



# Peninsula Clean Energy Board of Directors Meeting

May 25, 2021



# Agenda

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- Call to order / Roll Call
- Public Comment
- Action to set the agenda and approve consent items

# Regular Agenda

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## 1. Chair Report (Discussion)

# Regular Agenda

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## 2. CEO Report (Discussion)

# Today's Updates

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- Western Community Energy
- Staffing Updates
- WG3 Decision at CPUC
- DAC-GT and CS-GT Program
- Legislative Update

# Staffing Updates

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- Jennika Uribe will start on June 1 as Community Outreach Specialist in Los Banos!



# Open positions:

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- Energy Contracts Manager
- Community Outreach Specialist (San Mateo County)
- Board Clerk/Executive Assistant to CEO/Office Manager

# WG3 Decision at CPUC

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- Decision approved at May 20 CPUC meeting:
  - 1) The PD eliminates the cap and trigger mechanism for PCIA, which will result in paying outstanding PCIA balances in the short run, but prevent competitive disadvantages in the future.
  - 2) The PD provides for a voluntary allocation of a "slice" of the hourly generation from the IOU's vintaged RPS portfolio.
  - 3) The PD denies any allocation of RA attributes.
  - 4) The PD provides for GHG free allocations under PG&E's existing voluntary allocation but only through 2023.
  - 5) The PD provides for PG&E to canvass its generators for interest in accepting a buy-out or buy down to remove contracts from the PCIA portfolio, but only in 2021 and 2022. IOUs may choose to run additional requests.



# DAC-GT and CS-GT Program

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- PCE submitting advice letter to CPUC for approval of PCE solicitation materials
- Advice letter due by June 14, 2021
- DAC – GT: 1.2 MW of solar in PG&E service territory and within an eligible DAC (disadvantaged community)
- DAC – CS: 410 kW of solar within 5 miles of a PCE DAC census tract, and with a qualifying project sponsor

# Legislative Activity

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- SB 612 (Portantino) – CalCCA bill on PCIA Working Group 3
  - Voted out of Appropriations Committee on May 20 – next step is Senate Floor
- SB 68 (Becker) – Removing Barriers to Electrification
  - Voted out of Appropriations Committee on May 20 – next step is Senate Floor
  - Electric service response times struck from the bill
- SB 67 (Becker) – 24/7 Clean Energy
  - Moving to 2-year bill
- Others passing appropriations committees and headed to floor:
  - SB 771 (Becker), SB 525 (Chiu), AB 843 (Aguiar-Curry), AB 1139 (Gonzalez)

# Upcoming Meetings

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These meetings will continue to be held by video/teleconference

- **Audit & Finance Committee:**
  - June 14 at 8:30 a.m.
- **Executive Committee:**
  - June 14 at 10:00 a.m.
- **Citizens Advisory Committee:**
  - June 10 at 6:30 p.m.
- **Board of Directors:**
  - June 24 at 6:30 p.m.



# Regular Agenda

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## 3. Citizens Advisory Committee Report (Discussion)

# Regular Agenda

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## 4. Appointments to the Citizens Advisory Committee (Action)



Citizens Advisory Committee

Member Nominations

*Board Committee on CAC Recruitment*

# CAC Nomination Process

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1. Staff posted CAC application form on PCE website
2. The two CAC members whose terms are up were invited to apply for an additional term
3. Meanwhile two CAC recently stepped off, creating two new openings
  - Thank you to Allen Brown and Janelle London for your service!
4. Six new applications were received
5. Board Committee on CAC Recruitment interviewed the six new candidates
6. Board Committee formulated nominations to present to full Board for approval

# Nominations

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## Nominations for Renewed Terms

- Diane Bailey
  - Long-time PCE champion, ED of Menlo Spark, regional leader on building electrification advocacy
- Joseph Fullerton
  - Energy and Sustainability Manager at the San Mateo Community College District, regional leader on workforce development

## Nominations for New Terms

- Daniel Baerwaldt
  - College student from Los Banos, brings representation and outreach capacity in our newest member city
- Cheryl Oliver Schaff
  - Climate action advocate from Menlo Park, excited to help PCE get the word out about our work



# Regular Agenda

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5. Approve Update to the EV Charging Incentive Program (Action)



# New EV Charging Infrastructure Rebate



# EV Charging Infrastructure Program

## “EV Ready” Program

- Timeframe: CY20-24
- Budget: \$16 million PCE + \$12 million CEC (CALeVIP)
- Includes:
  - Target: 3,500 ports
  - Advanced technical assistance
  - Workforce training
  - Emphasis on cost-effective “right-sized” charging
- Supports multiple incentive pools:
  - CALeVIP (co-funded PCE, CEC): favors workplaces
  - PCE dedicated fund: favors multi-family



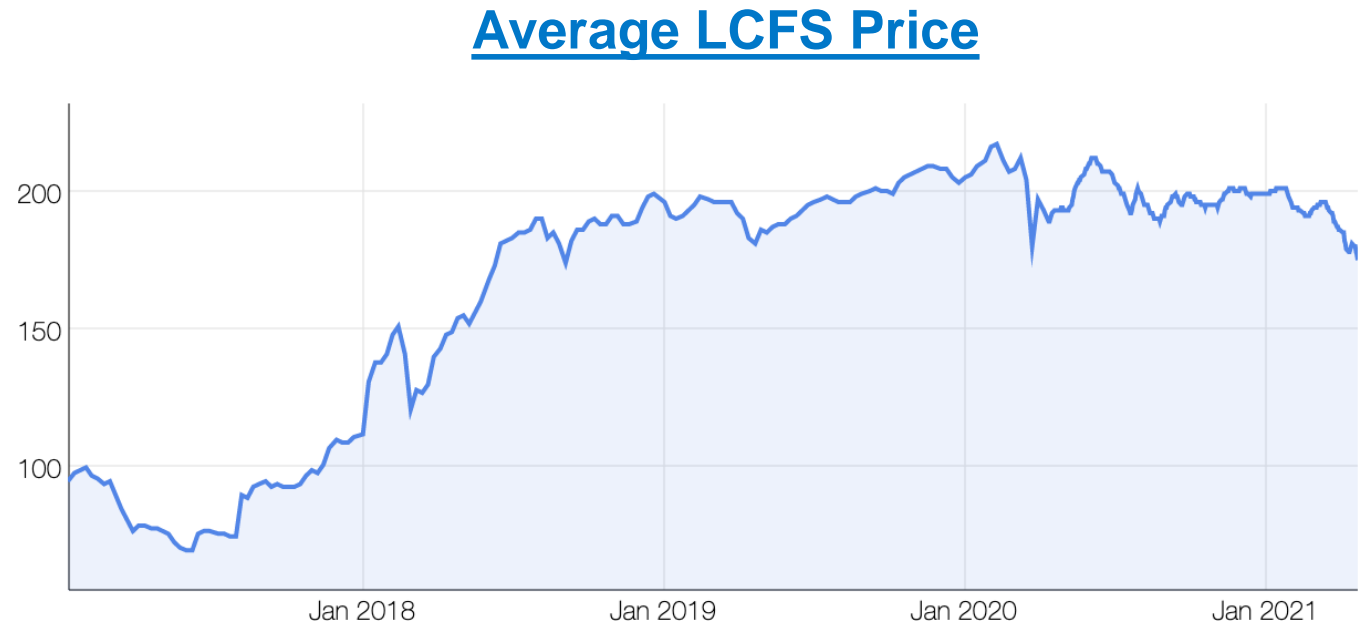
# Current PCE Funding for Retrofit Projects

	Port Type	Port Incentive	Applicable Site Cap
<b>Multi-Unit Dwelling</b>	L1 outlet	\$2,000	None
	L2 EV charging port	\$4,500	75%, \$36K
	Main panel upgrade	\$4,000	\$4K
<b>Affordable Housing</b>	L1 outlet	\$2,000	None
	L2 EV charging port	\$4,500	\$36K
	Main panel upgrade	\$4,000	\$4K
<b>Workplace</b>	L1 outlet	\$2,000	None
<b>Any</b>	“Make ready”	\$2,000	\$20K

Note: limited additional funds available for new construction at MUDs (above code), Affordable Housing, and public agencies

# About the Low Carbon Fuel Standard

- CARB market program to reduce emissions from transportation fuels
- 1 LCFS credit = 1 metric ton of avoided GHG emissions
- Fuel specific formulas for Carbon Intensity
- GHG-free electricity = \$.023/kWh (at \$200/credit)



# Proposed Additional Workplace/Public EVSE Incentive

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- Address new gap in funding due to oversubscription of CALeVIP
- Rebate for large workplace and public stations
- Paid back over time in future LCFS funds delegated to PCE. ROI expected in 4-6 years.
  
- Rebate: \$4,500 per port
  - \$2,000 from existing funds
  - +
  - \$2,500\* new funding, paid back from future LCFS funds

\* Rebate amount will decrease in the future if LCFS value decreases

# Proposed EVSE Incentive Scope

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- Eligibility:

- Public agencies, large workplaces, etc.
- Primarily targeting sites that didn't receive CALeVIP funding
- Preference for sites with high utilization (e.g. employee + fleet charging)

## Scope:

- Up to 50 ports/year (150 total over 3 years)
- Up to \$125,000/year (\$375,000 over 3 years)

# EV Charging Infrastructure: Request

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**Program:** EV Ready

**Request:** Board approval of proposed additional EVSE incentive

**Amount:** Up to \$375,000 total over 3 years. This action is expected to be cost-neutral to PCE operations.



# Regular Agenda

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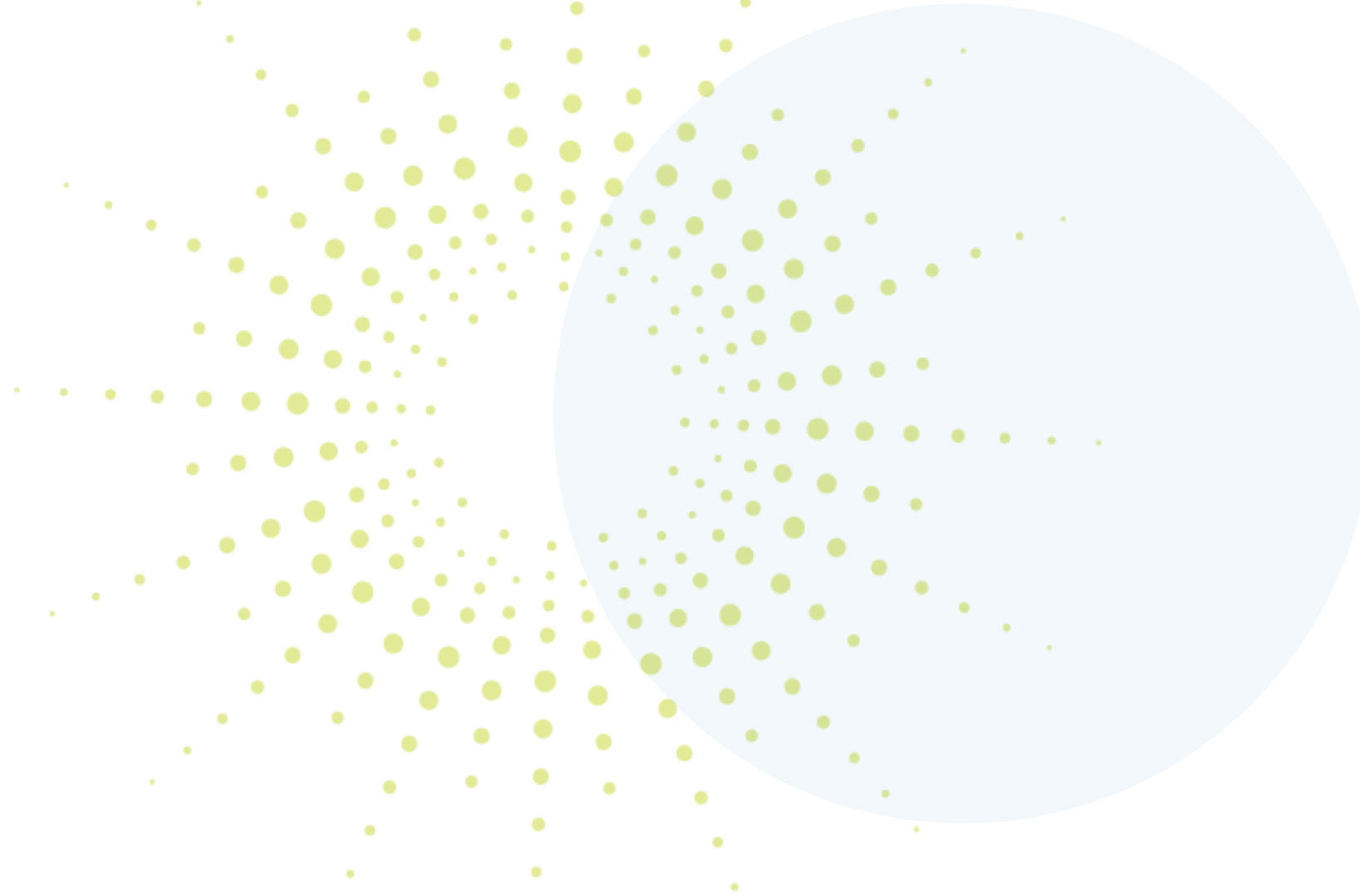
## 6. Review Fiscal Year 2021-2022 Draft Budget (Discussion)

**FY2021-2022**

(July 1, 2021 – June 30, 2022)

**Budget Review**

*Initial Draft*



# Schedule – Budget Review and Approval

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- May 10, 2021 – Review Initial Draft with Audit & Finance Committee – DONE
- May 10, 2021 – Review Initial Draft with Executive Committee – DONE
- May 27, 2021 – Review Current Draft with Board of Directors
- June 14, 2021 – Review Revised Draft with Audit & Finance Committee
- June 24, 2021 – Approve Final by Board of Directors

# Draft Budget FY2021-2022 – Key Assumptions

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## PG&E Generation Rates

- October 1, 2021 – increase 4%
- January 1, 2022 – increase 1%

## PCIA

- January 1, 2022 – decrease 2%

## Load

- Increase of 4.3% over FY21 forecast – includes Los Banos for 3 months


## Energy Prices

- Increase of 11% over FY21 forecast – based on 3<sup>rd</sup> party forecast

# Draft Budget FY22 – Summary

FY 2020-2021 Budget & Forecast	FY 2020-2021		FY 2021-2022	Variance FY2022 Proposed Budget vs. FY2021 Forecast	
	Approved Budget	Forecasted Full Year FY2020-2021	Proposed Budget	\$ Change	% Change
<b>OPERATING REVENUES</b>					
Electricity Sales, net	213,552,721	229,828,896	219,588,443	(10,240,453)	-4.5%
ECO100 Premium	2,150,775	2,613,655	2,621,034	7,379	0.3%
<b>Total Operating Revenues</b>	<b>215,703,496</b>	<b>232,442,551</b>	<b>222,209,477</b>	<b>(10,233,073)</b>	<b>-4.4%</b>
<b>OPERATING EXPENSES</b>					
Cost of electricity	197,445,054	214,249,772	216,404,926	2,155,154	1.0%
Personnel	6,236,981	5,576,086	6,464,275	888,189	15.9%
Data Manager	3,420,000	3,390,410	3,420,000	29,590	0.9%
Service Fees - PG&E	1,260,000	1,254,698	1,260,000	5,302	0.4%
Professional Services	3,068,340	2,020,086	1,351,204	(668,882)	-33.1%
Legal	1,708,230	1,482,772	1,615,500	132,728	9.0%
Marketing and Noticing	2,873,350	1,436,873	2,068,197	631,324	43.9%
General and Administrative	1,947,282	1,821,441	2,259,391	437,950	24.0%
Community Energy Programs	7,550,000	5,655,000	6,555,671	900,670	15.9%
Depreciation	133,216	90,018	105,287	15,269	17.0%
<b>Total Operating Expenses</b>	<b>225,642,453</b>	<b>236,977,155</b>	<b>241,504,451</b>	<b>4,527,296</b>	<b>1.9%</b>
<b>Operating Income/(Loss)</b>	<b>(9,938,957)</b>	<b>(4,534,604)</b>	<b>(19,294,973)</b>	<b>(5,705,777)</b>	<b>-125.8%</b>
<b>Total Non-operating Income/(Expense)</b>	<b>1,408,000</b>	<b>(16,836)</b>	<b>900,000</b>	<b>916,836</b>	<b>-5445.7%</b>
<b>CHANGE IN NET POSITION</b>	<b>(8,530,957)</b>	<b>(4,551,440)</b>	<b>(18,394,973)</b>	<b>(4,788,941)</b>	<b>-105.2%</b>
Net Position at the end of period	186,927,291	184,520,292	166,125,319	(18,394,973)	
<b>Approx. Cash &amp; Cash Equivalents</b>	<b>186,646,421</b>	<b>187,316,165</b>	<b>168,421,192</b>	<b>(18,894,973)</b>	
<b>Days Cash on Hand</b>	<b>294</b>	<b>284</b>	<b>250</b>		

# Draft Budget Detail - Revenues



FY 2020-2021 Budget & Forecast	FY 2020-2021		FY 2021-2022	Variance FY2022 Proposed Budget vs. FY2021 Forecast	
	Approved Budget	Forecasted Full Year FY2020-2021	Proposed Budget	\$ Change	% Change
<b>OPERATING REVENUES</b>					
Electricity Sales, net	213,552,721	229,828,896	219,588,443	(10,240,453)	-4.5%
Commercial - Demand	22,280,055	23,716,009	18,450,298	(5,265,711)	-22.2%
Streetlight and Agr- Demand	192,168	326,094	156,350	(169,744)	-52.1%
Commercial - Gen	104,896,767	99,611,709	102,460,681	2,848,972	2.9%
Residential - Gen	85,360,056	104,836,294	97,658,233	(7,178,061)	-6.8%
Street lighting and Agr - Gen	1,573,735	2,097,434	1,634,140	(463,294)	-22.1%
Bad Debt expense	(750,060)	(758,644)	(771,259)	(12,615)	1.7%
ECO100 Premium	2,150,775	2,613,655	2,621,034	7,379	0.3%
Commercial - Green Premium	1,191,221	2,130,290	2,126,916	(3,374)	-0.2%
Residential - Green Premium	930,078	198,391	317,843	119,452	60.2%
Streetlight and Agr - Green Pre	29,476	284,974	176,275	(108,699)	-38.1%
<b>Total Operating Revenues</b>	<b>215,703,496</b>	<b>232,442,551</b>	<b>222,209,477</b>	<b>(10,233,073)</b>	<b>-4.4%</b>

Total Revenues expected to be down by 4.4% from FY21 Forecast

- Load expected to be 4% higher than prior year forecast
- PG&E rates lower than last year
- PCIA higher

# Draft Budget Detail – Cost of Energy

FY 2020-2021 Budget & Forecast	FY 2020-2021		FY 2021-2022	Variance FY2022 Proposed Budget vs. FY2021 Forecast	
	Approved Budget	Forecasted Full Year FY2020-2021		Proposed Budget	\$ Change
<b>OPERATING EXPENSES</b>					
Cost of electricity	197,445,054	214,249,772	216,404,926	2,155,154	1.0%
CAISO Charges (Admin)	-	446,303	420,000	(26,303)	-5.9%
CAISO Charges (Ancillary Svcs)	3,000,000	4,568,519	5,048,503	479,984	10.5%
CAISO - Hedge Credit	(102,969,185)	(113,667,410)	(74,607,282)	39,060,128	-34.4%
Resettlements	3,000,000	6,810,507	6,000,000	(810,507)	-11.9%
DA Energy (DLAP)	136,237,707	144,732,626	143,376,517	(1,356,109)	-0.9%
Capacity - Resource Adequacy	31,474,662	39,206,621	31,800,552	(7,406,069)	-18.9%
CAISO - PPA Credit	(37,706,427)	(31,900,707)	(56,577,647)	(24,676,940)	77.4%
PPA Energy purchases	38,991,129	42,266,447	67,441,561	25,175,114	59.6%
Hedge Energy Purchases	106,222,381	109,741,186	80,041,373	(29,699,812)	-27.1%
50160 · RECs and Carbon Free exp	16,717,285	17,759,548	11,123,185	(6,636,362)	-37.4%
50190 · Resale of Resource Adequacy	-	(7,929,023)	-	7,929,023	-100.0%
Forecasting and scheduling	1,477,502	960,904	379,741	(581,163)	-60.5%
NEM Expense	1,000,000	1,254,250	1,958,421	704,171	56.1%

Load expected to be 4% higher than prior year forecast

Cost of Energy expected to be 1% higher than current year forecast

- RECs/GHG- Free – Expected to be \$6.6 million lower
- RA – Expected to be \$7.4 million lower
- Ancillary Services/Resettlements – Budgeted higher after surprises in Summer 2021

# Draft Budget FY2021-FY2026 – Key Assumptions

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## PG&E Generation Rates

- January 1, 2022 – increase 1%
- January 1, 2023 – decrease 6.5%
- January 1, 2024 – decrease 1%
- January 1, 2025 – increase 1%
- January 1, 2025 – increase 1%

## PCIA – expected to improve

- January 1, 2022 – decrease 2%
- January 1, 2023 – decrease 4.5%
- January 1, 2024 – decrease 16%
- January 1, 2025 – decrease 23%
- January 1, 2025 – unchanged

## Load

- FY21-22 (proposed budget) – increase of 4.3% (includes Los Banos for 3 months)
- FY22-23 – increase of 4.8%
- After – annual increases of approximately 1%

## Energy Prices – based on 3<sup>rd</sup> party forecast

- FY21-22 (proposed budget) – increase of 11%
- FY22-26 – increases of 4%, 9%, 4%, 6% (expect higher costs over the next few years)



# Draft Budget FY2021-2026 – Budget Summary & 5-year Plan

FY 2020-2021 Budget & Forecast	FY 2020-2021		FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025	FY 2025-2026
	Approved Budget	Forecasted Full Year FY2020-2021	Proposed Budget	Plan	Plan	Plan	Plan
<b>OPERATING REVENUES</b>							
Electricity Sales, net	213,552,721	229,828,896	219,588,443	230,138,595	233,993,899	265,139,839	288,405,643
ECO100 Premium	2,150,775	2,613,655	2,621,034	2,642,925	2,658,416	2,674,032	2,689,776
<b>Total Operating Revenues</b>	<b>215,703,496</b>	<b>232,442,551</b>	<b>222,209,477</b>	<b>232,781,520</b>	<b>236,652,314</b>	<b>267,813,871</b>	<b>291,095,419</b>
<b>OPERATING EXPENSES</b>							
Cost of electricity	197,445,054	214,249,772	216,404,926	225,235,279	216,756,528	224,833,617	229,130,044
Personnel	6,236,981	5,576,086	6,464,275	6,833,256	7,169,830	7,523,232	7,894,305
Data Manager	3,420,000	3,390,410	3,420,000	3,454,200	3,488,742	3,523,629	3,558,866
Service Fees - PG&E	1,260,000	1,254,698	1,260,000	1,272,600	1,285,326	1,298,179	1,311,161
Professional Services	3,068,340	2,020,086	1,351,204	1,243,754	1,276,867	1,311,576	1,347,967
Legal	1,708,230	1,482,772	1,615,500	1,629,210	1,684,005	1,742,647	1,805,416
Marketing and Noticing	2,873,350	1,436,873	2,068,197	2,078,291	2,137,613	2,149,231	2,204,195
General and Administrative	1,947,282	1,821,441	2,259,391	2,297,191	2,372,735	2,459,519	2,552,717
Community Energy Programs	7,550,000	5,655,000	6,555,671	7,611,534	11,021,230	12,926,067	15,931,049
Depreciation	133,216	90,018	105,287	141,287	177,287	213,287	249,287
<b>Total Operating Expenses</b>	<b>225,642,453</b>	<b>236,977,155</b>	<b>241,504,451</b>	<b>251,796,602</b>	<b>247,370,163</b>	<b>257,980,985</b>	<b>265,985,008</b>
<b>Operating Income/(Loss)</b>	<b>(9,938,957)</b>	<b>(4,534,604)</b>	<b>(19,294,973)</b>	<b>(19,015,082)</b>	<b>(10,717,849)</b>	<b>9,832,886</b>	<b>25,110,412</b>
<b>Total Non-operating Income/(Expense)</b>	<b>1,408,000</b>	<b>(16,836)</b>	<b>900,000</b>	<b>900,000</b>	<b>900,000</b>	<b>900,000</b>	<b>900,000</b>
<b>CHANGE IN NET POSITION</b>	<b>(8,530,957)</b>	<b>(4,551,440)</b>	<b>(18,394,973)</b>	<b>(18,115,082)</b>	<b>(9,817,849)</b>	<b>10,732,886</b>	<b>26,010,412</b>
Net Position at the end of period	186,927,291	184,520,292	166,125,319	148,010,236	138,192,388	148,925,273	174,935,685
<b>Approx. Cash &amp; Cash Equivalents</b>	<b>186,646,421</b>	<b>187,316,165</b>	<b>168,421,192</b>	<b>150,306,110</b>	<b>140,488,261</b>	<b>151,221,147</b>	<b>177,231,558</b>
	#REF!						
<b>Days Cash on Hand</b>	<b>294</b>	<b>284</b>	<b>250</b>	<b>214</b>	<b>203</b>	<b>210</b>	<b>239</b>

# Regular Agenda

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## 7. Board Members' Reports (Discussion)

# Regular Agenda

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Adjourn