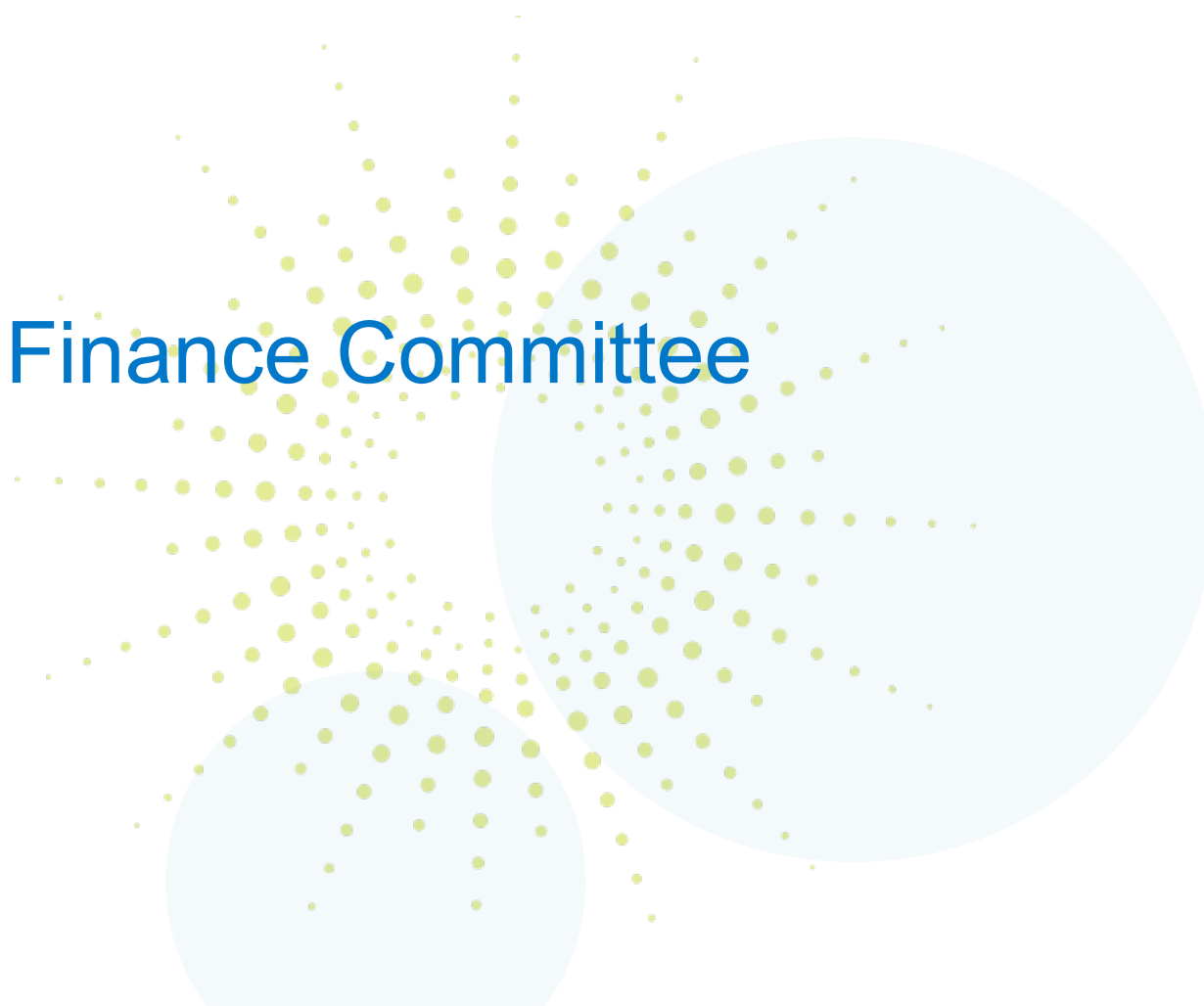




# Special Audit & Finance Committee Meeting

November 18, 2021



# Agenda

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- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
- Action to set the Agenda and Approve Consent Item 1
  - Consent - Public Comment
- Adjournment



# Peninsula Clean Energy Board of Directors Meeting

November 18, 2021

# Agenda

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- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
- Action to set the Agenda and Approve Consent Items 1-2
  - Consent - Public Comment

# 3. Chair Report (Discussion)

Regular Agenda

# 4. CEO Report (Discussion)

Regular Agenda

# Staffing Updates

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- Sandra Benetti starting November 1 as Associate Manager, Community Relations
- Blake Herrschaft starting November 29th as Building Electrification Programs Manager
- Masha Doubrovskaya starting November 29th as Account Services Specialist / Analyst



# Other Open Positions

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- Starting recruitment for Chief Operating Officer





# Peninsula Clean Energy Approval Process for CC Power Long Duration Storage Project

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Date		Event	
10/12	✓	October Executive Committee	Provide background
10/28	✓	October Board Meeting	Provide Board with background on project
11/4	✓	Procurement Subcommittee	Deeper dive on project and contract
<del>11/8</del> 12/6		<del>November</del> December Executive Committee	Provide any updates
<del>11/18</del> 12/16		<del>November</del> December Board Meeting	Vote on CC Power participation Vote on Peninsula Clean Energy participation
<del>12/16</del> 1/27/22		<del>December</del> January Board Meeting	Report back on status of CC Power vote

11/4 Update: Approval process is pushed back by 1 month to negotiate one outstanding item in ESSA with LS Power related to sharing benefits of a stand alone storage tax credit

# San Mateo County Status – Reach Codes

Santa Clara County  
Adopted: 13  
In-Progress: 1

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 <sup>st</sup> 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		

**New**  
**New**



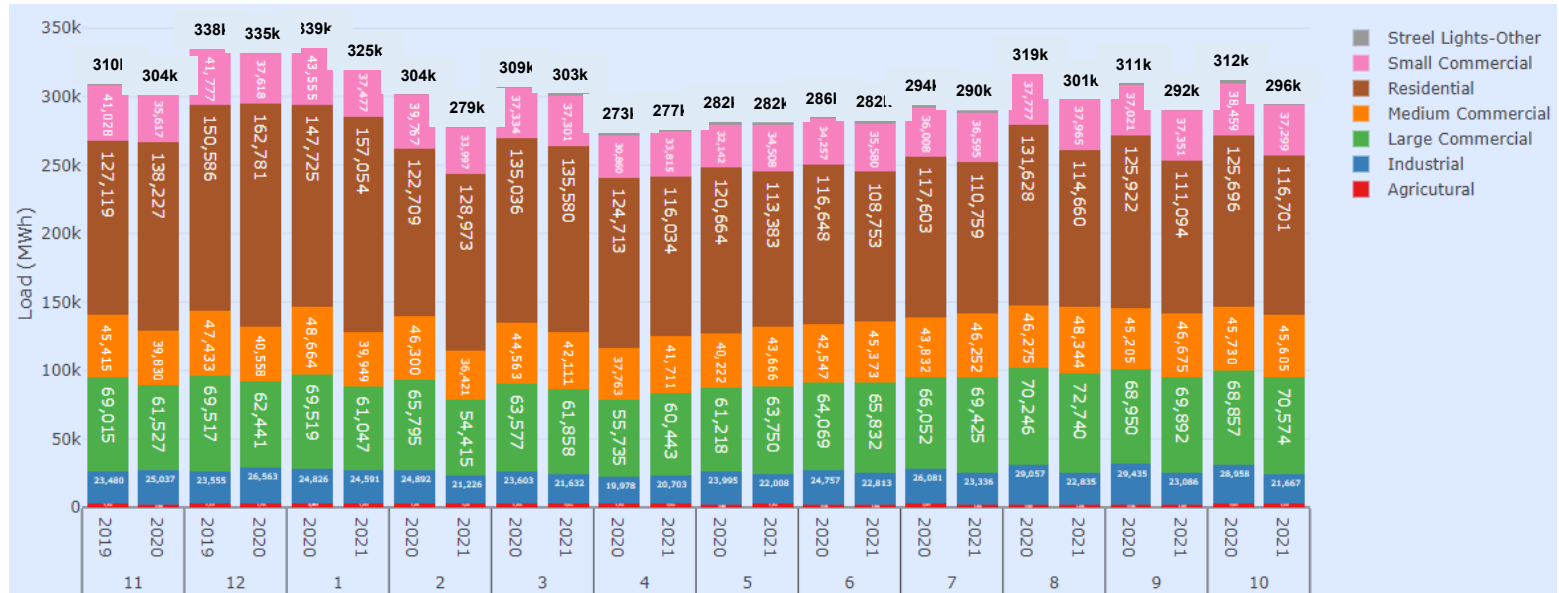
# COVID-19 Load Impact Analysis

November 16, 2021



# Monthly Load

- 4% decrease in PCE's load in November 2020 - March 2021 (Post-COVID) compared to November 2019 - March 2020 (Pre-COVID)
- Almost same amount of load in April 2021 – July 2021 compared to April 2020 – July 2020
- 6% decrease in PCE's load in August-October 2021 compared to August-October 2020. Load in August-October of 2020 was significantly higher than forecast due to heatwaves, fires, and smokes.



# Monthly Load Changes by Customer Class

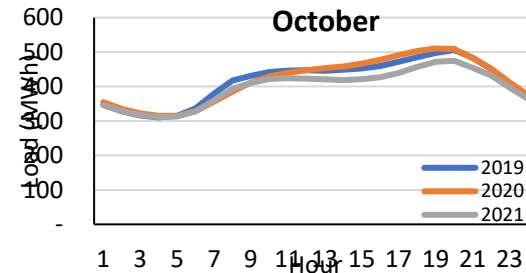
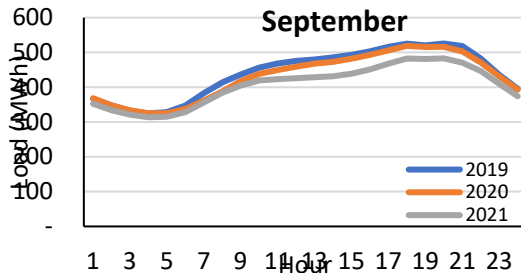
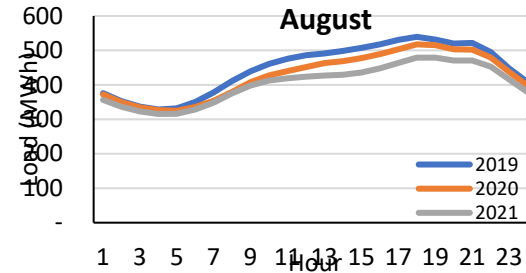
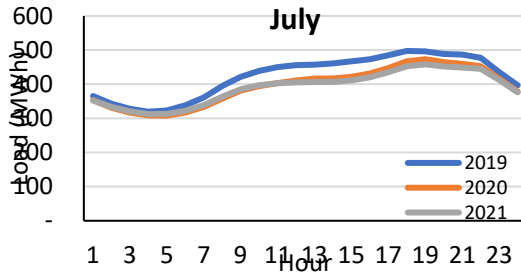
- Decrease in C&I load, increase in residential load in each month compared to same month in the previous year until March 2021.
- For April-July, we noticed an increase in C&I load in 2021 compared to 2020 and a decrease in residential load in 2021 compared to 2020.
- In August-October 2021, Residential and Industrial load was significantly lower compared to 2020, mainly due to the heatwaves that we experienced in 2020.

Agricultural	-8%	-7%	-8%	-1%	-12%	-7%	26%	3%	-9%	5%	4%	0%
Industrial	7%	13%	-1%	-15%	-8%	4%	-8%	-8%	-11%	-21%	-22%	-25%
Small Commercial	-13%	-10%	-14%	-15%	0%	10%	7%	4%	2%	0%	1%	-3%
Medium Commercial	-12%	-14%	-18%	-21%	-6%	10%	9%	7%	6%	4%	3%	0%
Large Commercial	-11%	-10%	-12%	-17%	-3%	8%	4%	3%	5%	4%	1%	2%
Residential	9%	8%	6%	5%	0%	-7%	-6%	-7%	-6%	-13%	-12%	-7%
Street Lights-Other	-1%	-1%	0%	-5%	-1%	0%	0%	-2%	-4%	-4%	-3%	-4%
PCE	-2%	-1%	-4%	-8%	-2%	1%	0%	-1%	-1%	-6%	-6%	-5%
Month	11	12	1	2	3	4	5	6	7	8	9	10

\* For months 11-12, the heatmap shows how much load in 2020 was lower/higher compared to same month in 2019. For months 1-10, it shows how much load in 2021 was lower/higher compared to same month in 2020.

# Load Shapes (PCE)

- In July, 2021 load scaled down compared to 2019 load. 2021 load is higher in morning peak hours but lower in afternoon and late evening hours compared to 2020 load.
- In August-October, 2021 load was lower compared to 2019 and 2020 load in afternoon and late evening hours.



# PCIA and PG&E Rate Forecasts for 2022

San Mateo County - Vintage 2016				
	2021 Rates	2022 Rates	Change	% Change
System Average - PG&E Generation Rate	\$ 0.10893	\$ 0.14849	\$ 0.03956	36%
System Average - PCIA Rate	\$ 0.04656	\$ 0.01154	\$ (0.03502)	-75%
System Average - "headroom"	\$ 0.05692	\$ 0.12953	\$ 0.07260	128%

Los Banos - Vintage 2021				
	2021 Rates	2022 Rates	Change	% Change
System Average - PG&E Generation Rate	\$ 0.10893	\$ 0.14849	\$ 0.03956	36%
System Average - PCIA Rate	\$ 0.02789	\$ 0.02959	\$ 0.00170	6%
System Average - "headroom"	\$ 0.07559	\$ 0.11148	\$ 0.03588	47%

\*\* Per PG&E's November Update issued on November 8, 2021

Headroom is calculated as PG&E Generation Rate \* 95% (to account for Peninsula Clean Energy's 5% discount) and subtracting the PCIA. The subtraction of the Franchise Fee Surcharge is not included in the calculation shown here.

# Upcoming Meetings

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- Citizens Advisory Committee:
  - December 2 at 6:30 p.m. (Zoom)
- Executive Committee:
  - December 6 at 10:00 a.m. (Zoom)
- SPECIAL Executive Committee:
  - December 16 at 6:20 p.m. (Zoom)
- SPECIAL Audit & Finance Committee
  - December 16 at 6:25 p.m. (Zoom)
- Board of Directors:
  - December 16 at 6:30 p.m. (Zoom)





# 5. Citizens Advisory Committee Report (Discussion)

Regular Agenda

# 6. Calpine FLEXmarket place

November 18, 2021



# FLEXmarket: Request

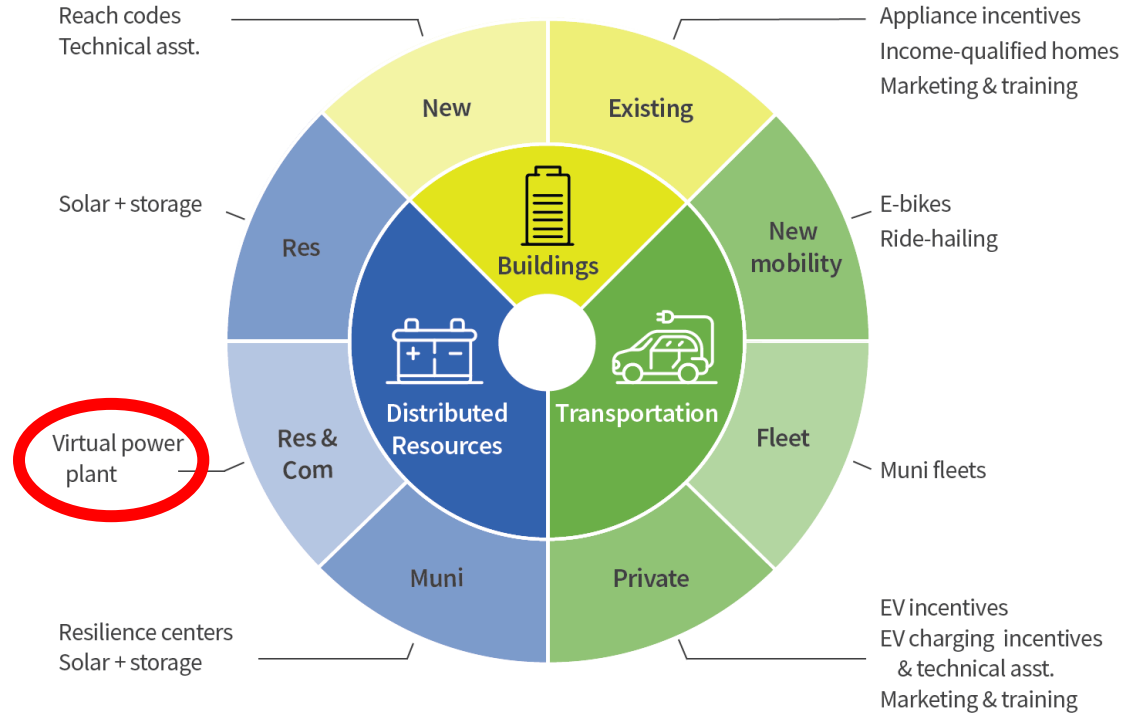
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**Program:** FLEXmarket/Market Access Program

**Request:** Approval of Program Plan for submittal to the California Public Utilities Commission

**Amount:** Anticipated between \$2M and \$5M, depends on CPUC allocation. All program expenditures to be reimbursed by the CPUC.

# Programs Portfolio



# Program Overview & Objectives

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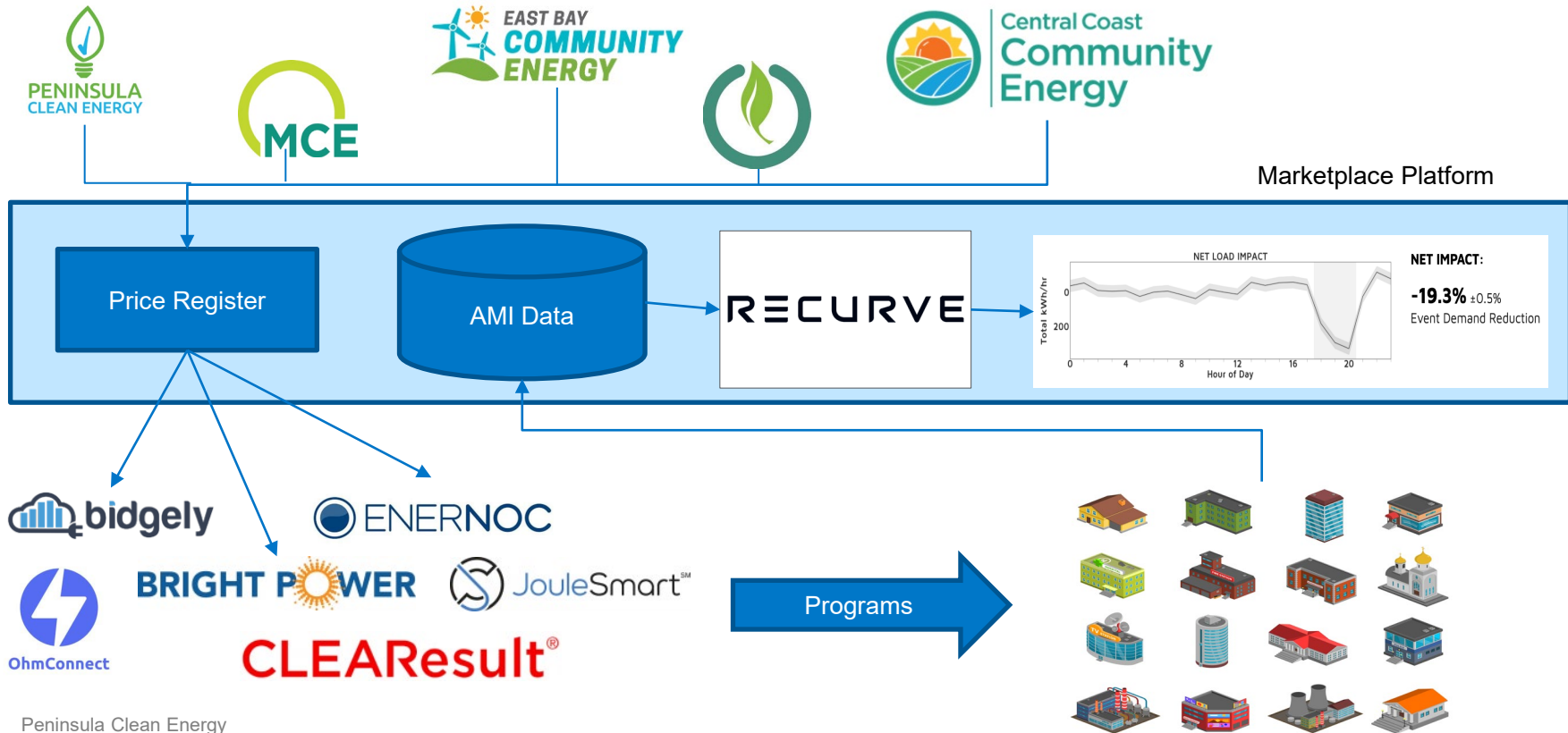
## Overview

- Market-driven resource program for behind-the-meter energy load reduction
- Allows for that assigns an hourly price points to service providers
- Service providers are paid based on measured outcomes
- Measurement is based on normalized meter data

## Objectives

- Increase summer grid reliability through peak load reduction
- Est. outcomes:
  - Peak load reductions: ~0.8 – 1.7 MW
  - Efficiency savings: 2.0 – 4.2 GWh

# Marketplace Architecture



# PCE Progress To Date on FLEXmarket

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- Investigating a FLEXmarket program for over a year
  - Discussions with MCE and EBCE who are piloting FLEXmarket
  - Discussions with FLEXmarket provider Recurve
- Calpine (PCE's billing and meter data systems provider) partnered formally with Recurve to streamline the service
- Analysis undertaken by Power Resources on prospective price point strategy

# CPUC EE Summer Reliability Proceeding

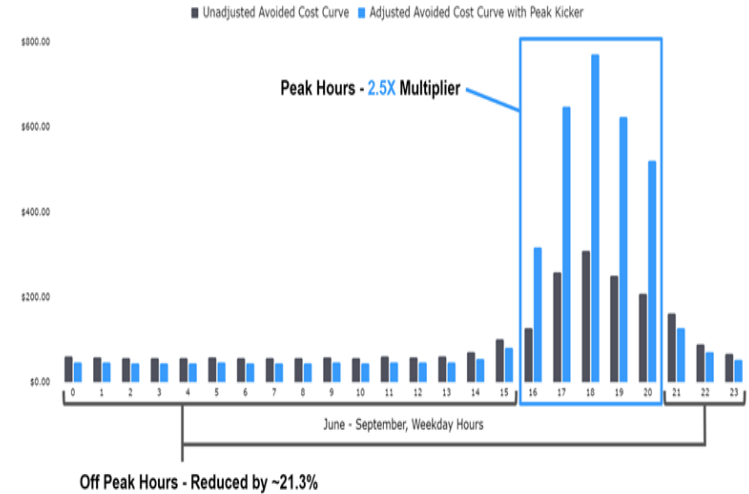
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- California is facing potential shortfalls in generation in summer months due to extreme weather and related factors
- CPUC has a number of proceedings to address prospective shortfalls
- Rulemaking 13-11-005 focuses on energy efficiency opportunities for reliability
- On October 29<sup>th</sup> CPUC issued a Proposed Decision proposing \$150 million for a “Market Access” program (FLEXmarket)
- Short notice opportunity for PCE to administer a local program



# PCE FLEXmarket/Market Access Program Plan

- Defines the structure and prospective budgets
- Aligns price points to CPUC recommendations which provide substantial value to evening peak hours
- Outlines reporting requirements and safeguards against dual-enrollment



# FLEXmarket: Request

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**Program:** FLEXmarket/Market Access Program

**Request:** Approval of Program Plan for submittal to the California Public Utilities Commission

**Amount:** Anticipated between \$2M and \$5M, depends on CPUC allocation. All program expenditures to be reimbursed by the CPUC.

# 7. Authorize Agreement as Revised for Gonzaga Wind

Chelsea Keys, Senior Manager, Power Resources

November 18, 2021

# Recommendation

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Approve Resolution Delegating Authority to Chief Executive Officer to Execute 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 Delivery Commencement Date on or about October 31, 2024, in an amount not to exceed \$204 million.

# Board Authorization Summary

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- PCE Board authorized PPA with Gonzaga Wind on October 28, 2021
- PCE CEO's execution of the PPA was contingent upon the approval from the Board of Scout Clean Energy, LLC, the developer for Gonzaga
- Scout's Board did not approve the PPA due to some concerns they felt remained unresolved
- Staff prefers to bring PPAs to the Board after the developer has confirmed approval, however, in October, we received late notice from Scout that they were unable to hold their Board meeting prior to PCE's Board meeting
- Scout's Board has now approved the PPA with the revised changes

# Areas of concern for Scout's Board

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- Due to recent inflation and price spikes in commodities and goods, Scout is concerned that they may be required to purchase major equipment in an inflated market which could adversely impact the economics of the project.
- Staff has agreed with Scout to reassess the market at a later date using defined and objective terms, closer to when they will be required to make their procurement decisions.
- Scout will have roughly six months, after that point the PPA remains enforced and the terms to progress the project through commercial operation become binding.

# Additional Notes

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- All information presented at the last board meeting and communicated in the October board memo remains the same.
- The revisions primarily impact a short period after execution.
- Terms for construction, commercial operation, and when actual deliveries commence have remained the same.
- Staff has not published a revised redacted version of the PPA since the language staff negotiated was previously redacted.
- The changes are sensitive to staff because certain terms could influence future PPA negotiations.
- Staff is confident that these changes do not adversely impact Peninsula Clean Energy.
- The terms are unique to this project and the current state of the market.

# Fit with Strategic Plan

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- Priority 1: Design a power portfolio that is sourced by 100% carbon free energy by 2025 that aligns supply and consumer demand on a 24x7 basis
- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates
  - Objective A Low Cost and Stable Power: Develop and implement power supply strategies to procure low-cost, reliable power.
  - Objective B Clean Power: Design a diverse power portfolio that is 100% carbon-free by 2021; and is 100% carbon-free by 2025 that aligns supply and consumer demand on a 24 x 7 basis.



# Recommendation

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Approve Resolution Delegating Authority to Chief Executive Officer to Execute 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 Delivery Commencement Date on or about October 31, 2024, in an amount not to exceed \$204 million.

# Questions

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Courtesy of Scout Clean Energy

# 8. Approval of 2022 Board of Directors Schedule of Meetings (Action)

Regular Agenda

# Proposed 2022 BOD Meeting Schedule

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Meeting Date:	Time:	Location:
January 13, 2022	<b>6:30 pm (5 min – AB 361)</b>	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	<b>6:30 pm (5 min – AB 361)</b>	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	<b>6:30 pm (5 min – AB 361)</b>	Video/Teleconference
July 28, 2022	6:30 pm	Video/Teleconference
August 25, 2022	6:30 pm	Video/Teleconference
September 22, 2022 ( <b>Retreat – Thurs.</b> )	5:30-9:30pm	Video/Teleconference
October 20, 2022	<b>6:30 pm (5 min – AB 361)</b>	Video/Teleconference
October 27, 2022	6:30 pm	Video/Teleconference
November 17, 2022 ( <b>3<sup>rd</sup> Thursday</b> )	6:30 pm	Video/Teleconference
December 15, 2022 ( <b>3<sup>rd</sup> Thursday</b> )	6:30 pm	Video/Teleconference

# 9. Board Members' Reports (Discussion)

Regular Agenda

# Adjournment