of bringing new charging solutions to drivers that lack residential charging (e.g. MUDs, renters, etc.). This pilot is assessing the cost effectiveness of curbside charging in various scenarios, including streetlight-mounted stations, scaling potential, and potential technical and policy barriers that need to be addressed prior to installation. 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 is reviewing the final technical and policy analyses now and is exploring metering and other policy considerations with PG&E.

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 A:

- Key Tactic 1: Drive personal electrified transportation to majority adoption
- 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 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: November 5, 2021
BOARD MEETING DATE: November 18, 2021
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 – November 2021

BACKGROUND

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

DISCUSSION

Execution Month	Purpose	Counterparty	Term
October	Purchase of Local Resource Adequacy	Calpine Energy Services, L.P.	12 Months
October	Sale of System Resource Adequacy	Calpine Energy Services, L.P.	4 Months
September	Purchase of Local Resource Adequacy	Silicon Valley Power	2 Months
October	Purchase of Local Resource Adequacy	Southern California Edison Company	4 Months
October	Purchase of System Resource Adequacy	Pacific Gas & Electric Company	2 Months
October	Sale of Local Resource Adequacy	Exelon Generation Company, LLC	2 Months
October	Purchase of Local Resource Adequacy	Exelon Generation Company, LLC	2 Months
October	Purchase of System Resource Adequacy	Bolt Energy Marketing, LLC	2 Months
October	Purchase of System Resource Adequacy	Bolt Energy Marketing, LLC	1 Month

October	Purchase of System Resource Adequacy	Clean Power SF	6 Months
October	Sale of System Resource Adequacy	Clean Power SF	5 Months
October	Purchase of Local Resource Adequacy	Silicon Valley Clean Energy Authority	3 Months
October	Purchase of System Resource Adequacy	Silicon Valley Clean Energy Authority	1 Month
November	Purchase of Energy Hedge	NRG Power Marketing LLC	3 Months
November	Purchase of Energy Hedge	TransAlta Energy Marketing (U.S.) Inc.	6 Months

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 November 31 st of the prior year	Up to 36 months
System Resource Adequacy	In year 1, must demonstrate capacity to meet 90% of system obligation for summer months (May – September) by November 31 st of the prior year	Up to 12 months
Flexible Resource Adequacy	In year 1, must demonstrate capacity to meet 90% of monthly flexible obligation by November 31 st 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 November 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
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)

Net Position Balance

<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
September 30, 2021	Unaudited	\$178,185
September 30, 2022	Budget	\$165,599

Unrestricted Cash/Investments Balance

<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
September 30, 2021	Unaudited	\$157,428
September 30, 2022	Budget	\$165,593

Change in Net Position

<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)
September 30, 2021	Unaudited YTD	(\$2,159)
FY2021-2022	Budget	(\$18,672)

Cost of Electricity

<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
September 30, 2021	Unaudited YTD	\$56,464
FY2021-2022	Budget	\$216,706

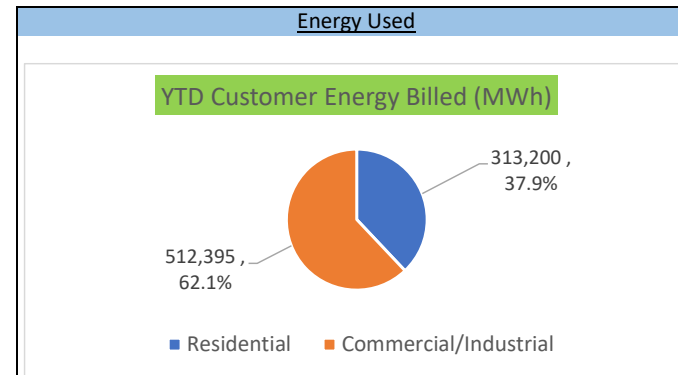
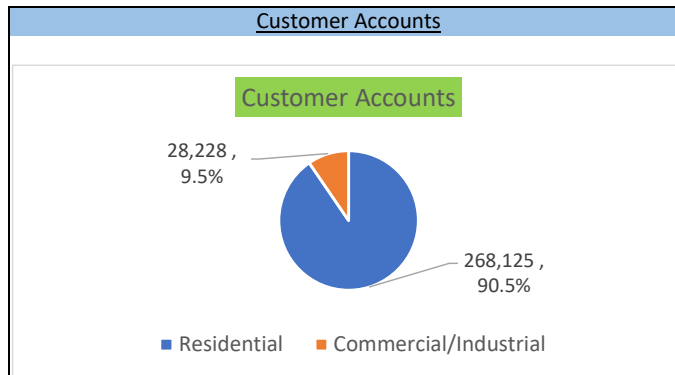
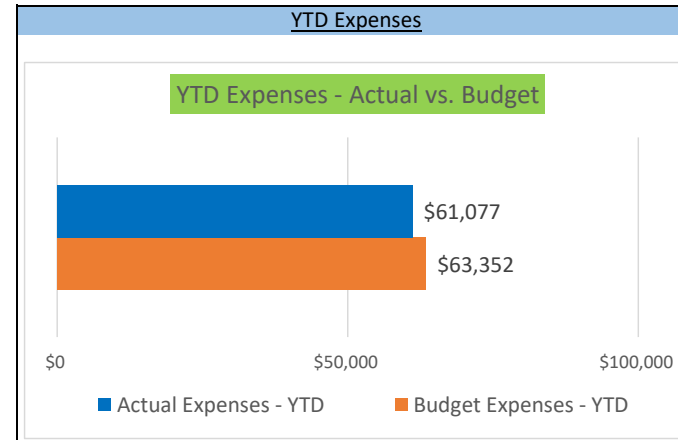
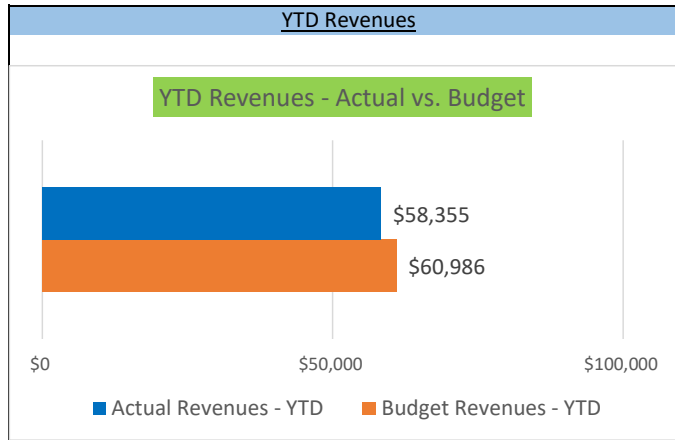
Revenues

<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
September 30, 2021	Unaudited YTD	\$58,355
FY2021-2022	Budget	\$222,240

Total Operating Expenses

<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
September 30, 2021	Unaudited YTD	\$61,077
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)		
	Actual	Budget	Variance: Favorable / (Unfavorable)	YTD Actual as % of YTD Budget	Budget	YTD Actual as % of Full Year Budget	Prior Year Actual (YTD)
OPERATING REVENUES							
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
Total Operating Revenues	\$58,355	\$60,986	(\$2,632)	95.7%	\$222,240	26.3%	\$75,084
OPERATING EXPENSES							
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
Total Operating Expenses	61,077	63,352	2,276	96.4%	241,812	25.3%	71,413
Operating Income (Loss)	(\$2,722)	(\$2,366)	(\$356)	115.0%	(\$19,572)	13.9%	\$3,671
Total Nonoperating Inc/(Exp)	563	225	338	250.3%	900	62.6%	274
CHANGE IN NET POSITION	(\$2,159)	(\$2,141)	(\$18)		(\$18,672)		\$3,944



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	<u>208,936,034</u>

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	<u>30,751,306</u>

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	<u>58,354,708</u>

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	<u>61,056,086</u>
Operating income (loss)	<u>(2,701,378)</u>

NONOPERATING REVENUES (EXPENSES)

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

CHANGE IN NET POSITION

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

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	<u>(4,165,284)</u>
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	<u>(4,427,235)</u>
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	<u>3,808,546</u>
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><u>\$ (5,279,800)</u></u>



PENINSULA CLEAN ENERGY - PFM

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Period from July 1, 2021 to September 30, 2021

MARKET VALUE RECONCILIATION

	CURRENT PERIOD 07/01/2021 TO 09/30/2021	YEAR TO DATE 07/01/2021 TO 09/30/2021
Beginning Market Value	78,792,787.40	78,792,787.40
Disbursements		
Cash Disbursements	- 8,770,199.93	- 8,770,199.93
Total Disbursements	- 8,770,199.93	- 8,770,199.93
Asset Activity		
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
Total Asset Activity	61,013.32	61,013.32
Net Change In Market Value	- 8,709,186.61	- 8,709,186.61
Ending Market Value	70,083,600.79	70,083,600.79

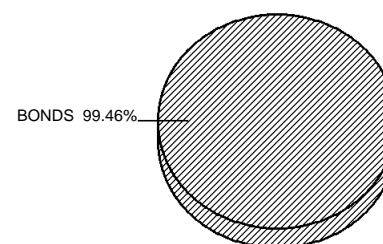


PENINSULA CLEAN ENERGY - PFM

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Period from July 1, 2021 to September 30, 2021

ASSET SUMMARY

ASSETS	09/30/2021 MARKET VALUE	% OF MARKET
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
Total Assets	69,863,538.89	99.69
Accrued Income	220,061.90	0.31
Grand Total	70,083,600.79	100.00





PENINSULA CLEAN ENERGY - FRB
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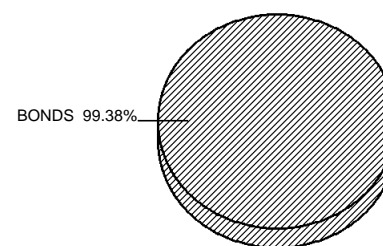
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Period from July 1, 2021 to September 30, 2021

MARKET VALUE RECONCILIATION

	CURRENT PERIOD 07/01/2021 TO 09/30/2021	YEAR TO DATE 07/01/2021 TO 09/30/2021
Beginning Market Value	78,460,818.58	78,460,818.58
Disbursements		
Cash Disbursements	- 8,785,310.70	- 8,785,310.70
Total Disbursements	- 8,785,310.70	- 8,785,310.70
Asset Activity		
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
Total Asset Activity	18,298.45	18,298.45
Net Change In Market Value	- 8,767,012.25	- 8,767,012.25
Ending Market Value	69,693,806.33	69,693,806.33

ASSET SUMMARY

ASSETS	09/30/2021 MARKET VALUE	% OF MARKET
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
Total Assets	69,394,056.02	99.57
Accrued Income	299,750.31	0.43
Grand Total	69,693,806.33	100.00



California Community Power

70 Garden Court, Suite 300, Monterey, CA 93940 | cacommunitypower.org

TO: CC Power Board of Directors **DATE:** 11/10/21
FROM: Tim Haines – Interim General Manager
SUBJECT: Report on CC Power Board of Directors Meeting – November 10, 2021

The CC Power Board of Directors held its normally scheduled meeting on Wednesday, November 10, 2021, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: <https://cacommunitypower.org>

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** No matters were brought up.
- **Public Comment.** No comments on non-agenda items.
- **Consent Calendar** - The Board unanimously approved the following items:
 - Minutes of the October 20, 2021 Regular Board Meeting
 - Resolution 21-10-13 Reconsideration of the Determination that Meeting in Person Would Present Imminent Risks to the Health or Safety of Attendees as a Result of the Proclaimed State of Emergency
- **Board Chair's Report.** Policy Ad hoc Committee Recommendation. Resolution 21-11-02 Approval of Policy Approach for CC Power Project Requirements.

The Chair informed the Board that the action being requested is for it adopt the policy approach for CC Power project requirements. The requirements are included in the Ad hoc Committee memo. The Chair invited Board Member Syphers, a Member of the Ad Hoc Committee, to review the memo.

Mr. Syphers explained that the Ad Hoc Committee recommendation is the result of a ten-month effort in response to concerns from representatives of labor groups that CC Power procurement practices align with the policies of Member CCA governed by local elected officials. He described the approach that was taken and noted that during the period CC Power adopted policies for two solicitations. Ultimately the Ad Hoc Committee concluded that CC Power cannot set policies that override the policies of its member CCA governing boards and CC Power should ensure that procurement requirements for any project be established by considering the policies of participating members. The Ad Hoc Committee policy approach states in part:

“CC Power will seek to award contracts and negotiate contract terms consistent with the local values and goals of each participating Member. These values include but are not limited to competitiveness, fair labor standards, environmental justice, environmental protection, community outreach, and transparency. No CC Power member will participate in a

A Joint Powers Agency whose members are:

Central Coast Community Energy | CleanPowerSF | East Bay Community Energy | MCE | Peninsula Clean Energy |
Redwood Coast Energy Authority | San José Clean Energy | Silicon Valley Clean Energy | Sonoma Clean Power |
Valley Clean Energy

project that contravenes the adopted policies of its local governing body unless they obtain formal approval from their governing board. When projects are being considered, each participating Member will communicate their relevant and current local Board approved policies or applicable procedures. Participating members will need to agree on how their individual policies will be applied in the joint procurement documents. Underlying the formation of CC Power is the recognition that collective procurement is beneficial; generally, the more members participating in a project, the better.”

The memo encourages all members to consider a list of categories in the development of their local policies. This will ensure that when procurement request documents are issued by CC Power, current local board policies related to these areas are as current as possible.

Several CC Power Board members commented on discussions with their own CCA Board members regarding the policymaking role of CC Power. Numerous representatives of labor, environmental and environmental justice groups encouraged the Board to seek further input from their groups and adopt more proscriptive policies.

Individual Board members expressed appreciation for the public input and encouraged continued engagement. The Board voted to approve the resolution by a vote of 8 to 2. The Chair acknowledged this action is a first step and asked the ad hoc committee to return with a schedule to obtain the current local CCA policies.

- **General Manager’s Report. *Long Duration Storage and Budget*** – Interim GM Haines informed the Board that the project oversight committee and the legal counsels of participating members are working to finalize agreements to recommend final contacts at the December 8th or 15th Board meeting. Mr. Haines also alerted the Board that he may seek its approval at the December Board meeting to reallocate funds within the 2021 budget to finalize the LDS agreements. The Interim General Manager presented the draft 2022 Budget and areas that are subject to change. The budget will be presented for Board approval at the December 15th Board meeting.
- **Discussion of Any Individual Member Items** – Board Member Habashi informed the Board of 3CE authorization for procurement of local storage projects.

COMMONLY USED ACRONYMS AND KEY TERMS

AB xx – Assembly Bill xx
ALJ – Administrative Law Judge
AMP- Arrears Management Plans
AQM – Air Quality Management
BAAQMD – Bay Area Air Quality Management District
CAC – Citizens Advisory Committee
CAISO – California Independent System Operator
CalCCA – California Community Choice Association
CAM – Cost Allocation Mechanism
CARB – California Air Resources Board, or California ARB
CARE- California Alternative Rates for Energy Program
CBA – California Balancing Authority
3CE- Central Coast Community Energy (Formerly Monterey Bay Community Power-MBCP)
CCA – Community Choice Aggregation (aka Community Choice Programs (CCP) or
CCE – Community Choice Energy (CCE)
CCP – Community Choice Programs
CEC – California Energy Commission
CPP- Critical Peak Pricing
CPSF – Clean Power San Francisco
CPUC – California Public Utility Commission (Regulator for state utilities)
CSGT - Community Solar Green Tariff
DA – Direct Access
DAC-GT - Disadvantaged Communities Green Tariff
DER – Distributed Energy Resources
DG – Distributed Generation
DR – Demand Response
DRP – Demand Response Provider
DRP/IDER – Distribution Resources Planning / Integrated Distributed Energy Resources
EBCE – East Bay Community Energy
ECOplus – PCE’s default electricity product, 50% renewable and 90% GHG-free (in 2019)
ECO100 – PCE’s 100% renewable energy product
EDR – Economic Development Rate
EE – Energy Efficiency
EEI – Edison Electric Institute; Standard contract to procure energy & RA
EIR – Environmental Impact Report
ELCC – Effective Load Carrying Capability
ESP – Electric Service Provider
ESS – Energy Storage Systems
ERRA – Energy Resource Recovery Account
EV – Electric Vehicle
EVSE – Electric Vehicle Supply Equipment (Charging Station)
FERA- Family Electric Rate Assistance Program

FERC – Federal Energy Regulatory Commission
 FFS – Franchise Fee Surcharge
 GHG – Greenhouse gas
 GHG-Free – Greenhouse gas free
 GTSR – Green Tariff Shared Renewables
 IDER – Integrated Distributed Energy Resources
 IOU – Investor Owned Utility (e.g PG&E, SCE, SDG&E)
 IRP – Integrated Resource Plan
 ITC – Investment Tax Credit (it’s a solar tax credit)
 JCC – Joint Cost Comparison
 JPA – Joint Powers Authority
 kW – kilowatt (Power)
 kWh – Kilowatt-hour (Energy)
 LIHEAP- Low Income Home Energy Assistance Program
 Load Shaping – changing when grid energy is used
 LSE – Load Serving Entity
 MCE – Marin Clean Energy
 Methane Gas- formerly known as ‘natural gas’
 Microgrid – building or community energy system
 MW – Megawatt (Power) = 1000 kW
 MWh – Megawatt-hour (Energy) = 1000 kWh
 MUD – Multi-unit Dwelling
 NBCs – non-bypassable charges
 NEM – Net Energy Metering
 NERC – North American Electric Reliability Corporation
 NDA – Non-Disclosure Agreement
 NG – Natural Gas
 OES – Office of Emergency Services
 OIR – Order Instituting Rulemaking
 PCC – Portfolio Content Category (aka “buckets”) – categories for RPS compliance
 PCC1 – Portfolio Content Category 1 REC (also called bucket 1 REC)
 PCC2 – Portfolio Content Category 2 REC (also called bucket 2 REC)
 PCC3 – Portfolio Content Category 3 REC (also called bucket 3 REC or unbundled REC)
 PCE – Peninsula Clean Energy Authority
 PCIA – Power Charge Indifference Adjustment
 PCL – Power Content Label
 POU – Publicly Owned Utility
 PPA – Power Purchase Agreement
 PSPS – Public Safety Power Shutoff
 PV – Photovoltaics (solar panels)
 RA – Resource Adequacy
 RE – Renewable Energy
 REC – Renewable Energy Credit/Certificate
 RICAPS - Regionally Integrated Climate Action Planning Suite
 RPS – California Renewable Portfolio Standard
 SB xx – Senate Bill xx
 SCP – Sonoma Clean Power
 SJCE – San Jose Clean Energy

SMD – Share My Data, interval meter data
SQMD – Settlement Quality Meter Data
SVCE – Silicon Valley Clean Energy
TNCs – Transportation Network Companies (ridesharing companies)
TOU RATES – Time of Use Rates
VGI – Vehicle-Grid Integration
V2G – Vehicle-to-Grid
VPP – Virtual Power Plant
WECC – Western Energy Coordinating Council
WREGIS – Western Renewable Energy Generation Information System
WSPP – Western Systems Power Pool; standard contract to procure energy and RA