

Peninsula Clean Energy Board of Directors Meeting

July 28, 2022

Agenda

- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
- Action to set the Agenda and Approve Consent Items 1-6
 - Consent - Public Comment
- Regular Agenda
- Adjournment

Chair Report (Discussion)

July 28, 2022

CEO Report (Discussion)

July 28, 2022

Welcome!

Welcome to Kristina Alagar Cordero, our new CFO, who started on Monday, July 25



Hiring Updates

- Joe Ficalora, new Electric Vehicles Associate Programs Manager starting August 22
- Jeff Wright, new Power Resources Manager starting August 31
- Moya Enright, new Senior Renewable Energy Analyst starting September 1

Open Positions

- Regulatory Compliance Analyst
- Human Resources Manager
 - *(offer made and verbally accepted)*
- Director of Power Resources
- Strategic Accounts Manager



Presentations to City Councils

Starting update presentations to all city councils on what's happening with PCE:

- June 21 – Half Moon Bay
- July 25 – Daly City

Planned:

- August 15 – Burlingame
- September 13 – Millbrae
- October 5 – Brisbane
- October 12 - Hillsborough



Legislative Activities Update

Legislature has been on recess during July

Upcoming Meetings

- Executive Committee:
 - August 8 at 10:00 a.m. (Zoom)
- Citizens Advisory Committee:
 - August 11 at 6:30 p.m. (Zoom)
- Special Audit and Finance Committee:
 - August 15 at 8:30 a.m. (Zoom)
- Board of Directors:
 - August 25 at 6:30 p.m. (Zoom)



CAC Report (Discussion)

July 28, 2022

Diversity, Equity, Accessibility, and Inclusion (DEAI)

Key Survey and Interview Takeaways

Board of Directors Meeting
July 28, 2022

Diversity, Equity, Accessibility, & Inclusion (DEAI)

Board of Directors
July 28, 2022

Agenda

1. DEAI Foundation to PCE's Mission

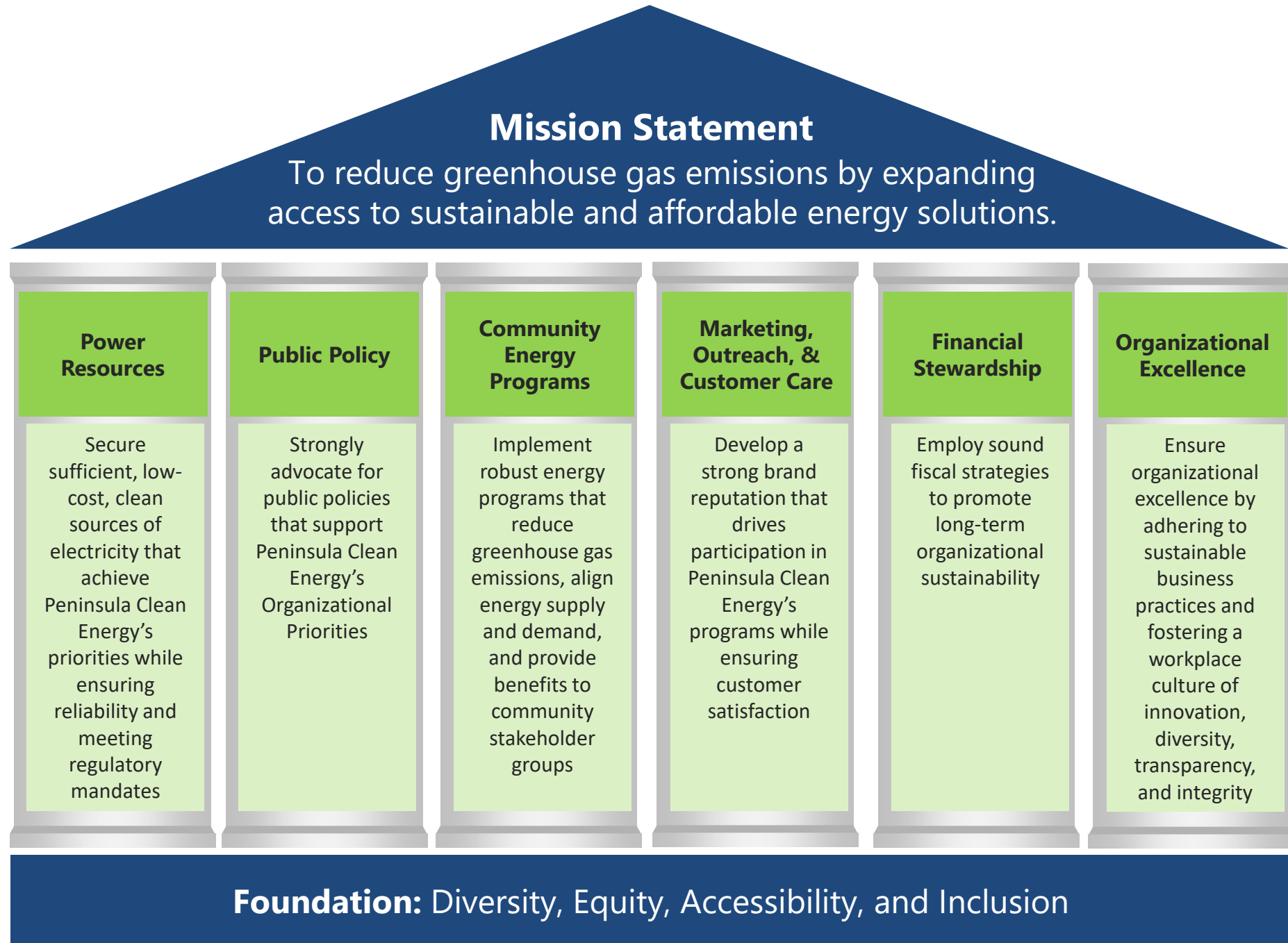
2. DEAI Project Tasks

- Organizational Needs Assessment
 - Survey Results
 - Interview Themes
- Legislation & Regulatory Analysis
- DEAI Policy & Workshops
- Organizational Policy Documents
- Action Plan

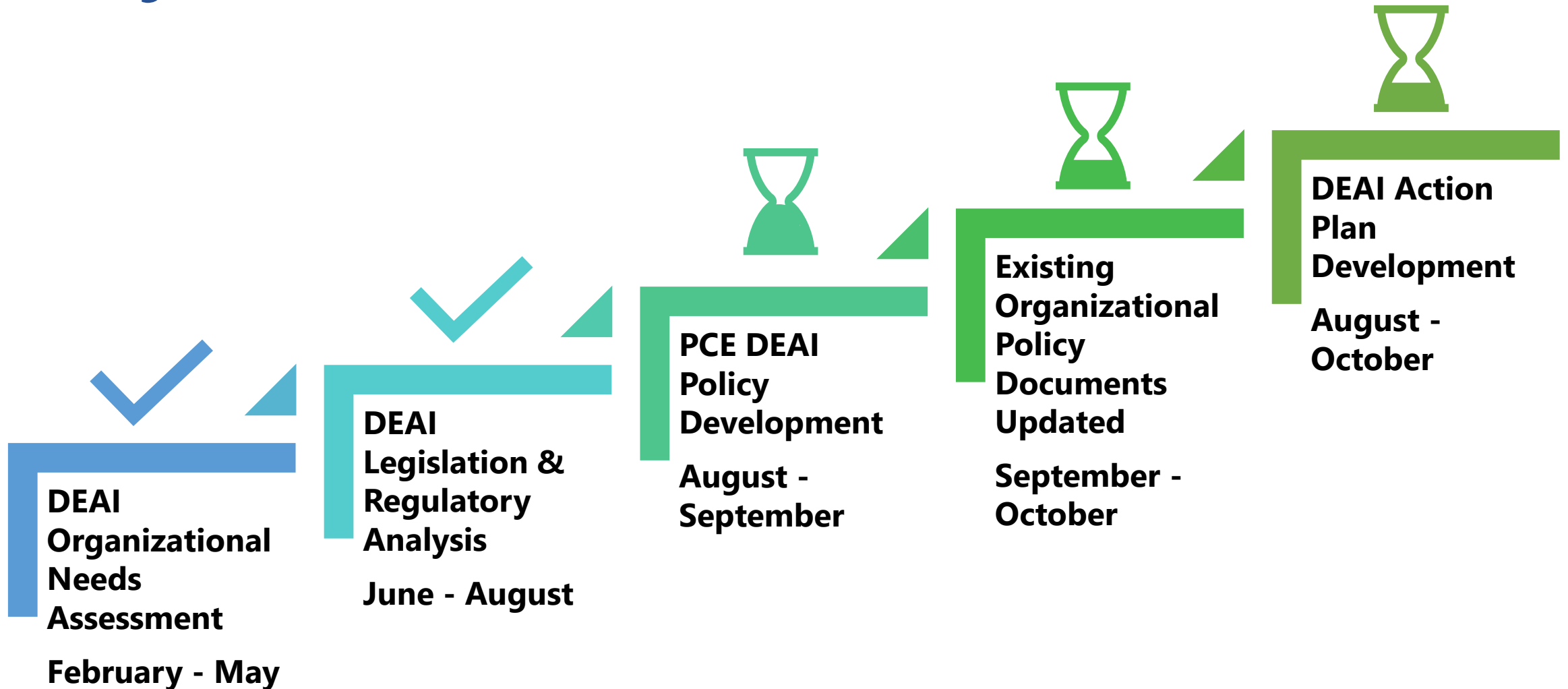
3. Next Steps

4. Q&A

DEAI Foundation to PCE's Strategic Plan & Mission Statement




Project Tasks



Surveys

- GCAP conducted 2 surveys between February & March 2022
 - Number of Internal Submits: 34
 - Number of External Submits: 117
- Key observations were presented to the Citizens Advisory Committee (CAC) on May 12th
- Survey identified that PCE is ready to develop and implement DEAI measures to improve organizational excellence

A photograph of three women in a modern office setting. They are gathered around a wooden table, looking at a laptop and some papers. The woman on the left is a Black woman with short blonde hair, wearing a white sleeveless top. The woman in the middle is a white woman with long brown hair, wearing a light blue turtleneck. The woman on the right is an Asian woman with long dark hair, wearing a black sleeveless top. In the background, there is a large vertical garden wall and a window showing a city skyline. A green circular callout is overlaid on the right side of the image.

**Surveys provide
a powerful
insight into DEAI
effectiveness
within an
organization.**

Interviews

- GCAP completed 13 virtual interviews between April – May 2022
 - Number of Internal Interviews: 5
 - Number of External Interviews: 8
- Survey observations used for interviews
- These are the interview themes that resulted:
 - DEAI Readiness
 - Talent Management/Human Resources
 - Leadership
 - Communication & Outreach
 - Vendor Management (Procurement)



**DEAI interviews
delve deeper
into an
individual's
specific
experiences with
PCE.**

Legislation & Regulatory Analysis



- GCAP completed the review and analysis of the following legislation and regulations:
 - **Prop 209** – “Civil Rights Initiative” in the California Constitution
 - Prohibits race and gender preferential contracting measures
 - **GO 156 & SB 255** – Supplier Diversity Program for the CPUC
 - **PCE Solicitation Documents** – Request for Proposals, Request for Offers
- Input from PCE staff (Prop 209, GO 156, Annual Report to CPUC)
- Draft report has been completed and submitted to PCE
 - Provide recommendations to update and revise solicitation documents and supplier diversity practices

DEAI Policy

An aerial photograph of a city, likely San Francisco, showing a dense urban area with a river winding through it. A large stadium is visible in the foreground, and a body of water is in the background.

- Integrates elements from CAC's draft policy & references PCE's Policy 10
- Updates to include insights from surveys, interviews, and industry best practices
- Communicates PCE's business priorities to internal and external stakeholders
- Stakeholder workshops being planned to review and receive feedback

DEAI Policy Workshops

- In August, PCE will be hosting 3 virtual workshops for the following groups:
 - CAC
 - PCE staff
 - DEAI Subcommittee
- Output
 - Finalize policy
 - Gain alignment and support for the new DEAI policy for Board adoption in September



Organizational Policy Documents

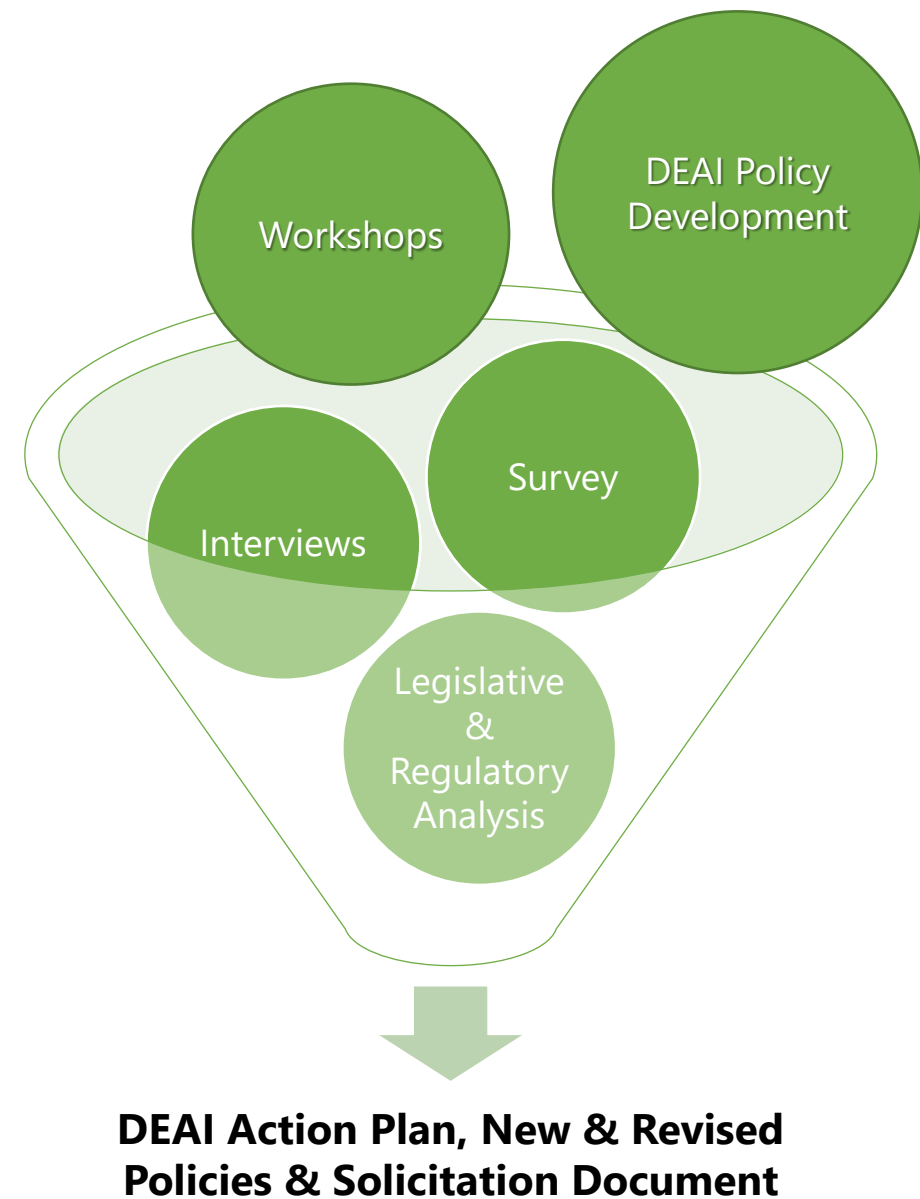
- Initial DEAI review completed for:
 - ✓ Employee Handbook
 - ✓ Strategic Plan
 - ✓ Ethical Vendor Policy (#9)
 - ✓ Inclusive & Sustainable Workforce Policy (#10)
- Next Steps:
 - ✓ Recommend DEAI enhancements
 - ✓ Update relevant policies and key documents



Policies

DEAI Action Plan

- Develop a “roadmap” to implement DEAI initiatives within PCE’s organization
- Aligns all DEAI assessment deliverables (e.g., survey, interviews, etc.) into cohesive plan
- Goals & recommendations will include the following:
 - Actions
 - Description/Outcomes
 - Timeline
 - Metrics



Next Steps

Conduct Workshops & Finalize DEAI Policy

August - September



Complete DEAI Action Plan

August - October



Update Relevant PCE Policies and Documents

September - October



Present DEAI Assessment to Board

October - December



Q&A



THANK YOU

Appendix



- Interview Themes
- Survey Details to Key Observations

Interview Themes

1. DEAI Readiness

- PCE is ready to support and implement DEAI organizational change
- Employees open and receptive to DEAI; top management less so
- Good support from BOD and CAC

2. Talent Management/Human Resources

- Recruitment:
 - Need a dedicated TM/HR function
 - Staff needs to reflect diversity of markets served
 - Recruit from minority institutions and low-income communities
- Employee Retention:
 - Need to improve retaining diverse employees
- Education:
 - DEAI specific training needed
- Esprit de Corps:
 - Need company social gatherings
 - More opportunities for employees to communicate concerns/issues

Interview Themes

3. Leadership

- Greater diversity needed on CAC and in PCE top management
- PCE Top Management receptive to DEAI initiatives but need more training/coaching on DEAI
- Need better transparency with PCE sharing information with BOD and CAC. Get CAC involved earlier with issues

4. Communication & Outreach

- Need more staff engagement and visibility with CBOs and local communities – go out and listen to the local communities and interview them
- Ensure community input before program design and implementation
- Need to improve awareness and communication of PCE programs especially with low income and non-English speaking groups
- Explore additional communication channels like TV and radio
- PCE materials need to be translated into different languages

5. Vendor Management (Procurement)

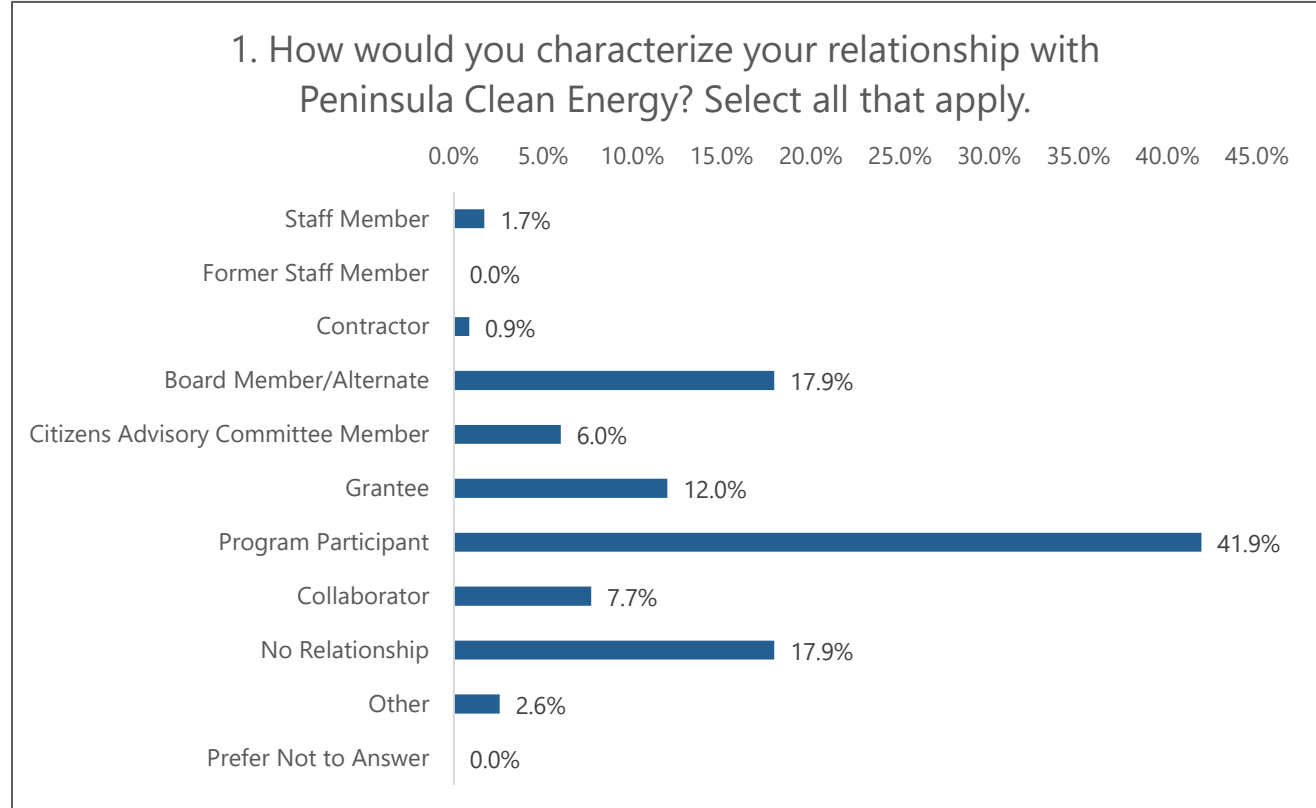
- Review union preference policy and wording to ensure best practices and compatibility with DEAI procurement goals
- Better feedback needed
- More procurement opportunities for women & minorities

External – Demographic Key Observation

Key Observation

1

At 41.9%, a large number of responses came from Program Participants. The next largest groups were Board Members and survey takers who had no relationship with PCE –each representing 17.9% of survey takers.



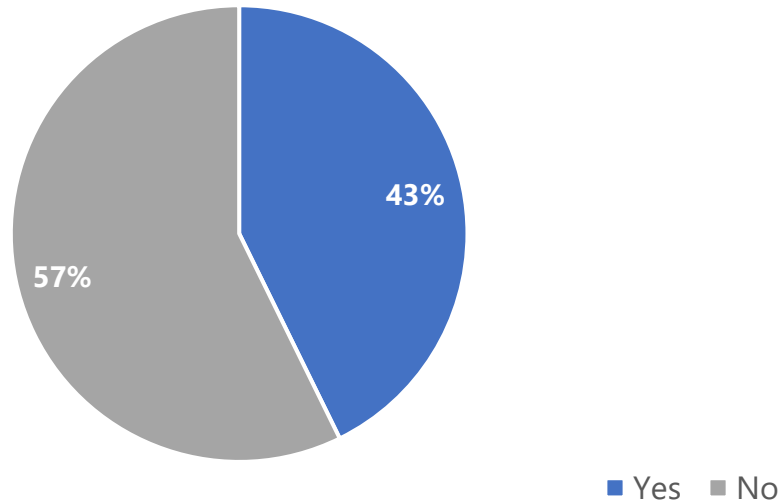
External – Demographic Key Observation

Key
Observation

2

43% served communities with limited English-speaking households.

2. Do you serve communities or constituents that are Limited-English-speaking households where no one 14 years old or older speaks English or does not speak English very well?

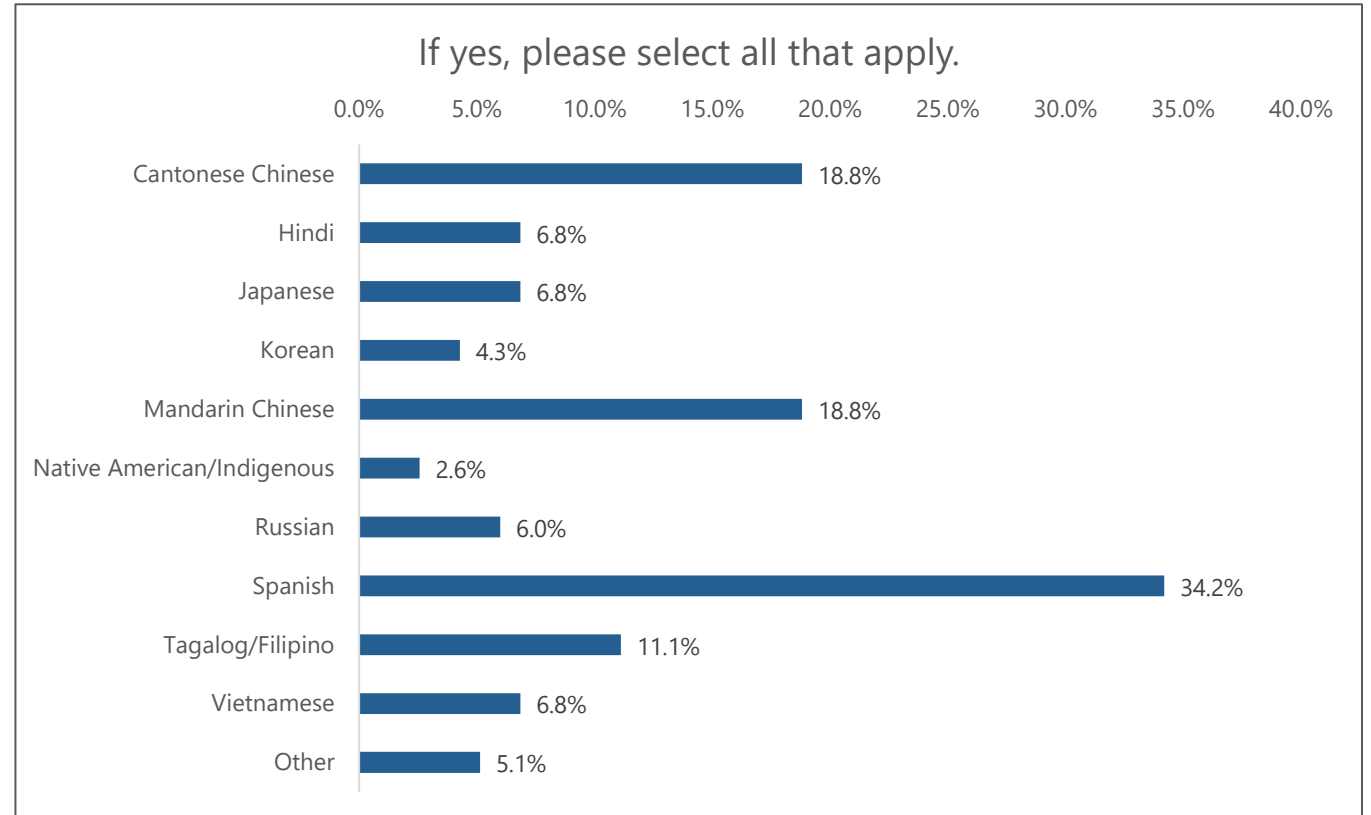


External – Demographic Key Observation

Key
Observation

3

Although Spanish was the most commonly spoken language outside of English (making up 34.2% of non-English languages), Cantonese Chinese and Mandarin Chinese each made up 18.8% of non-English languages spoken, resulting in 37.6% combined.



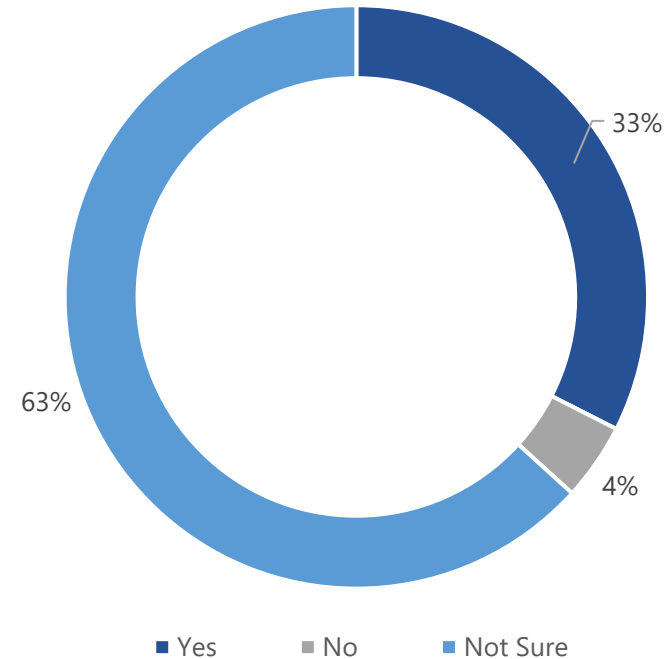
External – Accessibility of Services Key Observation *(Area of Opportunity)*

Key
Observation

4

33% feel PCE can make its electricity generation services more accessible to all persons.
(Question 5)

5. Can Peninsula Clean Energy make its electricity generation services more accessible to all persons?



External – Accessibility of Services Key Observation *(Area of Opportunity)*

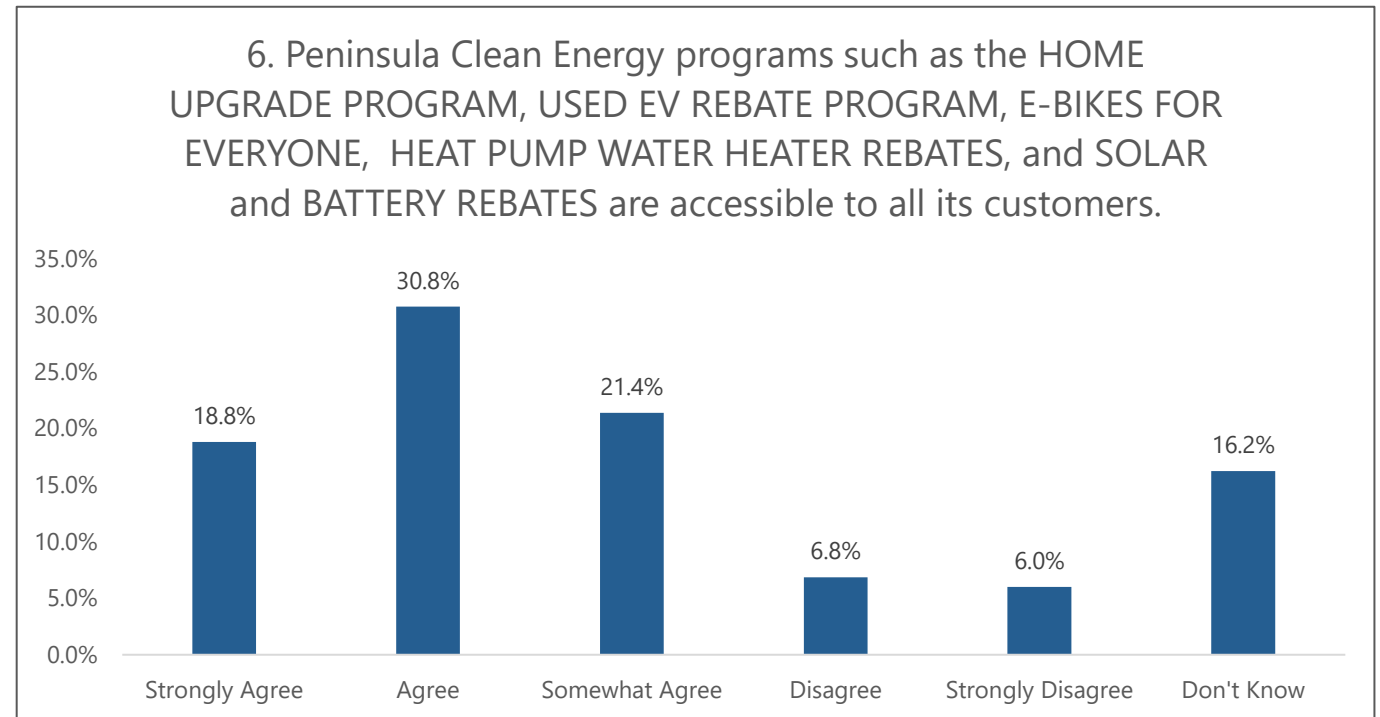
Key Observation

5

12.8% disagree or strongly disagree that Peninsula Clean Energy programs such as the:

- HOME UPGRADE PROGRAM
- USED EV REBATE PROGRAM
- E-BIKES FOR EVERYONE
- HEAT PUMP WATER HEATER REBATES
- SOLAR & BATTERY REBATES

are accessible to all its customers. (Question 6) Of this 12.8%, 40% were Board Members, and 73% served communities with Limited-English-speaking households.



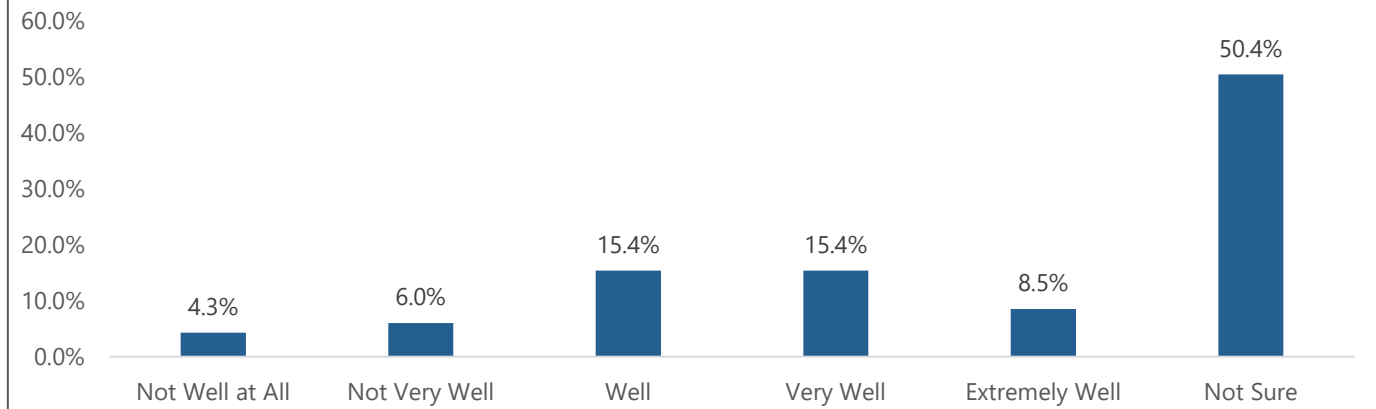
External – Accessibility of Services Key Observation *(Area of Opportunity)*

Key Observation

6

When asked “How well has Peninsula Clean Energy considered whether potential resources and programs provide benefits to disadvantaged communities?” 10.3% selected Not Very Well and Not Very Well at All. (Question 20)

20. How well has Peninsula Clean Energy considered whether potential resources and programs provide benefits to disadvantaged communities?

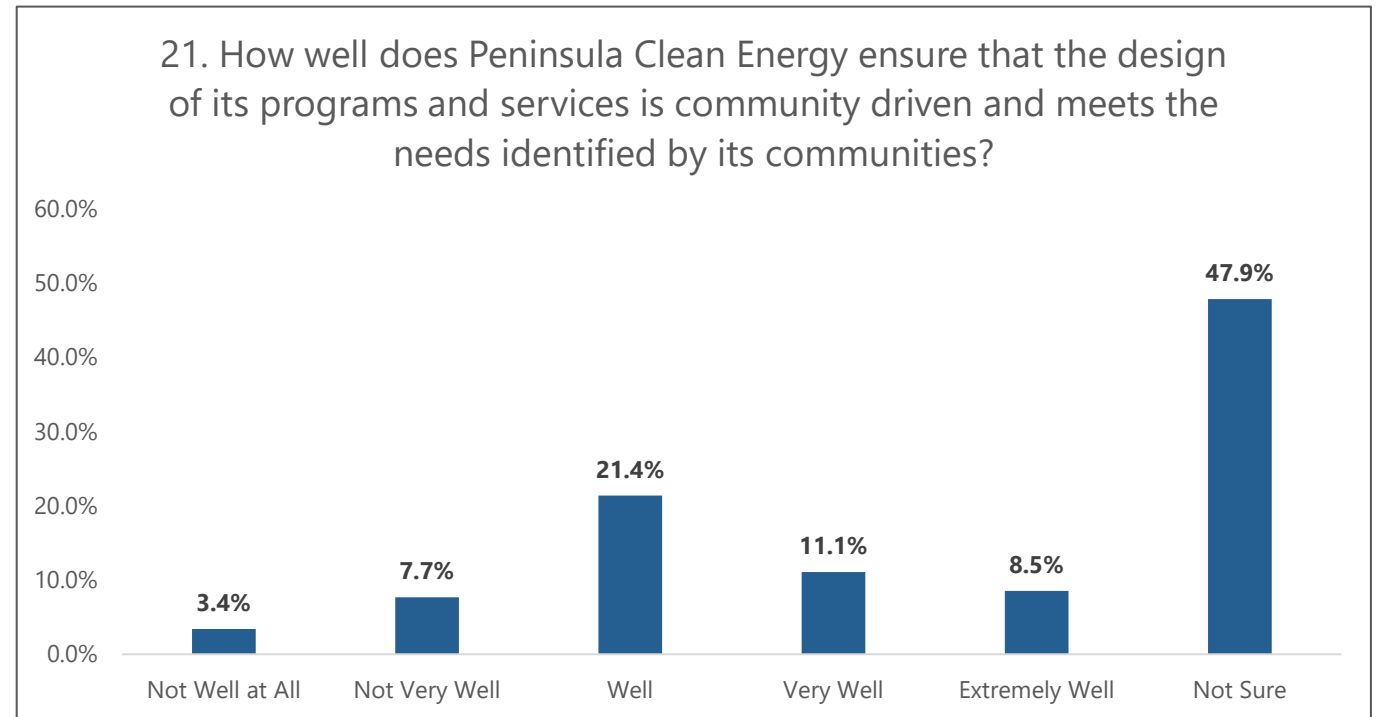


External – Accessibility of Services Key Observation *(Area of Opportunity)*

Key Observation

7

When asked “How well does Peninsula Clean Energy ensure that the design of its programs and services is community driven and meets the needs identified by its communities?” 11.1% selected Not Very Well and Not Very Well at All. (Question 21)

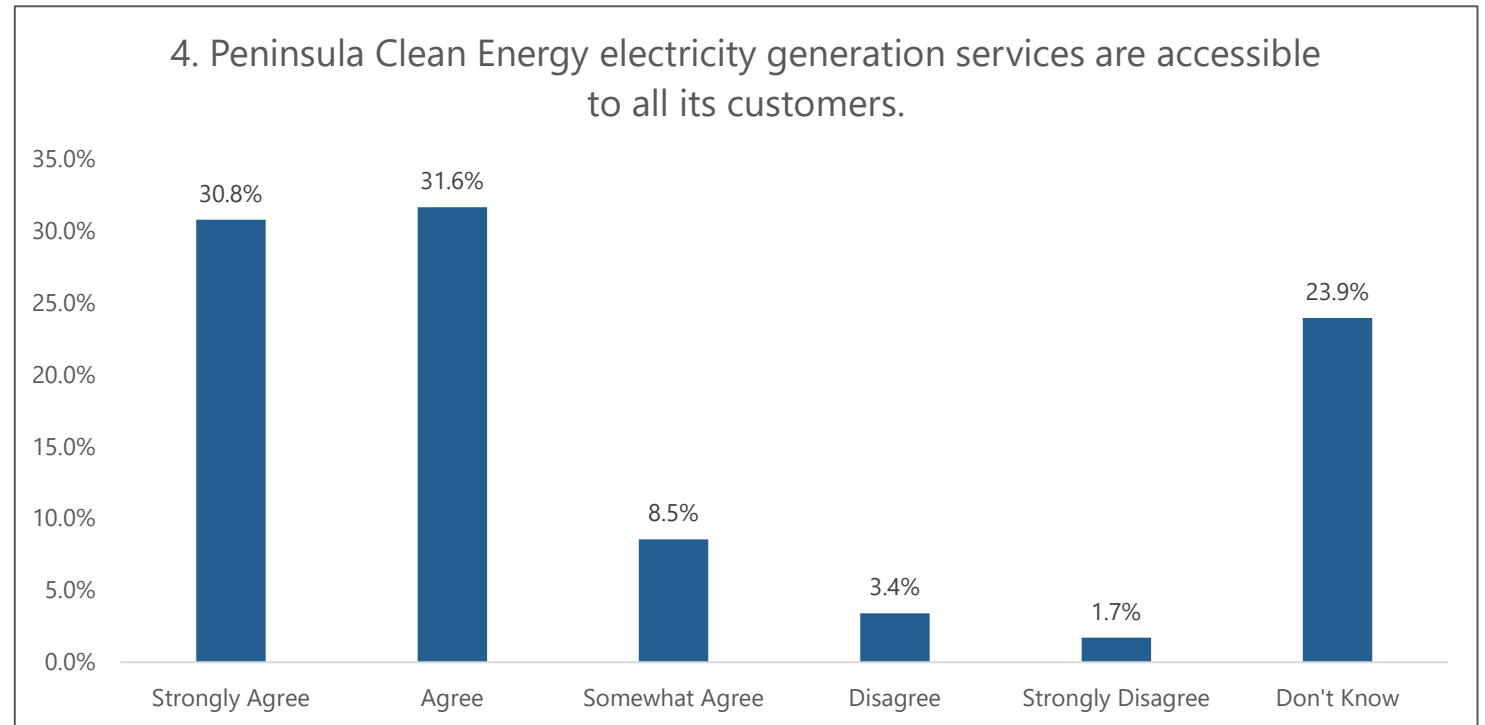


External – Accessibility of Services Key Observation *(Favorable)*

Key
Observation

8

62.4% of external stakeholders surveyed feel Electricity generation services are accessible to all. (Question 4)

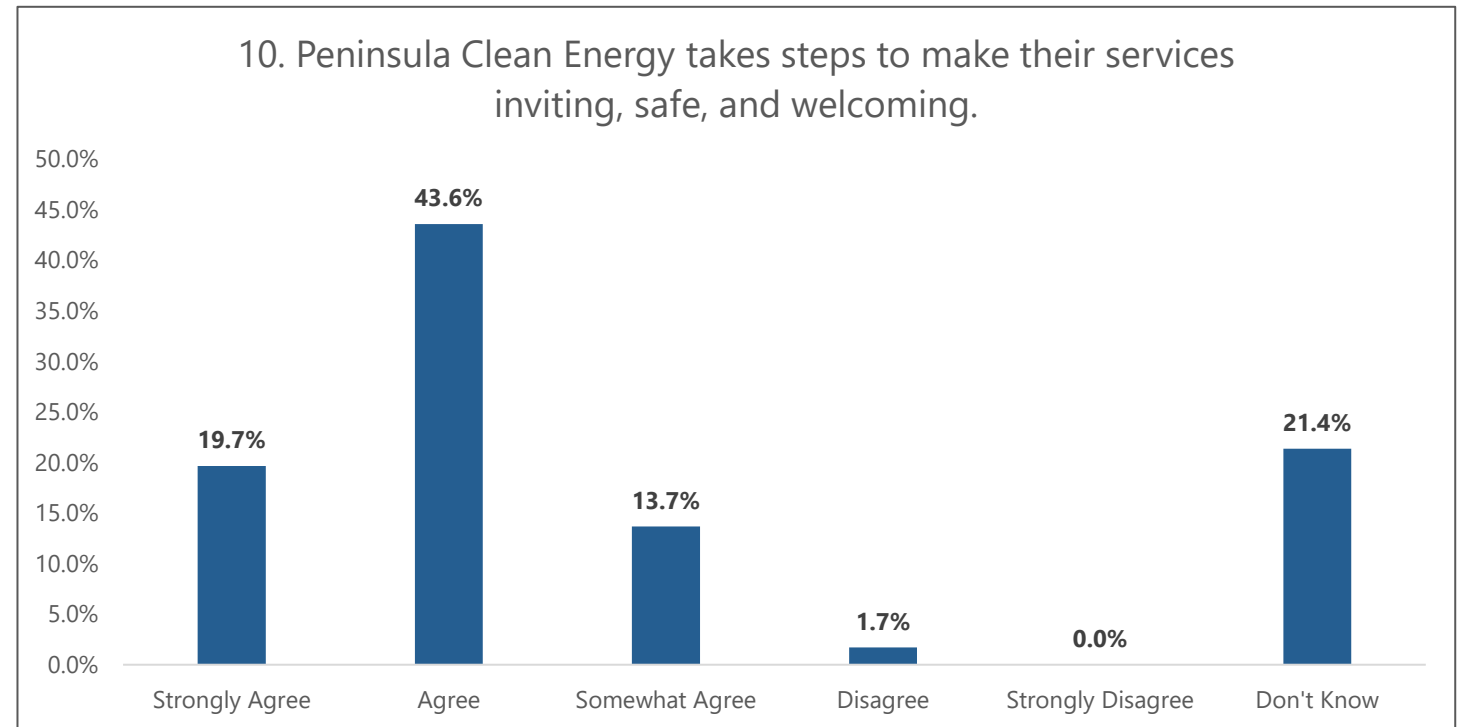


External – Accessibility of Services Key Observation (*Favorable*)

Key
Observation

9

63.3% of external stakeholders surveyed feel PCE takes steps to make services inviting and safe. (Question 10)

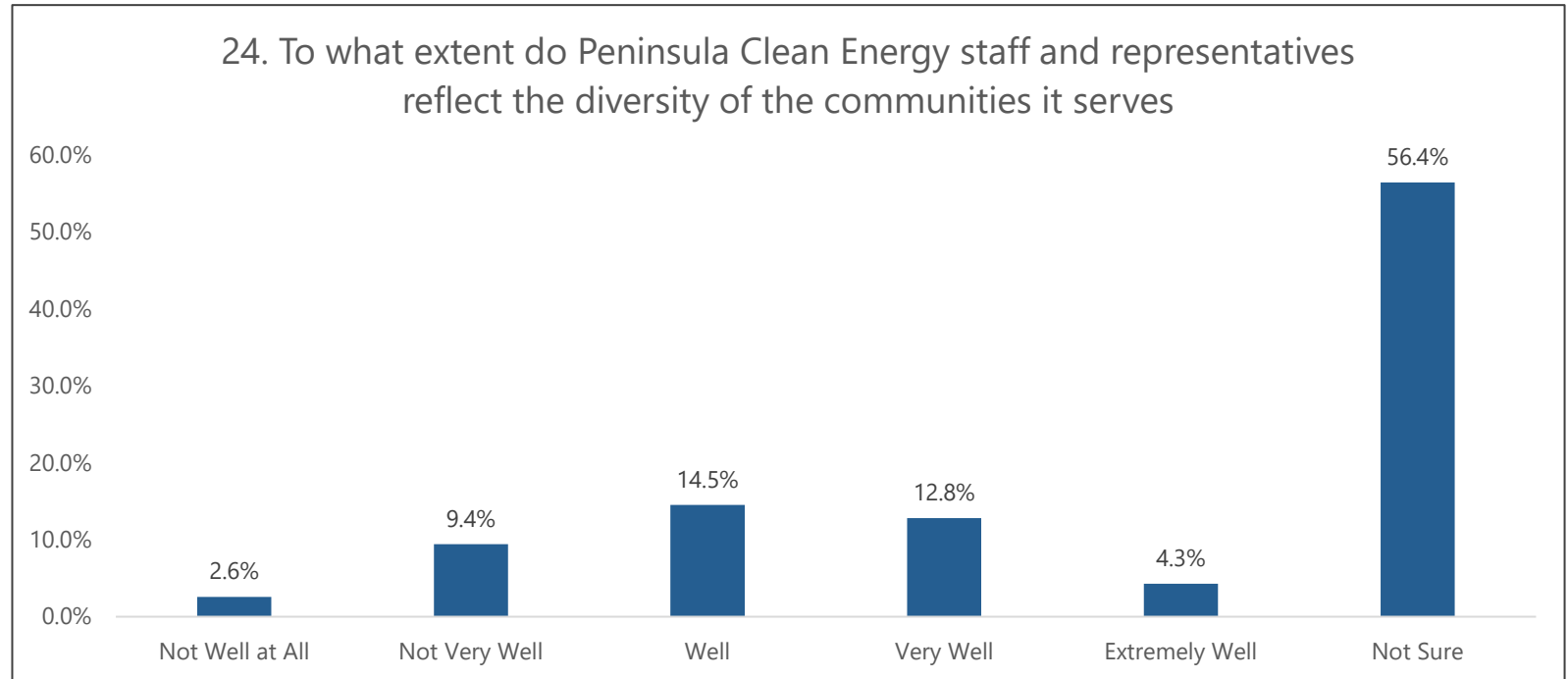


External – Peninsula Clean Energy DEAI (*Area of Opportunity*)

Key
Observation

10

When asked “To what extent do Peninsula Clean Energy staff and representatives reflect the diversity of the communities it serves?” 12% selected Not Very Well and Not Very Well at All. (Question 24)

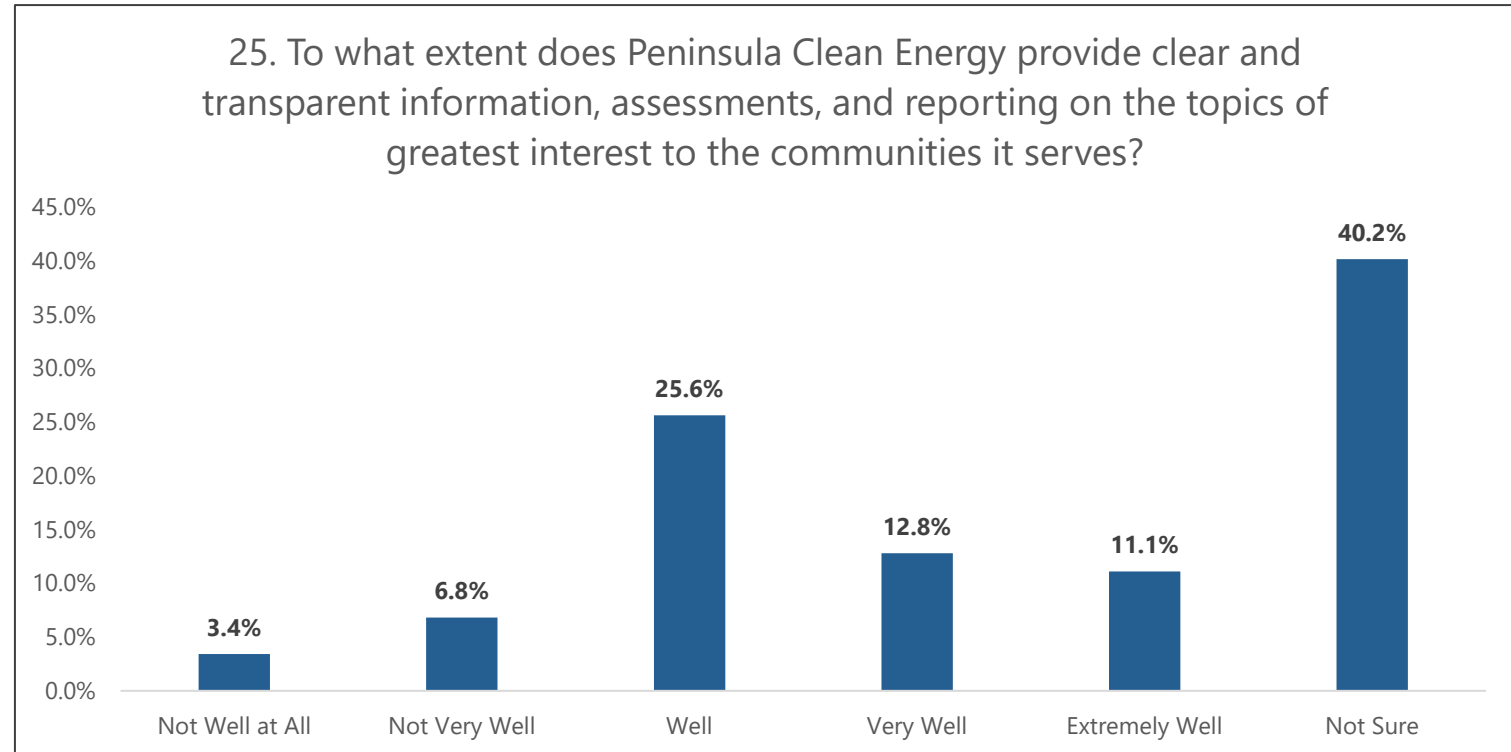


External – Peninsula Clean Energy DEAI (*Area of Opportunity*)

Key Observation

11

When asked “To what extent does Peninsula Clean Energy provide clear and transparent information, assessments, and reporting on the topics of greatest interest to the communities it serves?” 10.2% selected Not Very Well and Not Very Well at All. (Question 25)

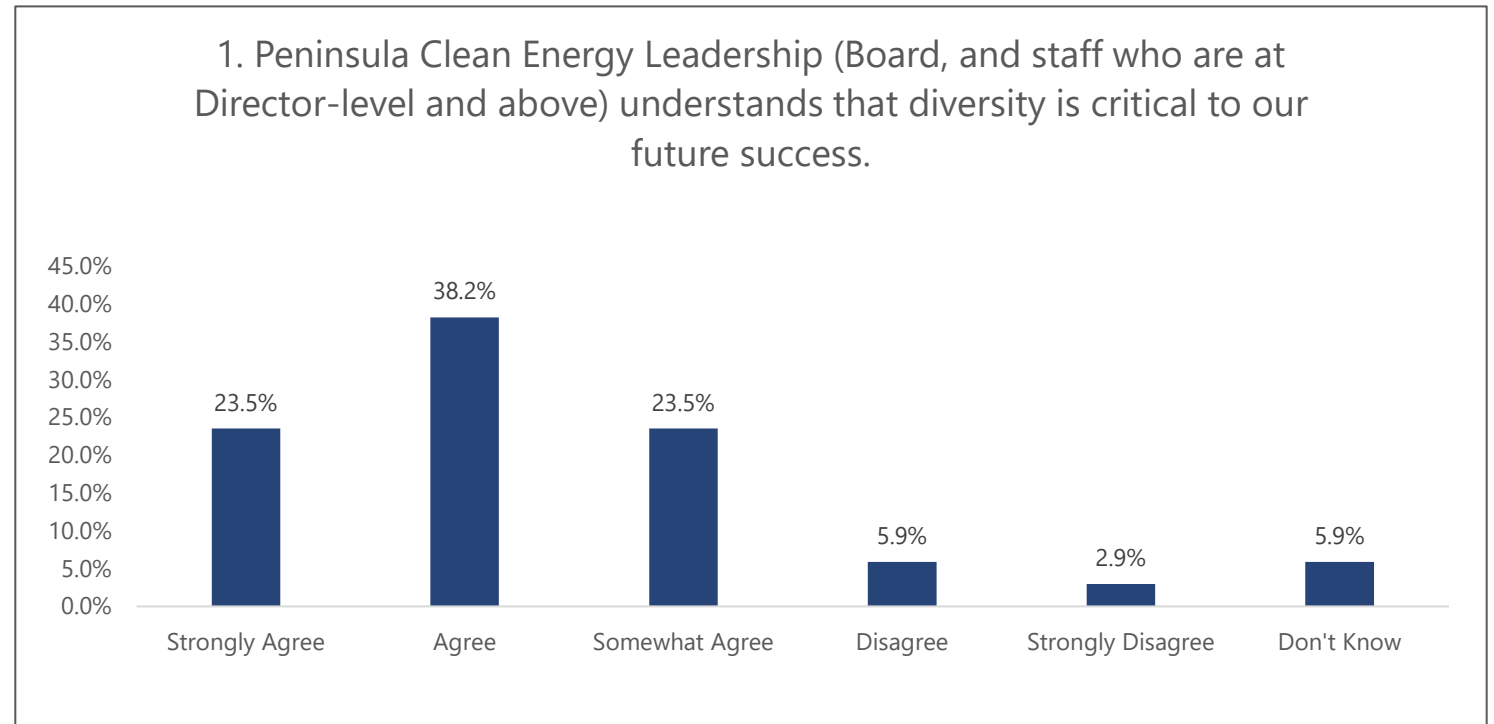


Internal – Management Key Observation *(Favorable)*

Key Observation

1

61.7% agree or strongly agree that Peninsula Clean Energy Leadership (Board, and staff who are at Director-level and above) understands that diversity is critical to our future success. (Question 1)

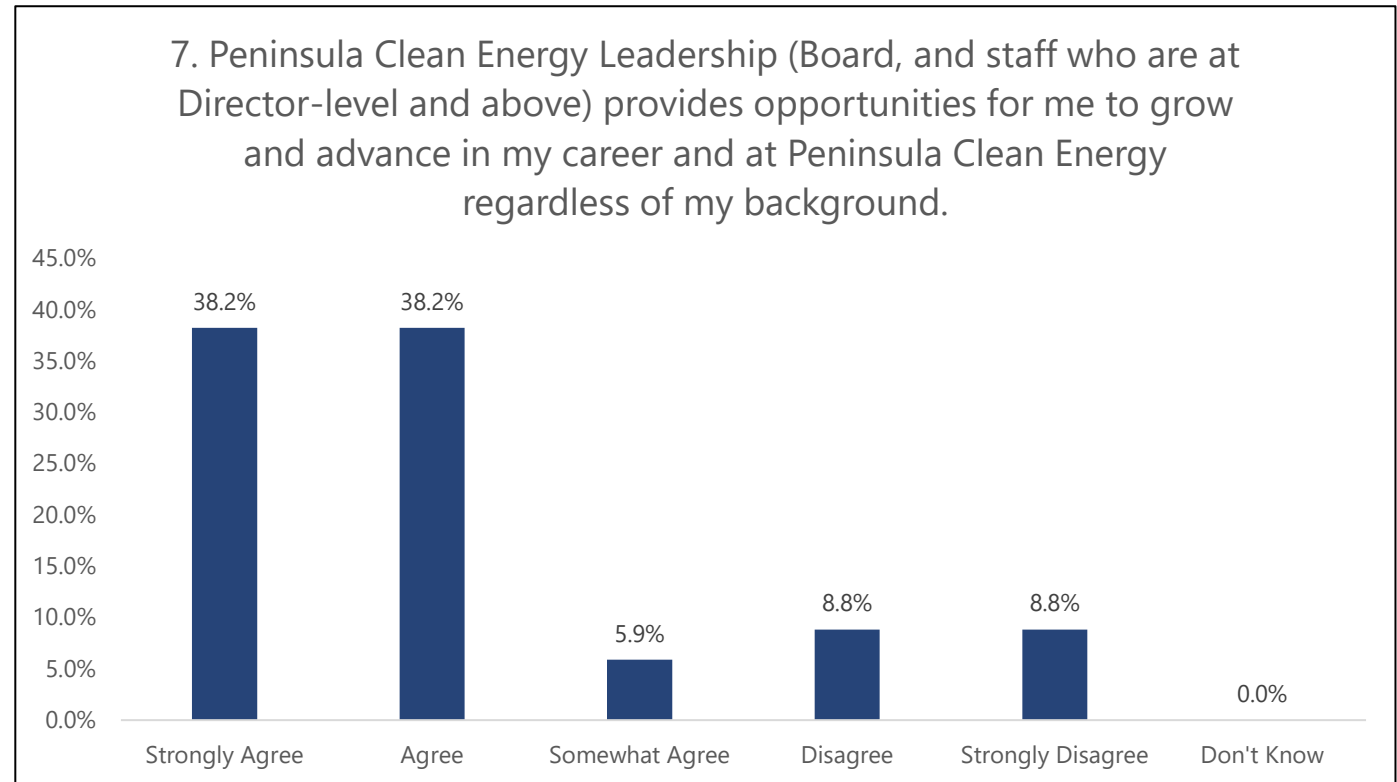


Internal – Management Key Observation *(Favorable)*

Key Observation

2

76.4% agree or strongly agree that Peninsula Clean Energy Leadership provides opportunities for them to grow and advance in their career and at Peninsula Clean Energy regardless of their background. (Question 7)

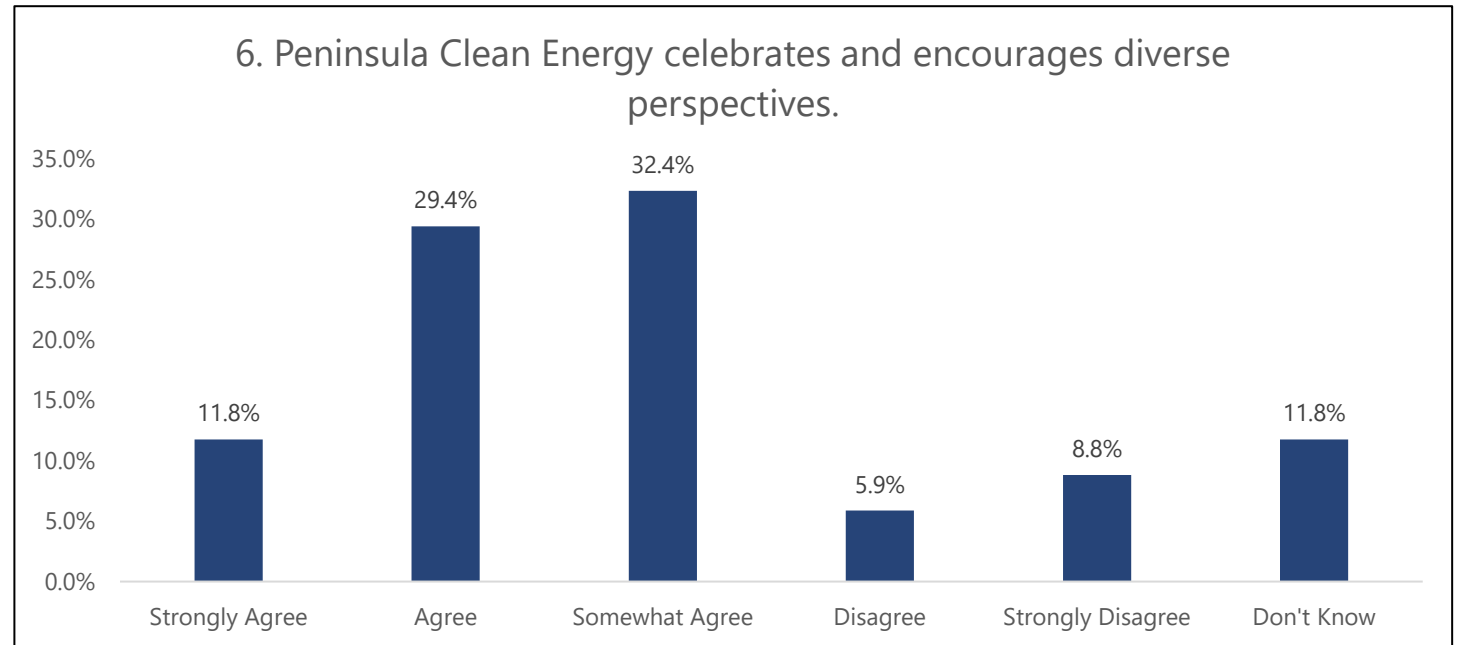


Internal – Management Key Observation *(Area of Opportunity)*

Key
Observation

3

14.7% disagree or strongly disagree that Peninsula Clean Energy celebrates and encourages diverse perspectives. (Question 6)

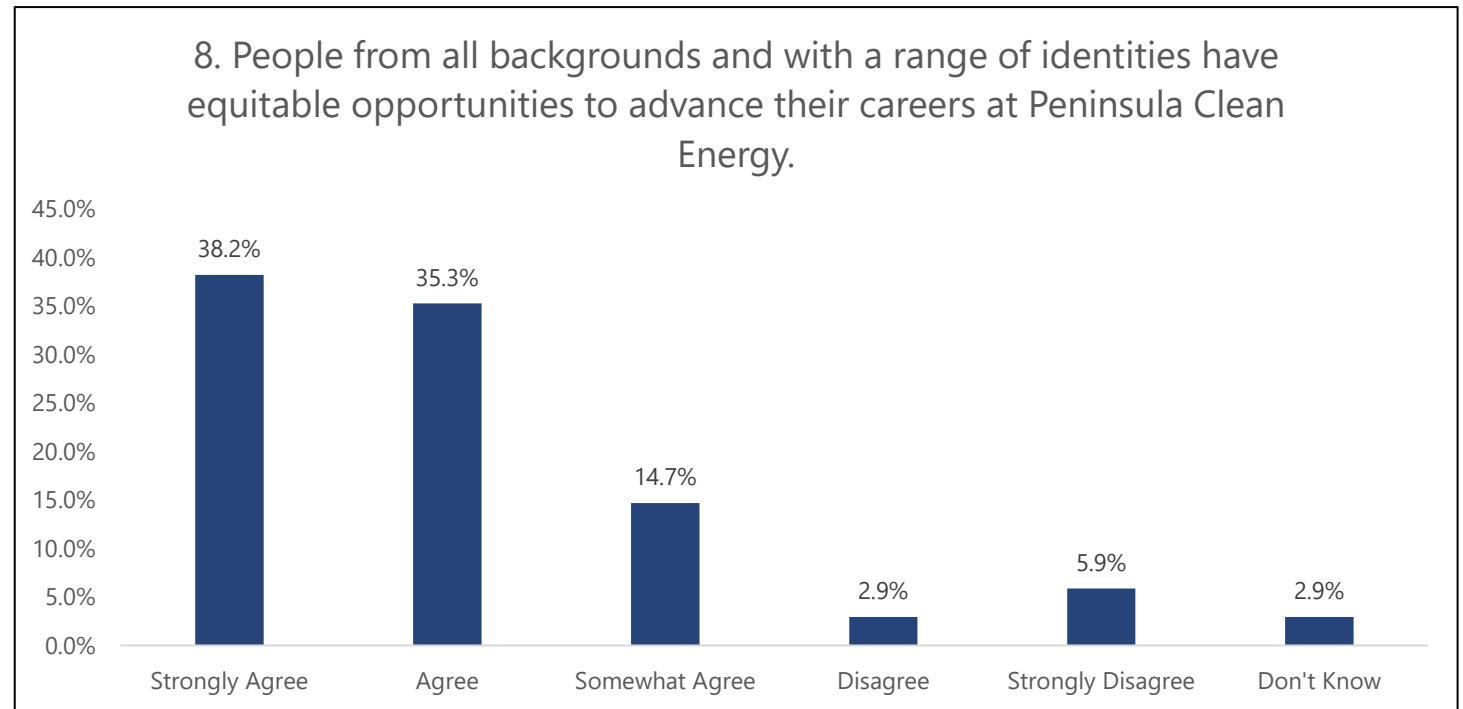


Internal – Peninsula Clean Energy DEAI Key Observation *(Favorable)*

Key
Observation

4

73.5% agree or strongly agree that people from all backgrounds and with a range of identities have equitable opportunities to advance their careers at Peninsula Clean Energy. (Question 8)

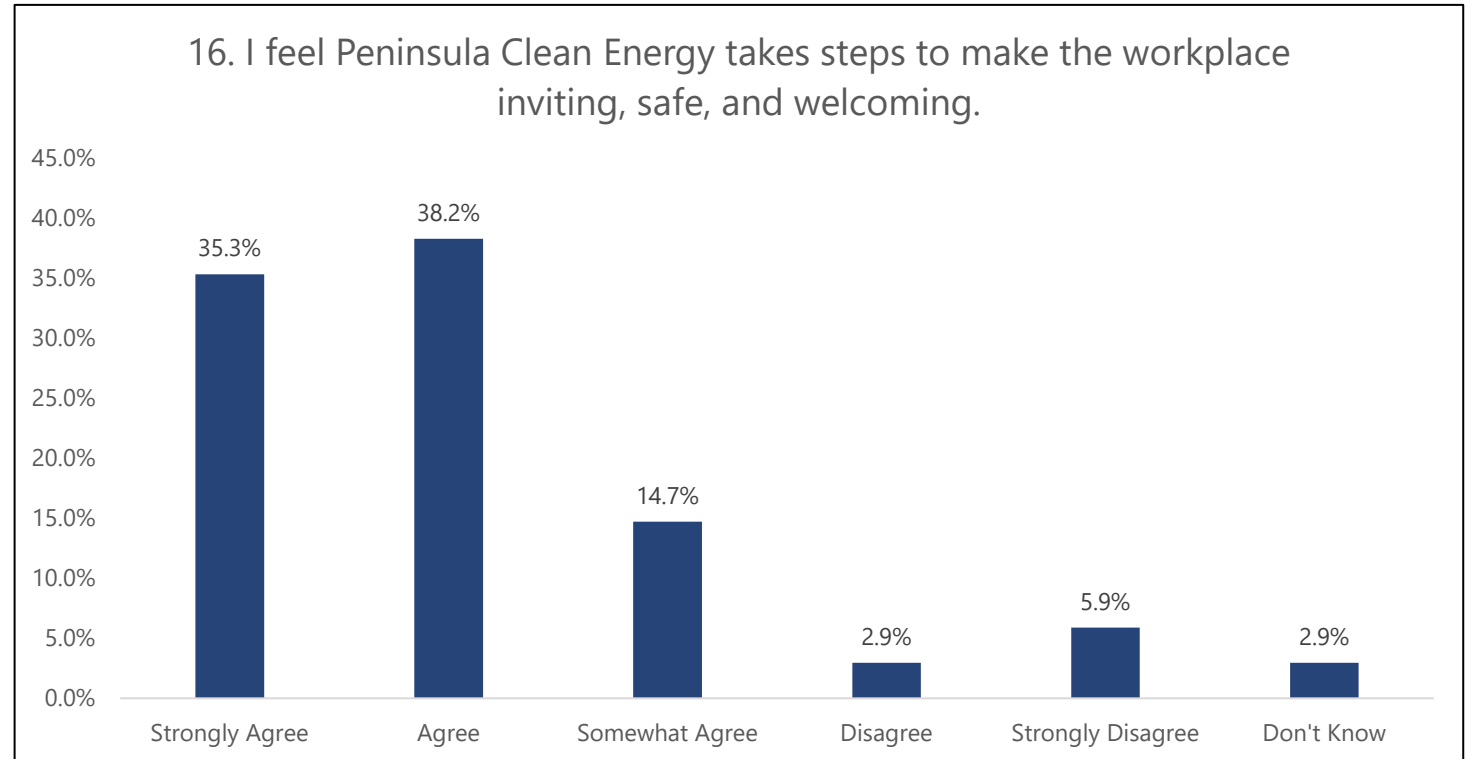


Internal – Peninsula Clean Energy DEAI Key Observation *(Favorable)*

Key
Observation

5

73.5% agree or strongly agree that they feel Peninsula Clean Energy takes steps to make the workplace inviting, safe, and welcoming.
(Question 16)

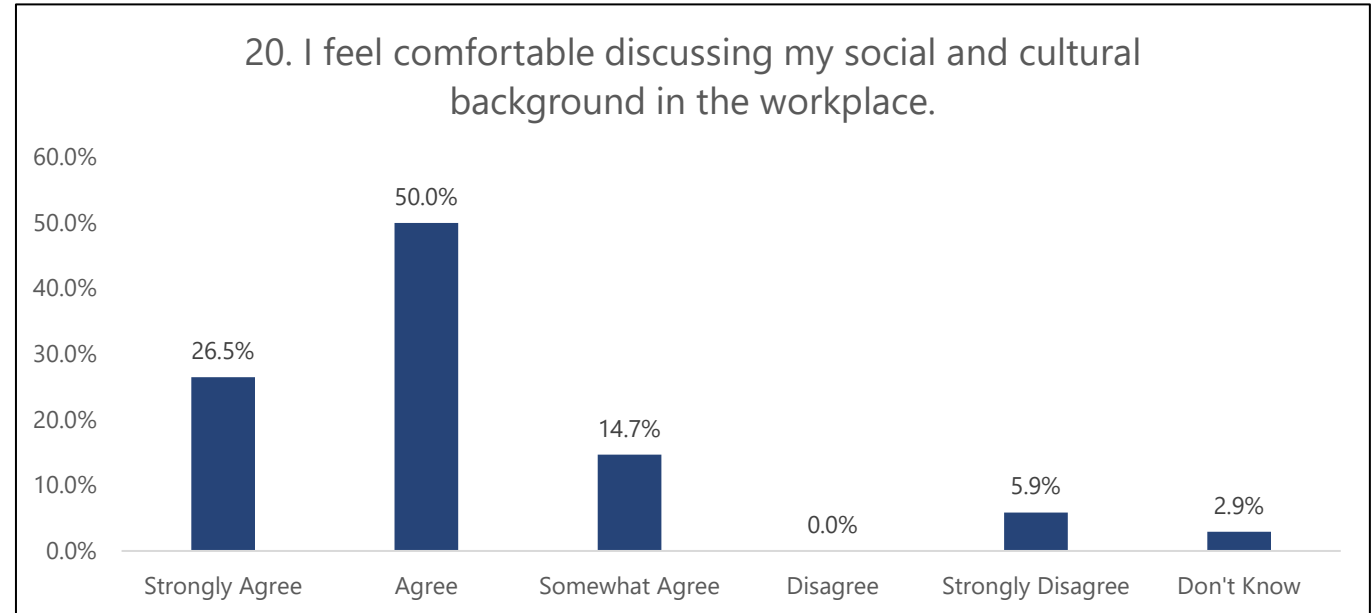


Internal – Peninsula Clean Energy DEAI Key Observation *(Favorable)*

Key
Observation

6

76.5% agree or strongly agree that they feel comfortable discussing their social and cultural background in the workplace.
(Question 20)



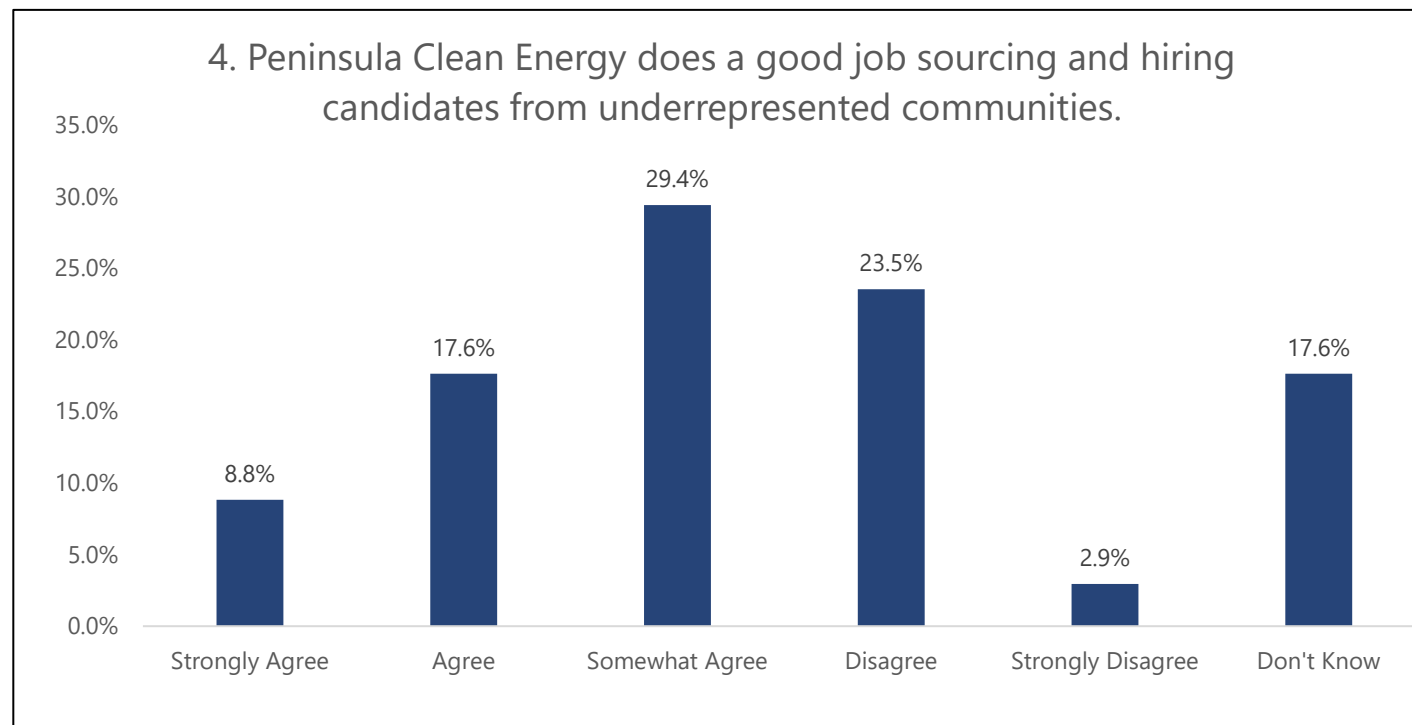
Internal – Hiring Key Observation

(Area of Opportunity)

Key
Observation

7

26.4% disagree or strongly disagree that Peninsula Clean Energy does a good job sourcing and hiring candidates from underrepresented communities. (Question 4)

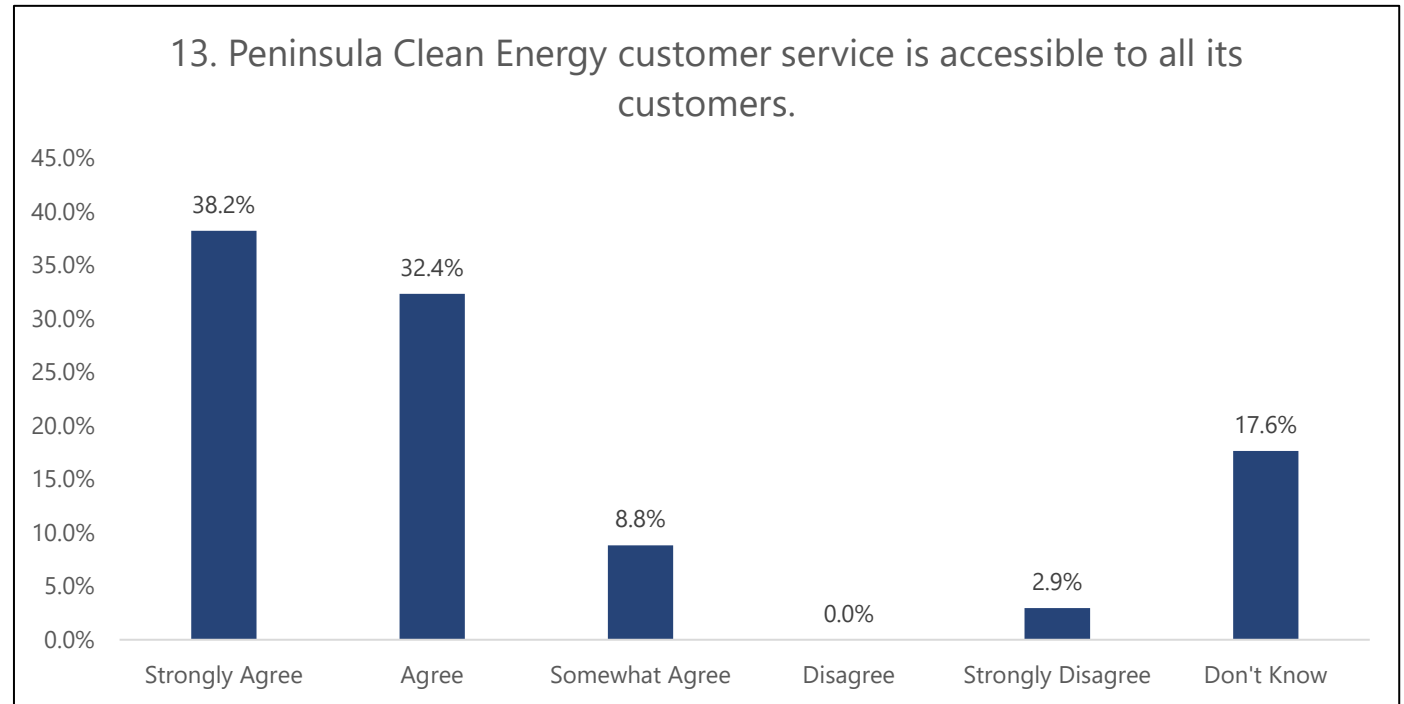


Internal – Customer Accessibility Key Observation *(Favorable)*

Key
Observation

8

70.6% agree or strongly agree that Peninsula Clean Energy customer service is accessible to all its customers.
(Question 13)

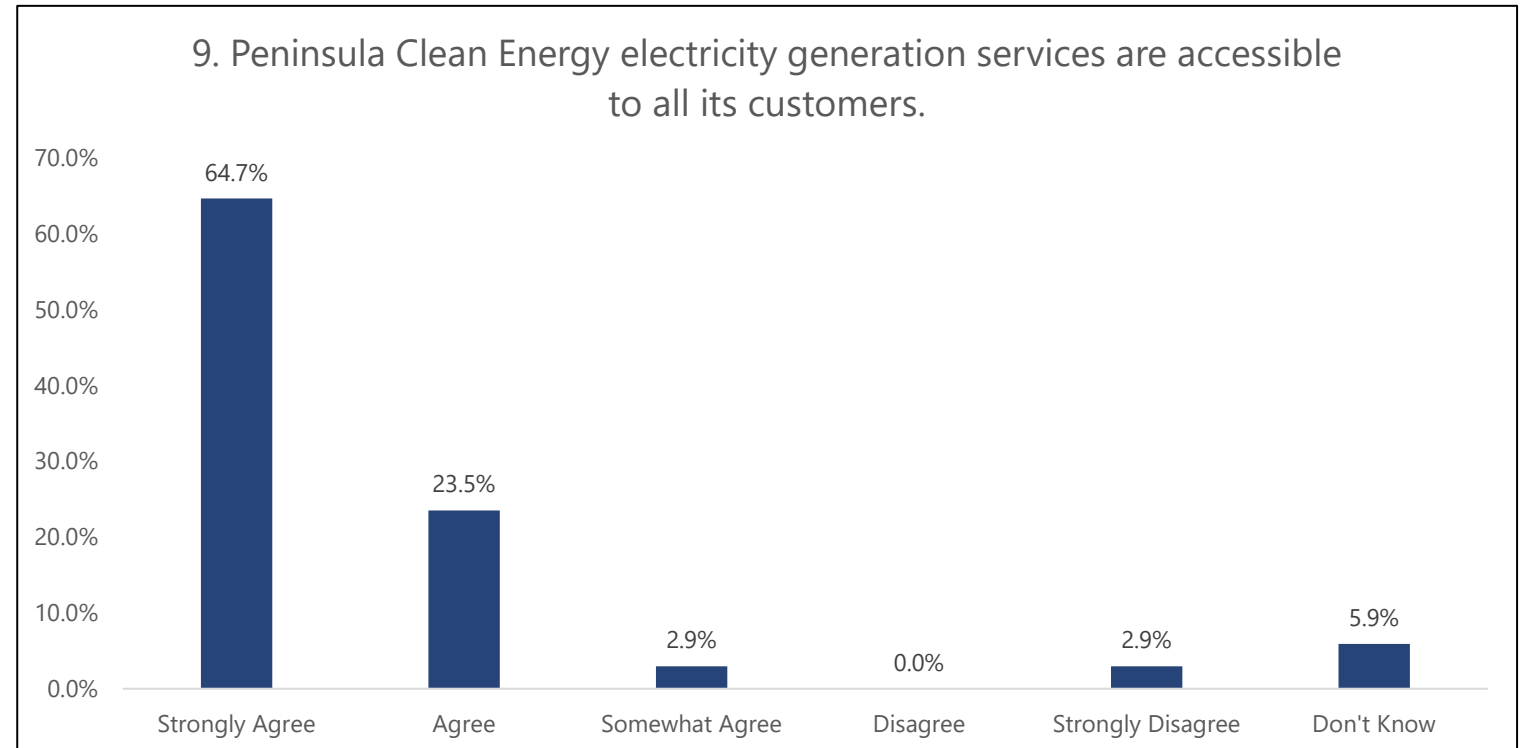


Internal – Customer Accessibility Key Observation *(Favorable)*

Key
Observation

9

88.2% agree or strongly agree that Peninsula Clean Energy electricity generation services are accessible to all its customers.
(Question 9)

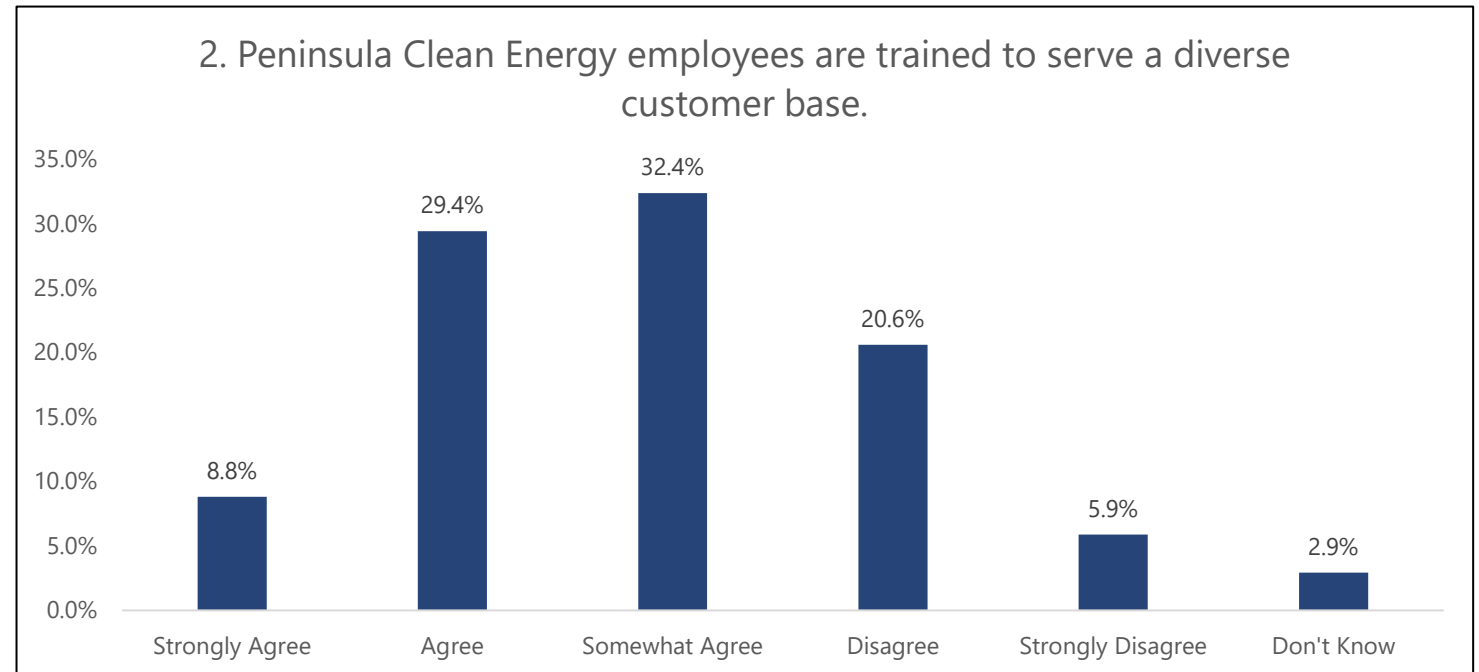


Internal – Customer Accessibility Key Observation *(Area of Opportunity)*

Key
Observation

10

26.5% disagree or strongly disagree that Peninsula Clean Energy employees are trained to serve a diverse customer base. (Question 2)



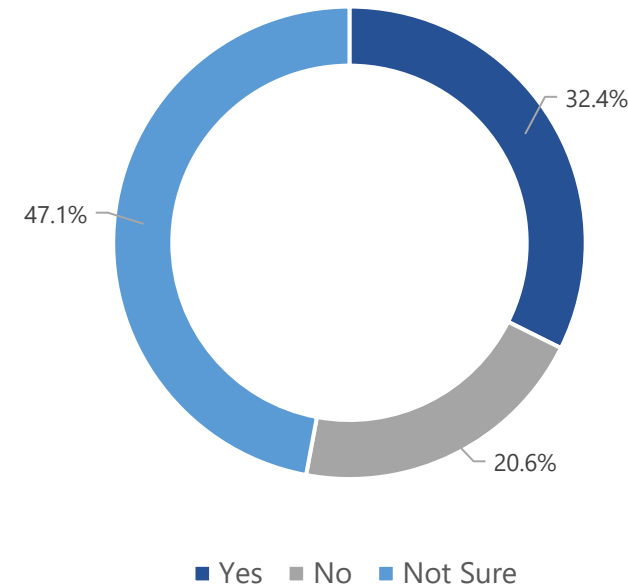
Internal – Customer Accessibility Key Observation *(Area of Opportunity)*

Key
Observation

11

32.4% think Peninsula Clean Energy can make its electricity generation services more accessible to all persons.
(Question 10)

10. Can Peninsula Clean Energy make its electricity generation services more accessible to all persons?



Internal – Customer Accessibility Key Observation *(Area of Opportunity)*

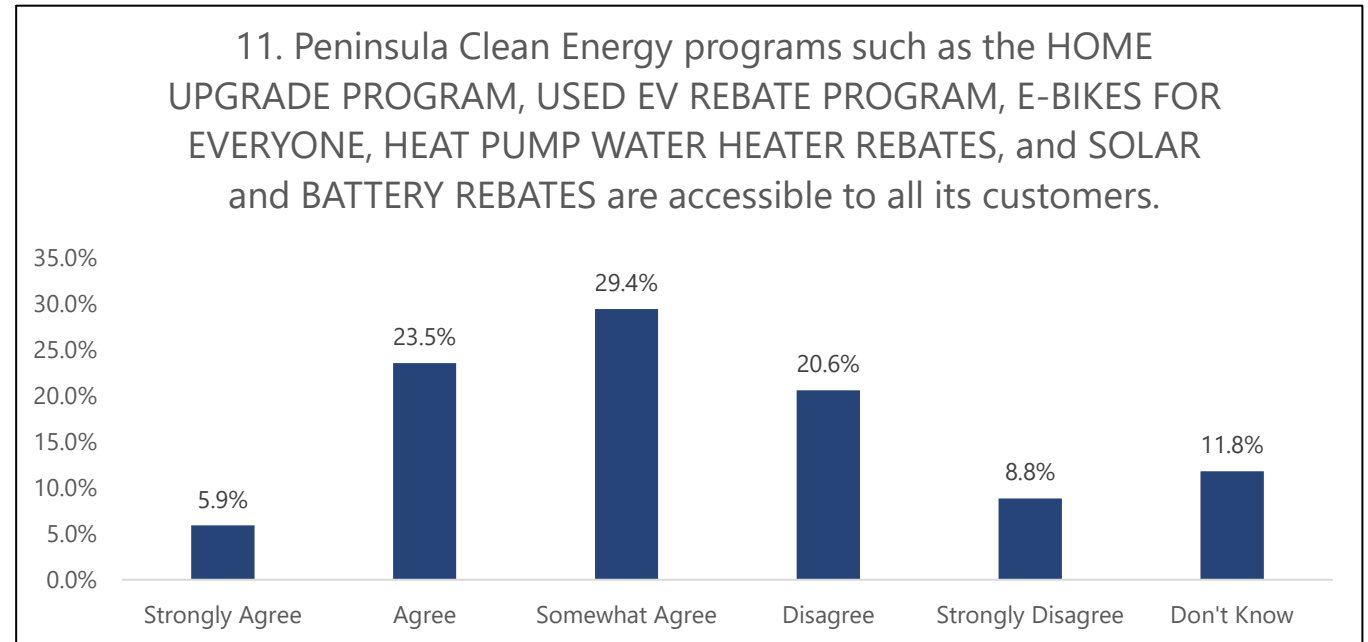
Key
Observation

12

29.4% disagree or strongly disagree that Peninsula Clean Energy programs such as the:

- HOME UPGRADE PROGRAM,
- USED EV REBATE PROGRAM
- E-BIKES FOR EVERYONE
- HEAT PUMP WATER HEATER REBATES
- SOLAR & BATTERY REBATES

are accessible to all its customers. (Question 11)



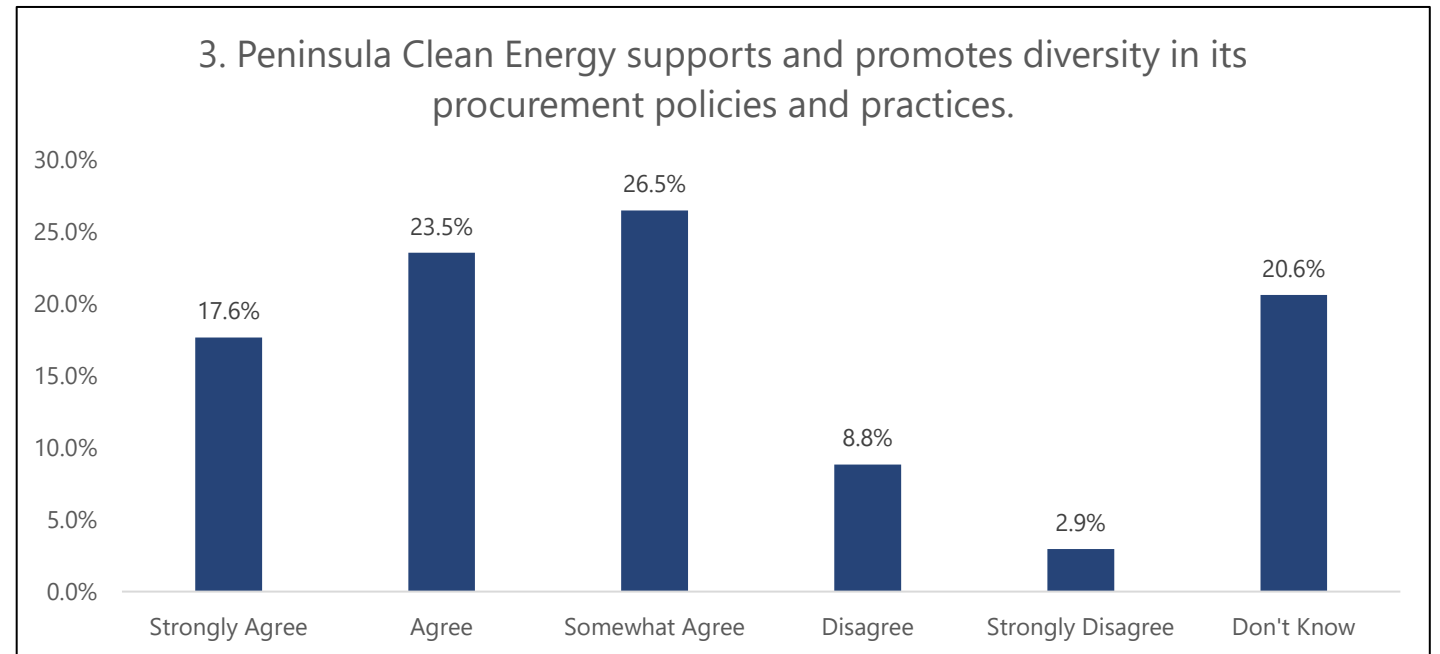
Internal – Procurement Key Observation

(Area of Opportunity)

Key
Observation

13

- Less than half (41.1%) agree or strongly agree that Peninsula Clean Energy supports and promotes diversity in its procurement policies and practices.
- 11.7% disagree or strongly disagree that Peninsula Clean Energy supports and promotes diversity in its procurement policies and practices.
(Question 3)

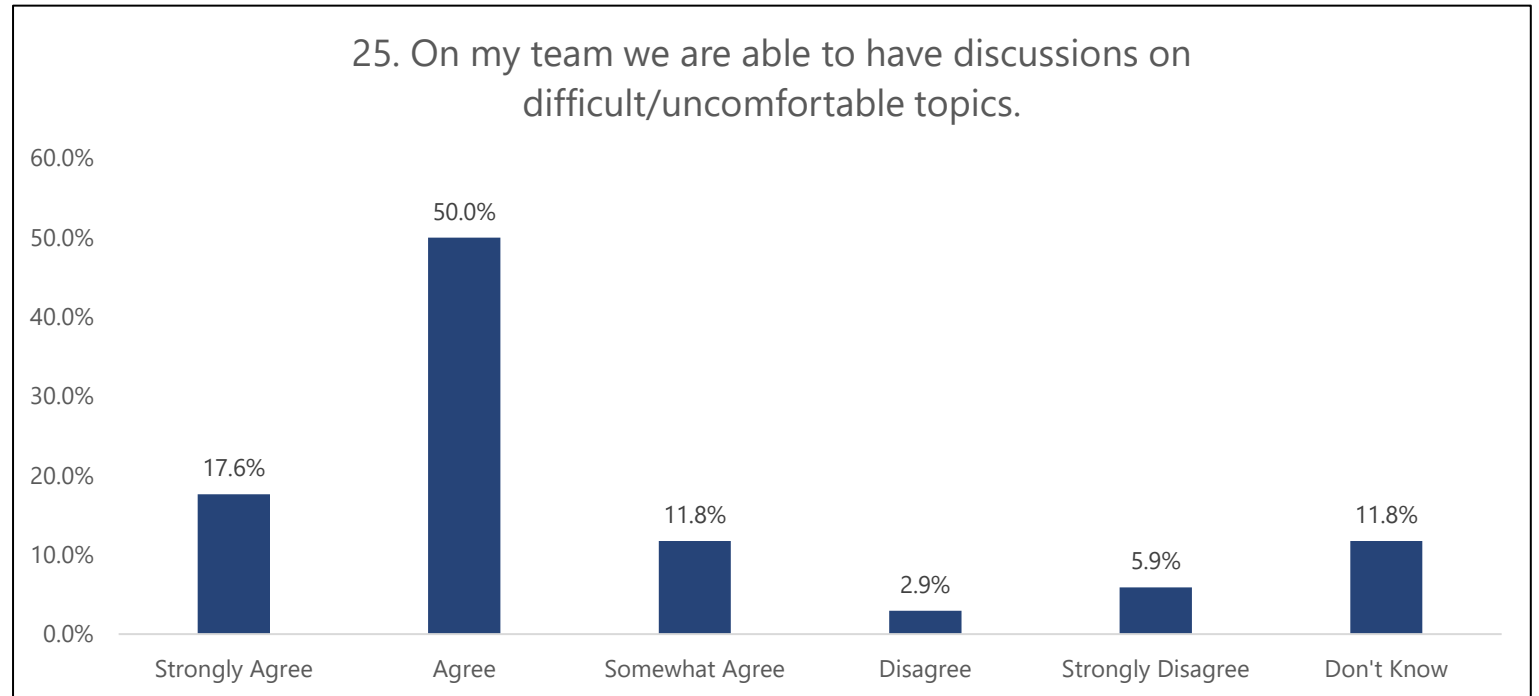


Internal – Psychological Safety Key Observation (Favorable)

Key
Observation

14

67.6% agree or strongly agree that on their team they are able to have discussions on difficult/uncomfortable topics. (Question 25)



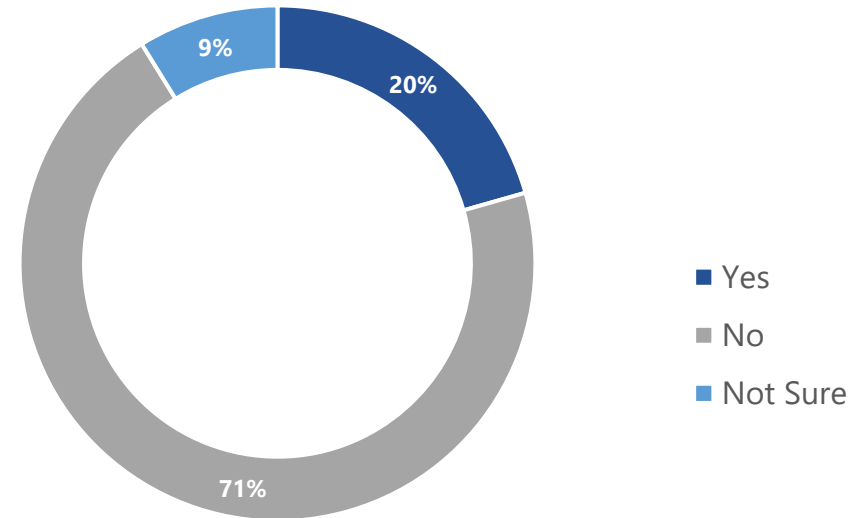
Internal – Psychological Safety Key Observation (Area of Opportunity)

Key
Observation

15

20% have experienced unwelcomed comments or conduct at Peninsula Clean Energy that they felt were offensive, embarrassing, or hurtful.
(Question 22)

22. Have you experienced any unwelcomed comments or conduct at Peninsula Clean Energy that you felt was offensive, embarrassing, or hurtful (e.g., inappropriate jokes, slurs, rumors, hurtful gossip, isolating behaviors)?



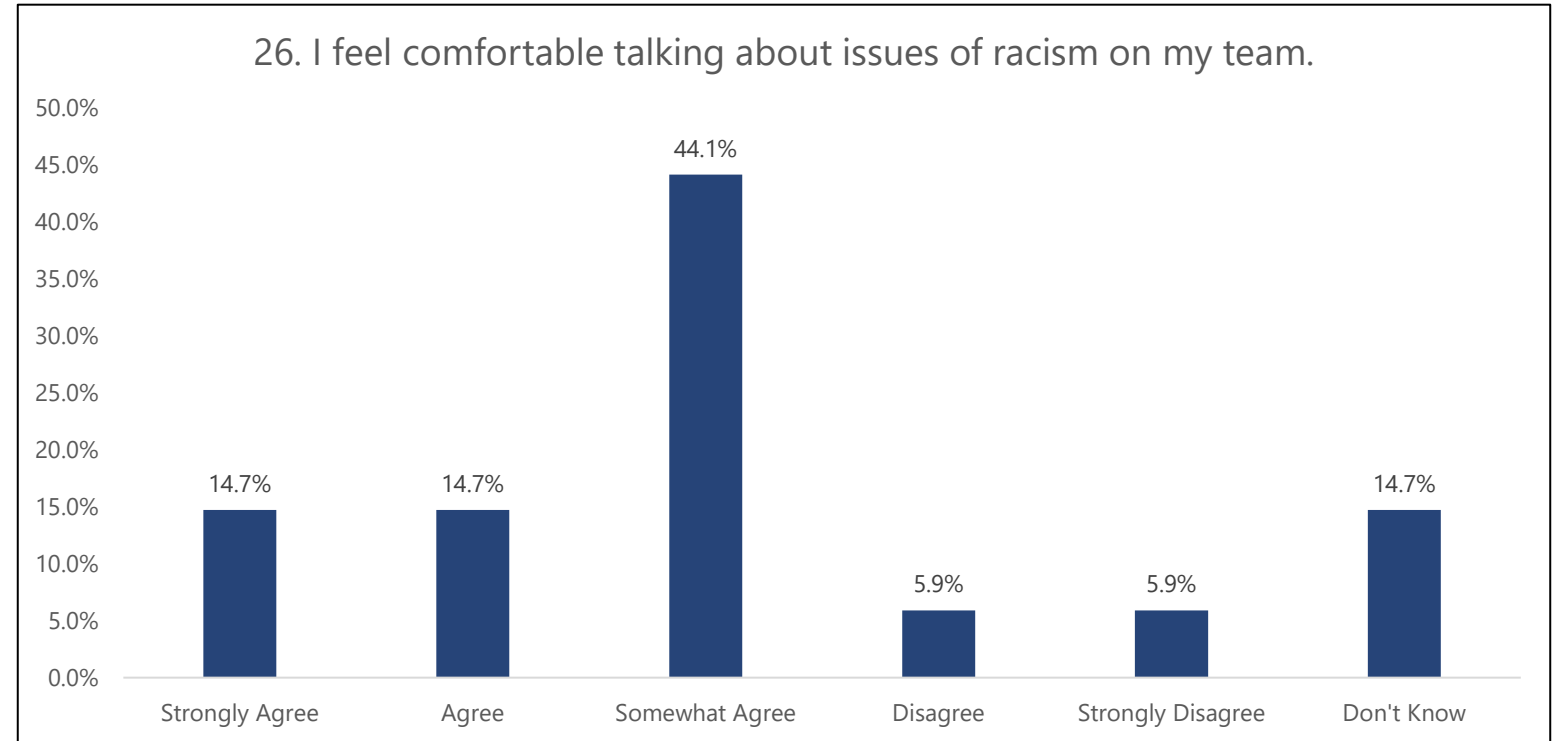
Internal – Psychological Safety Key Observation

(Area of Opportunity)

Key
Observation

16

11.8% disagree or strongly disagree that they feel comfortable talking about issues of racism on their team. (Question 26)



Survey and Interview Key Takeaways

Survey and interview timeframe: February – May, 2022

Number of surveys received (internal and external): 151

Number of in-depth interviews: 13

Human Resources, Staffing, Recruitment

1. Opportunity to improve the diversity of PCE staff, particularly at the leadership level, to better reflect the diversity of the communities PCE serves; includes efforts to source candidates from underrepresented communities.
2. Identified need for a dedicated talent management and human resources function
3. Employees, Board members, and Committee members could benefit from DEAI- focused training

Survey and Interview Key Takeaways (cont.)

Programs, Services, Communication, and Outreach

1. Accessibility of PCE programs could be improved to provide easier and better access to all customer segments
2. Opportunity to improve awareness and communication re: PCE's energy programs, especially among low-income and non-English speaking groups
3. PCE materials should be translated into different languages to improve accessibility
4. Consider exploring additional communications channels (e.g. TV and radio) to better reach target populations

Survey and Interview Key Takeaways (cont.)

Management

1. Internal stakeholders (staff and former staff) believe that PCE's leadership provides opportunities for them to grow and advance in their career with PCE regardless of their background
2. PCE could improve on celebrating and encouraging diverse perspectives and understanding among staff
3. PCE top management is receptive to DEAI initiatives, but needs more training and coaching on the topic

Survey and Interview Key Takeaways (cont.)

Procurement, Vendor Management

1. Consider ways to promote diversity and the involvement of women and minority-owned businesses in PCE's supply chain

Psychological Safety and Company Culture

1. Employees largely agree that on their teams they can have discussions regarding difficult and uncomfortable topics
2. A few employees have experienced unwelcome comments or conduct at PCE that was offensive, embarrassing, or hurtful
3. DEAI-specific training could be utilized to improve company culture around diversity

11. Approval of CC Power Renewable Resources from Ormat Nevada Inc. and Open Mountain Energy

Chelsea Keys

Senior Manager, Power Resources

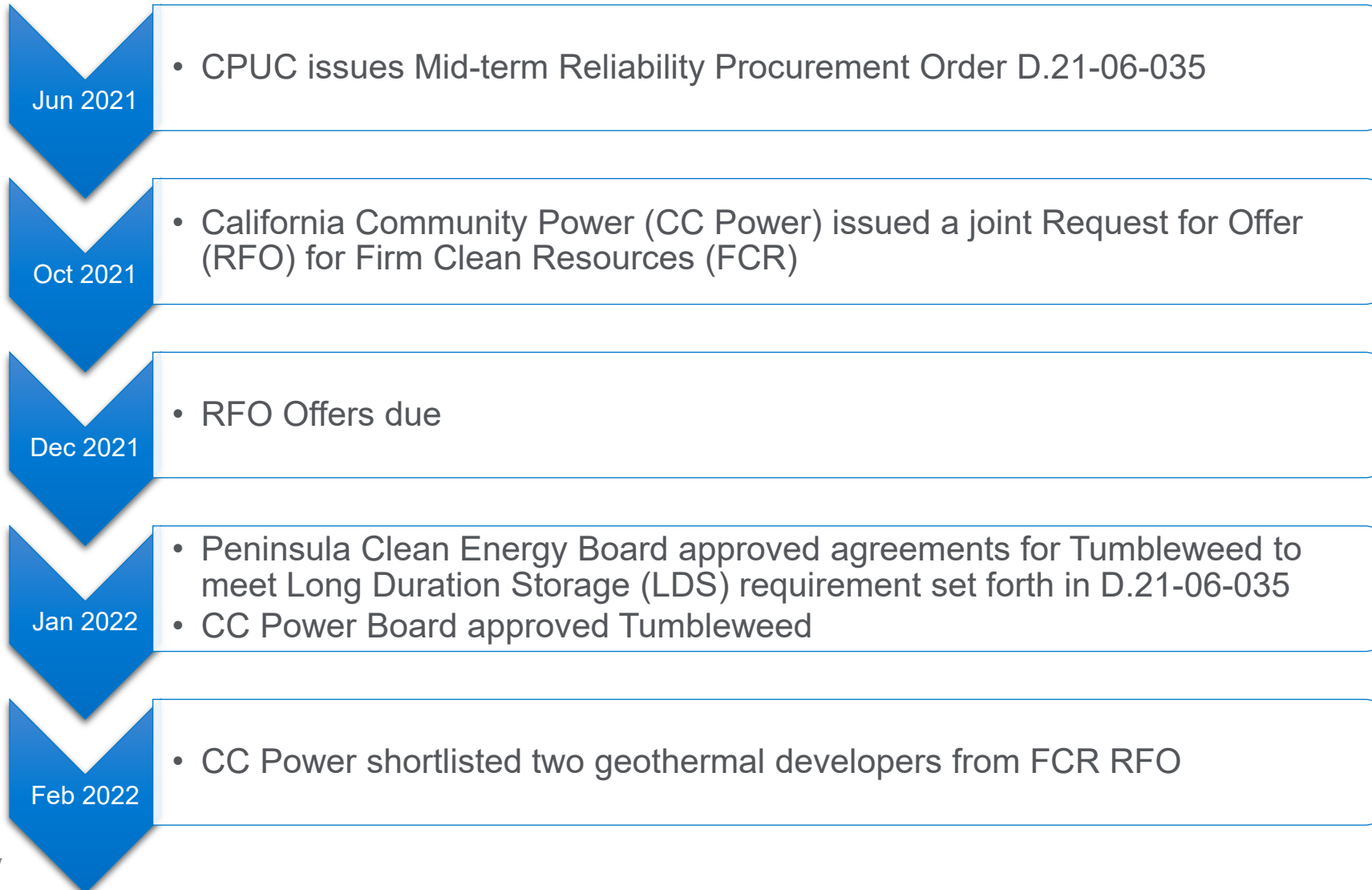
Recommendation

Resolution Delegating Authority to the Chief Executive Officer to Execute Necessary Agreements with California Community Power and Participating Community Choice Aggregators for Renewable Resources from Ormat Nevada Inc. and Open Mountain Energy, LLC

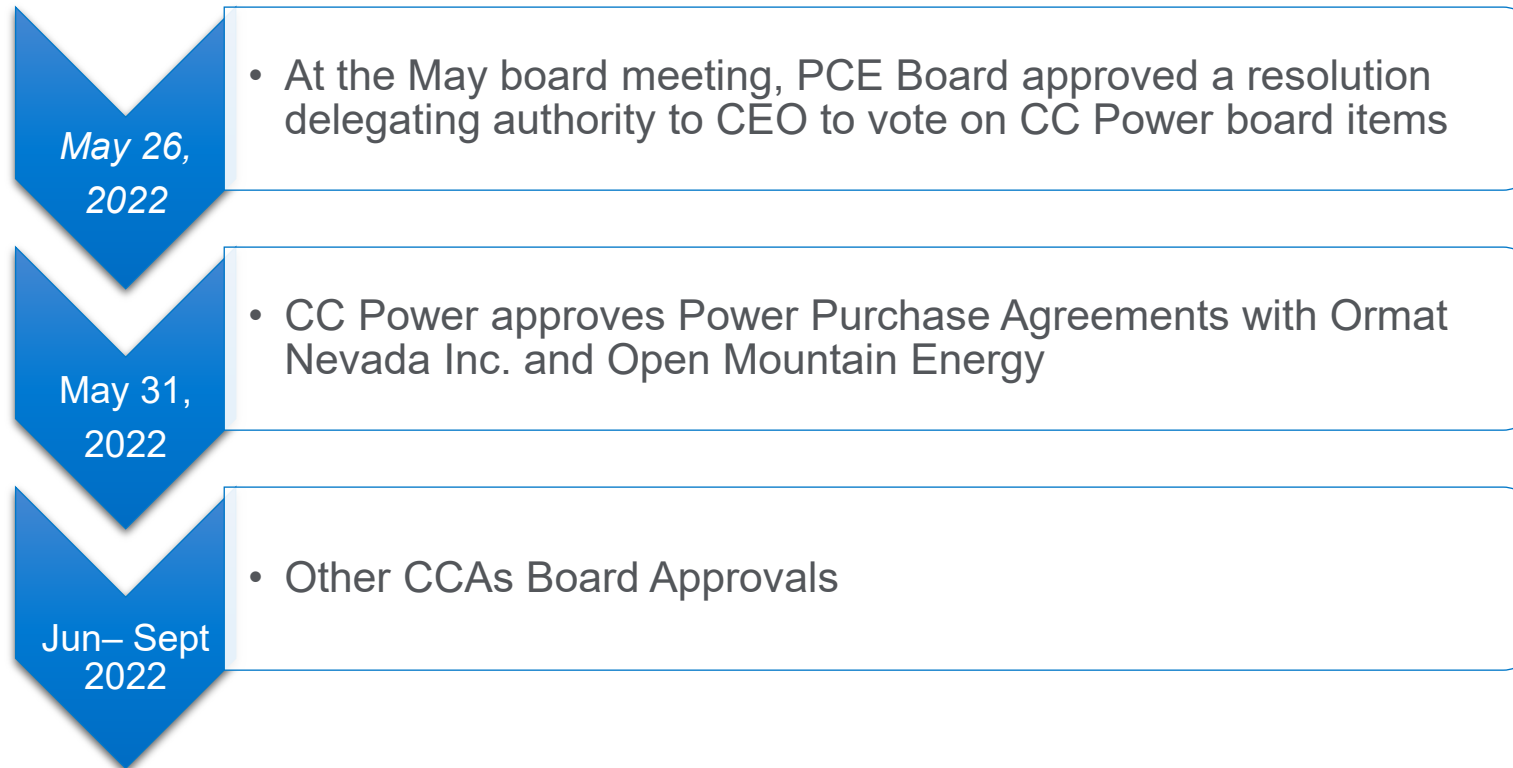
Agenda

1. Background
2. FCR Need – Mid-term Reliability Procurement Mandate
3. RFO Results Summary
4. Contract Structure
5. Geothermal Projects
6. Recommendation

RFO Background and Timeline



RFO Background and Timeline



FCR Need – Mid-term Reliability Procurement Mandate

Mid-Term Reliability Decision (2023 – 2026)

- D.21-06-035 adopted by CPUC on June 24, 2021, to address mid-term reliability needs
- LSEs required to collectively procure 11,500 MW of new resources
- Allocated to LSEs by load share
- Resources must be zero-emission or RPS eligible (no fossil resources)
- 4,500 MW of obligation subject to specific category requirements (next slide)

Peninsula Clean Energy Allocation

Procurement Obligation in NQC¹ MW for Peninsula Clean Energy by Category and Year

Procurement Category	2023	2024	2025	2026	Total
Zero-emissions generation, generation paired with storage, or demand response resources ²	-	-	47	-	47
Firm zero-emitting resources ³	-	-	-	19	19
Long-duration storage resources ^{3, 4}	-	-	-	19	19
Remaining New Capacity Required	-	-	-	-	132
Total Annual Net Qualifying Capacity (NQC) Requirements	38	113	28	38	217

1. *Obligation is in NQC MW (not nameplate) and subject to ELCC factor*
2. *Zero-emissions resources required to replace Diablo Canyon must be procured by 2025 but may occur in any of the years 2023-2025; therefore, the columns do not add to the total.*
3. *Firm zero-emitting resources – generating resources w/ at least 80% capacity factor with no use restrictions or weather dependencies*
 - *Qualifying resources include geothermal, biomass, and biogas*

Effective Load Carrying Capacity Factors

- Requirements are based on Net Qualifying Capacity
- CPUC released an [ELCC study](#) in September 2021 to provide guidance on converting facility nameplate to Net Qualifying Capacity (“NQC”)
- Geothermal resources have project specific characteristics that make them susceptible to temperature based de-rates during the summer net peak conditions
 - CPUC suggested using 5-10 pm forecasted output in September (peak reliability need hours)
- We used the 8760 generation portfolios for the geothermal resources to calculate peak availability during 5-10 pm in September and estimate 82 – 87% NQC
- Each MW of nameplate capacity = .82-.87 MW NQC

Peninsula Clean Energy NQC Allocation	Nameplate Equivalent (<i>rounded to nearest whole MW</i>)
19 MW	23 MW

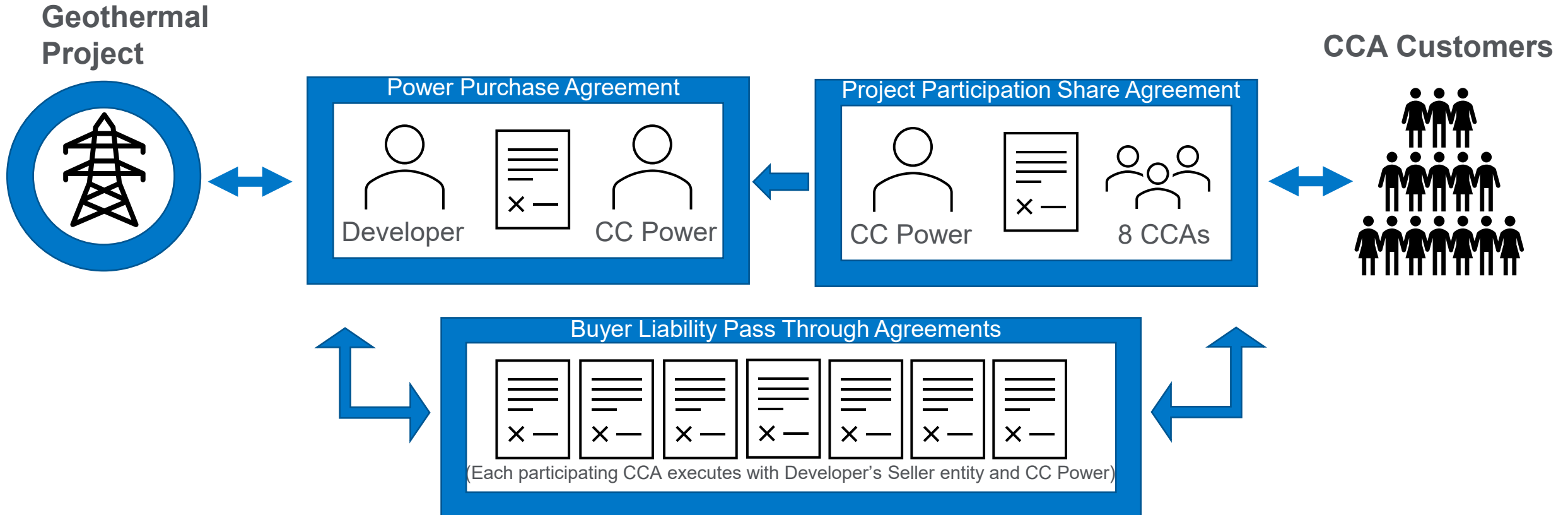
RFO Results Summary

RFO Results and Shortlist

- CC Power received offers from 6 developers and 16 projects. Only 4 of the projects were located in California.
 - Most geothermal capacity in California has been developed
 - For resources to meet FCR, they must be “new” resources
- CC Power ran an analytics model and conducted interviews
 - Evaluation was based on:
 - Conforming to FCR MTR requirements
 - Lowest price / higher on the economic evaluation scale
 - Satisfying workforce and environment requirements
 - Appropriate delivery term (20 years)
- CC Power shortlisted projects from two developers: 1 project from Open Mountain Energy LLC (OME) and a portfolio of projects from Ormat Nevada, Inc. (Ormat)

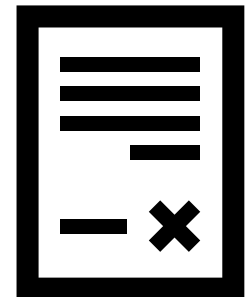
Contract Structure

Overall Structure



Agreements with CC Power – Credit / Collateral

- Buyer's Liability Pass Through Agreement (BLPTA)
 - Executed by CCA, Developer and CC Power
 - Each CCA guarantees payment performance of CC Power under PPA
 - No LCs or cash collateral required
- Project Participation Agreement
 - 25% step-up cap – Each CCA commits to take up to 25% additional capacity if another CCA defaults
 - 3 months payment obligation posting per CCA to CC Power



Geothermal Projects

Open Mountain Energy Fish Lake Project

- Seller – Fish Lake Geothermal, LLC
- Developer – Open Mountain Energy, LLC
- Technology – Incremental Geothermal
- Project size – 13 MW
- Product – Energy, PCC1, RA, Ancillary Services
- Location – Esmeralda County, Nevada
- COD – June 1, 2024
- Price – Fixed \$/MWh, no escalation
- Term – 20 years
- Scheduling Coordinator - Seller

Ormat Portfolio of Projects

Ormat Geothermal
Facilities in NV and CA with a min
of 125 MW
RA, Ancillary Services
Operations in Nevada and California
with project, as early as 2024
no escalation
Buyer - Seller





Ormat Portfolio of Projects

Portfolio approach:

- Ormat to offer Facilities as they become available up to 125 MW
- CC Power may accept or reject within 3 months if CC Power members have been unable to obtain IC, or we have the option of extending the COD day for day until we are able to obtain IC, until September 30, 2027
- Facilities that are accepted become part of the portfolio
- If a Facility is rejected the min required offer amount is reduced by a commensurate volume

Import Capability Issues

- Projects not in the CAISO need import capability (IC) into California to count as Resource Adequacy, a requirement for the FCR procurement mandate
- All projects, with the exception of one, will require IC
- CC Power is not an LSE so each CCA must obtain IC on its own
- For Open Mountain, we have two to three delivery point options, one of which has ample IC
- For Ormat, we have the option, but not the obligation to reject projects, should we not be able to secure IC at the delivery point for a specific project

Workforce

- The Nevada projects are required to either a) pay NV prevailing wages to workers or b) apply to the Renewable Tax Abatement program (RETA) which requires -
 - 50% of workforce be NV residents, Pay workforce no less than 175% of statewide annual avg wages, and provide health insurance that satisfies RETA req.
- For Ormat, who may develop project(s) in Imperial Valley, CA will be required to provide either a) PLA or b) CA prevailing wages
- If a PLA is not executed, both developers have agreed to comply with an audit to demonstrate proof that prevailing wages are paid through a certified payroll system

Environmental

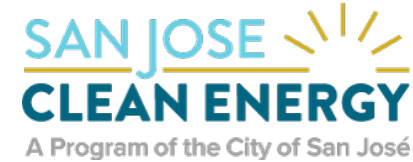
- Evaluated geospatial footprint of each project and found no impact to any federal, state, local, or other conservation designations or planning efforts
- Projects are not located in areas identified as not suitable for renewable development by Renewable Energy Transmission Initiative (RETI)
- Sellers must meet obtain and maintain all permits required by the appropriate governing authority/authorities
- Developers will attest to not using forced labor in their supply chain

Summary of PCE Project Allocations

- PCE share of geothermal contracts/meeting FCR needs

	CPUC Capacity Obligation MW NQC	Nameplate Capacity Obligation MW	Ormat Entitlement Share	Ormat Allocation <u>Minimum</u> MW	Ormat Allocation <u>Maximum</u> MW	Fish Lake Entitlement Share	Fish Lake Allocation MW	Remaining Obligation w/ Ormat <u>Min</u> MW	Remaining Obligation w/ Ormat <u>Max</u> MW
PCE	19.00	23.00	17.1%	10.94	21.38	17.8%	2.31	9.74	-0.69

Participating Member CCAs



CCA	OME Nameplate	OME Step-up	Ormat Nameplate	Ormat Step-up	Total Nameplate	Total Step-up
3CE	2.42	0.60	22.38	5.59	24.79	6.20
CPSF	1.89	0.47	17.38	4.34	19.26	4.82
PCE	2.31	0.58	21.38	5.34	23.69	5.92
RCEA	0.36	0.09	4.00	1.00	4.36	1.09
SJCE	2.26	0.57	24.50	6.13	26.76	6.69
SVCE	1.82	0.46	16.75	4.19	18.57	4.64
SCPA	1.52	0.38	14.00	3.50	15.52	3.88
VCE	0.42	0.10	4.63	1.16	5.04	1.26
TOTAL	13.00	3.25	125.00	31.25	138.00	34.50

Recommendation

Resolution Delegating Authority to the Chief Executive Officer to Execute Necessary Agreements with California Community Power and Participating Community Choice Aggregators for Renewable Resources from Ormat Nevada Inc. and Open Mountain Energy, LLC

1. Ormat Nevada Inc.

- Project Participation Share Agreement
- Buyer's Liability Pass Through Agreement (BLPTA)
- Delivery term of 20 years starting on or about June 1, 2024
- Dollar authority not to exceed \$405,000,000

2. Open Mountain Energy, LLC

- Project Participation Share Agreement
- Buyer's Liability Pass Through Agreement (BLPTA)
- Delivery term of 20 years starting on or about April 1, 2024
- Dollar authority not to exceed \$41,000,000

Update on Awareness/Perception, Electrification Messaging

Market Research Findings

KJ Janowski

Director of Marketing and Community Relations

July 28, 2022



Key Performance Indicators

Marketing & Community Relations – Metrics at FY End

	2020 Baseline	FY21	FY22	2025 Target
Participation Rate ¹	97%	97%	97%	97%
PCE Aided Awareness	34%	31% ²		60%
PCE Favorability ³	63%	61% ²		80%
Residential & SMB Engagement	Med/Low	Med/Low	Med/Low	High

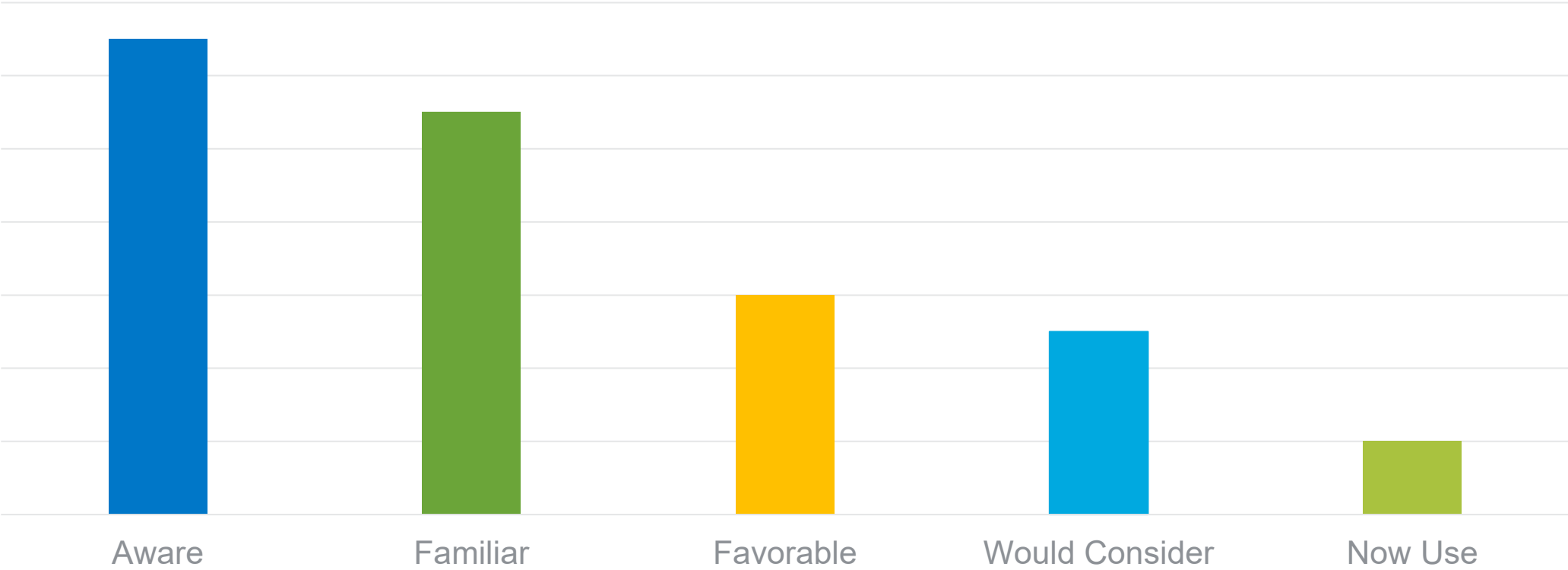
1. Shared responsibility with Account Services team
2. Given sample size in 2021, this is statistically equivalent to the 2020 baseline
3. Of those who are aware of Peninsula Clean Energy

Methodology

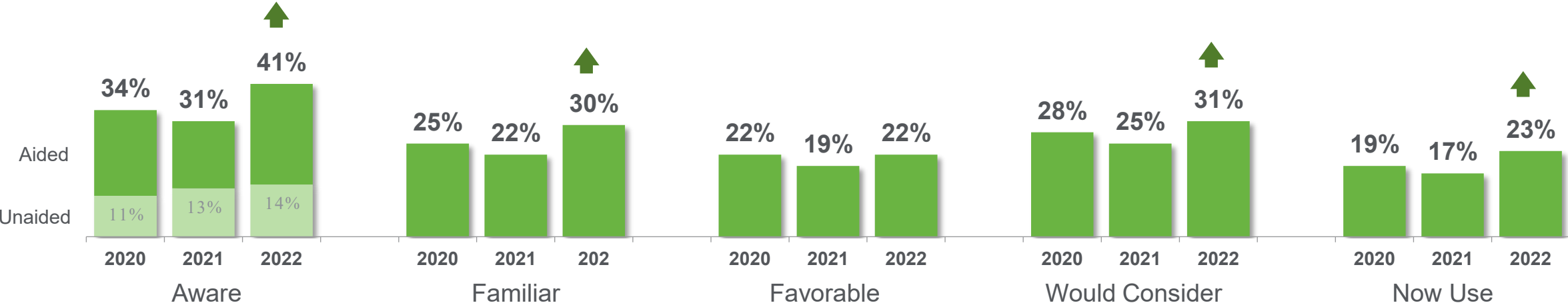
- Random sample of all households in San Mateo County and Los Banos
- Invitation (English and Spanish) sent by postal mail
 - San Mateo County Office of Sustainability letterhead
 - City of Los Banos letterhead
- Participation incentives –2 winners of \$500 and 20 winners of \$100
- Online self-administered survey in English and Spanish
- Completed in May 2022
- Eligibility: adult resident not an employee or board member of energy company
- Sample size: San Mateo County 1326; Los Banos 938

Persuasion Monitor™

Example



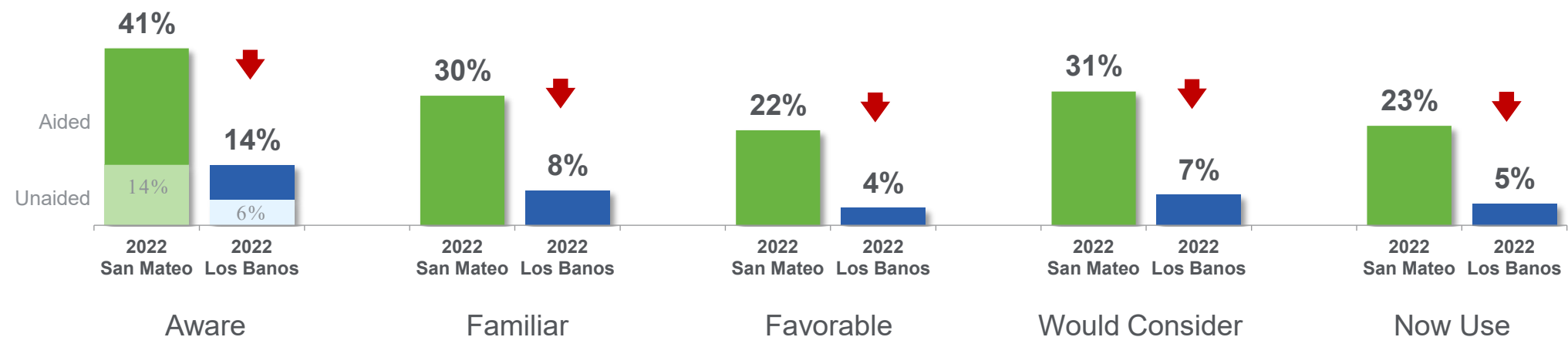
Persuasion Monitor™ Trend in San Mateo County



Q1 – Q6 Persuasion Monitor
Base: Total Sample (n=2,261 / 509 / 1,326)

Arrows indicate a significant difference among data from the prior year at the 95% confidence level

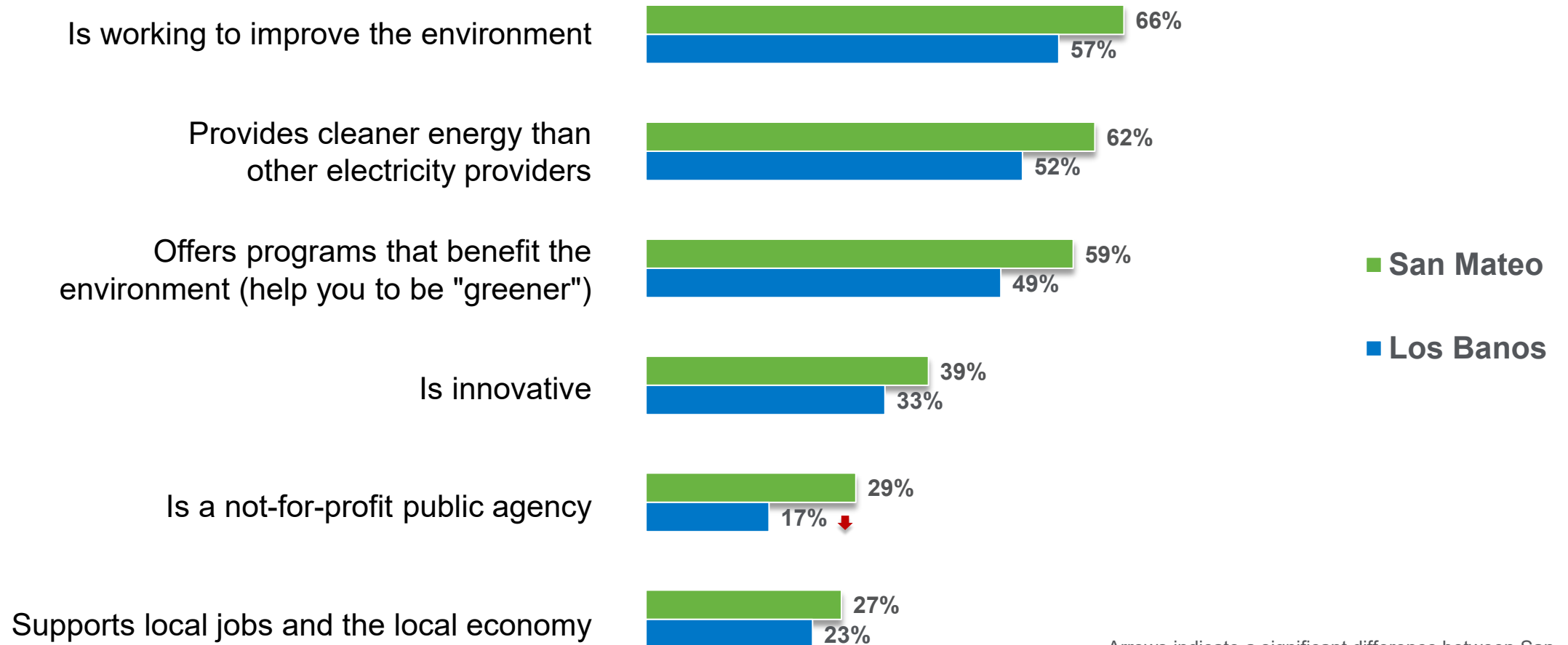
Persuasion Monitor™ San Mateo County vs. Los Banos



Q1 – Q6 Persuasion Monitor
Base: Total Sample (n=1,326 / 938)

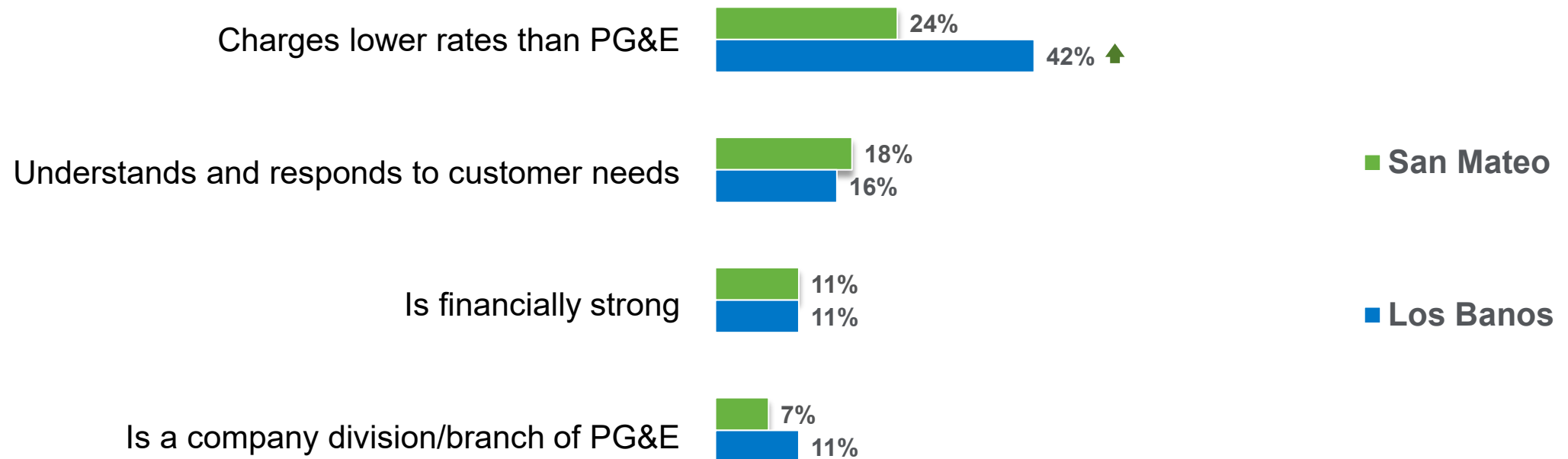
Arrows indicate a significant difference between San Mateo and Los Banos at the 95% confidence level

Brand Perception – San Mateo vs. Los Banos



Arrows indicate a significant difference between San Mateo and Los Banos at the 95% confidence level

Brand Perception – San Mateo vs. Los Banos



Q9 - For each statement, please indicate if you think it is true or false about Peninsula Clean Energy. Base: Aware of PCE (n = 535 / 121)

Arrows indicate a significant difference between San Mateo and Los Banos at the 95% confidence level

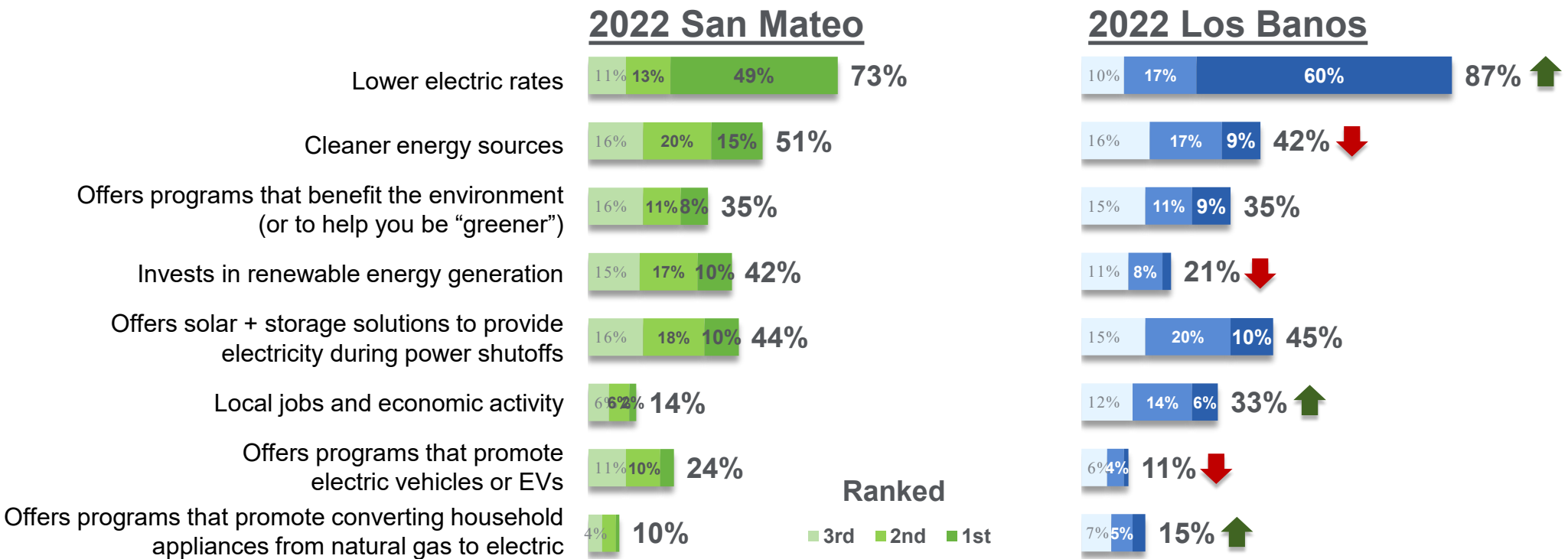
Key Performance Indicators

Marketing & Community Relations – Metrics at FY End

	2020 Baseline	FY21	FY22	2025 Target
Participation Rate ¹	97%	97%	97%	97%
PCE Aided Awareness	34%	31% ²	39% ⁴	60%
PCE Favorability ³	63%	61% ²	57% ⁴	80%
Residential & SMB Engagement	Med/Low	Med/Low	Med/Low	High

1. Shared responsibility with Account Services team
2. Given sample size in 2021, this is statistically equivalent to the 2020 baseline
3. Of those who are aware of Peninsula Clean Energy
4. Statistically different from 2020 baseline

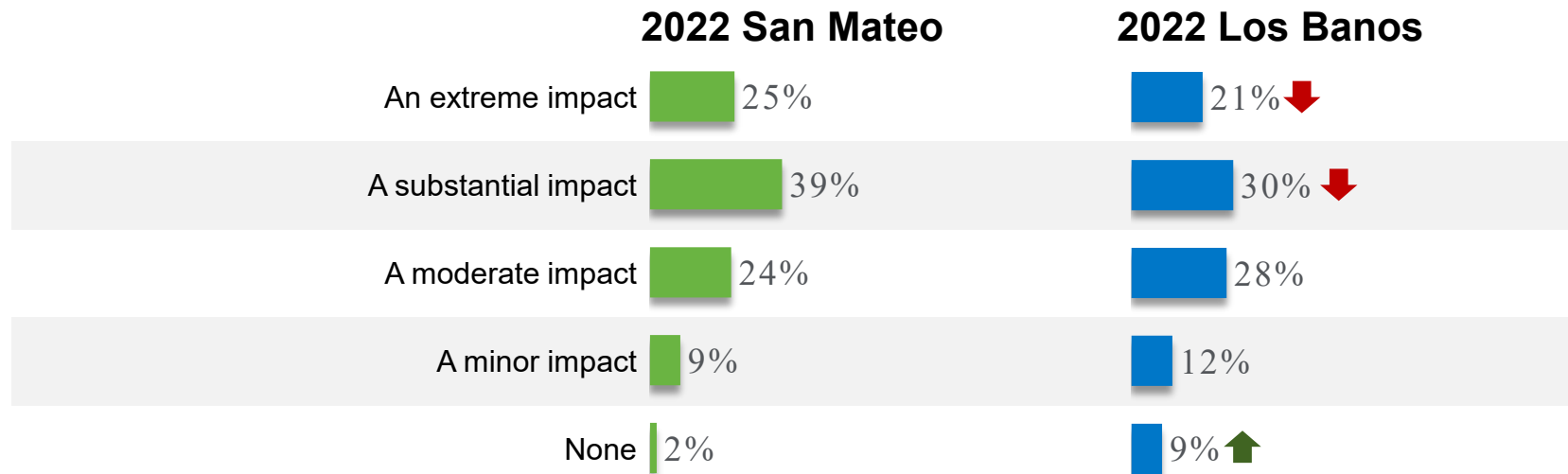
Resident Priorities – San Mateo vs. Los Banos



Arrows indicate a significant difference between San Mateo and Los Banos at the 95% confidence level

Q7a - If a provider of electricity to your home could offer all the advantages listed below, which three would be most important to you?
Base: Total Sample (n =1,326 / 938)

Climate Change Impact



Arrows indicate a significant difference between San Mateo and Los Banos at the 95% confidence level

QEA6 - Based on current trends, how much impact will climate change have on the everyday lifestyle of the next generation of San Mateo County residents?

Base: Total Sample (n=1,326 / 938)

Climate Change Attitudes

Statement Agreement

(% 8-10, Mean)

2022 San Mateo

2022 Los Banos

The actions I take in my home can have a meaningful impact on climate change



I am willing to pay up to 10% more to purchase products that mitigate climate



I am willing to replace my vehicle and/or appliances before the end of their useful life to help mitigate my impacts on climate change



I am not willing to pay anything more to purchase products that mitigate climate change



Arrows indicate a significant difference between San Mateo and Los Banos at the 95% confidence level

Electrification Messaging



Appliance selection factors (examples)

CLIMATE FRIENDLY

- Help me act to protect the environment for future generations
- Have no emissions that contribute to climate change

ALL ELECTRIC/NO METHANE

- Do not use natural gas (also known as methane gas) to operate
- Preserve or move my home toward being an all-electric home

COSTS LESS

- Cost less to run for a typical year
- Use a lower cost power source

HEALTH/SAFETY

- Are safer/ no risk of explosions or leaks
- Do not risk the release of unsafe emissions into my home
- Are healthier / protects my home's indoor air quality

PRIDE/UNIQUE

- I would enjoy showing to my guests
- I might be among the first to own/is a bit unique

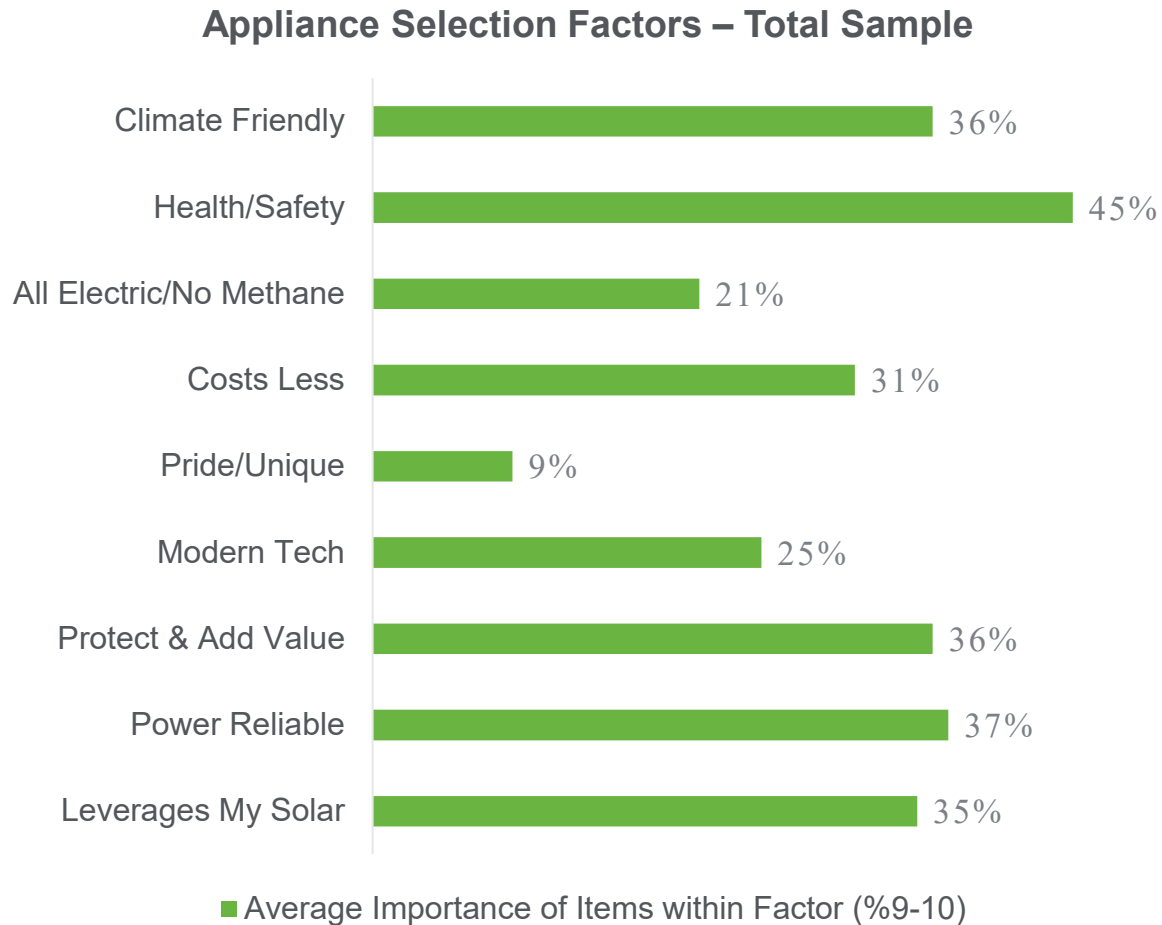
PROTECT AND ADD VALUE

- Protect the value of my home
- Add to the value of my home in the long run

POWER RELIABLE

- Can continue to operate during a power outage

Appliance selection factors – importance

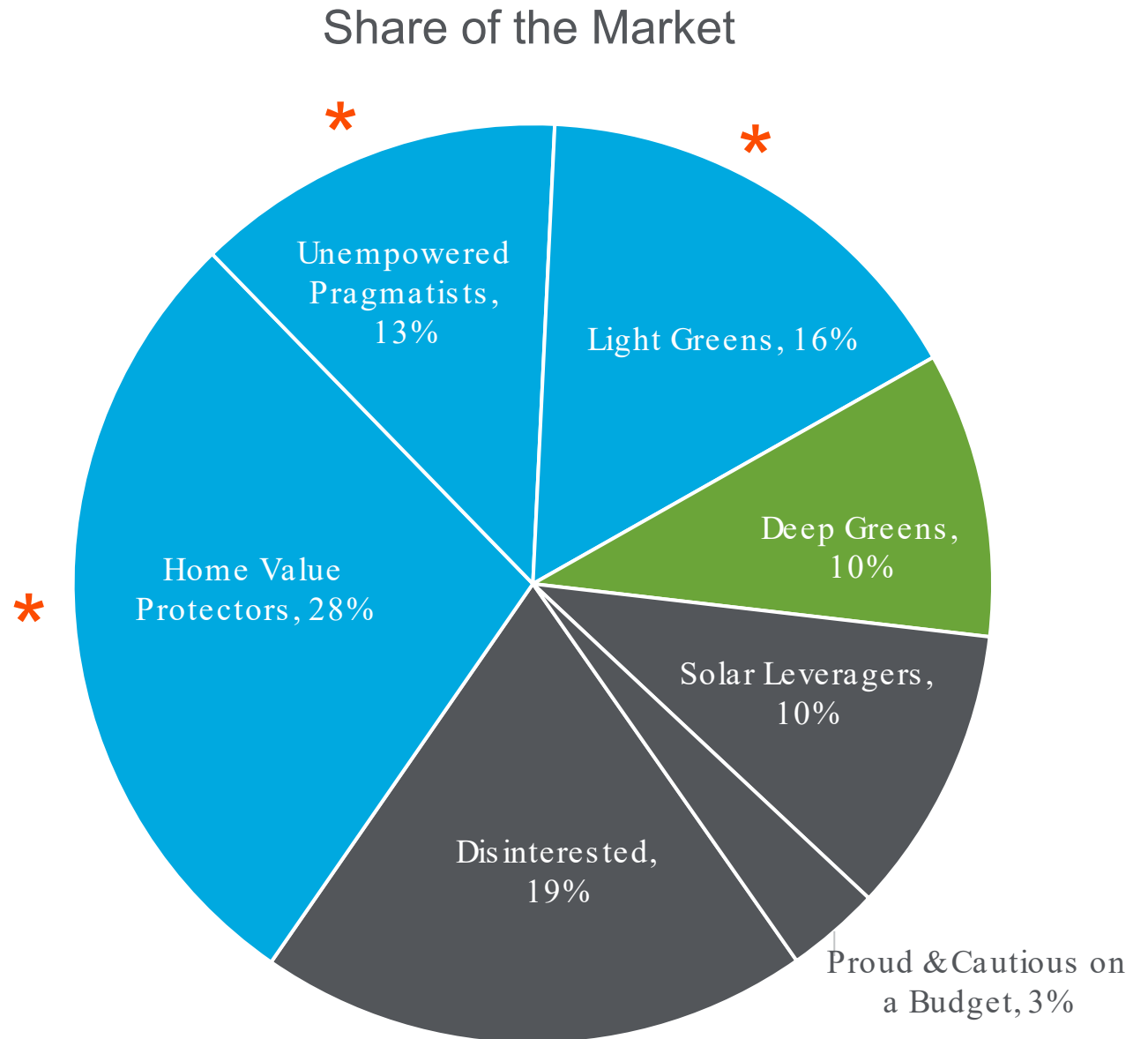


- Depicts importance ratings across total sample
- Different segments have distinctive patterns of importance ratings

Segments

For broad-based messaging, we grouped target segments (*) based on:

- Sufficient commonality of perceived benefits
- Persuadable segments
- Combined size (57% of market)



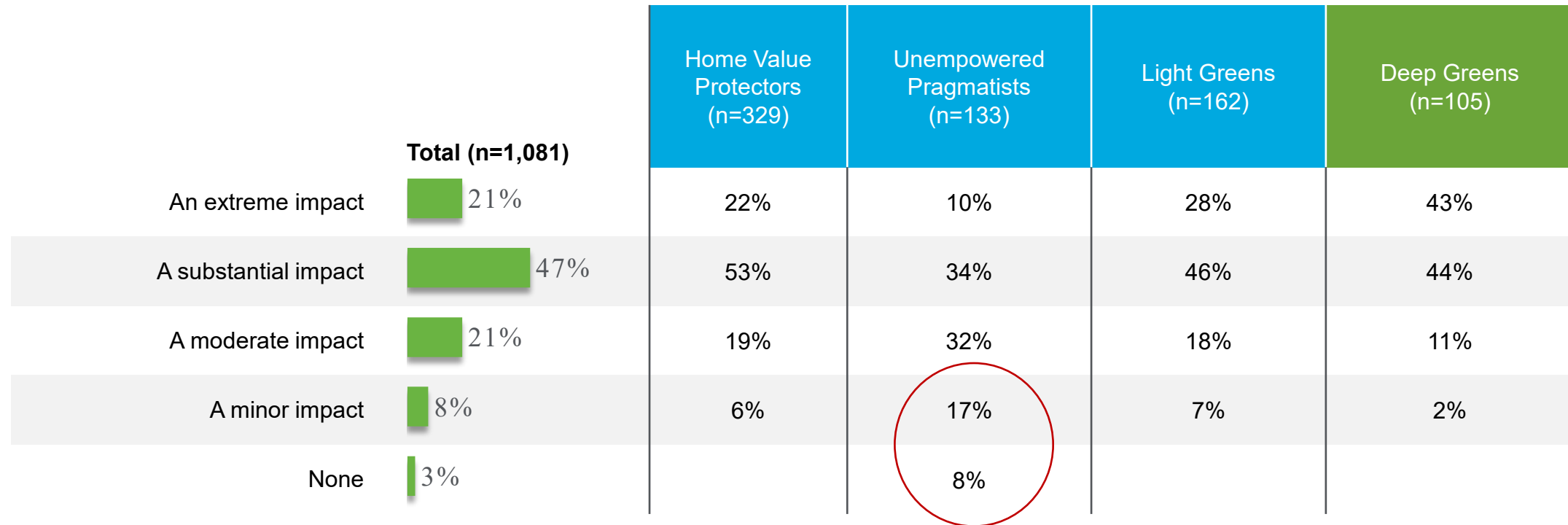
Appliance selection factors ratings, target segments

		Home Value Protectors	Unempowered Pragmatists	Light Greens		Deep Greens
	Share of Market	28%	13%	16%		10%
	Appliance selection factors	-----% rating top 2 on scale of 1-10-----				
Health/Safety	Are safer/ no risk of explosions or leaks	75%	69%	72%		72%
	Do not risk the release of unsafe emissions into my home	71%	62%	70%		82%
	Are healthier / protects my home's indoor air quality	67%	50%	67%		84%
Cost	Cost less to run for a typical year	63%	46%	56%		36%
	Protect the value of my home	60%	39%	48%		37%
	Use a lower cost power source	59%	47%	51%		35%
Protect / Add Value	Add to the value of my home in the long run	56%	28%	36%		31%
Climate	Help me act to protect the environment for future generations	51%	11%	53%		94%
	Have no emissions that contribute to climate change	51%	11%	46%		90%

Q8. If you were in the market for a new appliance for your home, such as those mentioned previously, how important would the following factors be to you?

Environmental attitudes of target segments

Q11 - Based on current trends, how much impact will climate change have on the everyday lifestyle of the next generation of San Mateo County residents?



Environmental attitudes of target segments

	Home Value Protectors (n=329)	Unempowered Pragmatists (n=133)	Light Greens (n=162)	Deep Greens (n=105)
Agree with...				
The actions I take in my home can have a meaningful impact on climate change	60%	24%	56%	75%
I am willing to pay up to 10% more to purchase products that mitigate climate	44%	15%	51%	84%
I am willing to replace my vehicle and/or appliances before the end of their useful life to help mitigate my impacts on climate change	42%	10%	32%	67%
I am not willing to pay anything more to purchase products that mitigate climate change	11%	41%	10%	6%

Demographics of target segments

	Home Value Protectors	Unempowered Pragmatists	Light Greens	Deep Greens
Rent	30%	20%	25%	15%
Own	70%	80%	75%	85%
Age	(45.8)	(46.0)	(47.9)	(54.1)
44 or less	32%	39%	25%	21%
45-64	38%	30%	40%	34%
65+	27%	28%	33%	42%
Income				
\$75k or less	14%	12%	16%	10%
\$75k to \$150k	32%	22%	21%	18%
\$150k+	37%	35%	42%	57%
Ethnicity				
White	42%	44%	54%	74%
Asian/Pac Islander	36%	26%	20%	8%
Prefer not to say	8%	18%	12%	4%

Highlight indicates
notable difference vs.
other segments

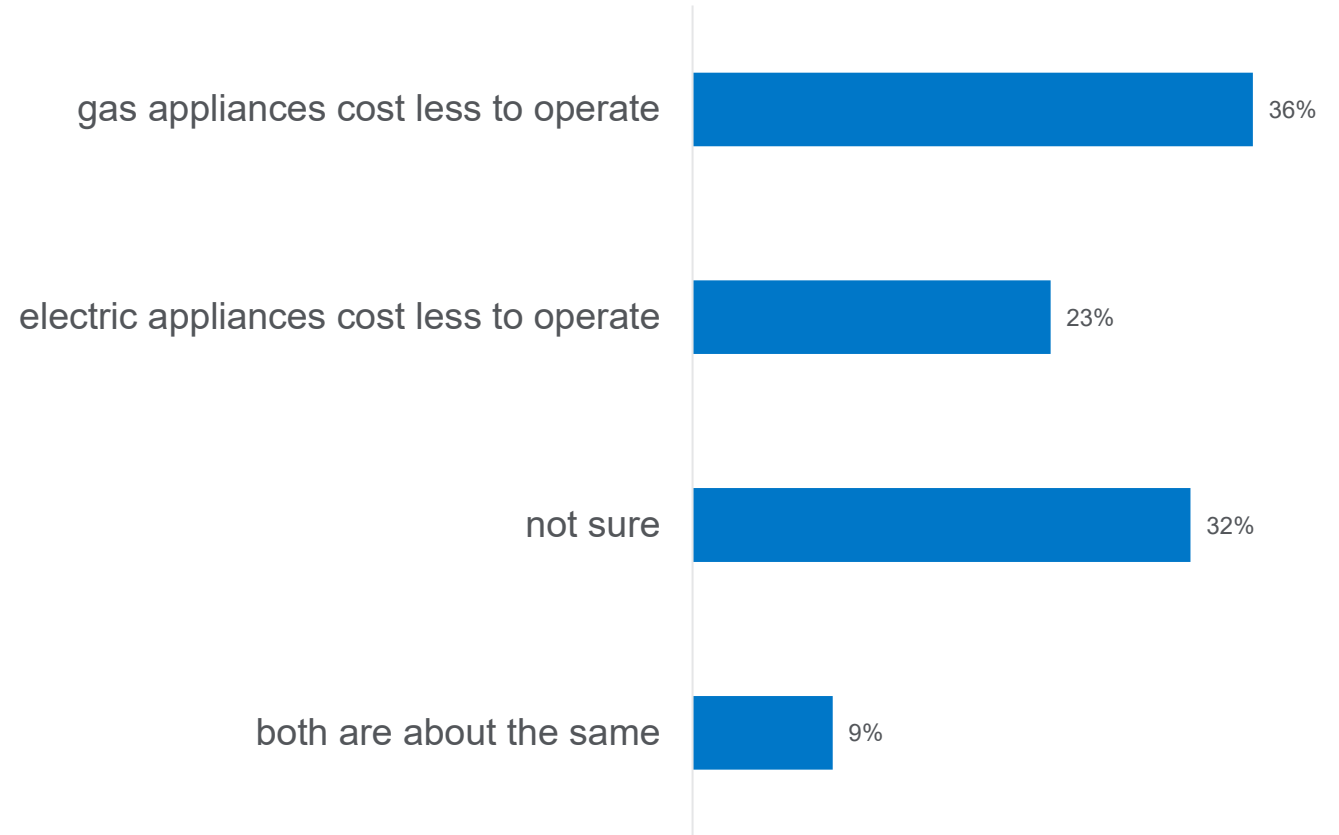
Message development

- Health and safety benefit must be emphasized
- Cost issue must be addressed but a claim of cost savings (existing buildings) is not as straightforward as it is with EVs. Instead:
 - Messaging can address “efficiency”
 - Case studies and appliance-specific examples
- Climate friendly messaging resonates for our target segments, except for the Unempowered Pragmatists
 - BUT even that segment may be persuaded to consider climate when making appliance decisions – a “free with purchase” attribute

Challenges for message development

- General energy literacy is likely quite low
- Low awareness of effects of methane gas
- Need to increase favorable perception and consideration of electric appliances
- Perception of gas vs. electricity cost does not favor electricity

Cost to operate gas vs. electric appliance*



* Based on 2020 Awareness/Perception Monitoring study (N=2261)

Next Steps

- General campaign plan (under review)
- Testing three themes
- General campaign start mid August
- Start fast, flexible and low cost
- Collaborate with partners (SMC OOS, BayREN, outreach partners, building department pilot)
- Expanded campaign

Supporting creative examples

- Clear the air. Go electric.
- A healthy climate starts at home.
- Healthy homes run electric.

Board Members' Reports (Discussion)

July 28, 2022

Adjournment