PENINSULA CLEAN ENERGY

2075 Woodside Road | Redwood City, CA 94061
(650) 260-0005 | peninsulacleanenergy.com

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

## REVISED AGENDA

Thursday, November 17, 2022
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. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings

2. Approval of the Minutes for the October 27, 2022 Board of Directors Meeting

3. Approval of Contract With EV.Energy for the EV Managed Charging Pilot for a Total of $220,000 Over 2 Years

4. Approval of Amended Remote Work Policy in Employee Handbook

**REGULAR AGENDA**

6. Chair Report (Discussion)

7. CEO Report (Discussion)

8. Citizens Advisory Committee Report (Discussion)

9. Approval of Audited Financials for Fiscal Year End 2022 (Action)

10. Adopt Staff's Recommendation on Delivering 100% Renewable Energy Annually on a 99% Time-Coincident Basis (Action)

5. Approval of Seventh Amended and Restated Agreement Between Peninsula Clean Energy Authority and Chief Executive Officer

11. Board Members' Reports (Discussion)

**INFORMATIONAL REPORTS**

12. Update on Marketing, Outreach Activities, and Account Services

13. Update on Regulatory Policy Activities

14. Update on Legislative Activities

15. Update on Community Energy Programs

16. Update on Energy Supply Procurement

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**

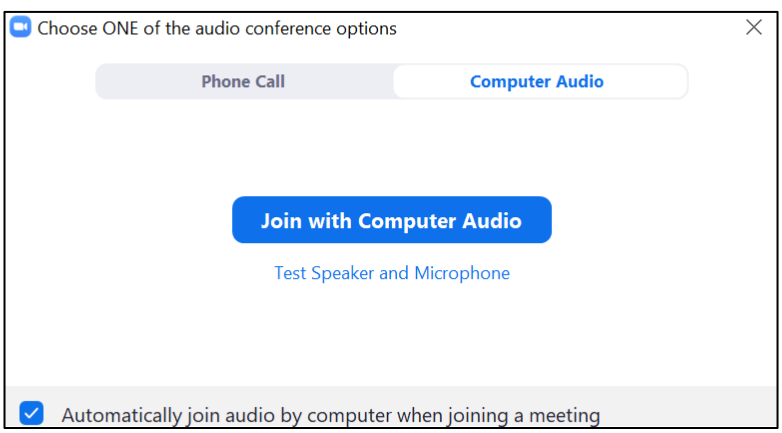
**Videoconference Options:**

**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/82688645399
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/82688645399
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.
4. Please dial +1(346)248-7799
5. You will be instructed to enter the meeting ID: **826-8864-5399 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(346)248-7799
2. You will be instructed to enter the meeting ID: **826-8864-5399 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 **2075 followed by #**

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** November 11, 2022
**BOARD MEETING DATE:** November 17, 2022
**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..

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 requires that, if the state of emergency remains active for more than thirty (30) days, the agency must make findings by majority vote 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 and make findings regarding the circumstances of the emergency on a thirty (30) day basis. If at least thirty (30) days have transpired since its last meeting, the Boards must vote whether to continue to rely upon the law's provision for teleconference procedures in lieu of in-person meetings.**

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 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.

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.

On November 18, 2021 the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On December 16, 2021 the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On January 27, 2022 the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On February 24, 2022 the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On March 24, 2022 the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On April 28, 2022 the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On May 26, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On June 23, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On July 28, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On August 25, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On September 22, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On October 27, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361.

**DISCUSSION:**

Because of continuing concerns regarding COVID-19 transmission, especially when individuals are grouped together in close quarters, it is recommended that the Peninsula Clean Energy Board of Directors 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 risk to the health and safety of attendees. A resolution to that effect and directing staff to agendize the renewal of such findings in the event that thirty (30) days has passed since the Board's last meeting, 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**

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

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

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

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

**WHEREAS**, on January 5, 2022, Governor Newsom extended the sunset provision of AB361 and Government Code Section 11133(g) to January 1, 2024 due to surges and instability in COVID-19 cases; and,

**WHEREAS**, California Department of Public Health ("CDPH") and the federal Centers for Disease Control and Prevention ("CDC") caution that COVID-19 continues to be highly transmissible and that even fully vaccinated individuals can spread the virus to others; and,

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

**WHEREAS**, on September 25, 2021, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361. Out of an abundance of caution given AB 361's narrative that describes each legislative body's responsibility to reauthorize remote meetings, staff and counsel bring this resolution to the attention of the 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**, on November 18, 2021, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on December 16, 2021, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on January 27, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on February 24, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on March 24, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on April 28, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on May 26, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on June 23, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on July 28, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and

**WHEREAS**, on August 25, 2022, the Peninsula Clean Energy Board of Directors approved a thirty (30) day extension of remote meetings in accordance with AB 361, and

**WHEREAS**, on September 22, 2022, 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, or, alternatively, at the next scheduled meeting of the Board, 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.

* * * * * *

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

Thursday, October 27, 2022
6:30 p.m.
Zoom Video Conference and Teleconference

**CALL TO ORDER**

Meeting was called to order at 6:32 p.m. in virtual teleconference.

**ROLL CALL**

**Participating Remotely:**

Dave Pine, San Mateo County
Warren Slocum, San Mateo County, arrived at 6:36 p.m.
Rick DeGolia, Atherton, *Chair*
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Carlos Romero, East Palo Alto
Sam Hindi, Foster City, arrived at 6:36 p.m.
Harvey Rarback, Half Moon Bay
Laurence May, Hillsborough
Betsy Nash, Menlo Park
Anders Fung, Millbrae
Tygarjas Bigstyck, Pacifica
Giselle Hale, Redwood City
Marty Medina, San Bruno
John Dugan, San Carlos
Rick Bonilla, San Mateo

Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

**Absent:**

Julia Mates, Belmont
Raquel Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Tom Faria, Los Banos
Jeff Aalfs, Portola Valle
James Coleman, South San Francisco
Jennifer Wall, Woodside

**A quorum was established.**

Jan Pepper, Chief Executive Officer, announced that Agenda Item Number 13. “Approval of the Audited Financial Statements for Fiscal Year (FY) 2021” and Agenda Item Number 19, “Approval of Seventh Amended and Restated Agreement Between Peninsula Clean Energy Authority and Chief

Executive Officer" would be continued to the November 17, 2022 Board of Directors Meeting and that Agenda Item Number 15, "Approval of Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase and Sale Agreement for Renewable Supply with Whitegrass No. 2, LLC…" had a corrected title.

Chair DeGolia announced that the scheduled Closed Session would take place following Agenda Item Number 11, "Citizens Advisory Committee Report" and that Agenda Items Number 14, 15, and 16 will be presented by staff at one time and voted on separately.

**PUBLIC COMMENT**

None

**ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEM**

**MOTION:** Director Bonilla moved, seconded by Director Romero to set the Agenda including the following updates: Continuing Agenda Item Numbers 13 and 19, the corrected title for Agenda Item Number 15, combining the presentation for Agenda Item Number 14-16 and holding Closed Session following the CAC Report; and to approve Agenda Item Numbers 1-5.

1. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings

2. Approval of the Minutes for the September 22, 2022 Board of Directors Meeting

3. Approval of Resolution to Honor Citizens Advisory Committee Member Joe Fullerton

4. Authorize the Implementation of New Peninsula Clean Energy Rates for the B6 Rate Effective November 1, 2022, with a Net 5% Discount in Generation Charges for ECOplus Compared to PG&E Generation Rates

5. Authorize the General Counsel to execute with the law firm of Hall Energy Law PC, Amendment(s) to the Existing Retention Agreement or alternatively, Additional Retention Agreements in substantially the same form already approved by the Board, allowing for a Term Extension through 2025

**MOTION PASSED:** 16-0 (Absent: Belmont, Colma, Daly City, Los Banos, Portola Valley, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Slocum | 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 Fung | X | | | |
| Pacifica | Director Bigstyck | 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 Coleman | | | | X |
| Woodside | Director Wall | | | | X |
| | Totals | 16 | | | 7 |

**REGULAR AGENDA**

9. Chair Report

None

10. CEO Report

Jan Pepper, CEO, gave a presentation that included a staffing update, information on the public electric vehicle fleet program webinar on November 16, 2022, and information on comments to the California Public Utilities Commission regarding the PG&E subsidiary proposal.

Chair DeGolia added that meetings in November and December are moved up one week earlier than the normal cadence.

11. Citizens Advisory Committee Report

Cheryl Schaff, Citizens Advisory Committee (CAC) Chair, gave a report covering the October 13, 2022 CAC Meeting including the potential change in the 100% renewable energy 24/7 goal from 100% time-coincident energy to 99% time-coincident energy, and updates on reach codes, marketing plans, integrated resources plan, and the diversity, equity, accessibility and inclusion (DEAI) plan. Cheryl also recognized Joe Fullerton who recently stepped down from the CAC.

**CLOSED SEESION**

6. PUBLIC EMPLOYEE PERFORMANCE EVALUATION Title: Chief Executive Officer

7. CONFERENCE WITH LABOR NEGOTIATORS Agency Designated Representatives: Rick DeGolia and David Silberman; Unrepresented Employee: Chief Executive Officer

8. Reconvene Open Session (If Necessary) To Report Any Action(s) Taken During Closed Session

The Board of Directors went into closed session at 6:50 p.m. and returned at 7:25 p.m. with no reportable action.

12. Approval of Peninsula Clean Energy Integrated Resource Plan (IRP) (Action)

Sara Maatta, Senior Renewable Energy and Compliance Analyst, gave a presentation that included regulatory background, assigned greenhouse gas emissions targets, the timing of the California Public Utilities Commission (CPUC) integrated resource plan (IRP) process, 2022-2023 filing requirements, the CPUC IRP in comparison with the 24x7 analysis, community outreach, Peninsula Clean Energy modeling approach, and submission requirements.

Chair DeGolia appreciated the conservative use of a 95% hourly goal for the IRP.

**MOTION:** Director Bonilla moved, seconded by Director Mackin to approve the results of the Integrated Resource Plan analysis and the submission of those results as presented by staff, or in a form substantially similar to that presented by staff and direct the CEO to prepare and submit the final narrative and data templates to the CPUC on or before November 1, 2022.

**MOTION PASSED:** 16-0 (Absent: Belmont, Colma, Daly City, Los Banos, Portola Valley, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Slocum | 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 Fung | X | | | |
| Pacifica | Director Bigstyck | 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 Coleman | | | | X |
| Woodside | Director Wall | | | | X |

| | | | | | |
|---|---|---|---|---|---|
| | Totals | 16 | | | 7 |

~~13. Approval of the Audited Financial Statements for Fiscal Year (FY) 2021-2022 (Action)~~ (THIS ITEM WILL BE CONTINUED TO NOVEMBER 17, 2022)

Chair DeGolia announced the presentations for Agenda Item Numbers 14, 15 and 16 will be heard together.

14. Approval of Resolution Delegating Authority to Chief Executive Officer to Execute Energy Storage Service Agreement for an Energy Storage Project with Nova Power, LLC, and any Necessary Ancillary Documents with a Power Delivery Term of 15 Years Starting at the Commercial Operation Date on or About August 1, 2024, in an Amount Not to Exceed $153 Million (Action)

15. (CORRECTED FROM OCTOBER 21, 2022 VERSION) Approval of Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase and Sale Agreement for Renewable Supply with Whitegrass No. 2, LLC, and any Necessary Ancillary Documents with a Power Delivery Term of 20 Years Starting at the Commercial Operation Date on or About December 31, 2024, in an Amount Not to Exceed $109 Million (Action)

16. Approval of Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase and Sale Agreement for Renewable Supply with Snow Mountain Hydro LLC, and any Necessary Ancillary Documents with a Power Delivery Term of 15 Years Starting on January 1, 2024, in an Amount Not to Exceed $13 Million (Action)

Sara Maatta, Senior Renewable Energy and Compliance Analyst, gave a presentation that covered the 2021 request for offers (RFO) summary, the California Public Utilities Commission (CPUC) mid-term reliability procurement mandate, an environmental review, the supply stack and the fit with the strategic plan for Nova Power, LLC, Whitegrass No. 2, LLC, and Snow Mountain Hydro LLC.

Director Emeritus Gupta asked for clarification on using the energy from the Whitegrass No. 2 project based on any California Independent System Operator (CAISO) boundary. Sara explained that this project will be connected to CAISO through a pseudo-tie agreement which allows CAISO to treat the facility as though it is within the boundary. It will be considered PCC-1.

Director Emeritus Gupta asked if the Snow Mountain Hydro project had any storage. Sara explained that there is no impoundment in the river for this project so there is no storage.

Director Bonilla thanked Sara Maatta for the presentation.

**MOTION:** Director Bonilla moved, seconded by Director Dugan to Approve Resolution Delegating Authority to Chief Executive Officer to Execute Power Energy Storage Service Agreement for an Energy Storage Project with Nova Power, LLC, and any necessary ancillary documents with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about August 1, 2024, in an amount not to exceed $153 million.

**MOTION PASSED:** 16-0 (Absent: Belmont, Colma, Daly City, Los Banos, Portola Valley, South San Francisco, Woodside)

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

| | | | | | |
|---|---|---|---|---|---|
| San Mateo County | Director Slocum | 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 Fung | X | | | |
| Pacifica | Director Bigstyck | 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 Coleman | | | | X |
| Woodside | Director Wall | | | | X |
| | Totals | 16 | | | 7 |

Chair DeGolia noted that these small contracts are very stable production forces and there is value in having steady baseload power.

**MOTION:** Director Pine moved, seconded by Director Romero to Approve Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase Agreement for Renewable Supply with Whitegrass No. 2, LLC, and any necessary ancillary documents with a Power Delivery Term of 20 years starting at the Commercial Operation Date on or about December 31, 2024, in an amount not to exceed $109 million.

**MOTION PASSED:** 16-0 (Absent: Belmont, Colma, Daly City, Los Banos, Portola Valley, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Slocum | 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 Fung | X | | | |
| Pacifica | Director Bigstyck | 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 Coleman | | | | X |
| Woodside | Director Wall | | | | X |
| | Totals | 16 | | | 7 |

Director Romero asked if there are issues with fish migratory patterns or any other environmental impacts that an unimpounded facility such as the Snow Mountain Hydro project creates? Sara explained that there isn't any generation for this project during the summer because there are minimum flow requirements which only allows generation if the river flow is above a certain level to protect fish habitats. Sara also explained that the project uses fish screens to protect fish from accidentally getting taken into the diversion and that these environmental mitigations are in compliance with requirements.

**MOTION:** Director Romero moved, seconded by Director Bonilla to Approve Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase Agreement for Renewable Supply with Snow Mountain Hydro LLC, and any necessary ancillary documents with a Power Delivery Term of 15 years starting on January 1, 2024, in an amount not to exceed $13 million.

**MOTION PASSED:** 16-0 (Absent: Belmont, Colma, Daly City, Los Banos, Portola Valley, South San Francisco, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Slocum | 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 Fung | X | | | |
| Pacifica | Director Bigstyck | 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 Coleman | | | | X |
| Woodside | Director Wall | | | | X |
| | Totals | 16 | | | 7 |

Director Emeritus Gupta noted that Peninsula Clean Energy's portfolio of abundant but intermittent resources will be stiffened by having these types of projects.

17. Adoption of the Diversity, Equity, Accessibility, and Inclusion (DEAI) Policy (Action)

Shayna Barnes, Operations Specialist, gave a presentation on the Diversity, Equity, Accessibility, and Inclusion (DEAI) Policy including policy origins, development and stakeholder review, a policy outline, feedback incorporations, and a recommendation from the Citizens Advisory Committee (CAC).

Director Mackin expressed her gratitude to Shayna and the DEAI team for the level of detail and incorporating many suggestions that were brought to the team.

Shayna expressed her gratitude to members of the CAC, Peninsula Clean Energy staff including Kristen Andrews-Schwind, Cora Dino, Shawn Marshall, Jan Pepper, and the DEAI Subcommittee.

Director Nash shared that Peninsula Clean Energy's DEAI policy is a model policy and that she is proud to be part of this organization.

Director Hindi expressed his gratitude to the CAC for being champions of the DEAI initiative and also wished to thank staff, the DEAI subcommittee, Michael Smith, the DEAI consultant, and GCAP, and that he is grateful to be part of the journey.

Vice Chair Colson expressed her gratitude to staff, the CAC, and participants outside Peninsula Clean Energy who offered their assistance. Vice Chair Colson explained that the next step includes creating an action plan to assist the policy effecting every part of the organization.

Chair DeGolia recognized the quality of leadership from Peninsula Clean Energy's CAC and that he is proud to be part of this organization that is taking this so seriously.

Director Romero added that the future action plan should reflect who Peninsula Clean Energy is in terms of contracts, compensation, and representation within the agency.

Jan Pepper, Chief Executive Officer, expressed her gratitude to Shayna Barnes for her commitment and dedication in diving into this work with enthusiasm and openness and becoming an expert in this area, Kirsten Andrews-Schwind for her thoughtfulness and passion for DEAI work, and Shawn Marshall and Cora Dino for their work on the DEAI Council. Jan shared that at the October 17th all-staff meeting, the majority of the day was dedicated to DEAI training, led by Darrylyn Swift from

Premier OD. Jan also expressed her gratitude to the Peninsula Clean Energy Board of Directors and the DEAI Subcommittee for their role in bringing this groundbreaking work to the Community Choice Aggregator space.

**MOTION:** Director Romero moved, seconded by Vice Chair Colson to Adopt Peninsula Clean Energy Diversity, Equity, Accessibility, and Inclusion (DEAI) Policy.

**MOTION PASSED:** 16-0 (Absent: Belmont, Colma, Daly City, Los Banos, Portola Valley, South San Francisco, San Mateo, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Slocum | 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 Fung | X | | | |
| Pacifica | Director Bigstyck | 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 Coleman | | | | X |
| Woodside | Director Wall | | | | X |
| | Totals | 15 | | | 8 |

18. Approval of Addition of E-ELEC Rate Tariff for Peninsula Clean Energy Residential Customers (Action)

Leslie Brown, Director of Account Services, gave a presentation on E-ELEC Rate Tariff for Peninsula Clean Energy Residential Customers including background, timeline, rate schedule features, rate comparisons and eligibility.

**MOTION:** Director Bigstyck moved, seconded by Director Hale to approve a Resolution to implement a new Residential rate tariff, “E-ELEC”, which will be an optional rate effective December 1, 2022 for customers that implement home electrification measures. The “E-ELEC” implementation coincides with the availability of PG&E's own E-ELEC rate. Peninsula Clean Energy E-ELEC rates will reflect a net 5% discount relative to PG&E Generation Rates for E-ELEC.

**MOTION PASSED:** 16-0 (Absent: Belmont, Colma, Daly City, Los Banos, Portola Valley, South San Francisco, San Mateo, Woodside)

| JURISDICTION | BOARD MEMBER | YES | NO | ABSTAIN | ABSENT |
|---|---|---|---|---|---|
| San Mateo County | Director Pine | X | | | |
| San Mateo County | Director Slocum | 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 Fung | X | | | |
| Pacifica | Director Bigstyck | 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 Coleman | | | | X |
| Woodside | Director Wall | | | | X |
| | Totals | 15 | | | 8 |

19. ~~Approval of Seventh Amended and Restated Agreement Between Peninsula Clean Energy Authority and Chief Executive Officer (Action)~~ (THIS ITEM WILL BE CONTINUED TO NOVEMBER 17, 2022)

20. Board Members' Reports

Vice Chair Colson announced that the Council of Cities dinner will be held at the new, all-electric Burlingame Community Building.

**ADJOURNMENT**

Meeting was adjourned at 8:54 p.m.

PENINSULA CLEAN ENERGY

**PENINSULA CLEAN ENERGY**
**JPA Board Correspondence**

**DATE**: Nov. 1, 2022
**BOARD MEETING DATE**: Nov. 17, 2022
**SPECIAL NOTICE/HEARING**: None
**VOTE REQUIRED**: Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Rafael Reyes, Director of Energy Programs

**SUBJECT:** Approval of Contract with EV.Energy for the EV Managed Charging Pilot for a total of $220,000 over 2 years (Action)

## RECOMMENDATION

Board approval for the proposed contract with EV.Energy Corporation, the selected contractor for electric vehicle charge management services, as part of the Electric Vehicle Managed Charging Pilot, for a total of $220,000 over 2 years.

## BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in its service territory, which PCE aims to support through investment in local community programs. Transportation emissions are one of the most significant challenges to deep decarbonization. These emissions account for about half of direct emissions within the County.

To support decarbonization efforts, the Board approved the Peninsula Clean Energy Program Roadmap in September 2018, which identified transportation electrification measures. Furthermore, in support of Peninsula Clean Energy's effort to provide renewable energy on a 24/7 time-coincident basis, Peninsula Clean Energy has developed strategies to shift energy demand away from times that are more difficult to provide renewable energy.

EV adoption is growing exponentially. There are currently over 32,000 EVs on the road in San Mateo County. EV sales figures for 2022 are on track to double 2021 figures, with an estimated 16,000 new EV purchases this year. PCE staff forecast that, by 2035, over 340,000 EVs will be in use locally, representing half of all vehicles. Creating systems that encourage the smart charging of this growing fleet of EVs can help meet Peninsula Clean Energy's goal of maximizing renewable energy.

There are various ways to provide “active” charge management, where Peninsula Clean Energy actively controls the charging of customers’ vehicles who have opted in. One approach is to use internet-connected smart chargers at the customer’s home or a GPS plug-in inside the customer’s vehicle. However, these require expensive hardware that can be difficult to install. Instead, Peninsula Clean Energy has chosen to pursue telematics-based electric vehicle charge management as the technological pathway to test in the Managed Charging Pilot. This innovative approach will allow for a majority of EV drivers to participate, whether they use an internet-connect charging station at home or plug into a regular outlet. The charge management system uses telematics embedded in the vehicle to send data over the air.

The use of telematics for charge management was tested by Peninsula Clean Energy in the first half of 2020 as the first phase of the Managed Charging Pilot. The pilot was successful in reducing on-peak charging with a small test group and also validated the potential to gather charging data directly from the vehicle. Staff then began preparation for a larger phase of the pilot, to further validate load shifting potential at scale and test customer behavior and participation. In support of this strategy, the Board approved $550,000 in June 2021 to further advance an EV Managed Charging program, which consisted of a research grant to the University of California, Davis, an EV managed charging platform to be selected in a competitive solicitation, and customer incentives for the pilot. Peninsula Clean Energy released an RFP to select the EV managed charging platform in the fall of 2021, which is being brought for the Board’s approval now.

Since Peninsula Clean Energy’s phase 1 test in 2020, MCE and Silicon Valley Clean Energy have also tested and begun rolling out EV managed charging programs that utilize telematics as well. Peninsula Clean Energy staff is closely collaborating with peers in this effort.

## **DISCUSSION**

EV.Energy is a third-party contractor that integrates with a vehicle’s connected car application to manage charging. To participate, customers will need to download EV.Energy’s App, agree to the terms and conditions, and then login through their automaker’s connected car portal. Using inputs from the customer about when they need their car charged by each day, EV.Energy will send signals to the vehicle to maximize for off-peak charging while making sure the car is charged before the scheduled departure time. The system is meant to largely be a “set it and forget it” experience for the customer. Peninsula Clean Energy will utilize this system to further analyze the potential of this charge management platform to reduce peak loads, assess customer reaction and participation, and gather data directly from vehicles on charge management practices.

To select the EV managed charging platform, Peninsula Clean Energy released an RFP in the fall of 2021. A total of 8 bids were received and reviewed by a cross-department team at Peninsula Clean Energy; EV.Energy is the recommended winner. EV.Energy is an industry leader in providing these types of EV managed charging services and is currently serving 20+ utility and CCAs, including MCE and Silicon Valley Clean Energy.

In addition to further testing telematics-based managed charging through EV.Energy, the second phase of the Managed Charging pilot will also provide important insights into how customers manage their EV charging through an experiment that has been designed in collaboration with the University of California, Davis Energy and Economics Program. Various incentives will be utilized to test customer recruitment and retention in an EV managed charging program, if EV load shifting behaviors carry over to load shifting of other in-home energy uses, and if incentives alone achieve similar load shifting results to the telematics technology being evaluated. The pilot is expected to begin before summer of 2023 and run 9 months, until the first quarter of 2024.

The budget for the Managed Charging pilot, approved in June 2021 for a total of $550,000, included funding for a charge management platform provider. This request is for approval of the contract between Peninsula Clean Energy and EV.Energy Corporation for the use of a charge management platform as part of the pilot.

## FISCAL IMPACT:

Up to $220,000 over 2 years. Funds for this contract are included in the approved Managed Charging Pilot budget.

## STRATEGIC PLAN

The proposed program supports the following elements of the strategic plan under "Community Energy Programs."

*Community Benefits*: Deliver tangible benefits throughout our diverse communities
Key Tactic 1: Invest in programs that benefit underserved communities

*Innovation and Scale*: Leverage leadership, innovation and regulatory action for scaled impact
Key Tactic 1. Identify, pilot, and develop innovative solutions for decarbonization. Pilot and scale EV load shaping programs to ensure that 50% of energy for EV charging takes places in non-peak hours

# RESOLUTION NO. ____________

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

* * * * * *

**RESOLUTION APPROVING A CONTRACT WITH EV.ENERGY CORPORATION FOR THE ELECTRIC VEHICLE MANAGED CHARGING PILOT, IN AN AMOUNT NOT TO EXCEED $220,000 OVER TWO YEARS**

______________________________________________________________

**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 Peninsula Clean Energy; and

**WHEREAS,** Peninsula Clean Energy's Strategic Vision calls for a goal to "deliver 100% carbon-free electricity every hour of every day;" and

**WHEREAS,** shifting electric vehicle charging from on-peak hours helps to better align renewable energy and energy demand, in support of Peninsula Clean Energy's Strategic Vision goals; and

**WHEREAS,** Peninsula Clean Energy has conducted a successful pilot project in 2020 to test managed charging through vehicle telematics; and

**WHEREAS,** the Peninsula Clean Energy Board approved a second phase of the electric vehicle managed charging pilot in June 2021 with a total budget not to exceed $550,000 over two years; and

**WHEREAS,** Peninsula Clean Energy requires the use of a third-party contractor to provide the telematics-based electric vehicle charge management services in the pilot; and

**WHEREAS,** Peninsula Clean Energy has conducted a competitive procurement process to hire a charge management contractor and has selected EV.Energy as the intended winner; and

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to finalize and execute the agreement with EV.Energy Corporation in an amount not to exceed $220,000 over 2 years and in a form approved by the General Counsel.

* * * * * *

**AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND EV.Energy Corp.**

This Agreement is entered into this 1st day of December, 2022, ("Effective Date") by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and EV.Energy Corp., hereinafter called "Contractor."

* * *

Whereas, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of providing a telematics-based electric vehicle managed charging platform.

**Now, therefore, it is agreed by the parties to this Agreement as follows:**

1. **Exhibits and Attachments**

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services
Exhibit B—Payments and Rates
Exhibit C—Non-Disclosure Agreement Regarding Confidential Customer Information
Exhibit D—Data Collection Requirements
Exhibit E—Managed Charging Experimental Design
Exhibit F—LCFS Credit Delegation

2. **Services to be performed by Contractor**

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for PCEA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. **Payments**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA, acting reasonably, determines that the quantity or quality of the work performed is unacceptable. In no event shall PCEA's total fiscal obligation under this Agreement exceed two hundred and twenty thousand dollars ($220,000) ("not to exceed amount"). In the event that the PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

**4. <u>Term</u>**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from December 1, 2022 until December 1, 2024.

**5. <u>Termination; Availability of Funds</u>**

This Agreement may be terminated by Contractor or by the Chief Executive Officer of the PCEA or his/her designee at any time without a requirement of good cause upon sixty (60) days' advance written notice to the other party. Contractor shall be entitled to receive payment for work/services provided prior to and including the date of termination of the Agreement that are consistent with those services described in Exhibit A and performed to the reasonable satisfaction of PCEA. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement. All upfront set-up costs listed in Exhibit B shall be invoiced to PCEA on the Effective Date of this Agreement and are not refundable.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or PCEA funds by providing written notice to Contractor as soon as is reasonably possible after PCEA learns of said unavailability of outside funding.

**6. <u>Intellectual Property and Ownership of Deliverables</u>**

PCEA shall and does own all deliverables listed in §6 of Exhibit A ("Deliverables Services"). Contractor hereby assigns all titles, rights, and interests in all Deliverables to PCEA. At the end of this Agreement, or in the event of termination, all Deliverables shall be promptly delivered to PCEA.

Contractor may not sell, transfer, or permit the use of any Deliverables without the express written consent of PCEA. Contractor shall not dispute, directly or indirectly, PCEA's exclusive right and title to the Deliverables, nor the validity of the intellectual property embodied therein.

**a. Software as a Service (Saas)**

For the avoidance of any doubt, save for the Deliverables the Parties acknowledge that the Services are in the nature of SaaS (i.e., Software as a Service), and as such, the Contractor will retain Contractor's mobile app, application programming interfaces ("APIs"), managed-charging algorithm and other software ("Contractor Technology") and provide the Services without transferring ownership of any Contractor Technology to PCEA. Further, any and all Services, expressions, inventions, ideas, discoveries, improvements or developments (whether or not patentable), as well as all copyrights, patents, or trademarks thereof, whether registered or unregistered, that may be used, conceived or made by the Contractor or the Contractor's partner(s), employee(s), agent(s), vendor(s), contractor(s), supplier(s) or any other party employed by the Contractor, or subcontractor to the Contractor of any tier (any a "Contractor Work"), to satisfy its obligation under the Agreement shall also remain at all times the property of Contractor unless otherwise agreed to in writing between the Parties.

**b. Intellectual Property Indemnification**

Contractor hereby certifies that, with the exception of any open-source software, it owns, controls, and/or licenses and retains all right, title, and/or interest in and to any intellectual property it uses in relation to this Agreement, including the design, look, feel, features, source code, content, and/or other technology relating to any part of the services it provides under this Agreement and including all related patents, inventions, trademarks, and copyrights, all applications therefor, and all trade names, service marks, know how, and trade secrets (collectively referred to as "IP Rights") except as otherwise noted by this Agreement.

Contractor warrants that the services it provides under this Agreement do not infringe, violate, trespass, or constitute the unauthorized use or misappropriation of any IP Rights of any third party. Contractor shall defend, indemnify, and hold harmless PCEA from and against all liabilities, costs, damages, losses, and expenses (including reasonable attorney fees) arising out of or related to any claim by a third party that the services provided under this Agreement infringe or violate any third-party's IP Rights provided any such right is enforceable in the United States.

Contractor's duty to defend, indemnify, and hold harmless under this Section applies only provided that:

(a) PCEA notifies Contractor promptly in writing of any notice of any such third-party claim;

(b) PCEA cooperates with Contractor in all reasonable respects in connection with the investigation and defense of any such third-party claim;

(c) Contractor retains sole control of the defense of any action on any such claim and all negotiations for its settlement or compromise (provided Contractor shall not have the right to settle any criminal action, suit, or proceeding without PCEA's prior written consent, not to be unreasonably withheld, and provided further that any settlement permitted under this Section shall not impose any financial or other obligation on PCEA, impair any right of PCEA, or contain any stipulation, admission, or acknowledgement of wrongdoing on the part of PCEA without PCEA's prior written consent, not to be unreasonably withheld); and

(d) Should services under this Agreement become, or in Contractor's opinion be likely to become, the subject of such a claim, or in the event such a third party claim or threatened claim causes PCEA's reasonable use of the services under this Agreement to be seriously endangered or disrupted, Contractor shall, at Contractor's option and expense, either: (i) procure for PCEA the right to continue using the services without infringement or (ii) replace or modify the services so that they become non-infringing but remain functionally equivalent.

Notwithstanding anything in this Section to the contrary, Contractor will have no obligation or liability to PCEA under this Section to the extent any otherwise covered claim is based upon: (a) any aspects of the services under this Agreement which have been modified by or for PCEA (other than modification performed by, or at the direction of, Contractor) in such a way as to cause the alleged infringement at issue; and/or (b) any aspects of the services under this Agreement which have been used by PCEA in a manner prohibited by this Agreement.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

## 7. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Contractor nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

## 8. Hold Harmless

### a. General Hold Harmless

Contractor shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Contractor under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Contractor or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Contractor's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

## 9. Limitation of Liability

Except as expressly provided in this Agreement and to the fullest extent permitted by applicable law:

a. Contractor shall have no liability for any damage caused by errors or omissions in any information or instructions provided to Contractor by PCEA in connection with the Services; and
b. All warranties, representations, conditions and all other terms of any kind whatsoever implied by statute or common law are excluded from this Agreement.

Neither party excludes or limits liability to the other party for:

a. Fraud or fraudulent misrepresentation
b. Death or personal injury caused by negligence; or
c. Any matter for which it would be unlawful for the parties to exclude liability.

Subject to the above, Contractor shall not in any circumstances be liable whether in contract, tort (including for negligence and breach of statutory duty howsoever arising), misrepresentation (whether innocent or negligent), restitution or otherwise, for:

a. Any loss (whether direct or indirect) of profits, business, business opportunities, revenue, turnover, reputation or goodwill;
b. Any loss or corruption (whether direct or indirect) of data or information;
c. Loss (whether direct or indirect) of anticipated savings or wasted expenditure (including management time); or
d. Any loss or liability (whether direct or indirect) under or in relation to any other contract.

Subject to the above, Contractor's total aggregate liability in contract, tort (including negligence and breach of statutory duty howsoever arising), misrepresentation (whether innocent or negligent), restitution or otherwise, arising in connection with the performance or contemplated performance of this Agreement or any collateral contract shall be limited capped at the lower of the fees paid by PCEA to Contractor under this Agreement and the total contract amount of this Agreement.

Both parties acknowledge and agree that any dates quoted for delivery of the Services are approximate only, and that the time of delivery is not of the essence. Contractor shall not be liable for any delay in delivery of the Services that is caused by a force majeure event or the PCEA's failure to provide Contractor with adequate delivery instructions.

## 10. Assignability and Subcontracting

Contractor reserves the right to enter into subcontracts for the performance of a subset of the Services as part of this Agreement. If newly appointed subcontractors will be involved in processing personal information on behalf of PCEA, the Contractor will notify PCEA by updating the list of subcontractors used in the Contractor's privacy policy, which can be found on its website here: https://ev.energy/privacy-policy/. Contractor's use of subcontractors shall not relieve Contractor of any of its duties or obligations under this Agreement.

Contractor must comply with customer confidentiality requirements, outlined in Exhibit C, which prohibit the sharing of confidential information. Any subcontractors used by Contractor that will be exposed to confidential information from PCEA, as outlined in Exhibit C, must enter into a Non-Disclosure Agreement with PCEA, at PCEA's discretion.

In the event that Contractor is sold or acquired during the course of the Agreement, PCEA agrees that the Agreement may be assigned. PCEA shall be informed of such assignment in writing at least thirty (30) days before assignment, if practicable. In the event that PCEA does not agree to the assignment it may terminate the Agreement without penalty.

## 11. Payment of Permits/Licenses

Contractor bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Contractor's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

## 12. W-9 Form and Submission of Invoices

Invoices shall only be submitted by electronic form by sending an email to the **PCEA project contact's email address**. Contractor shall submit a completed W-9 form electronically to the same email addresses. Contractor understands that no invoice will be paid by PCEA unless and until a W-9 Form is received by PCEA.

## 13. Insurance

### a. General Requirements

Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by PCEA, and Contractor shall use diligence to obtain such insurance and to obtain such approval. Contractor shall furnish PCEA with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Contractor's coverage to include the contractual liability assumed by Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to PCEA of any pending change in the limits of liability or of any cancellation or modification of the policy.

### b. Workers' Compensation and Employer's Liability Insurance

Contractor shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Contractor certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

### c. Liability Insurance

Contractor shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Contractor and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

| | | |
|---|---|---|
| Yes | Comprehensive General Liability<br>(Applies to all agreements) | $1,000,000 |

| | | |
|---|---|---|
| No | Motor Vehicle Liability Insurance | $1,000,000 |
| No | Professional Liability Insurance | $1,000,000 |

PCEA and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to PCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the PCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, PCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

## 14. Compliance With Laws

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

## 15. Non-Discrimination and Other Requirements

### a. General Non-discrimination

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

### b. Equal Employment Opportunity

Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to PCEA upon request.

### c. Section 504 of the Rehabilitation Act of 1973

Contractor shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

### d. Employee Benefits

With respect to the provision of benefits to its employees, Contractor shall ensure that employee benefits provided to employees with domestic partners are the same as those provided to employees with spouses.

### e. Discrimination Against Individuals with Disabilities

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Contractor and any subcontractor shall abide by the requirements of 41 C.F.R. 60–741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

**f. History of Discrimination**

Contractor must check one of the two following options, and by executing this Agreement, Contractor certifies that the option selected is accurate:

_X_ No finding of discrimination has been issued in the past 365 days against Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.

__Finding(s) of discrimination have been issued against Contractor within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Contractor shall provide PCEA with a written explanation of the outcome(s) or remedy for the discrimination.

**g. Reporting; Violation of Non-discrimination Provisions**

Contractor shall report to the Chief Executive Officer of PCEA the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or Section 13, above. Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the Chief Executive Officer, including but not limited to the following:

i. termination of this Agreement;
ii. disqualification of the Contractor from being considered for or being awarded a PCEA contract for a period of up to 3 years;

iii. liquidated damages of $2,500 per violation; and/or

iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Chief Executive Officer.

To effectuate the provisions of this Section, the Chief Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Contractor under this Agreement or any other agreement between Contractor and PCEA.

## 16. <u>Confidential Information</u>

(a) Contractor shall maintain in confidence and not disclose to any third party or use in any manner not required or authorized under this Agreement any and all Confidential Information held by PCEA.

(b) The term "Confidential Information" includes all information, documents, and materials owned by PCEA, including technical, financial, business, or PCEA customer information, which is not available to the general public, as well as information derived from such information. Information received by Contractor shall not be considered Confidential Information if: (i) it is or becomes available to the public through no wrongful act of Contractor; (ii) it is already in the possession of Contractor and not subject to any confidentiality agreement between the Parties; (iii) it is received from a third party without restriction for the benefit of PCEA and without breach of this Agreement; (iv) it is independently developed by Contractor; (v) it is disclosed pursuant to a requirement of law, including, but not limited to, the California Public Records Act (Cal. Gov't Code Section 6250, et seq.); or (vi) is disclosed to or by a duly empowered government agency, or a court of competent jurisdiction after due notice and an adequate opportunity to intervene is given to PCEA, unless such notice is prohibited.

(c) As practicable, PCEA shall mark Confidential Information with the words "Confidential" or "Confidential Material" or with words of similar import, or, if that is not possible, PCE shall notify the Contractor (for example, by cover e-mail transmitting an electronic document) that the material is Confidential Information. PCEA's failure or delay, for whatever reason, to mark or notify Contractor at the time the material is produced shall not take the material out of the coverage of this Agreement.

(d) Contractor will direct its employees, contractors, consultants, and representatives who have access to any Confidential Information to comply with the terms of this Section.

(e) Upon termination or expiration of this Agreement, Contractor shall, at PCE's exclusive direction, either return or destroy all such Confidential Information and shall so certify in writing, provided, however, any Confidential Information (i) found in drafts, notes, studies, and other documents prepared by or for PCE or its representatives, or (ii) found in electronic format as part of Contractor's off-site or on-site data storage/archival process system, will be held by Contractor and kept subject to the terms of this provision or destroyed at Contractor's option. The obligations of this provision will survive termination or expiration of this Agreement.

(f) Contractor will comply with additional confidentiality requirements, which are outlined in Exhibit C.

## 17. Data Security

If, pursuant to this Agreement, PCEA shares with Contractor personal information as defined in California Civil Code Section 1798.81.5(d) about a California resident ("Personal Information"), Contractor shall maintain reasonable and appropriate security procedures to protect that Personal Information and shall inform PCEA immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. Contractor shall not use Personal Information for direct marketing purposes without PCEA's express written consent. For purposes of this provision, security procedures are "reasonable and appropriate" when they (i) adequately address all reasonably foreseeable threats to Personal Information, (ii) are appropriate to the quantity, sensitivity, and type of Personal Information accessed and the way that information will be accessed, and (iii) comply with all laws, regulations, and government rules or directives applicable to the Contractor in connection with its access of Personal Information.

Contractor will utilize cybersecurity protocols in accordance with local statutes and maintain active pursuance of ISO 27001 certification, or equivalent. Any data breaches impacting PCEA and/or PCEA customers must be reported to PCEA within 24 hours of discovery.

## 18. Retention of Records; Right to Monitor and Audit

(a) Contractor shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Contractor shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Contractor shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Contractor agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

## 19. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

## 20. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

## 21. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1)

transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

| | |
|---|---|
| Name/Title: | Jan Pepper, Chief Executive Officer |
| Address: | 2075 Woodside Road, Redwood City, CA 94061 |
| Telephone: | 650-260-0100 |
| Email: | jpepper@peninsulacleanenergy.com |

In the case of Contractor, to:

| | |
|---|---|
| Name/Title: | Nick Woolley, Chief Executive Officer |
| Address: | 86-90 Paul Street, London, England, EC2A 4NE |
| Telephone: | +44 7940 712031 |
| Email: | admin@ev.energy |

## 22. Electronic Signature

PCEA and Contractor wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

## 23. No Recourse Against PCEA's Member Agencies

Contractor acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Contractor waives any recourse against PCEA's member agencies.

## 24. Warranties and Representations

The Contractor warrants and represents that the Services performed by them or on their behalf will be performed:

a) in accordance with all laws and regulations which are directly applicable to them; and
b) with reasonable skill and care.

No representation or warranty is given by the Contractor that:

a) all faults will be fixed, or will be fixed within a specified period of time unless specified by Section 3.6 of Exhibit A; or
b) third parties will consent or enable the Contractor Software to access vehicles software or data.

All other conditions, warranties or other terms which might have effect between the parties or be implied or incorporated into this Agreement or any collateral contract, whether by statute, common law or otherwise, are hereby excluded, including the implied conditions, warranties or other terms as to satisfactory quality, fitness for purpose and the use of reasonable skill and care.

Any Open-Source Software provided by the Contractor may be used according to the terms and conditions of the specific license under which the relevant Open-Source Software is distributed, but is provided "as is."

*       *       *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY AUTHORITY

By: ___________________________________

Chief Executive Officer, Peninsula Clean Energy Authority

Date: ________________________________

EV.Energy Corp.

____________________________________________

Chief Executive Officer, EV.Energy

Date: _________________________

# Exhibit A
# Services

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

## Overview

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in its service territory. Emissions from transportation are the largest source of GHGs within the county with the transportation sector accounting for approximately 60% of emissions. In addition to decarbonizing transportation, PCE also strives to provide 100% renewable energy on a 24/7 time-coincident basis and is pursuing electric vehicle (EV) charge management in support of this goal.

Peninsula Clean Energy is developing a residential EV charge management program through the use of a telematics-based platform to be provided by the Contractor ("Program"). The platform will be made available to PCEA residential customers that drive a plug-in EV with an eligible vehicle make and model in its service territory. The Program is targeting the participation of 1,000 - 2,000 EV Drivers. The Program will enroll EV drivers with Level 1 or Level 2 home charging setups. These customers will span multiple user groups to determine the effect of incentives on participation, in coordination with faculty from the University of California, Davis and the University of Chicago and under direction from Peninsula Clean Energy.

Peninsula Clean Energy Program Objectives:

1. Provide a managed charging solution that is easy for residential customers to understand and operate
2. Shift residential charging to off-peak and low-carbon hours to the maximum degree possible while ensuring driver needs are met across various charging setups (e.g. Level 1 and Level 2).
3. Collect EV charging information to inform PCEA program cost effectiveness, grid planning, and future program design.
4. Quantify the amount of load-shift achievable through the managed charging system and test customer behavior, to help inform a future program.
5. Successfully recruit 1,000 - 2,000 customers to the Program.
6. Ensure 90+% customer satisfaction with the program.

## Contractor Tasks

Contractor shall provide the following:

## 1 Administrative Tasks

### 1.1 Kickoff Meeting

Participate in a kickoff meeting with PCEA to review objectives, budget, timeline, administrative processes, and contract at a mutually determined time following contract execution.

### 1.2 Monthly Progress Report and Call

Provide a short monthly progress report and associated call with the designated PCEA contract administrator. This report will contain:

1) Status summary, including:
   a) Project/development progress
   b) Challenges encountered
   c) Objectives for the following month, as applicable.
2) High-level participation metrics, including:
   a) Unsuccessful enrollments (customers who started the signup process but did not complete it, if possible to collect), new)
   b) New enrollments in the prior month, number
   c) Number of customers that have dropped off in the prior month, total
   d) Total current enrollment figures, etc.
3) Summary of customer support metrics, including: number
   a) Number of customers inquiries in prior month, notable
   b) Notable tends or common issues, etc.
   c) Customer support inquiries that required escalation to be noted.

### 1.3 Experimental Support Meetings

Participate in an estimated 1 - 4 meetings with academic research team to refine research methodology based on platform capabilities, if necessary, and determine how to operationalize the research design in the platform.

### 1.4 Final Report

Submit a final report for public distribution that includes an executive summary, challenges encountered and lessons learned, major accomplishments during the pilot, best practices for other EV charge management programs, summary of key metrics (e.g. total drivers onboarded to the platform, average net peak reduction observed, etc.), and implications for further program scaling that note any technical limitations to further expansion.

The report should be submitted for review and approval by Peninsula Clean Energy at the end of the Evaluation period, described below in the Schedule. The report should be co-branded with Contractor and PCEA approved branding.

# 2 Customer Communications

## 2.1 Ongoing Communications

Contractor is responsible for communications with EV drivers regarding the following topics to ensure ongoing customer understanding of the functionality of the platform. Content can be provided, as needed, in the Contractor's mobile app, in emails, and/or in a static resources (e.g. "FAQ" or "Help") page in the App that the customer can access as needed:

1. Onboarding procedures during initial sign up, including confirmation of their electricity rate (if possible), their vehicle, home-charging setup (e.g. charging speed), how to set up charging schedules, etc. Onboarding data collection is further described below.
2. Customer use of the App, including how to modify and override charging schedules
3. Charging notifications, such as when their vehicle has started and finished charging, etc.
4. How to unenroll from the Program
5. Program participation benefits (money saved, etc.)
6. Other ongoing communications to customers on the platform, as mutually determined
7. Customer notifications (e.g. text, in-app notifications, and/or email) for events such as: reminder to plug their car in, hours to avoid charging, etc.
8. Real-time information on the charging status (e.g. not charging, currently charging, charging if applicable).

## 2.2 Content Approval

All co-branded marketing and recruitment, and ongoing customer communications will be approved by Peninsula Clean Energy in advance. Note that any communications sent to PCEA customers which form the part of the standard messages to users of the Contractor mobile app and do not bear PCEA's brand will not need approval from PCEA.

## 3 Platform/App

### 3.1 Setup Tasks

Between the Effective Date of this Agreement and the date of Program Launch (defined in §5 – Schedule), Contractor and Peninsula Clean Energy will perform the following activities to prepare for customer enrollment:

1. Peninsula Clean Energy to share a list of validated PCEA customers who are known EV drivers, each assigned to a unique treatment group, for recruitment to the Program.
2. Peninsula Clean Energy to review co-branded customer facing communications including:
    a. Program marketing and customer outreach materials,
    b. Program enrollment materials,
    c. Co-branded mobile app, and
    d. Customer support materials.
3. Contractor to configure data exchange between Contractor and Peninsula Clean Energy further described in Exhibit D. Prior to date of Program Launch, Contractor will upload sample data sets to test data exchange for PCEA validation.
4. Contractor to configure user groups, outlined in §2 of Exhibit E. All customers will be enrolled through Contractor's mobile app, and will be automatically sorted into said user groups via a unique Referral Code for each group that the customer will enter upon enrollment via the mobile app. It is the responsibility of PCEA to designate an EV driver into a specific user group for purposes of the pilot.

### 3.2 Administrative Tasks

Contractor will perform the following administrative tasks in the platform on behalf of PCEA:

1. Make any adjustments to these existing PCEA schedules, create new rate schedules, or provide new customer incentive offerings, as needed.

2. Add, remove, and adjust various incentives and offers for customers.
3. Remove or unenroll customers from the Program.
4. Assign customers to various treatment groups or categories to for evaluation.
5. Remove, update, or add vehicles for existing customers, as needed.
6. Draft and edit customer-facing content such as push notifications and/or emails to be delivered to the customers, based on parameters set by PCEA.

### 3.3 Contractor App/Platform

Contractor shall provide a co-branded mobile application with PCEA-approved branding that provides the following, at a minimum, to all enrolled PCEA customers, For detail on data requirements and transfer, see Exhibit D.

1. Mobile application for iOS and Android that PCEA can co-brand (but not customize) to enable customers to enroll in the Program.
2. Data collection from customer and their EV during the onboarding process, to include the collection of vehicle make/model, customer name and email address, and home charging setup (L1, L2, etc.).
3. Provide customer validation during enrollment. Contractor will validate that the customer is eligible for participation in the Program through vehicle eligibility, access to home charging, etc. Customers should confirm eligibility during onboarding, based vehicle type and access to home charging.
4. Charge management conducted by Contractor, informed by inputs from the customer such as expected departure time and minimum and maximum state of charge desired by Customer.
5. Customer performance metrics, provided to the Customer from the Contractor, including customer's cost of EV charging, factoring in their EV charging usage on their selected rate schedule, the amount of charging done off-peak as a percentage of overall residential charging, duration of enrollment, EV operating tips, and other metrics to be determined. These metrics can be included as a regularly occurring email to customers instead of displayed in the App.
6. Provide customer support contact information to allow the customer to inquire further about the Program or about the status of their enrollment.
7. Present basic program information to customers that seek to learn more about the Program, including a program description, frequently asked

questions and/or a link to an external PCEA website explaining the program including terms and conditions.
8. Present Contractor terms of service and privacy policy
9. Provide instructions for how enrolled customers can unenroll from the Program.
10. Ability for customer to temporarily opt-out or override managed charging settings and charge their vehicle immediately.

### 3.4 Managed Charging

Contractor will provide Managed Charging Services via vehicle telematics (no hardware needed) to read vehicle charging data and actively start and stop vehicle charging based on parameters set by Peninsula Clean Energy and customer inputs for both Level 1 (120V) and Level 2 (208V –240V) charging.

Contractor will utilize customer parameters (e.g. rate schedule, intended departure time, battery state of charge, etc.) accomplish the following, without jeopardizing customers EV driving requirements:

1. Minimize the customer's charging costs based on their rate plan
2. Avoid "timer peaks" in which a demand spike would have occurred from many EVs starting their charge at the same time
3. Further optimize for maximum carbon benefits on an hourly basis based on Contractor-defined parameters

The enrolled customer will have the ability to override Contractor charging controls without restriction.

### 3.5 Supported Vehicles

Contractor is responsible for providing the managed charging services described in this contract for enrolled drivers that drive any of the following vehicle makes and models:

1. BMW: i3 (2014 & later), i4 (2022 & later), iX (2022 & later
2. Chevrolet: Bolt (2017 & later), Volt (2011 –2019)
3. Ford: Mach-E (2021 & later), F-150 Lightning (2022 & later)
4. Jaguar: i-Pace (2019 & later)
5. Land Rover: Range Rover PHEV (2019 & later)
6. Tesla: Model 3 (2017 & later), Model S (2012 & later), Model X (2016 & later), Model Y (2020 & later)
7. Volkswagen: e-Golf (2015 –2020)

It is understood that a vehicle's compatibility with the Contractor's managed charging platform is subject to (i) its connectivity to 3G/4G networks (or equivalent); (ii) the customer's subscription to any paid OEM telematics plan if applicable; and (iii) OEM server uptime.

Peninsula Clean Energy will have access to additional vehicles makes and models that are supported by Contractor as they become available, at no added cost.

### 3.6 Performance Standards and Issue Resolutions

Contractor will maintain 99% platform uptime to ensure data reliability and a positive customer experience. In addition, contractor will maintain a 4-star App Store rating and will continuously review and address any bugs with the app or service.

Platform issues will be documented by Contractor and responded or reported to PCEA with the schedule below.

| | | **Response Time** |
|---|---|---|
| **Priority 1 (P1)** | The app is completely down or otherwise unable to operate, provide any charge management services, and/or process new enrollments. | Same business day |
| **Priority 2 (P2)** | Some aspects of the business can continue but there is a major problem. For example, charge management for a single automaker is impacted. | Next business day |
| **Priority 3 (P3)** | Charge management delivery is unaffected, but there is an issue that is affecting efficient operation by one or more people. For example, non-essential components of the app such as the "Stats" or other features aren't displaying accurate information or the data transfer to PCE is not operating correctly. | 2 business days |
| **Priority 4 (P4)** | The issue is an inconvenience or annoying but there are clear workarounds or alternates. For example, a software bug that doesn't prevent operations or the conveyance of information to customers but is otherwise inconvenient. | 5 business days |

## 4 <u>Customer Support</u>

### 4.1 Contractor Provided Support

Contractor will be responsible for providing enrolled customers with the following support:
1. Initial registration and ongoing use of the mobile app
2. Technical issues and questions related to the mobile app
3. Contractor's privacy policy and terms of use

4. Basic questions related to PCEA's managed charging pilot
5. Contractor will offer support, during traditional business hours (9 AM – 5 PM, Mountain Time), through email.

Contractor will not be responsible for calculating, administering or financing any financial incentives available to PCEA customers through this pilot.
Contractor will offer support, during standard business hours (9 AM – 5 PM, Mountain Time), through email.

### 4.2 Customer Support Response Times

Contractor will use reasonable efforts to respond to all customer inquiries within 3 business days. Contractor will forward any inquiries that are better handled by Peninsula Clean Energy (e.g. specific pilot questions not addressable by Contractor or other questions about Peninsula Clean Energy) to Peninsula Clean Energy staff within 1 business day.

## 5 Schedule

Pilot schedule is subject to final confirmation at contract execution. Both Parties will make their best faith efforts to deliver according to the below schedule.

| Milestone | Deadline |
|---|---|
| **Initial Administrative Setup** | |
| Kickoff meeting between Contractor and PCEA | Early December, 2022 |
| Contractor and PCEA finalize experiment and pilot approach, design sessions with Academic team, as necessary | January 31, 2022 |
| **Initial Configuration** | |
| Delivery of sample monthly data set by Contractor to PCEA for testing of the data exchange procedures | Due to PCEA: December 15, 2022 |
| PCEA conducts data exchange testing in PCEA Data Warehouse with sample data set | December 15, 2022 – February 10, 2023 |
| Platform setup and initial validation testing by Contractor, including: co-branding and setup of App with all experimental treatment group variations. | Due to PCEA: January 31, 2023 |
| PCEA tests platform. | January 31 – February 28, 2023 |
| Contractor addresses any issues discovered in testing, completes | March 17, 2023 |

| | |
|---|---|
| final validation and platform delivery | |
| Final experimental rate structures sent to Calpine by PCEA (requires 6 week lead time) | Early March, 2023 |
| Platform ready for customer enrollment ("Program launch") | March 31, 2023 |
| **Customer Recruitment and Enrollment** | |
| Delivery of customer recruitment list, with treatment and control group assignments, to Contactor by PCEA | February 1, 2023 |
| Completion of customer enrollment marketing materials by PCEA | February 1, 2023 |
| PCEA website and landing page(s) updated | February 28, 2023 |
| Initial email recruitments sent to customers | April 3, 2023 |
| Follow up mailers to customers by PCEA | April 10 - 28, 2023 |
| Initial enrollment sent to Calpine for rate adjustments | End of April, 2023 |
| Additional recruitment, as needed | Through June 2023, additional recruitment during Operational Phase likely |
| **Operational Phase** | |
| Managed charging | June 1, 2023 – January 31, 2024 |
| Evaluation and scale up planning | October 1, 2023 – January 31, 2024 |
| Final report delivered to PCEA by Contractor | December 1, 2023 |

## 6 Project Deliverables

The below Deliverables will be delivered by Contractor to PCEA and will remain PCEA property:

1. Monthly project energy, enrollment, and other data delivery to Peninsula Clean Energy Google Cloud Bucket for the duration of the pilot on a monthly basis. See Exhibit D for full list of data requirements;
2. Monthly summary of customer support requests, summarized by type; and
3. Final report.

# Exhibit B

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Contractor based on the following fee schedule and terms:

1. Upfront setup costs, to be invoiced to PCEA upfront on the Effective Date for a one-time fee of $75,000, which covers the list of Initial Configuration tasks listed in §5 of Exhibit A.

2. Contingency for mutually agreed upon enhancements or additions, not to exceed $25,000, to be invoiced to PCEA following approval by PCEA before work begins.

3. Monthly subscription costs:
    a. Monthly subscription costs will begin at the commencement of managed charging delivery in May 2023, outlined in the Schedule, and continue for a minimum of 9 months.
    b. “Vehicles” below represents active participants in the pilot that have downloaded the App, completed onboarding, and are sharing their data. Vehicles that have unenrolled or have stopped sending data for at least 15 days to be removed on a monthly basis and not included in this count.
    c. A current list of active vehicles to be sent in the monthly report, including new vehicles enrolled, vehicles that have unenrolled or have stopped sending data, and total number of current vehicles, with Contractor’s invoice to PCEA.
    d. The below discounted Monthly subscription costs are dependent on delegation of incremental low-carbon fuel standard (LCFS) credits from vehicles enrolled in the pilot from Peninsula Clean Energy to Contractor for the duration of the contract.
    e. Payments will not exceed a total of $120,000 in monthly subscription costs

| Vehicles | Monthly Price |
|---|---|
| 0 vehicles – 1,000 vehicles | $10,000/month |
| 1,001 vehicles – 2,000 vehicles | $12,500/month |

| | |
|---|---|
| 2,0001 vehicles – 5,000 vehicles | $20,000/month |
| 5,001 vehicles – 10,000 vehicles | $25,000/month |
| 10,001 vehicles – 20,000 vehicles | $35,000/month |
| 20,0001 vehicles – 30,000 vehicles | $50,000/month |

4. The above Monthly Pricing is dependent on Contractor being designated as the financial beneficiary of PCEA's quarterly incremental LCFS credit claims. An additional $5,000/month fee will apply for all and any months in which LCFS credits are not delegated to Contractor. Details on PCEA's obligations can be found in Exhibit F.

5. Contractor will invoice PCEA for subscription costs on a monthly basis from the start of this Agreement, and payable on a net-30 day basis.

6. Payments will not exceed the total contracted amount over the term of the contract.

7. Any payment under the terms and conditions of this Agreement made after the date such payment is due and payable shall bear interest as of the day after the date such payment was due and payable and shall continue to accrue such interest until such payment is made at a rate equal to the lesser of either (a) two percent (2%) above the prime rate as reported by Federal Reserve Bank of San Francisco, as of the date such payment was due and payable, or (b) the maximum rate permitted by Applicable Law. Contractor has the right to suspend the services while payments remain outstanding.

## Exhibit C

### NON-DISCLOSURE AGREEMENT BETWEEN PENINSULA CLEAN ENERGY AND CONTRACTOR REGARDING CONFIDENTIAL CUSTOMER INFORMATION

As used herein PCE and Contractor may each be referred to individually as a "Party" and collectively as "Parties." The provisions of this Agreement and PCE's Customer Confidentiality Policy govern the disclosure of PCE's confidential customer information to Contractor ("Disclosure Provisions").

The Parties hereby mutually agree that:

1. Subject to the terms and conditions of this Agreement, current proprietary and confidential information of PCE regarding customers of PCE ("PCE Customers") may be disclosed to Contractor from time to time in connection herewith as provided by the Disclosure Provisions and solely for the purposes set forth in Exhibit A. Such disclosure is subject to the following legal continuing representations and warranties by Contractor:

   (a) Contractor represents and warrants that it has all necessary authority to enter into this Agreement, and that it is a binding enforceable Agreement according to its terms;

   (b) Contractor represents and warrants that the authorized representative(s) executing this Agreement is authorized to execute this Agreement on behalf of the Contractor; and

   (c) Contractor confirms its understanding that the information of PCE Customers is of a highly sensitive confidential and proprietary nature, and that such information will be used as contemplated under the Disclosure Provisions solely for the purposes set forth in Exhibit A and that any other use of the information is prohibited.

2. Contractor represents and warrants that it will implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure, and prohibits the use of the data for purposes not set forth in Exhibit A.

3. The confidential and proprietary information disclosed to Contractor in connection herewith may include, without limitation, the following information about PCE Customers: (a) names; (b) addresses; (c) telephone numbers and email addresses; (d) service agreement numbers and account numbers; (e) meter and other identification numbers; (f) PCE-designated

account numbers; (g) electricity and gas usage (including monthly usage, monthly maximum demand, electrical or gas consumption, HP load, and other data detailing electricity or gas needs and patterns of usage); (h) billing information (including rate schedule, baseline zone, CARE participation, end use code (heat source) service voltage, medical baseline, meter cycle, bill cycle, balanced payment plan and other plans); (i) payment / deposit status; (j) number of units; and (k) other similar information specific to PCE Customers individually or in the aggregate (collectively, "Confidential Information"). Confidential Information shall also include specifically any copies, drafts, revisions, analyses, summaries, extracts, memoranda, reports and other materials prepared by Contractor or its representatives that are derived from or based on Confidential Information disclosed by PCE, regardless of the form of media in which it is prepared, recorded or retained but, for the avoidance of doubt, shall not include any anonymized data and/or aggregated findings.

4. Except for electric and gas usage information provided to Contractor pursuant to this Agreement, Confidential Information does not include information that Contractor proves (a) was properly in the possession of Contractor at the time of disclosure; (b) is or becomes publicly known through no fault of Contractor, its employees or representatives; or (c) was independently developed by Contractor, its employees or representatives without access to any Confidential Information.

5. From the Effective Date, no portion of the Confidential Information may be disclosed, disseminated or appropriated by Contractor, or used for any purpose other than the purposes set forth in Exhibit A.

6. Contractor shall, at all times and in perpetuity, keep the Confidential Information in the strictest confidence and shall take all reasonable measures to prevent unauthorized or improper disclosure or use of Confidential Information. Contractor shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure and prohibits the use of the data for purposes not set forth in Exhibit A. Specifically, Contractor shall restrict access to Confidential Information, and to materials prepared in connection therewith, to those employees or representatives of Contractor who have a "need to know" such Confidential Information in the course of their duties with respect to the Contractor program and who agree to be bound by the nondisclosure and confidentiality obligations of this Agreement. Prior to disclosing any Confidential Information to its employees or representatives, Contractor shall require such employees or representatives to whom Confidential Information is to be disclosed to review this Agreement and to agree to be bound by the terms of this Agreement. Contractor shall not disclose Confidential Information or

otherwise make it available, in any form or manner, to any other person or entity that is not Contractor's employee or representative (a "Third Party"), except where PCE has provided express written consent to Contractor to disclose Confidential Information to a Third Party and that Third Party has separately entered into a nondisclosure agreement with PCE.

7. Notwithstanding Paragraph 5 above, Contractor may disclose Confidential Information to the extent required by an order, subpoena, or lawful process requiring the disclosure of such Confidential Information issued by a court or other governmental authority of competent jurisdiction, provided that Contractor notifies PCE immediately upon receipt thereof to allow PCE to seek protective treatment for such Confidential Information.

8. Contractor shall immediately notify PCE if it reasonably believes that there has been unauthorized access to the Confidential Information by a non-authorized person and/or entity that could reasonably result in the use, disclosure, or theft of the Confidential Information.

9. It shall be considered a material breach of this Agreement if Contractor engages in a pattern or practice of accessing, storing, using, or disclosing the Confidential Information in violation of the contractual obligations described herein. Contractor understands that if PCE finds that Contractor is engaged in a pattern or practice of accessing, storing, using, or disclosing Confidential Information in violation of this Agreement PCE shall promptly cease all disclosures of Confidential Information to Contractor. Contractor further understands that if PCE receives a customer complaint about Contractor's misuse of data or other violation of the Disclosure Provisions, PCE shall promptly cease disclosing that customer's information to Contractor and shall notify the California Public Utilities Commission of the complaint.

10. Contractor shall be liable for the actions of, or any disclosure or use by, its employees or representatives contrary to this Agreement; however, such liability shall not limit or prevent any actions by PCE directly against such employees or representatives for improper disclosure and/or use. In no event shall Contractor or its employees or representatives take any actions related to Confidential Information that are inconsistent with holding Confidential Information in strict confidence. Contractor shall immediately notify PCE in writing if it becomes aware of the possibility of any misuse or misappropriation of the Confidential Information by Contractor or any of its employees or representatives. However, nothing in this Agreement shall obligate the PCE to monitor or enforce the Contractor's compliance with the terms of this Agreement.

11. Contractor shall comply with the consumer protections concerning subsequent disclosure and use set forth in Attachment B to California Public Utilities Commission (CPUC) Decision No. 12-08-045.

12. Within ten (10) business days of receipt of PCE's written request, and at PCE's option, Contractor will either return to PCE all tangible Confidential Information, including but not limited to all electronic files, documentation, notes, plans, drawings, and copies thereof, or will provide PCE with written certification that all such tangible Confidential Information of PCE has been destroyed.

13. Contractor acknowledges that disclosure or misappropriation of any Confidential Information could cause irreparable harm to PCE and/or PCE Customers, the amount of which may be difficult to assess. Accordingly, Contractor hereby confirms that the PCE shall be entitled to apply to a court of competent jurisdiction or the California Public Utilities Commission for an injunction, specific performance or such other relief (without posting bond) as may be appropriate in the event of improper disclosure or misuse of its Confidential Information by Contractor or its employees or representatives. Such right shall, however, be construed to be in addition to any other remedies available to the PCE, in law or equity.

14. In addition to all other remedies, Contractor shall indemnify and hold harmless PCE, its officers, employees, or agents from and against and claims, actions, suits, liabilities, damages, losses, expenses and costs (including reasonable attorneys' fees, costs and disbursements) attributable to actions or non-actions of Contractor and/or its employees and/or its representatives in connection with the use or disclosure of Confidential Information.

15. When Contractor fully performs the purposes set forth in Exhibit A, or if at any time Contractor ceases performance or PCE requires Contractor cease performance of the purposes set forth in Exhibit A, Contractor shall promptly return or destroy (with written notice to PCE itemizing the materials destroyed) all Confidential Information then in its possession at the request of PCE. Notwithstanding the foregoing, the nondisclosure obligations of this Agreement shall survive any termination of this Agreement.

16. This Agreement shall be binding on and inure to the benefit of the successors and permitted assigns of the Parties hereto. This Agreement shall not be assigned, however, without the prior written consent of the non-assigning Party, which consent may be withheld due to the confidential nature of the information, data and materials covered.

17. This Agreement sets forth the entire understanding of the Parties with respect to the subject matter hereof, and supersedes all prior discussions,

negotiations, understandings, communications, correspondence and representations, whether oral or written. This Agreement shall not be amended, modified or waived except by an instrument in writing, signed by both Parties, and, specifically, shall not be modified or waived by course of performance, course of dealing or usage of trade. Any waiver of a right under this Agreement shall be in writing, but no such writing shall be deemed a subsequent waiver of that right, or any other right or remedy.

18. This Agreement shall be interpreted and enforced in accordance with the laws of the State of California, without reference to its principles on conflicts of laws.

*[Remainder of Page Intentionally Left Blank - Signature Page to Follow]*

**Exhibit D**

**Data Collection & Delivery Requirements**

This exhibit outlines the types of data to be collected by Contractor and requirements for delivering data to PCEA.

## 1 Data Provided to Contractor by PCEA

1. Customer name (if known)
2. Customer email address (if known)_
3. Vehicle make/model (if known)
4. Home address (if known)
5. Residential electricity rate tariff
6. Assigned experimental group

## 2 Data Collection by Contractor from Customer

1. Energy and other charging data. Contractor will collect the following energy usage and other charging/vehicle data from enrolled customers and include in data exchange to Peninsula Clean Energy as outlined below, to allow PCEA to generate 24-hour charging load shapes (aggregate) and other analysis by grouping:
   a. Customer name and email address
   b. Vehicle make/model and model year (if given)
   c. Vehicle Identification Number (VIN) (if available)
   d. Charging session location (latitude and longitude) (if available)
   e. Average battery state of charge at the beginning and end of charging sessions (if available)
   f. Plug-in and unplug times
   g. Total plug-in duration (hours)
   h. Total charge duration (hours)
   i. Total energy dispensed per session (kWh)
   j. Total energy delivered on a half-hourly basis
   k. Charging rate used per session (in average kW per session)
   l. Customer's intended time of departure ("ready-by time")
   m. Which experimental group that the customer in enrolled in
   n. Home charging setup (L1, L2, etc.), inferred through average charge level
   o. Counter-factual metrics that summarize load, at any half-hourly interval, had managed charging not occurred, to demonstrate energy peak reduction that is directly attributable to the managed charging system.
   p. Unique customer identifier
   q. Performance metrics, as mutually determined by Contractor and PCEA, such as unsuccessful start or stop charge commands, etc.

2. Participation data. Contractor will collect the following participating data from enrolled customers and include in data exchange to Peninsula Clean Energy as outlined below:
    a. Customer enrollment date
    b. Customer unenrollment or termination date, if applicable
    c. Number of charging sessions subject to customer-driven overrides ("Boost charging")

## 3 Data Exchange

1. Contractor will upload data files to a secure Google Cloud Bucket, provided by Peninsula Clean Energy, to provide Peninsula Clean Energy with all customer data obtained during the pilot. Data uploads will occur monthly during the duration of the pilot unless another frequency is mutually agreed upon and at a consistent day of the month, to be determined.

2. Data file from Contractor shall be in a CSV file format, unless another format is mutually determined. Files should include the date that the file was transferred into the Google Cloud Bucket in the name of the file.

3. Data exchange will be tested and validated prior to launch, per the Schedule outlined below.

4. Contractor will notify Peninsula Clean Energy of any change to the format of the data file at least 14 days prior to Peninsula Clean Energy receiving modified data file.

## Exhibit E

## Managed Charging Experimental Design and Related Platform Requirements

As part of the Managed Charging Pilot, Peninsula Clean Energy will be collaborating with the University of California, Davis, to test customer behavior in various simulated rate and incentive structures. Customers will be divided into various groups, each with unique treatments, further outlined below. This Exhibit outlines the unique platform requirements that are needed to support the experiment, as well as the intended structure of the experiment.

### 1 Managed Charging Experimental Overview

This section provides an overview of the Managed Charging Experiment control and treatment groups. The Managed Charging Experiment components may be modified at PCEA's sole discretion. See the section below for more detail on the control and treatment groups.

1. Participation Requirements: To participate, customer must:
    a. Own or lease an electric vehicle compatible with Contractor's software platform; and
    b. Charge their vehicle at an electrical meter that is connected to their residence (multi-family residents that charge on common or house meters aren't eligible); and
    c. Have their residential meter enrolled in either the EV2-A, E-TOU-C, or E-ELEC electricity rates, or their net-energy meter (NEM) equivalents
    d. Agree to the terms & conditions of the PCEA managed charging pilot.
2. Enrollment process:
    a. PCEA to pre-assign all known customers meeting the participation criteria above randomly into control or treatment groups. A list of customers that are known EV drivers and their assigned groups will be provided to Contractor.
    b. PCEA to conduct outreach to this list of customers during an initial enrollment phase, expected to last approximately 2-3 months;
    c. Customers that sign up following the launch of the experiment, or not included in the customer list, and are otherwise qualified to participate (for example, a customer who purchases a new EV during the experiment and isn't included in PCEA's customer list of known EV drivers) will be assigned to T1, further outlined below.
    d. Customers can not choose which group to enroll in, they are pre-assigned.
    e. Customers can not switch between groups.

f. Customers may unenroll at any time.

## 2 Managed Charging Experiment Control and Treatment Groups

This section provides an overview of the Managed Charging Experiment control and treatment groups. The control and treatment groups can be modified or removed at PCEA's sole discretion. Groups marked with an asterisk (*) are for information only and Contractor is not expected to interact with those groups.

1. Control 1 (C1)*: This group of customers will not be invited to the experiment and will be monitored only by PCEA as a control group.
2. Control 2 (C2): This group will be invited to participate so that Contractor can collect and monitor data from their vehicle, but managed charging will not be provided to this group.
3. Treatment 1 (T1): This group will have charge managed by Contractor. No ongoing incentive will be provided. Target enrollment is 240 – 600 customers.
4. Treatment 2 (T2): This group will have charge managed by Contractor. Customers will also receive a low, ongoing monthly incentive. Target enrollment is 75 customers.
5. Treatment 3 (T3): This group will have charge managed by Contractor. Customers will also receive a medium-level, ongoing monthly incentive. Target enrollment is 75 - 150 customers.
6. Treatment 4 (T4): This group will have charge managed by Contractor. Customers will also receive a higher-level, ongoing monthly incentive. Target enrollment is 100 customers.
7. Treatment 5 (T5): This group will have data collection and monitoring, but managed charging will not be provided to this group. This group will receive a rate adjustment, performed by PCEA, for the customer. Target enrollment is 75 customers.
8. Treatment 6 (T6)*: This group will not enroll in the Contractor's platform. Instead, PCEA will apply a rate adjustment. Targeted enrollment is 75 customers.
9. Treatment 7 (T7): This group will have data collection and monitoring, but managed charging will not be provided to this group. The group will receive a rate adjustment, applied to just the energy used by charging their vehicle, performed by PCEA, for the customer. Target enrollment is 75 customers
10. Treatment 8 (T8): This group will mirror T1. However, customers will receive an experimental one-time incentive prior to joining Contractor's platform, testing various one-time sign up incentives. Customers should receive the same functionality as T1, but PCEA should be able to filter these customers as a unique group.

## 3 Platform Requirements for Managed Charging Experiment

Contractor to provide the following functionality in support of the experiment:

1. Ability to automatically enroll a customer into one of the various treatment groups during initial signup of the customer in the App. This can be done with a unique code that is provided to the customer or use of their information (e.g. email address) to assign them to a pre-selected group in the App.
2. Contractor to ensure that customers are eligible to participate during initial signup. For example, customers that are not enrolled in one of the supported electricity rates to be ineligible for participation in the experiment, but included in a separate group that is not participating in the experimental component.
3. Inability for customers to switch groups. Customers are not allowed to transfer to a different treatment group. The platform must have safeguards in place to prevent this.
4. Ability to identify and filter customers by control and treatment groups so PCEA can analyze data by group, further described in Exhibit D.
5. Ability to offer monitoring only capabilities (no managed charging) for groups such as C2 and T5.

## Exhibit F

## LCFS Credit Delegation

In order to offer PCEA the discounted subscription costs listed in Exhibit B, Contractor will independently hire an LCFS credit administrator to prepare LCFS credit claims from the California Air Resources Board (CARB) using the vehicle charging data collected from all EVs enrolled the pilot. In order to receive such discounted subscription costs, PCEA agrees to the below terms.

### 1. Program Registration and Reporting

3Degrees Group Inc. (“3Degrees”) will serve as Contractor’s designated LCFS credit administrator and will undertake all related quarterly and annual reporting and administrative obligations, including establishing registry accounts and pathways for eligible fueling facilities with CARB and meeting reporting requirements thereunder. 3Degrees will collect all data required by CARB from Contractor on a quarterly basis, submit it in accordance with CARB requirements, and correspond with CARB to ensure issuance of Incremental LCFS Credits to Contractor. Under this arrangement, PCEA releases all rights to generate and claim LCFS Credits derived from all EVs enrolled in this Program during the Contract Term and transfers such rights to 3Degrees (the “Reporting Rights”).

### 2. Required Data

Contractor and PCEA will provide 3Degrees all information that is known or readily accessible to them, which may be reasonable or necessary for prompt completion of the activities described in this Exhibit F, including CARB fueling data required, CARB emission reports, information on the use of monies derived from the sale of LCFS Credits, and any other information 3Degrees may reasonably request from Contractor or PCEA for 3Degrees’ performance of the Services (the “Required Data”). 3Degrees will request any information from PCEA in writing and PCEA will provide such information for timely submission of any reporting required by CARB. All Parties will work cooperatively using all commercially reasonable efforts to ensure that design and operation of recording devices, data collection protocols, recordkeeping, and other necessary activities are performed in such a manner as to comply with CARB requirements and to maximize the production of LCFS Credits from the Required Data. All Parties will use commercially reasonable efforts to realize issuance of Credits in a timely manner.

### 3. Grant of Reporting Rights

In accordance with and subject to the terms and conditions of this Agreement, PCEA grants 3Degrees, and 3Degrees accepts such grant, the exclusive right to the Reporting Rights.

### 4. Term and Termination

The term of this Exhibit F will be consistent with the term of this Agreement. Upon termination of this Agreement, Contractor shall reassign Reporting Rights to PCEA.

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** November 11, 2022
**BOARD MEETING DATE:** November 17, 2022
**SPECIAL NOTICE/HEARING:** None
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Shawn Marshall, Chief Operating Officer

**SUBJECT:** Approval of Amended Remote Work Policy in Employee Handbook

**RECOMMENDATION:**
Approve the updated remote work policy, attachment J of the Employee Handbook, to include guidelines for remote work in a temporary location.

**BACKGROUND AND DISCUSSION:**
The PCE Employee Handbook is a summary/overview of PCE policies and guidelines. It provides guidance to PCE Staff on policies including employment, employee conduct, working conditions, benefits, payroll, leaves of absences, along with other related issues. Attachment J of the Employee handbook covers PCE's recently adopted remote-first work policy, which was implemented in April 2022.

One of the elements of the remote work policy addresses working from locations other than an employee's primary residence. While not commonly practiced, there have been a handful of instances when employees have worked from other locations, usually due to pandemic-related issues or the ability to work from family homes outside PCE's service territory. These requests have been handled on a case-by-case basis and have provided needed employee flexibility while maintaining effective remote work performance and positive outcomes.

In a recent review of Attachment J of the Employee Handbook it was noted that the existing language pertaining to remote work from a temporary location is not aligned with current practice and was in need of further clarifications to ensure that essential work conditions are maintained and PCE business functions are not adversely impacted.

A copy of Attachment J of the Employee Handbook is attached showing proposed redline amendments. The proposed revisions are as follows:

1) Remove a geographic restriction that previously limited temporary remote work to locations within the state of California only;
2) Adds a 4-week time limit for temporary remote work outside the employee's usual work location; and,
3) Adds clearer guidance for temporary remote work conditions and requirements.

If approved, this amended remote work policy will go into effect on December 1, 2022.

**ATTACHMENTS:**

1. Redline changes of Attachment J of Employee Handbook
2. Clean version of Attachment J of the Employee Handbook

# RESOLUTION NO. ____________

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

* * * * * *

## RESOLUTION BY THE BOARD OF DIRECTORS TO APPROVE AMENDED REMOTE WORK POLICY OF THE EMPLOYEE HANDBOOK

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

**WHEREAS,** the Board of Directors approved Version 4 of the PCE Employee Handbook on July 28, 2022, which included Attachment J, PCE Remote Work Policy, and

**WHEREAS,** the current Remote Work Policy, dated April 15, 2022, of the Employee Handbook requires updating to reflect modifications to the current policy, and adoption of updated remote work policy will be incorporated into Employee Handbook Version 5.

**NOW, THEREFORE,** IT IS HEREBY RESOLVED that the Board of Directors approves the adoption of amended Remote Work Policy, Attachment J, of the Employee Handbook.

* * * * * *

**Employee Handbook Attachment J:**
**Peninsula Clean Energy Guidance Regarding Vaccination and Remote Working Model**
**April 15, 2022; Amended November 17, 2022**

## Part 1. Vaccinations

In order to maintain and protect the health and safety of Peninsula Clean Energy employees, only those employees that have received both of their COVID-19 vaccinations as well as all booster shot(s) as recommended by the Centers for Disease Control (CDC) and local health authorities, as applicable, will be permitted to return to work in the office.

- All employees must provide proof of vaccination and booster by e-mail to the Office Manager by February 28, 2022, or by first day of employment for new hires, to work in the office and/or to attend all-hands meetings (including PCE-sponsored offsite gatherings).
- If an employee has not yet received their COVID-19 vaccination(s) and/or booster(s), COVID-19 testing is required within the 24-hour period prior to the employee entering the office or attending an outside meeting. An employee may use any COVID-19 test to satisfy this requirement, including COVID-19 Rapid Tests, and may request reimbursement from PCE for the cost of test(s). An email documenting that the test was taken and the employee received a negative result should be sent to the Office Manager prior to the Employee's entrance to the office and/or attendance at an outside meeting.

## Part 2. Masks

All employees must wear a mask at all times when in the office; this guideline may change, and employees will be updated accordingly.

## Part 3. Remote Working Model

Peninsula Clean Energy is adopting a Remote Working Model with in-person meetings only for time-limited and defined purposes. The Remote Working Model is subject to modification at any time and employees will be given notice of any changes or additions to this policy.

**Section 1.** PCE management has identified three groups of existing employees that have different needs and constraints:

- **A. Voluntary Remote Employee**
  - An employee who works remotely for 100% of the work week
  - Could work in the office if they choose to do so
- **B. Out-of-the Area Employee (2 sub-groups)**
  - (a) In-state employees whose primary residence is more than 100 miles from PCE's Redwood City Office
  - (b) Out of state employees
  - Requires approval (see section 3A)
- **C. Expansion Territory/Field Office Employee**
  - e.g., Los Banos

In all cases, unless there is managerial or CEO/COO approval, employees are required to attend quarterly in-person staff meetings.

**Section 2**: An employee may maintain their employment with PCE during a temporary relocation (i.e., not a permanent change of residence), permitted on a case-by-case basis, under the following conditions:

1) Employee request and managerial approval in writing at least 14 days in advance;
2) Temporary relocation for remote work may not exceed 4 weeks per year;
3) Temporary relocation for remote work may not exceed 4 weeks at any given time;
4) If temporary relocation is combined with PTO or other time off, it shall not result in being out of the area for longer than 4 weeks, unless extenuating circumstances exist and are approved by the employee's manager and CEO;
5) Such relocation may not interfere with the employee's ability to fully and effectively carry-out their job responsibilities during an 8-hour workday including, but not limited to:

- Access to a quiet, safe place to work with reliable internet and video meeting capabilities;
- Availability to engage and participate in scheduled and non-scheduled video meetings and conference calls during PCE's typical business hours (generally 8AM-5PM pacific prevailing time), and those that occur before or after PCE business hours (e.g. Board and committee meetings);
- Available via instant chat (slack) and other forms of communication for quick resolution of issues during the same hours that would apply if they were working from home or in the office;
- Does not interfere with attendance at quarterly in-person, all-staff team meetings; and,
- Does not interfere with or jeopardize customer data security or other business-related security provisions pursuant to CA law and PCE policies and practices.

Extraordinary or extenuating circumstances that may result in a temporary remote work arrangement exceeding 4 weeks will be considered on a case-by-case basis and must be approved in writing by the CEO or COO.

**Section 3.** Home Office Equipment

**All employees** (to be submitted via expense report)

- $50/month for Internet – consistent with current policy
- $80/month for Cellphone – consistent with current policy
- All tech-related equipment provided as requested (laptop, monitor, keyboard, docking station, mouse, etc.) – all PCE purchased equipment remains owned by PCE
- Printer provided if requested and needed for job functionality
- PCE will repair or replace any of this equipment if necessary

**<u>Reimbursement for Other Office-related expenses</u>**

A one-time reimbursement of reasonable expenses up to $500 per employee to make an employee's remote working environment more ergonomic and appropriate was previously provided to employees in 2020/2021. This reimbursement covered items such as desks, chairs, lamps, routers, Wi-Fi equipment, and headphones.

- Up to an additional $100 reimbursement per year per employee will be provided as requested by an employee. This reimbursement is available beginning March 1, 2022.
- All expenses must be approved in advance by the employee's Manager and the CFO.

**Section 4.** Out-of-the-Area Employees

- **A. <u>In-state employees residing more than 100 miles from the RWC office (Primary Residence)</u>**
  - Permitted with prior approval by Manager and CEO
  - Not permitted for roles that require close proximity to San Mateo County (e.g., customer outreach, energy programs, and partner interactions). Exceptions by managerial and CEO approval.
- **B. <u>Out-of-State Employees (Primary Residence)</u>**
  - Not permitted for new hires effective March 1, 2022.
  - Existing employees who currently live out-of-state as of March 29, 2022 should make a written request to their Manager and CEO for approval prior to April 1, 2022.
  - Requires approval by Manager and CEO.

**Section 5.** In-Person Meetings

- In-person, all staff meetings will be held 2-4 times per year.
- In-person team meetings are encouraged monthly or every other month to foster relationships. Managers have the discretion to decide when and how often teams should get together and how often to have informal online, hybrid (partially in-person and partially remote), or in-person meetings.
- Office technology will be updated to enable high-quality, easy-to-use, hybrid meetings

**Section 6.** Reimbursement of Expenses

- Reimbursement of expenses will be made for out-of-area employees (located in CA), Expansion Territory/Field Office Employees, and Out of State Employees *only* for required in-person meetings
- Reimbursement can be requested for travel, lodging, and reasonable food expenses
- Travel expenses will not be reimbursed for travel to the office on a voluntary basis that is unrelated to a required in-person meeting
  - Employees will be reimbursed for travel and mileage expenses for required off-site meetings, including meetings with regulators, legislators, etc.

**Section 7.** Office Layout and Use

- The office layout will remain the same. Employees will continue to use their assigned desks.

- Any employees planning to be in the office must inform the Office Manager at least 24 hours before coming into the office to ensure that only a limited number of staff will be in the office at any one time
- If an employee needs to use someone else's assigned desk/location, they must wipe-down the desk/location after use
- If needed/requested, conference rooms can be reserved for day use by an employee. Please inform the Office Manager of your need/request 24 hours before coming into the office.

**Section 8.** Work Hours
Staff will generally be available during regular work hours as reflected in the Employee Handbook Section 6.109; employees shall have flexibility to discuss and arrange alternative schedules with the approval of their supervisor. Flexibility is a key PCE value and will be approved *where appropriate*.

**Section 9.** Remote Work Certification
Effective April 15, 2022, all employees who work remotely for Peninsula Clean Energy must review and initial the "Safe and Effective Remote Work Environment" document. Following review, employees must sign and certify that they have reviewed and understand the requirements to create a healthy, safe, and effective remote workspace. The "Safe and Effective Remote Work Environment" certification should be signed by each employee via Box Sign and returned to the Office Manager by April 15, 2022.

The opportunity to participate in a remote work program is offered with the understanding that each employee is responsible for ensuring that his/her remote work environment is both safe and effective.

**Employee Handbook Attachment J:**
**Peninsula Clean Energy Guidance Regarding Vaccination and Remote Working Model**
**April 15, 2022; Amended November 17, 2022**

**Part 1. Vaccinations**

In order to maintain and protect the health and safety of Peninsula Clean Energy employees, only those employees that have received both of their COVID-19 vaccinations as well as all booster shot(s) as recommended by the Centers for Disease Control (CDC) and local health authorities, as applicable, will be permitted to return to work in the office.

- All employees must provide proof of vaccination and booster by e-mail to the Office Manager by February 28, 2022, or by first day of employment for new hires, to work in the office and/or to attend all-hands meetings (including PCE-sponsored offsite gatherings).
- If an employee has not yet received their COVID-19 vaccination(s) and/or booster(s), COVID-19 testing is required within the 24-hour period prior to the employee entering the office or attending an outside meeting. An employee may use any COVID-19 test to satisfy this requirement, including COVID-19 Rapid Tests, and may request reimbursement from PCE for the cost of test(s). An email documenting that the test was taken and the employee received a negative result should be sent to the Office Manager prior to the Employee's entrance to the office and/or attendance at an outside meeting.

**Part 2. Masks**

All employees must wear a mask at all times when in the office; this guideline may change, and employees will be updated accordingly.

**Part 3. Remote Working Model**

Peninsula Clean Energy is adopting a Remote Working Model with in-person meetings only for time-limited and defined purposes. The Remote Working Model is subject to modification at any time and employees will be given notice of any changes or additions to this policy.

**Section 1.** PCE management has identified three groups of existing employees that have different needs and constraints:

- **A. Voluntary Remote Employee**
  - An employee who works remotely for 100% of the work week
  - Could work in the office if they choose to do so
- **B. Out-of-the Area Employee (2 sub-groups)**
  - (a) In-state employees whose primary residence is more than 100 miles from PCE's Redwood City Office
  - (b) Out of state employees
  - Requires approval (see section 3A)
- **C. Expansion Territory/Field Office Employee**
  - e.g., Los Banos

~~o~~

In all cases, unless there is managerial or CEO/COO approval, employees are required to attend quarterly in-person staff meetings.

**Section 2**: An employee may maintain their employment with PCE during a temporary relocation ~~within California~~ (i.e., not a permanent change of residence), permitted on a case-by-case basis, under the following conditions: ~~***with prior written managerial approval at seven (7) days in advance***, as long as the temporary relocation does not interfere with the employee's fulfillment of their job responsibilities.~~

1) Employee request and managerial approval in writing at least 14 days in advance;
2) Temporary relocation for remote work may not exceed 4 weeks per year;
3) Temporary relocation for remote work may not exceed 4 weeks at any given time;
4) If temporary relocation is combined with PTO or other time off, it shall not result in being out of the area for longer than 4 weeks, unless extenuating circumstances exist and are approved by the employee's manager and CEO;
5) Such relocation may not interfere with the employee's ability to fully and effectively carry out their job responsibilities during an 8-hour workday including, but not limited to:

- Access to a quiet, safe place to work with reliable internet and video meeting capabilities;
- Availability to engage and participate in scheduled and non-scheduled video meetings and conference calls during PCE's typical business hours (generally 8AM-5PM pacific prevailing time), and those that occur before or after PCE business hours (e.g. Board and committee meetings);
- Available via instant chat (slack) and other forms of communication for quick resolution of issues during the same hours that would apply if they were working from home or in the office;
- Does not interfere with attendance at quarterly in-person, all-staff team meetings; and,
- Does not interfere with or jeopardize customer data security or other business-related security provisions pursuant to CA law and PCE policies and practices.

Extraordinary or extenuating circumstances that may result in a temporary remote work arrangement exceeding 4 weeks will be considered on a case-by-case basis and must be approved in writing by the CEO or COO.

~~o~~

**Section 3~~2~~.** Home Office Equipment

**All employees** (to be submitted via expense report)

- $50/month for Internet – consistent with current policy
- $80/month for Cellphone – consistent with current policy

- All tech-related equipment provided as requested (laptop, monitor, keyboard, docking station, mouse, etc.) – all PCE purchased equipment remains owned by PCE
- Printer provided if requested and needed for job functionality
- PCE will repair or replace any of this equipment if necessary

**<u>Reimbursement for Other Office-related expenses</u>**

A one-time reimbursement of reasonable expenses up to $500 per employee to make an employee's remote working environment more ergonomic and appropriate was previously provided to employees in 2020/2021. This reimbursement covered items such as desks, chairs, lamps, routers, Wi-Fi equipment, and headphones.

- Up to an additional $100 reimbursement per year per employee will be provided as requested by an employee. This reimbursement is available beginning March 1, 2022.
- All expenses must be approved in advance by the employee's Manager and the CFO.

**Section 4~~3~~.** Out-of-the-Area Employees

- **<u>A. In-state employees residing more than 100 miles from the RWC office (Primary Residence)</u>**
  - Permitted with prior approval by Manager and CEO
  - Not permitted for roles that require close proximity to San Mateo County (e.g., customer outreach, energy programs, and partner interactions). Exceptions by managerial and CEO approval.
- **<u>B. Out-of-State Employees (Primary Residence)</u>**
  - Not permitted for new hires effective March 1, 2022.
  - Existing employees who currently live out-of-state as of March 29, 2022 should make a written request to their Manager and CEO for approval prior to April 1, 2022.
  - Requires approval by Manager and CEO.

**Section 5~~4~~.** In-Person Meetings

- In-person, all staff meetings will be held 2-4 times per year.
- In-person team meetings are encouraged monthly or every other month to foster relationships. Managers have the discretion to decide when and how often teams should get together and how often to have informal online, hybrid (partially in-person and partially remote), or in-person meetings.
- Office technology will be updated to enable high-quality, easy-to-use, hybrid meetings

**Section 6~~5~~.** Reimbursement of Expenses

- Reimbursement of expenses will be made for out-of-area employees (located in CA), Expansion Territory/Field Office Employees, and Out of State Employees *only* for required in-person meetings
- Reimbursement can be requested for travel, lodging, and reasonable food expenses
- Travel expenses will not be reimbursed for travel to the office on a voluntary basis that is unrelated to a required in-person meeting

- Employees will be reimbursed for travel and mileage expenses for required off-site meetings, including meetings with regulators, legislators, etc.

**Section 7~~6~~.** Office Layout and Use

- The office layout will remain the same. Employees will continue to use their assigned desks.
- Any employees planning to be in the office must inform the Office Manager at least 24 hours before coming into the office to ensure that only a limited number of staff will be in the office at any one time
- If an employee needs to use someone else's assigned desk/location, they must wipe-down the desk/location after use
- If needed/requested, conference rooms can be reserved for day use by an employee. Please inform the Office Manager of your need/request 24 hours before coming into the office.

**Section 8~~7~~.** Work Hours

Staff will generally be available during regular work hours as reflected in the Employee Handbook Section 6.109; employees shall have flexibility to discuss and arrange alternative schedules with the approval of their supervisor. Flexibility is a key PCE value and will be approved *where appropriate*.

**Section 9~~8~~.** Remote Work Certification

Effective April 15, 2022, all employees who work remotely for Peninsula Clean Energy must review and initial the "Safe and Effective Remote Work Environment" document. Following review, employees must sign and certify that they have reviewed and understand the requirements to create a healthy, safe, and effective remote workspace. The "Safe and Effective Remote Work Environment" certification should be signed by each employee via Box Sign and returned to the Office Manager by April 15, 2022.

The opportunity to participate in a remote work program is offered with the understanding that each employee is responsible for ensuring that his/her remote work environment is both safe and effective.

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** November 10, 2022
**BOARD MEETING DATE:** November 17, 2022
**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

We are currently recruiting for the following open positions. The job descriptions can be found on the website:

Director of Power Resources
Marketing Communications Specialist / Senior Specialist

We have hired a recruiter to assist with filling the Director of Power Resources position.

### Stanford Global Energy Forum

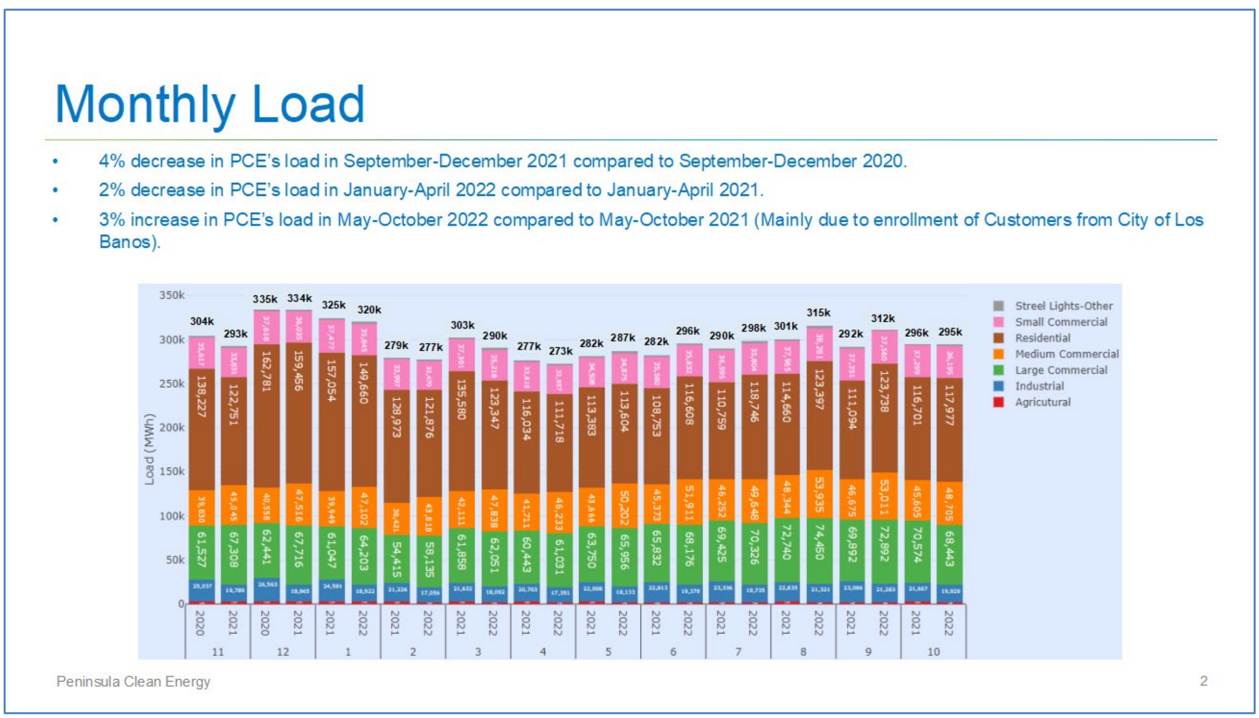
Stanford resumed holding the Stanford Global Energy Forum at the beginning of November, after a 2-year hiatus. This forum brings together high level executives, policymakers, academics, and researchers in the energy and climate field. I attended on behalf of PCE and reconnected with many people we can possibly collaborate with in the Stanford community. The university is also in the process of launching a new school, the Stanford Doerr School of Sustainability which brings together multiple departments that are involved in the energy space.

### CAISO Stakeholder Symposium

Members of PCE's regulatory team and power resources team attending the annual CAISO Stakeholder Symposium in Sacramento on November 9 and 10. This symposium reports on initiatives underway at the CAISO, including transmission initiatives, reliability, and stakeholder engagement.

**Energy Storage Development Forum**
Shawn Marshall, COO, assisted by Sara Maatta, Senior Renewable Energy and Compliance Analyst, made a presentation on CCAs and PCE's 24/7 initiatives at the US Energy Storage Development Forum in San Diego on October 26.

**Impact of COVID-19 on PCE Load**
Attached to this report are summary graphs of the impact of COVID-19 on Peninsula Clean Energy's load. The first graph, "Monthly Load", shows the change in load on a monthly basis from November 2020 through October 2022. We saw a 2% decrease in PCE's overall load in January – April 2022 compared to January – April 2021. We see a 3% increase in PCE's load in May – October 2022 compared to May – October 2021 mainly due to enrollment of customers from the City of Los Banos. Also continuing the same pattern as reported last month, the second graph, "Monthly Load Changes by Customer Class", shows that industrial and residential load was lower in January-April 2022 compared to the same months in 2021. Industrial load has continued to stay lower from May through October 2022 compared to those same months in 2021. Residential and commercial load continues to show an increase since May 2022 through October 2022 compared to last year. The third graph, "Load Shapes (PCE)", shows the change overall in our load on an hourly basis. Although September 2022 load was higher than 2021 in all hours, October 2022 load was lower thatn 2021 load in the early afternoon hours. Thank you to Mehdi Shahriari on our Power Resources team for compiling these graphs.



# Monthly Load Changes by Customer Class

- In September-December 2021, Residential and Industrial load was significantly lower compared to same months in 2020, mainly due to the heatwaves that we experienced in 2020.
- In January-April of 2022, Industrial and Residential load was lower compared to same months in 2021. Commercial load was higher in January-April 2022 compared to January-April 2021.
- In May-October 2022, Industrial load was lower compared to May-October 2021. Commercial and Residential load was higher in May-October 2022 compared to May-October 2021.

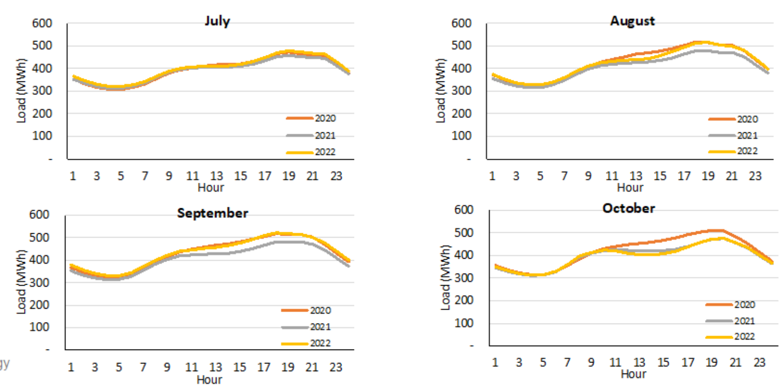
| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Agricutural | 6% | 0% | -5% | -7% | -7% | -12% | -15% | -5% | -6% | -15% | -29% | -31% |
| Industrial | -21% | -29% | -23% | -20% | -16% | -16% | -18% | -15% | -15% | -7% | -8% | -8% |
| Small Commercial | -5% | -4% | -4% | -4% | -6% | -3% | 1% | 1% | -2% | 1% | 1% | -3% |
| Medium Commercial | 13% | 17% | 18% | 20% | 14% | 11% | 15% | 14% | 7% | 12% | 14% | 7% |
| Large Commercial | 9% | 8% | 5% | 7% | 0% | 1% | 3% | 4% | 1% | 2% | 4% | -3% |
| Residential | -11% | -2% | -5% | -6% | -9% | -4% | 0% | 7% | 7% | 8% | 11% | 1% |
| Street Lights-Other | -4% | -5% | -5% | -4% | -5% | -5% | -2% | 1% | 5% | 3% | 3% | 2% |
| PCE | -4% | 0% | -1% | -1% | -4% | -1% | 2% | 5% | 3% | 5% | 7% | 0% |
| Month | 11 | 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

* For months 11-12, the heatmap shows how much load in 2021 was lower/higher compared to same month in 2020. For months 1-10, the heatmap shows how much load in 2022 was lower/higher compared to same month in 2021



# Load Shapes (PCE)

- July: 2022 Load was higher than 2020-2021 load in the evening and overnight hours.
- August: 2022 Load was higher than 2021 load in all hours.
- September: 2022 load was higher than 2021 load in all hours.
- October: 2022 load was lower than 2021 load in the early afternoon hours.



**Reach Codes**
Below is a table showing the status of Reach Code adoption by Peninsula Clean Energy jurisdictions, including the status for reach codes for New Construction and reach codes for Existing Buildings. Thank you to Rafael Reyes and Blake Herrschaft on our programs team for their work in this area.

Portola Valley and San Mateo are leading the way in the adoption of both new construction and existing construction reach codes. There are a number of new construction (NC) reach code council meetings occurring in the next two weeks:

Monday, November 14:
- Redwood City - NC second reading
- Daly City - NC first reading
- Pacifica - NC first reading

Tuesday, November 15:
- Half Moon Bay - NC first reading
- Menlo Park - NC first reading
- Millbrae - NC first reading

Wednesday, November 16:
- Atherton - NC second reading

Thursday, November 17:
- Brisbane - NC first reading

Monday, November 21:
- Burlingame - NC second reading

| | Member Agency | 2019 Status | 2022 Status: New Construction | 2022 Status: Existing Construction |
|---|---|---|---|---|
| | Atherton | | Passed first reading 10/19, second 11/16 | |
| | Belmont | Adopted | | |
| | Brisbane | Adopted | First reading 11/17 | Exploring |
| New | Burlingame | Adopted | Passed first reading 11/7, second 11/21 | |
| | Colma | Adopted | | |
| | County of San Mateo | Adopted | First reading 12/13 | |
| | Daly City | Adopted | First reading 11/14 | |
| | East Palo Alto | Adopted | Re-adoption in-progress | |
| | Foster City | | | |
| | Half Moon Bay | Adopted | First reading 11/15 | |
| | Hillsborough | Adopted | (re-adoption not reqd due to code type) | |
| | Menlo Park | Adopted | First reading 11/15 | Exploring |
| | Millbrae | Adopted | First reading 11/15 | |
| | Pacifica | Adopted | First reading 11/14 | |
| New | Portola Valley | | Adopted 10/26 | |
| New | Redwood City | Adopted | Passed first reading 10/24, second 11/14 | |
| | San Bruno | | Adopted 10/11 | |
| New | San Carlos | Adopted | Adopted 10/24 | Study session on 1/23/23 |
| New | San Mateo | Adopted | Adopted 11/7 | |
| | South San Francisco | Adopted | Re-adoption in-progress | |
| | Woodside | | | |

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## Other Meetings and Events Attended by CEO

Attend weekly and monthly CalCCA Board and Executive Committee meetings.

Will attend CC Power Board Meeting on November 16

**PENINSULA CLEAN ENERGY AUTHORITY**
**JPA Board Correspondence**

| | |
|---|---|
| **DATE:** | November 8, 2022 |
| **BOARD MEETING DATE:** | November 17, 2022 |
| **SPECIAL NOTICE/HEARING:** | None |
| **VOTE REQUIRED:** | Majority Present |

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Kristina Cordero, Chief Financial Officer, Peninsula Clean Energy

**SUBJECT:** Approve the Audited Financial Statements for Fiscal Year 2021-2022

## RECOMMENDATION:
Approve the Audited Financial Statements for Fiscal Year 2021-2022.

## BACKGROUND:
Peninsula Clean Energy's (PCE) financials for the Fiscal Year ending June 30, 2022 were audited by the independent auditors Pisenti and Brinker LLP (Auditors).

The PCE Audit and Finance Committee reviewed the draft audited financial statements at its meeting on October 12, 2022. The Audit and Finance Committee discussed the audited financial statements at length and some members met with representatives of Pisenti and Brinker LLP. A resolution was passed by Audit and Finance Committee members to recommend approval of the audited financials by the full Board.

## FISCAL IMPACT:
No fiscal impact

## STRATEGIC PLAN:
The audited financial statements support the following objectives in Peninsula Clean Energy's strategic plan:

- Objective B: Financial Controls and Management: Implement financial controls and policies that meet or exceed best practices for leading not-for-profit organizations

## ATTACHMENTS

A. Audited Financial Statements for Fiscal Year 2021-2022

# RESOLUTION NO. ____________

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

* * * * * *

## RESOLUTION TO APPROVE THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2021-2022

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

**WHEREAS,** the Peninsula Clean Energy Authority ("PCEA") was formed on February 29, 2016 as a Community Choice Aggregation ("CCA") program; and

**WHEREAS,** Pisenti and Brinker, LLP, certified public accountants and advisors, were selected as independent auditors to audit PCEA's financials for the fiscal years ending June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021 and June 30, 2022; and

**WHEREAS,** Pisenti and Brinker, LLP conducted the fieldwork to audit the financials for the fiscal year ending June 30, 2022; and

**WHEREAS,** the draft audited financial statements were reviewed by the Audit and Finance Committee on October 12, 2022; and

**WHEREAS,** the Audit and Finance Committee approved a resolution recommending that the Board approve the audited financial statements.

**NOW, THEREFORE, IT IS HEREBY RESOLVED** that the Chair of the Board of Directors is hereby authorized and directed to accept the audited financial statements for fiscal year 2021-2022 for and on behalf of the Peninsula Clean Energy Authority.

* * * * * *

# FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2022 AND 2021
WITH REPORT OF
INDEPENDENT AUDITORS

PENINSULA
CLEAN ENERGY

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P&B PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

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(707) 527-5608 • Fax
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**Independent Auditor's Report**

To the Board of Directors
Peninsula Clean Energy Authority
Redwood City, California

**Report on the Audits of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Peninsula Clean Energy Authority (PCE), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise PCE's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PCE as of June 30, 2022 and 2021, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of PCE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PCE's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibilities for the Audits of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PCE’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PCE’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

**Independent Auditor's Report** (continued)

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise PCE's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Unform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the related notes to the schedule of expenditures of federal awards, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2022, on our consideration of PCE's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PCE's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PCE's internal control over financial reporting and compliance.

Pisenti & Brinker LLP

Santa Rosa, California
November 8, 2022

The Management's Discussion and Analysis provides an overview of Peninsula Clean Energy Authority's financial activities as of and for the years ended June 30, 2022 and 2021. The information presented here should be considered in conjunction with the audited financial statements.

## BACKGROUND

The formation of Peninsula Clean Energy was made possible in 2002 by the passage of California Assembly Bill 117, enabling communities to purchase power on behalf of their residents and businesses and creating competition in power generation.

Peninsula Clean Energy was created as a California Joint Powers Authority (JPA) on February 29, 2016. Peninsula Clean Energy was established to provide electric power at a competitive cost as well as to provide other benefits within San Mateo County, including reducing greenhouse gas emissions related to the use of power, procuring energy with a priority on the use and development of local renewable resources, stimulating local job creation through various programs and development, promoting personal and community ownership of renewable resources, as well as promoting long-term electric rate stability and energy reliability for residents and businesses.

Peninsula Clean Energy currently serves twenty-one jurisdictions located in San Mateo County and Merced County. The jurisdictions include the City of Los Banos, in Merced County, which Peninsula Clean Energy began serving on April 1, 2022 and each of the twenty cities and towns that make up San Mateo County (Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside) in addition to the unincorporated areas of San Mateo County.Peninsula Clean Energy is governed by twenty-three board members, with a representative from each of the twenty cities and towns of San Mateo County, two board members representing the unincorporated areas of San Mateo County, and one board member representing the City of Los Banos. Peninsula Clean Energy's Board of Directors has the rights and powers to set rates for the services it furnishes, incur indebtedness, and issue bonds or other obligations. Peninsula Clean Energy is responsible for the acquisition of electric power for its service area.

## Financial Reporting

Peninsula Clean Energy presents its financial statements as an enterprise fund under the economic resources measurement focus and the accrual basis of accounting, in accordance with Generally Accepted Accounting Principles (GAAP) for proprietary funds, as prescribed by the Governmental Accounting Standards Board (GASB).

## Contents of this Report

This report is divided into the following sections:

- Management's discussion and analysis.

- The basic financial statements:

    - The *Statements of Net Position* include all of Peninsula Clean Energy's assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.

    - The *Statements of Revenues, Expenses and Changes in Net Position* report all of Peninsula Clean Energy's revenues and expenses for the years shown.

    - The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital asset acquisitions and investment.

    - The notes to the Basic Financial Statements, which provide additional details and information related to the basic financial statements.

## FINANCIAL HIGHLIGHTS

The following table is a summary of Peninsula Clean Energy's assets, liabilities, and net position and a discussion of significant changes during the years ended June 30:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Current assets | | | |
| Cash and cash equivalents | $ 9,777,452 | $ 16,153,603 | $ 48,437,676 |
| Accounts receivable & accrued revenue | 53,591,360 | 29,365,007 | 36,650,317 |
| Investments | 17,564,207 | 16,672,184 | 81,408,338 |
| Other current assets | 13,417,474 | 11,742,230 | 5,424,892 |
| Total current assets | 94,350,493 | 73,933,024 | 171,921,223 |
| Noncurrent assets | | | |
| Capital and lease assets, net | 2,355,826 | 2,930,410 | 2,152,196 |
| Investments | 107,748,793 | 137,275,212 | 80,169,968 |
| Other noncurrent assets | 192,878 | 248,976 | 134,840 |
| Total noncurrent assets | 110,297,497 | 140,454,598 | 82,457,004 |
| Total assets | 204,647,990 | 214,387,622 | 254,378,227 |
| Accrued cost of electricity | 27,138,918 | 23,574,255 | 28,835,532 |
| Other current liabilities | 6,424,980 | 6,274,032 | 33,564,250 |
| Noncurrent liabilities | 3,413,358 | 3,822,281 | 3,460,665 |
| Total liabilities | 36,977,256 | 33,670,568 | 65,860,447 |
| Net position | | | |
| Investment in capital assets | 261,774 | 343,640 | 427,683 |
| Restricted for security collateral | - | 4,449,194 | 5,618,194 |
| Unrestricted | 167,408,960 | 175,924,219 | 182,471,903 |
| Total net position | $167,670,734 | $180,717,053 | $188,517,780 |

### Current Assets

Cash decreased from 2020 to 2021 as a result of planned operating losses that occurred during 2021 as well as the return of large cash collateral from energy suppliers. Planned operating losses occurred again in 2022, resulting in a further decrease in cash. Accounts receivable and accrued revenue dropped from 2020 to 2021 due to normal customer payment timing fluctuations. From 2021 to 2022, accounts receivable and accrued revenue increased by a large amount. This increase was due to customer rate increases that took effect in April 2022. The current portion of investments dropped from 2020 to 2021 due to the changing maturity dates of investments. Other current assets, which consist mostly of collateral deposits, increased significantly from 2020 to 2021, then held fairly steady from 2021 to 2022.

### Noncurrent Assets

Capital assets are reported net of depreciation. Each year, the change is mostly due to leasehold improvements at Peninsula Clean Energy's office, and the acquisition of furniture and equipment less depreciation expense. Peninsula Clean Energy does not own assets used for electricity generation or distribution.

A lease asset is recorded in accordance with Governmental Accounting Standards Board No. 87 (GASB 87) that was implemented during 2022, with a restatement back to 2020. According to GASB, the Statement aims to increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that previously were not reported.

During 2022, Peninsula Clean Energy decreased its investments with maturities of over one year. These investments are valued at $107,749,000 and are reported as noncurrent assets in the Statement of Net Position. See Note 5 to the financial statements for further discussion regarding investments.

Other noncurrent assets held fairly stable from 2021 to 2022. This account consists of various deposits for regulatory and other operating purposes expected to be held longer than a year. Included are deposit postings with the California Public Utilities Commission (CPUC), rent deposits, and collateral held by Peninsula Clean Energy from energy suppliers.

**Current Liabilities**

The most significant element of current liabilities are obligations to pay the cost of electricity delivered to customers. Accrued cost of electricity at the end of each year remained stable.

Peninsula Clean Energy returned a large energy supplier deposit in 2021, which accounts for the decrease in other current liabilities compared to 2020. Also included in other current liabilities are trade accounts payable, taxes and surcharges due to governments, and various other accrued liabilities.

**Noncurrent Liabilities**

Various contracts entered into by Peninsula Clean Energy require the supplier to provide Peninsula Clean Energy with a security deposit. These deposits will be returned by Peninsula Clean Energy at the completion of the related contract or as other milestones are met. There was little change in deposits in 2022 as compared to 2021.

The following table is a summary of Peninsula Clean Energy's results of operations and a discussion of significant changes for years ended June 30:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Operating revenues | $ 237,898,558 | $ 228,101,324 | $ 278,092,535 |
| Nonoperating revenues | 1,824,346 | 35,636 | 2,511 |
| Interest and investment income (loss) | (6,153,368) | 40,816 | 2,266,285 |
| Total revenues | 233,569,536 | 228,177,776 | 280,361,331 |
| | | | |
| Operating expenses | 246,539,330 | 236,303,283 | 231,271,144 |
| Charitable contributions | - | 50,000 | - |
| Interest and finance costs | 76,525 | 179,171 | 157,583 |
| Total expenses | 246,615,855 | 236,532,455 | 231,428,727 |
| Change in net position | $ (13,046,319) | $ (8,354,679) | $ 48,932,604 |

## Operating revenues

Peninsula Clean Energy's operating revenues are derived from the sale of electricity to commercial and residential customers throughout its territory. Peninsula Clean Energy reports its revenue net of uncollectible accounts. In February 2021, Peninsula Clean Energy implemented a rate reduction across all customer classes in order to provide its customers relief from increased fees associated with the Power Charge Indifference Adjustment (PCIA) and to maintain a competitive advantage in the marketplace. This rate reduction corresponded directly with a large drop in revenue from 2020 to 2021. In order to compensate for this revenue shortfall, Peninsula Clean Energy has been able to draw on its reserve funds. Revenue increased from 2021 to 2022 as a result of customer rate increases in April 2022 as well as the expansion to Los Banos during the spring of 2022.

## Other revenues

The nonoperating revenue increase from 2021 to 2022 was primarily the result of grant income from the California Arrearage Payment Plan (CAPP) that was received in 2022. Investment income decreased in 2022 as a result of a reduction of market interest rates. Management intends to hold investments to maturity. Accordingly, most of the reported investment loss was unrealized at the end of 2022.

## Operating expenses

Peninsula Clean Energy's largest expense each year was the purchase of electricity delivered to retail customers. Peninsula Clean Energy procures energy from a variety of sources and focuses on maintaining a balanced renewable power portfolio at competitive costs. Electricity costs increased each year from 2020 to 2022. The main cause of the increase was overall higher market prices. In 2022, the expansion to Los Banos also required additional resources to be purchased. Expenses for staff compensation, contract services, and other general and administrative expenses increased each year as the organization continued to grow to support its business demands.

## ECONOMIC OUTLOOK

In December 2017, Peninsula Clean Energy published its first strategic Integrated Resource Plan (IRP), which outlines the procurement strategy to fulfill the State's regulatory mandates, while also accelerating the State's decarbonization goals. The IRP describes Peninsula Clean Energy's approach to mitigating risk by diversifying its power portfolio through contract term length, project ownership, location, technology, size, and additionality (increasing "steel in the ground").

Peninsula Clean Energy is developing energy programs to reduce greenhouse gas emission from transportation and buildings. Incentives are offered for used electric vehicles to reduce the costs of these vehicles for residents and to increase the number of electric vehicle charging stations. Peninsula Clean Energy has also approved and funded grants for community pilot programs to advance Peninsula Clean Energy's mission to reduce greenhouse gas emissions, support Peninsula Clean Energy's workforce policy and serve a high number of Peninsula Clean Energy customers.

Peninsula Clean Energy started delivering electricity services to customers of Los Banos on April 1, 2022.

The COVID-19 pandemic impacted Peninsula Clean Energy's business like many other businesses during fiscal years 2020-21 and 2021-22 as the regional economy slowed during shelter-in place orders and the subsequent return to a new normal of economic activity. While Peninsula Clean Energy's overall electricity loads have declined from a high of 3.71 million MWh in fiscal year 2019-20 to 3.55 million MWh in fiscal year 2021-22 driven by pandemic impact and recoveries, we project loads will recover to 3.69 million MWh in fiscal year 2022-23. Additionally included in the projected load are the impacts of electricity service to customers of Los Banos which began on April 1, 2022.

## REQUEST FOR INFORMATION

This financial report is designed to provide Peninsula Clean Energy's customers and creditors with a general overview of the organization's finances and to demonstrate Peninsula Clean Energy's accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to 2075 Woodside Road, Redwood City, CA 94061.

Respectfully submitted,

Janis Pepper, Chief Executive Officer

# BASIC FINANCIAL STATEMENTS

# PENINSULA CLEAN ENERGY AUTHORITY
## STATEMENTS OF NET POSITION
## JUNE 30, 2022 AND 2021

| ASSETS | 2022 | 2021 |
|---|---|---|
| Current assets | | |
| Cash and cash equivalents | $ 9,777,452 | $ 11,704,409 |
| Accounts receivable, net of allowance | 32,869,379 | 18,409,996 |
| Accrued revenue | 20,721,981 | 10,955,011 |
| Investments | 17,564,207 | 16,672,184 |
| Other receivables | 2,986,880 | 4,389,125 |
| Prepaid expenses | 4,976,571 | 3,571,212 |
| Deposits | 5,454,023 | 3,781,893 |
| Restricted cash | - | 4,449,194 |
| Total current assets | 94,350,493 | 73,933,024 |
| Noncurrent assets | | |
| Investments | 107,748,793 | 137,275,212 |
| Deposits and other assets | 192,878 | 248,976 |
| Lease asset, net of amortization | 2,094,052 | 2,586,770 |
| Capital assets, net of depreciation | 261,774 | 343,640 |
| Total noncurrent assets | 110,297,497 | 140,454,598 |
| Total assets | 204,647,990 | 214,387,622 |
| **LIABILITIES** | | |
| Current liabilities | | |
| Accrued cost of electricity | 27,138,918 | 23,574,255 |
| Accounts payable | 1,171,803 | 1,247,108 |
| Other accrued liabilities | 1,078,334 | 1,103,134 |
| User taxes and energy surcharges due to other governments | 1,081,831 | 748,987 |
| Supplier deposits - energy suppliers | 2,624,090 | 2,735,397 |
| Lease liability | 468,922 | 439,406 |
| Total current liabilities | 33,563,898 | 29,848,287 |
| Noncurrent liabilities | | |
| Supplier deposits - energy suppliers | 1,653,433 | 1,593,433 |
| Lease liability | 1,759,925 | 2,228,848 |
| Total noncurrent liabilities | 3,413,358 | 3,822,281 |
| Total liabilities | 36,977,256 | 33,670,568 |
| **NET POSITION** | | |
| Investment in capital assets | 261,774 | 343,640 |
| Restricted for security collateral | - | 4,449,194 |
| Unrestricted | 167,408,960 | 175,924,219 |
| Total net position | $ 167,670,734 | $ 180,717,053 |



The accompanying notes are an integral part of these financial statements.

**PENINSULA CLEAN ENERGY AUTHORITY**
**STATEMENTS OF REVENUES, EXPENSES**
**AND CHANGES IN NET POSITION**
**YEARS ENDED JUNE 30, 2022 AND 2021**

| | 2022 | 2021 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Electricity sales, net | $ 233,526,144 | $ 225,451,521 |
| Green electricity premium | 2,858,977 | 2,649,803 |
| Grant revenue | 1,020,254 | - |
| Liquidated damages revenue | 493,183 | - |
| Total operating revenues | 237,898,558 | 228,101,324 |
| **OPERATING EXPENSES** | | |
| Cost of electricity | 226,678,063 | 213,833,819 |
| Contract services | 10,188,609 | 10,531,713 |
| Staff compensation | 6,351,193 | 5,637,450 |
| General and administration | 2,747,244 | 5,716,643 |
| Depreciation and amortization | 574,221 | 583,658 |
| Total operating expenses | 246,539,330 | 236,303,283 |
| Operating loss | (8,640,772) | (8,201,959) |
| **NONOPERATING REVENUES (EXPENSES)** | | |
| Grant revenue | 1,824,346 | - |
| Miscellaneous income | - | 35,636 |
| Interest and investment income (loss) | (6,153,368) | 40,816 |
| Charitable contributions | - | (50,000) |
| Interest and finance costs | (76,525) | (179,171) |
| Nonoperating revenues (expenses), net | (4,405,547) | (152,719) |
| **CHANGE IN NET POSITION** | (13,046,319) | (8,354,679) |
| Net position at beginning of year (as restated - Note 12) | 180,717,053 | 189,071,732 |
| Net position at end of year | $ 167,670,734 | $ 180,717,053 |



The accompanying notes are an integral part of these financial statements.

## PENINSULA CLEAN ENERGY AUTHORITY
## STATEMENTS OF CASH FLOWS (CONTINUED)
## YEARS ENDED JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Receipts from customers | $ 216,039,305 | $ 239,450,678 |
| Receipts from grantors | 1,020,254 | - |
| Receipts from supplier security deposits | 2,639,091 | 4,974,578 |
| Receipts of liquidated damages | 493,183 | - |
| Payments to suppliers for electricity | (226,221,013) | (254,214,226) |
| Payments for other goods and services | (12,725,566) | (15,933,200) |
| Payments for staff compensation | (6,249,329) | (5,460,310) |
| Payments of taxes and surcharges to other governments | (3,547,693) | (4,136,810) |
| Payments of charitable contributions | - | (50,000) |
| Net cash used by operating activities | (28,551,768) | (35,369,290) |
| **CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES** | | |
| Grant revenue | 1,824,346 | - |
| Deposits and collateral received | 4,000,000 | 2,247,128 |
| Interest and finance costs paid | (76,525) | (179,389) |
| Deposits and collateral paid | (5,616,033) | (6,143,158) |
| Net cash provided by (used by) non-capital financing activities | 131,788 | (4,075,419) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | |
| Payments to acquire capital assets | - | (22,061) |
| Payments of lease liability | (533,808) | (514,839) |
| Net cash used by capital and related financing activities | (533,808) | (536,900) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Proceeds from investment sales | 58,926,086 | 140,659,234 |
| Investment income received | 1,947,354 | 1,828,256 |
| Purchase of investments | (38,295,803) | (134,789,954) |
| Net cash provided by investing activities | 22,577,637 | 7,697,536 |
| Net change in cash and cash equivalents | (6,376,151) | (32,284,073) |
| Cash and cash equivalents at beginning of year | 16,153,603 | 48,437,676 |
| Cash and cash equivalents at end of year | $ 9,777,452 | $ 16,153,603 |
| **Reconciliation to the Statement of Net Position** | | |
| Cash and cash equivalents (unrestricted) | $ 9,777,452 | $ 11,704,409 |
| Restricted cash | - | 4,449,194 |
| Cash and cash equivalents | $ 9,777,452 | $ 16,153,603 |



The accompanying notes are an integral part of these financial statements.

**PENINSULA CLEAN ENERGY AUTHORITY**
**STATEMENTS OF CASH FLOWS (CONTINUED)**
**YEARS ENDED JUNE 30, 2022 AND 2021**

## RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES

| | 2022 | 2021 |
|---|---|---|
| Operating loss | $ (8,640,772) | $ (8,201,959) |
| Adjustments to reconcile operating loss to net cash used by operating activities | | |
| Depreciation and amortization expense | 574,221 | 583,658 |
| Provision for uncollectible accounts | (38,138) | 996,988 |
| Nonoperating miscellaneous income | - | 35,636 |
| Charitable contributions considered an operating activity for cash flow purposes only | - | (50,000) |
| (Increase) decrease in: | | |
| Accounts receivable | (14,421,245) | 3,501,608 |
| Accrued revenue | (9,766,970) | 2,786,714 |
| Other receivables | 1,305,636 | (2,679,401) |
| Prepaid expenses | (1,405,359) | 118,146 |
| Increase (decrease) in: | | |
| Accrued cost of electricity | 3,564,669 | (5,261,283) |
| Accounts payable | (75,305) | 52,514 |
| Other accrued liabilities | 69,595 | (961,217) |
| User taxes and energy surcharges due to other governments | 333,207 | (108,402) |
| Supplier security deposits | (51,307) | (26,182,292) |
| Net cash used by operating activities | $ (28,551,768) | $ (35,369,290) |



The accompanying notes are an integral part of these financial statements.

## 1. REPORTING ENTITY

Peninsula Clean Energy is a joint powers authority created on February 29, 2016. As of June 30, 2022, parties to its Joint Powers Agreement consist of the following local governments:

| County | Cities and Towns | |
|---|---|---|
| San Mateo | Atherton | Menlo Park |
| | Belmont | Millbrae |
| | Brisbane | Pacifica |
| | Burlingame | Portola Valley |
| | Colma | Redwood City |
| | Daly City | San Bruno |
| | East Palo Alto | San Carlos |
| | Foster City | San Mateo |
| | Half Moon Bay | South San Francisco |
| | Hillsborough | Woodside |
| | Los Banos | |

Peninsula Clean Energy is separate from and derives no financial support from its members. Peninsula Clean Energy is governed by a Board of Directors whose membership is composed of elected officials representing the member governments.

A core function of Peninsula Clean Energy is to provide electric service that includes renewable sources, and it operates as a Community Choice Aggregation Program subject to California Public Utilities Code Section 366.2.

Peninsula Clean Energy began its energy delivery operations in October 2016. Electricity is acquired from electricity suppliers and delivered through existing physical infrastructure and equipment managed by Pacific Gas and Electric Company.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF ACCOUNTING

Peninsula Clean Energy's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

Peninsula Clean Energy's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories – investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, it is Peninsula Clean Energy's policy to use restricted resources first, and then unrestricted resources as they are needed.

### CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, Peninsula Clean Energy defines cash and cash equivalents to include cash on hand, demand deposits and short-term investments with an original maturity of three months or less. For the purpose of the Statements of Net Position, restricted cash balances are presented separately. Restricted cash reported on the Statements of Net Position includes collateral for letters of credit, deposits from energy suppliers, as well as a required minimum balance to be maintained in one of Peninsula Clean Energy's bank accounts.

### PREPAID EXPENSES AND DEPOSITS

Contracts to purchase energy may require Peninsula Clean Energy to provide the supplier with advanced payments or security deposits. Deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of time the deposits will be outstanding. Also included are prepaid expenses and deposits for regulatory and other operating purposes.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### LEASE ASSET AND LEASE LIABILITY

Peninsula Clean Energy recognizes an asset and liability when it enters into certain leasing arrangements. The leased asset is amortized over the term of the lease. The lease liability is the present value of payments expected to be paid to the lessor during the lease term. Peninsula Clean Energy's only leased asset and liability relates to its office premises.

### CAPITAL ASSETS AND DEPRECIATION

Peninsula Clean Energy's policy is to capitalize furniture and equipment valued over $5,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment, seven years for furniture and ten years for leasehold improvements. Peninsula Clean Energy does not own any electric generation assets.

### SUPPLIER DEPOSITS – ENERGY SUPPLIERS

Various energy contracts entered into by Peninsula Clean Energy require the supplier to provide Peninsula Clean Energy with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

### NET POSITION

Net position is presented in the following components:

*Investment in capital assets*: This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding borrowings that are attributable to the acquisition, construction, or improvement of those assets. Peninsula Clean Energy did not have any such outstanding borrowings as of June 30, 2022 and 2021.

*Restricted*: This component of net position consists of constraints placed on net asset use through external creditor constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted*: This component of net position consists of net position that does not meet the definition of "investment in capital assets" or "restricted."

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### OPERATING AND NONOPERATING REVENUES

Operating revenues include revenue derived from the provision of energy to retail and wholesale customers. Many of Peninsula Clean Energy's retail customers have opted to purchase a 100% renewable electricity product and pay a $0.01 per kilowatt hour premium. Revenues derived from this premium are reported throughout these financial statements as "Green electricity premium."

Investment income includes interest earned on bank deposits as well as unrealized gains and losses on its investment holdings. Interest and investment income (loss) is considered a nonoperating activity.

### REVENUE RECOGNITION

Peninsula Clean Energy recognizes revenue on the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

### OPERATING AND NONOPERATING EXPENSES

Operating expenses include the costs of electricity and services, administrative expenses, and depreciation on capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

### ELECTRICAL POWER PURCHASED

During the normal course of business, Peninsula Clean Energy purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as generation credits, and load and other charges arising from Peninsula Clean Energy's participation in the California Independent System Operator's centralized market. The cost of electricity and capacity is recognized as "Cost of Electricity" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, Peninsula Clean Energy acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). Peninsula Clean Energy obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive. Peninsula Clean Energy recognizes an expense on a monthly basis that corresponds to the volume sold to its customers for its various renewable and carbon free products. This expense recognition increases accrued cost of electricity reported on the Statements of Net Position. Payments made to suppliers reduce accrued cost of electricity.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### ELECTRICAL POWER PURCHASED (CONTINUED)

Peninsula Clean Energy purchases capacity commitments from qualifying generators to comply with the California Public Utilities Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the California Independent System Operator to ensure the safe and reliable operation of the grid in real-time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

### STAFFING COSTS

Peninsula Clean Energy fully pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. Peninsula Clean Energy is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. Peninsula Clean Energy provides compensated time off, and the related liability is recorded in these financial statements.

### INCOME TAXES

Peninsula Clean Energy is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

### ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change in previously reported net position or change in net position.

## 3. CASH AND CASH EQUIVALENTS

Peninsula Clean Energy maintains its cash in both interest-bearing and non-interest-bearing deposit accounts in several banks. Peninsula Clean Energy's deposits are subject to California Government Code Section 16521, which requires banks to collateralize public funds in excess of the Federal Deposit Insurance Corporation (FDIC) limit of $250,000 by 110%. Certain short-term investments with original maturities of less than three months are classified as cash and cash equivalents, which are not subject to the collateral requirement or FDIC coverage previously mentioned. Accordingly, the amount of risk is not disclosed. Peninsula Clean Energy monitors its risk exposure on an ongoing basis.

At the end of 2021, Peninsula Clean Energy had restricted cash that was held as collateral for letters of credit posted by Peninsula Clean Energy and for supplier security deposits received by Peninsula Clean Energy. The restriction expired in April 2022.

## 4. ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of June 30:

| | 2022 | 2021 |
|---|---|---|
| Accounts receivable from customers | $34,793,412 | $20,372,167 |
| Allowance for uncollectible accounts | (1,924,033) | (1,962,171) |
| Net accounts receivable | $32,869,379 | $18,409,996 |

The majority of account collections occur within the first few months following customer invoicing. Peninsula Clean Energy estimates that a portion of the billed accounts will not be collected. Peninsula Clean Energy continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, Peninsula Clean Energy continues to have success in collecting older accounts. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years. During 2022 Peninsula Clean Energy recorded a combined $2,045,000 in accounts receivable write-offs and increases to its allowance for uncollectible accounts. In 2022, Peninsula Clean Energy received CAPP funds (see Note 8) that helped recover for previously written off accounts receivable.

## 5. INVESTMENTS

During the years ended June 30, 2022 and 2021, Peninsula Clean Energy purchased investments with original maturities of three months or more. As of June 30, the fair value of investments were as follows:

| | 2022 | 2021 |
|---|---|---|
| **Current Investments:** | | |
| U.S. Treasury Securities | $ 16,280,704 | $ 16,567,184 |
| Corporate bonds | 1,283,503 | - |
| Municipal bonds | - | 105,000 |
| Total current investments | $ 17,564,207 | $ 16,672,184 |

| | 2022 | 2021 |
|---|---|---|
| **Noncurrent Investments:** | | |
| U.S. Treasury Securities | $ 69,956,207 | $ 95,313,500 |
| Corporate bonds | 31,409,654 | 34,917,691 |
| Municipal bonds | 6,382,932 | 7,044,021 |
| Total noncurrent investments | $ 107,748,793 | $ 137,275,212 |

### FAIR VALUE MEASUREMENT

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Peninsula Clean Energy's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of June 30, 2022 and 2021, Peninsula Clean Energy's investments are considered Level 1 inputs.

## 5. INVESTMENTS (continued)

### CUSTODIAL CREDIT RISK

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, Peninsula Clean Energy would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in Peninsula Clean Energy's name, and are held by the counterparty.

### INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates. Peninsula Clean Energy manages its exposure to declines in fair values by limiting the weighted average maturity of its investments.

Following is a summary of investment maturities as of June 30, 2022:

| | | Investment Maturities | |
|---|---|---|---|
| **Investment Type** | **Fair Value** | **Less Than 1 Year** | **1-5 Years** |
| U.S. Treasury Securities | $ 86,236,911 | $ 16,280,704 | $ 69,956,206 |
| Corporate bonds-U.S. | 32,198,932 | 1,283,503 | 30,915,429 |
| Corporate bonds-foreign | 494,225 | - | 494,225 |
| Municipal bonds | 6,382,932 | - | 6,382,932 |
| | $ 125,313,000 | $ 17,564,207 | $ 107,748,793 |

Following is a summary of investment maturities as of June 30, 2021:

| | | Investment Maturities | |
|---|---|---|---|
| **Investment Type** | **Fair Value** | **Less Than 1 Year** | **1-5 Years** |
| U.S. Treasury Securities | $ 111,880,684 | $ 16,567,184 | $ 95,313,500 |
| Corporate bonds-U.S. | 34,917,691 | - | 34,917,691 |
| Municipal bonds | 7,149,021 | 105,000 | 7,044,021 |
| | $ 153,947,396 | $ 16,672,184 | $ 137,275,212 |

## 6. CAPITAL ASSETS AND LEASE ASSET

Capital asset activity for the years ended June 30, 2022 and 2021 was as follows:

| | Furniture & Equipment | Leasehold Improvements | Accumulated Depreciation | Total |
|---|---|---|---|---|
| Balances at June 30, 2020 | $ 439,684 | $ 213,233 | $ (225,234) | $ 427,683 |
| Additions | 6,897 | - | (90,940) | (84,043) |
| Balances at June 30, 2021 | 446,581 | 213,233 | (316,174) | 343,640 |
| Additions | - | - | (81,503) | (81,503) |
| Dispositions | (2,179) | - | 1,816 | (363) |
| Balances at June 30, 2022 | $ 444,402 | $ 213,233 | $ (395,861) | $ 261,774 |

Lease asset activity for the years ended June 30, 2022 and 2021 was as follows:

| | Lease Asset | Accumulated Amortization | Total |
|---|---|---|---|
| Balances at June 30, 2020 | $ - | $ - | $ - |
| Additions | 3,079,488 | (492,718) | 2,586,770 |
| Balances at June 30, 2021 | 3,079,488 | (492,718) | 2,586,770 |
| Additions | - | (492,718) | (492,718) |
| Balances at June 30, 2022 | $ 3,079,488 | $ (985,436) | $ 2,094,052 |

## 7. DEBT

During fiscal year 2021, Peninsula Clean Energy had an available bank line of credit in the amount of $12,000,000 to provide additional liquidity for operations, as needed. There is no collateral requirement related to the line of credit and Peninsula Clean Energy did not draw any funds against it. Amounts drawn from the line of credit are charged interest at one-month LIBOR plus 3.1%. Peninsula Clean Energy terminated this line of credit as of June 30, 2021.

## 8. GRANTS

Peninsula Clean Energy administers a grant from the California Arrearage Payment Program (CAPP) that offers financial assistance for California energy utility customers to help reduce past due energy bill balances that increased during the COVID-19 pandemic. This program is funded through the federal American Rescue Plan Act (ARPA) with Coronavirus State and Local Fiscal Recovery Funds.

Peninsula Clean Energy also administers a grant from the California Public Utilities Commission (CPUC) for the Disadvantaged Communities Green Tariff (DAC-GT). This grant provides bill discounts for eligible customers.

The following is a summary of grant revenue for the years ending June 30:

| | 2022 | 2021 |
|---|---|---|
| CAPP | $ 1,824,346 | $ - |
| DAC | 1,020,254 | - |
| Total grant revenue | $ 2,844,600 | $ - |

## 9. DEFINED CONTRIBUTION RETIREMENT PLAN

Peninsula Clean Energy provides retirement benefits through the County of San Mateo 401(a) Retirement Plan (Plan). The Plan is a defined contribution (Internal Revenue Code 401(a)) retirement plan established to provide benefits at retirement to employees of certain qualified employers admitted by the Plan. The Plan is administered by Massachusetts Mutual Life Insurance Company. As of June 30, 2022, there were 33 plan members. Peninsula Clean Energy is required to contribute 6% of annual covered payroll and up to an additional 4% of annual covered payroll to match employee contributions. Peninsula Clean Energy contributed $473,000 and $395,000 during the years ended June 30, 2022 and 2021, respectively. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

## 10. RISK MANAGEMENT

Peninsula Clean Energy is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, Peninsula Clean Energy purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, and property damage. Settled claims have not exceeded coverage in the last two years. There were no significant reductions in coverage compared to the prior year. Peninsula Clean Energy has general liability coverage of $2,000,000 as well as a $10,000,000 umbrella policy. Deductibles on the various policies range from $0 to $25,000. From time to time, Peninsula Clean Energy may be party to various pending claims and legal proceedings. Peninsula Clean Energy has no current litigation or claims pending that are expected to have a material adverse effect on Peninsula Clean Energy's financial position or results of operations.

Peninsula Clean Energy maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market. Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, Peninsula Clean Energy enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counter parties.

## 11. PURCHASE COMMITMENTS

In the ordinary course of business, Peninsula Clean Energy enters into various power purchase agreements in order to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydro-electric facilities.

The following table details the obligations to purchase existing energy, renewable, and resource adequacy (RA) contracts as of June 30, 2022:

| Year ending June 30, | |
|---|---|
| 2023 | $ 228,000,000 |
| 2024 | 192,000,000 |
| 2025 | 157,000,000 |
| 2026 | 143,000,000 |
| 2027 | 140,000,000 |
| 2028-45 | 1,185,000,000 |
| Total | $2,045,000,000 |

As of June 30, 2022, Peninsula Clean Energy had outstanding non-cancelable commitments to professional service providers through June 2024, for services yet to be performed. Fees associated with these contracts are based on volumetric activity and are expected to be approximately $6.7 million.

## 12. LEASE

In June 2017, GASB issued Statement No. 87, *Leases*. As amended, the effective date of the Statement was for fiscal years beginning after June 15, 2021. Peninsula Clean Energy implemented the Statement in these financial statements. According to GASB, the Statement aims to increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that previously were not reported. As a result of implementing the Statement, net position at June 30, 2021 has been reduced by approximately $81,000.

On August 1, 2017, Peninsula Clean Energy entered into an 86-month non-cancelable lease for its office premises. The rental agreement includes an option to renew the lease for two additional five-year terms. In September 2019, the lease was extended an additional two years to September 30, 2026. As part of the extension, Peninsula Clean Energy leased additional office space through the same termination date.

Rental expense under this lease was $530,000 and $512,000 for the years ended June 30, 2022 and 2021, respectively.

As of June 30, 2022, future minimum lease payments under this lease were projected as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| **Years ending June 30,** | | | |
| 2023 | $ 468,922 | $ 62,487 | $ 531,410 |
| 2024 | 499,837 | 47,515 | 547,352 |
| 2025 | 532,209 | 31,563 | 563,772 |
| 2026 | 566,100 | 14,586 | 580,686 |
| 2027 | 161,778 | 877 | 162,655 |
| Total | $ 2,228,847 | $ 157,028 | $ 2,385,875 |

## 13. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statements are effective for years ending after June 30, 2022:

GASB has approved GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* GASB Statement No. 96, *Subscription-Based Information Technology Arrangements,* GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, GASB Statement No. 99, *Omnibus 2022*, GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, and GASB Statement No. 101, *Compensated Absences*. Management is evaluating the effect of implementation of these statements.

# SUPPLEMENTARY INFORMATION

**PENINSULA CLEAN ENERGY AUTHORITY**
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass-Through Grantor/Program | Federal Assistance Listing Number | Pass-Through Entity Identifying Number | Total Federal Expenditures |
|---|---|---|---|
| Department of the Treasury | | | |
| California Department of Community Services and Development (CSD) | | | |
| COVID-19 American Rescue Plan Act (ARPA) | | | |
| Coronavirus State and Local Fiscal Recovery Funds | | | |
| California Arrearage Payment Program (CAPP) | 21.027 | 68-0283471 | $ 1,824,346 |
| Total Department of the Treasury | | | 1,824,346 |
| Total expenditures of federal awards | | | $ 1,824,346 |



See accompanying Notes to Schedule of Expenditures of Federal Awards

**PENINSULA CLEAN ENERGY AUTHORITY**
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
**YEAR ENDED JUNE 30, 2022**

## 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Peninsula Clean Energy (PCE) under programs of the federal government for the year ended June 30, 2022. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles,* and *Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, PCE's financial statements. Because the Schedule presents only a selected portion of the operations of PCE, it is not intended to and does not present the financial position, changes in the net position or cash flows of PCE.

All federal awards received directly from federal agencies, as well as federal awards passed through nonfederal agencies and organizations are included in the Schedule. Pass-through entity identifying numbers are presented when available.

The reporting entity for PCE is based upon criteria established by the Governmental Accounting Standards Board.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOR FEDERAL AWARDS

Expenditures on the accompanying Schedule are reported on an accrual basis of accounting. Expenditures are recognized when approved for payment and posted to PCE's accounting system. Expenditures are paid prior to including on the Schedule. Expenditures for federal awards are recognized following the cost principles contained in the Uniform Guidance. Under these cost principles certain types of expenditures are not allowable or are limited as to reimbursement.

## 3. SUB-RECIPIENTS

Of the federal expenditures presented in the Schedule, PCE did not provide federal awards to sub-recipients for the year ended June 30, 2022.

## 4. INDIRECT COSTS

PCE did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

**Independent Auditor's Report**

Board of Directors
Peninsula Clean Energy Authority
Redwood City, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities Peninsula Clean Energy Authority ("PCE"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise PCE's basic financial statements, and have issued our report thereon dated November 8, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the PCE's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PCE's internal control. Accordingly, we do not express an opinion on the effectiveness of PCE's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of PCE's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*** (continued)

**Independent Auditor's Report** (continued)

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether PCE's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of PCE's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PCE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pisenti & Brinker LLP

Santa Rosa, California
November 8, 2022

PISENTI & BRINKER LLP
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**Report on Compliance for Each Major Federal Program**
**and Report on Internal Control Over Compliance**
**Required by the Uniform Guidance**

## Independent Auditor's Report

Board of Directors
Peninsula Clean Energy Authority
Redwood City, California

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Peninsula Clean Energy Authority's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Peninsula Clean Energy Authority's major federal programs for the year ended June 30, 2022. Peninsula Clean Energy Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Peninsula Clean Energy Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards);* and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Peninsula Clean Energy Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Peninsula Clean Energy Authority's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Peninsula Clean Energy Authority's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Peninsula Clean Energy Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Peninsula Clean Energy Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Peninsula Clean Energy Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- obtain an understanding of Peninsula Clean Energy Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Peninsula Clean Energy Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness over internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Pisenti & Brinker LLP

Santa Rosa, California
November 8, 2022

## I. Summary of Auditor's Results

***Financial Statements***

| | |
|---|---|
| Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: | Unmodified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified? | None reported |
| Noncompliance material to financial statements noted? | No |

***Federal Awards***

| | |
|---|---|
| Internal control over major programs: | |
| Material weaknesses identified? | No |
| Significant deficiencies identified? | None reported |
| Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |

Identification of major federal programs:

| Assistance Listing Number (s) | Name of Federal Program or Cluster |
|---|---|
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |

| | |
|---|---|
| Dollar threshold used to distinguish between type A and type B programs: | $750,000 |
| Auditee qualified as low-risk auditee? | No |

## II. Financial Statement Findings

*No matters are reportable*

## III. Federal Award Findings and Questioned Costs

*No matters are reportable*

**No Uniform Guidance audit performed in prior year.**

Item No. 10

# PENINSULA CLEAN ENERGY AUTHORITY
**JPA Board Correspondence**

**DATE:** November 10, 2022
**BOARD MEETING DATE:** November 17, 2022
**SPECIAL NOTICE/HEARING:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Jan Pepper, Chief Executive Officer
Mehdi Shahriari, Senior Renewable Energy Analyst
Sara Maatta, Senior Renewable Energy and Compliance Analyst

**SUBJECT:** Adopt Staff's Recommendation on Delivering 100% Renewable Energy Annually on a 99% Time-Coincident Basis

**RECOMMENDATION:**
Based on the results of the 24/7 analysis presented by staff at the September Board retreat, adopt staff's recommendation to deliver 100% renewable energy annually on a 99% time-coincident basis by 2025.

**BACKGROUND:**
In 2017 Peninsula Clean Energy set an ambitious goal to deliver 100% time-coincident renewable energy to its customers by 2025, which means delivering renewable energy that matches customers' demand each and every hour of the day. During the last two years staff have developed and leveraged a new 24/7 clean energy procurement modeling tool that is helping Peninsula Clean Energy understand the best path to achieving this goal.

In December 2021, Peninsula Clean Energy published our White Paper Part I on this topic, explaining our vision for our 24/7 renewable energy goal. Building on the work in our first white paper, staff presented the results of extensive portfolio modeling to the Board of Directors at the Board Retreat in September 2022. In that presentation, staff presented the results of extensive portfolio modeling including how Peninsula Clean Energy can achieve time-coincident renewable energy targets and how different time-coincident targets would impact Peninsula Clean Energy's cost of energy. Further, staff presented how time-coincident renewable energy procurement could provide benefits to society by reducing greenhouse gas emissions and improving grid performance.

At the November 3, 2022 Citizen Advisory Committee (CAC) meeting, the CAC approved the following recommendation: "The CAC recommends that PCE adopt the well-modeled staff recommendation to adopt the goal of reaching time-coincident 24/7 99% renewables by 2025 for PCE territories, with the added goal that, if upon completion of the 99% goal, market conditions allow and risks subside, PCE commit to attempt 100% time-coincident renewables."

**SUMMARY:**

Peninsula Clean Energy's Staff developed a new modeling tool to identify the lowest-cost portfolio of contracted renewable energy and energy storage resources that could match our customer demand on a 24/7 basis. Staff performed scenario sensitivity analysis to understand the effects of factors, such as available renewable resources and overall market conditions, on the cost and feasibility of developing 24/7 renewable portfolios. In addition, staff used an existing software platform to perform stochastic analysis of potential 24/7 portfolios.

Results from our modeling indicate that time-coincident renewable energy will reduce emissions, provide benefits to the grid, and can be cost-effective and affordable under a variety of market conditions. Grid-wide 24/7 clean generation is necessary to eliminate GHG emissions from power production. PCE's 24/7 renewable portfolio will demonstrate how to achieve 24/7 power, serving as a model for other load serving entities. As more power providers move towards 24/7 power, emissions will go down. Staff is excited to build a portfolio to provide time-coincident renewable energy to our customers. Based on our current analysis, we believe that a time-coincident planning target of 99% provides the most benefits to our customers at a competitive cost.

**DISCUSSION:**

Staff developed a new modeling tool to identify the lowest-cost portfolio of contracted renewable energy and energy storage resources that could match supply and demand on an hourly basis. This new model, which we are calling the MATCH (Matching Around-the-Clock Hourly energy) model, is based on the software architecture of an existing, open-source power system planning model called SWITCH[1], but has been substantially redesigned to meet the needs of modeling time-coincident renewable power portfolios for entities like Peninsula Clean Energy. The MATCH model is a portfolio and dispatch optimization model, which includes several customized features that allow users to identify an optimal portfolio to meet multiple types of clean energy procurement goals, including annual procurement targets, and time-coincident targets (such as 24/7 hourly matching of supply and demand).

Staff ran different scenarios in MATCH to help us understand different questions about how to define our 24/7 goal, how our goal performs compared to other types of procurement goals, and what types of resources should be used to meet our goal. The main scenarios that we considered were: 1) maintain our existing portfolio of executed contracts, 2) add resources to our portfolio to achieve a 100% annual renewable target, and 3) add resources to our portfolio to achieve hourly (time-coincident) renewable targets of 90%, 95% 99%, or 100%. Specifically, we sought to answer:

- What incremental resources should be added to our portfolio to meet our procurement targets?

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[1] SWITCH is available here: https://switch-model.org/

- How expensive are various time-coincident goals that could be pursued, and how do the emissions and grid impacts compare to a standard 100% annual renewable goal?
- What are the hardest hours to serve with time-coincident procurement?

One of the limitations of the MATCH model is that it is deterministic, meaning that each scenario only has one set of inputs and one set of results. Deterministic models do not represent future uncertainty very well. Thus, after initial MATCH analysis, outputs from MATCH were used as inputs into Ascend Analytics' PowerSimm software, which is a stochastic analysis tool. Stochastic models have multiple sets of inputs that are created based on variability around future prices, weather patterns, and the associated impacts to load and generation. As a result, a stochastic model can provide a range of likely outcomes that can be used to quantify the risk associated with time-coincident renewable energy procurement. The expectation is that the portfolio's performance per the stochastic analysis will better reflect what the real-life operations will achieve. This additional stochastic analysis will help to answer questions such as:

- How will the real-time operation of the portfolio compare to the planning targets?
- How sensitive are the results to market conditions (which are always changing)?

The results of our analysis indicate that in Peninsula Clean Energy's case, procuring time-coincident renewable energy is both technically and economically feasible, and results in better emissions and grid impacts relative to traditional annual volumetric-based procurement goals.

The results of the analysis show that more capacity is required the higher the time-coincident targets are, especially as we modeled between 90% and up to 100% time-coincident. In general, the recommended additional renewable resources include wind, solar, storage, and firm resources such as geothermal or shaped products. In order to meet higher time-coincident targets, more firm (geothermal and shaped products) and flexible (storage) resources are needed. In the future, as emerging technologies become more widely available and at lower costs, we expect more emerging technologies, such as off-shore wind, to play a role in our portfolio. Our results indicate that the portfolio structure is sensitive to market conditions, but that these general trends are consistent across a range of market conditions. The hardest hours to serve with time-coincident energy are the winter overnight hours.

We evaluated the cost and the risk of the portfolios. We also evaluated the uncertainty around the ability to resell excess Renewable Energy Certificates (RECs) and Resource Adequacy (RA). Our results indicate that time-coincident renewable energy procurement can be cost-effective under a variety of market conditions. Time-coincident renewable energy procurement up to 99% can be achieved without significant cost increases relative to our current budget under most market conditions. The 100% time-coincident target, however, could result in a significant cost increase under some market conditions.

Time-coincident procurement reduces greenhouse gas emissions by adding new clean resources to the grid that displace energy generation by fossil fuel resources. The motivation behind time-coincident renewable procurement is to reduce carbon emissions from the electricity grid. Our modeling results indicate that time-coincident renewable procurement reduces emissions beyond our existing portfolio and annual renewable procurement. Emissions reductions increase as the time-coincident target increases, however the marginal cost to reduce emissions also increases as our time-coincident target increases. In addition, our results indicate that pursuing annual or time-coincident renewable procurement goals helps improve the California Independent System Operator (CAISO) system's net peak relative to our existing portfolio.

Our results indicate that with a 99% time-coincident renewable energy procurement maximizes the benefits of time-coincident renewable energy procurement in a cost-effective way. 100% time-coincident would increase the benefits relative to a 99% target but could result in a significant cost increase relative to our existing portfolio.

**FISCAL IMPACT:**
Adopting a 100% renewable energy portfolio with a 99% time-coincident renewable energy procurement target will reduce the expected cost of our future portfolio relative to a 100% time-coincident target. There is no immediate impact to the current 2022-2023 budget.

**STRATEGIC PLAN:**
Our 24/7 Renewable Strategy supports the following objectives in Peninsula Clean Energy's strategic plan:

- Organizational Priority 1: "By 2025, deliver 100% renewable energy each and every hour of day.
- 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.

# RESOLUTION NO. _____________

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

* * * * * *

## RESOLUTION ADOPTING STAFF'S RECOMMENDTION ON DELIVERING 100% RENEWABLE ENERGY ANNUALLY ON A 99% TIME-COINCIDENT BASIS BY 2025

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**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,** In 2017 Peninsula Clean Energy set an ambitious goal to deliver 100% time-coincident renewable energy to its customers by 2025; and

**WHEREAS,** Staff modeling and analysis indicate that delivering 100% renewable energy annually and meeting a 99% time-coincident target results in benefits to society by reducing emissions and improving grid impacts in a cost-effective way; and

**WHEREAS,** Staff modeling and analysis indicate that delivering 100% renewable energy annually and meeting a 100% time-coincident target could result in significant cost increase to Peninsula Clean Energy and its customers.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board adopts the Staff's Recommendation on delivering 100% renewable energy annually on a 99% time-coincident basis by 2025.

* * * * * *

Item No. 5

# PENINSULA CLEAN ENERGY
## JPA Board Correspondence

**DATE:** November 15, 2022
**BOARD MEETING DATE:** November 17, 2022
**SPECIAL NOTICE/HEARING:** None
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** David Silberman, General Counsel

**SUBJECT:** Resolution Approving the Seventh Amended and Restated Agreement with Janis C. Pepper

## RECOMMENDATION

The Board's Ad Hoc Committee (consisting of Rick DeGolia, Donna Colson, Julia Mates and Jeff Aalfs) recommends that the Board approve a Seventh Amended and Restated Agreement with Janis C. Pepper, modifying the end date of to June 30, 2023 with the possibility of an extension; and (2) providing a two-stage increase in her annual base salary to $406,000 effective July 1, 2022 and $425,000 effective January 1, 2023.

## BACKGROUND/CURRENT STATUS

Peninsula Clean Energy Authority signed an employment agreement with Janis C. Pepper to be the Chief Executive Office of the company effective on May 27, 2016. Since then, the Board has authorized or made effective amendments or restatements dated on or about June 22, 2017, June 26, 2018, January 24, 2019, August 22, 2019, October 22, 2020 and most recently July 22, 2021.

The Ad Hoc Committee evaluated of Ms. Pepper's performance and reviewed an analysis of various contributors to overall compensation (including salary, retirement contributions, benefits, and time off) in comparison with other nearby and comparable Community Choice Aggregators. The Board also conducted a Performance Review in Closed Session on October 27, 2022. Following those reviews and analysis, the Ad Hoc Committee is recommending the above salary and employment term changes to the current employment agreement.

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

* * * * * *

**RESOLUTION APPROVING THE SEVENTH AMENDED AND RESTATED AGREEMENT WITH JANIS C. PEPPER**

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**RESOLVED,** by the Peninsula Clean Energy Authority (PCEA) of the County of San Mateo, State of California, that

**WHEREAS,** PCEA was formed on February 29, 2016; and

**WHEREAS,** Janis Pepper has been the Chief Executive Officer of PCEA since May 27, 2016; and

**WHEREAS,** an agreement between PCEA and Janis Pepper was executed on May 12, 2016 and amended or replaced by agreements dated June 22, 2017, July 26, 2018, January 24, 2019, August 22, 2019, October 22, 2020 and most recently July 22, 2021; and

**WHEREAS,** the Board of Directors met on October 27, 2022, in Closed Session to conduct an annual review of Ms. Pepper's performance; and

**WHEREAS,** an Ad Hoc Committee of PCEA's Board of Directors reviewed a detailed analysis of various inputs to compensation, including benefits, time off and salary, and compared that analysis to data from other Community Choice Aggregators and met several times to agree upon recommendations; and

**WHEREAS,** the Ad Hoc Committee now recommends that PCEA sign a Seventh Amended and Restated contract with Ms. Pepper consistent with that review and analysis; and

**WHEREAS**, this Board has been presented with a form of such agreement and has examined and approved as to both form and content and desires to enter into the same.

**NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Chair of Peninsula Clean Energy be, and hereby is authorized and directed to execute said Seventh Amended and Restated Agreement with Janis C. Pepper for and on behalf of Peninsula Clean Energy, and the Clerk of the Board may attest the Chair's signature thereto.

* * * * * *

# SEVENTH AMENDED AND RESTATED AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND JANIS C. PEPPER FOR SERVICE AS CHIEF EXECUTIVE OFFICER

THIS SEVENTH AMENDED AND RESTATED AGREEMENT is entered into this ________ of ______, 2022, between the PENINSULA CLEAN ENERGY AUTHORITY ("PCEA"), a joint powers agency established by the County of San Mateo and Cities within the County, and JANIS C. PEPPER ("CEO").

## W I T N E S S E T H

**WHEREAS**, PCEA previously conducted a thorough recruitment and selected JANIS C. PEPPER as the CEO of PCEA;

**WHEREAS**, PCEA and CEO fully executed an employment agreement (dated May 12, 2016) ("May 12th Agreement");

**WHEREAS**, PCEA and CEO fully executed an first amended employment agreement (dated June 22, 2017) ("June 22nd Amendment");

**WHEREAS**, PCEA and CEO fully executed a second amended employment agreement (dated July 26, 2018) ("July 26th Amendment");

**WHEREAS**, PCEA and CEO fully executed a third amended employment agreement (dated January 24, 2019) ("January 24th Amendment");

WHEREAS, PCEA and CEO fully executed a fourth amended employment agreement (dated August 22, 2019) ("August 22nd Amendment);

**WHEREAS**, PCEA and CEO fully executed a fifth amended employment agreement (dated October 22, 2020) ("October 22nd Amendment");

**WHEREAS**, PCEA and CEO fully executed a sixth amended employment agreement (dated July 22, 2021) ("July 22nd Amendment")

**WHEREAS,** CEO has served PCEA well for the last year, continuing to manage a growing enterprise, and desires to continue to perform services for PCEA on the terms and conditions contained in this Agreement, which amends and restates the May 12th Agreement, June 22nd Amendment, July 26th Amendment, January 24th Amendment, August 22nd Amendment, October 22nd Amendment and July 22nd Amendment replacing all seven in their entirety.

**NOW, THEREFORE**, in consideration of the mutual covenants, terms and conditions as hereinafter set forth, the parties agree as follows:

1. JANIS C. PEPPER is hereby employed as CEO of PCEA pursuant to this Agreement. This Agreement, and CEO's term of employment, commenced on or about May 27, 2016, and ends on June 30, 2023. The specification of a term indicates only the maximum length of this Agreement and is not a guarantee of employment for any period of time. CEO is an at-will employee and shall serve at the pleasure of the PCEA Board of Directors ("PCEA Board"). PCEA may terminate this Agreement, without cause, at any time for any reason effective immediately upon written notice. CEO may terminate this agreement, without cause, at any time for any reason upon 60 days written notice. If notice of non-renewal is not given by the PCEA Board to the CEO two months prior to the termination date, this Agreement shall renew for successive one-year terms, from July 1 to June 30 of succeeding years. In the event that the Agreement is not automatically renewed, the parties will negotiate in good faith a reasonable transition plan, which the parties anticipate will include a consulting contract.

2. CEO shall be responsible for the day-to-day administration of PCEA under the direction of PCEA Board. CEO shall seek advice and assistance from the Executive Committee and any other committee constituted by PCEA for that purpose. Duties to be performed by CEO are set forth in the job description attached as Exhibit A to this Agreement. CEO shall devote her full-time efforts to the performance of the duties of CEO of the PCEA.

3. Beginning retroactive to July 1, 2022, CEO shall receive an annual salary of FOUR HUNDRED SIX THOUSAND DOLLARS ($406,000.00) in bimonthly installments of $16,916.67. This salary will remain in effect until at least December 31, 2022. Beginning January 1, 2023, CEO shall receive an annual salary of FOUR HUNDRED TWENTY FIVE THOUSAND DOLLARS ($425,000) in bimonthly installments of $17,708.33. This increased annual salary is the result of the Board's determination that the CEO has met the milestones that the Board set and evaluated as well as a market adjustment based on a comparative review of other salaries in the market.

4. Any further salary increase will be made in conjunction with CEO's annual performance reviews, which will take place on or about June 30th of each succeeding year. The determination of whether any salary adjustments are merited and the amount of the adjustments are within the sole discretion of the PCEA Board, whose decision shall be final.

5. PCEA shall provide CEO with a Defined Contribution Plan or Plans. The Plan(s) will provide for a matching contribution from PCEA in the same manner and amount as that currently provided to other PCEA staff. The matching contribution from PCEA will vest in accordance with the vesting terms established for other PCEA employees set forth in the Plan(s) but in no event will the vesting period exceed four years.

6. CEO shall accrue paid leave and such paid leave shall be accrued and capped in a manner consistent with that of other PCEA employees. In addition, CEO shall be provided 40 hours of supplementary paid CEO Leave, which will be added directly to and treated in the same manner as the "Management Leave" she and other PCEA managers already receive as described in Version 3 of the PCE Employee Handbook (June 2020).

7. CEO shall be provided with paid holidays in conformance with the paid holidays established for other PCEA employees.

8. CEO is eligible for health, vision, dental and other benefits in the same manner and cost as other PCEA employees.

9. During the employment term PCEA shall reimburse CEO for budgeted and reasonable out-of-pocket expenses incurred in connection with PCEA's business, including reasonable expenses for mileage, travel, conferences, and membership dues in professional organizations that are appropriate to PCEA's goals, as approved by the Chair of the Board.

10. PCEA shall pay CEO for all services through the effective date of termination. CEO shall have no right to any additional compensation or payment, except as provided below and except for any accrued and vested benefits.

   a. If PCEA terminates this Agreement (thereby terminating CEO's employment) without cause, PCEA shall pay CEO a lump sum severance benefit equal to six (6) months of her then applicable base salary thereafter.

   b. If PCEA terminates this Agreement (thereby terminating CEO's employment) with cause, CEO shall not be entitled to any severance. As used in this Agreement, cause shall mean termination due to:

(1) A judgment or adverse determination by any court, the State Attorney General, a grand jury, or the California Fair Political Practices Commission involving any misconduct in the course and scope of duties, including but not limited to: intentional tort or violation of any statute or law constituting misconduct in office, misuse of public funds or conflict of interest;

(2) Conviction of a felony;

(3) Conviction of a misdemeanor arising out of CEO's duties under this Agreement and involving a willful or intentional violation of law or any crime of moral turpitude;

(4) Willful abandonment of duties;

(5) A pattern of repeated, willful and intentional failures to carry out materially significant and legally constituted policy decisions of the Board made by the Board as a body or persistent and willful violation of properly established rules and procedures; and

(6) Any other action or inaction by CEO that materially and substantially harms PCEA's interests, materially and substantially impedes or disrupts the performance of PCEA, or that is detrimental to employee safety or public safety.

c. If CEO terminates this Agreement (thereby terminating CEO's employment), CEO shall not be entitled to any severance.

d. Any other term of this Agreement notwithstanding, the maximum severance that CEO may receive under this Agreement shall not exceed the limitations provided in Government Code Sections 53260 – 53264, or other applicable law. Further, in the event CEO is convicted of a crime involving an abuse of office or position, CEO shall reimburse the PCEA for any paid leave or cash settlement (including severance), as provided by Government Code Sections 53243 – 53243.4.

11. This Agreement represents the entire agreement between the parties with respect to the subject matter addressed herein, and any previous agreements between the parties, whether written or oral, with respect to the subject matter of this agreement are of no further force and effect. All subsequent modifications of this agreement shall not be effective unless set forth in writing and executed by CEO and by Resolution of the PCEA Board.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the day and year written below.

Dated____________________ PENINSULA CLEAN ENERGY AUTHORITY

By______________________________________
Rick DeGolia
Chair, PCEA Board of Directors

ATTEST:

_________________________
General Counsel

Dated_____________________ By____________________________________
Janis C. Pepper

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** November 4, 2022
**BOARD MEETING DATE:** November 17, 2022
**SPECIAL NOTICE/HEARING:** None
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

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

**SUBJECT:** Update on Marketing, Outreach Activities, and Account Services

## BACKGROUND

The Marketing, Community Relations, and Account Services 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.

### Updated Electric Home Page

The All-Electric Homes page on our website has been updated with an interactive graphic, enhanced content and links to new and increased heat pump rebates.

### Zero Percent Loan Program

This program was announced on October 17. The program will be featured in our November Energy Programs Bulletin. Search advertising is starting this week and planning is underway for more extensive promotion.

### Heat Pump (HPWH) Rebates

Heat pump rebates, including the increase and other changes in the HPWH rebate and a new rebate for heat pump Heating, Ventilation and Air Conditioning (HVAC) systems were announced on October 17. The HPWH page on our website has been updated to include the increased rebate and other program changes that now provide rebates for the use of non-BayREN contractors or do-it-yourself installation.

Heating Ventilation and Air Conditioning (HVAC) rebates are now available and described on this web page. Initial promotion of these rebates includes features in our highly effective Energy Programs Bulletin, digital media outreach and partner media kits. Planning is underway for more extensive promotion.

**Electrification Messaging and Campaign Support of Decarbonization**
Marketing has started to roll-out messaging centered on encouraging electrification. Messaging is being refined for a campaign. The campaign will support our organizational priority to contribute to our community reaching a goal of 100% greenhouse gas-free for buildings and transportation by 2035.

**Used Electric Vehicle (EV) Campaign**
A search advertising campaign addressing barriers and benefits of electric vehicles has been underway since November 2021. In October, the campaign achieved about 42,500 impressions and brought about 2,000 visits to our EV web pages. Results in November so far are showing an average cost-per-click of $1.92.

**All-Electric Leader Awards Program**
On October 4, we announced the call for submissions for our third annual All-Electric Leader Awards, "Cutting Edge All-Electric Buildings Sought for Annual Awards." Applications are due by November 18. Awards will be presented at an event in March 2023.

**Outreach Grants**
We have launched another round of this highly successful program of providing grants to local community-based non-profit organizations that reach out to diverse and hard-to-reach segments of our population. Leveraging trusted relationships with their constituencies, they help decipher utility bills, help residents avoid PG&E disconnection, educate residents and influencers about electrification, and promote Peninsula Clean Energy programs. Grants will be awarded in amounts up to $45,000 per project for work to be completed within one year. We received a total of 15 proposals. Awards will be finalized by the end of this calendar year. The grant period is the 2023 calendar year.

**Los Banos Update**
Our local Los Banos representative Sandra Benetti continues providing information and answering customer questions. She is tabling twice monthly on bill pay dates at Los Banos City Hall and participating in community events, including the October 29 community Halloween festival and movie night.

**News & Media**

On October 26, we issued a joint press announcement with Renewable America LLC, "Peninsula Clean Energy, Renewable America Launch New Merced County Solar Project," announcing the Dos Palos Clean Power Project.

Full coverage of Peninsula Clean Energy in the news can be found on our News & Media webpage.

## ENROLLMENT UPDATE

**ECO100 Statistics (since October report)**

| | |
|---|---|
| Total ECO100 accounts at end of October: | 6,405 |
| ECO100 accounts added in October: | 18 |
| ECO100 accounts dropped in October: | 2 |
| Total ECO100 accounts at the end of September: | 6,409 |

**Enrollment Statistics**

Opt-outs during the month of October were 235, which is 4 fewer than the previous month of September (239). This includes 177 opt outs in our new service territory of Los Banos during the month of October and 58 from San Mateo County during this month. In November, there have been an additional 2 opt outs from Los Banos and 1 opt out from San Mateo County as of November 4th, 2022. Total participation rate across all of San Mateo County as of November 4th was 97.07%.

In addition to the County of San Mateo, there are a total of 15 ECO100 cities. The ECO100 towns and cities as of November 4th, 2022, 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 Accoutns as of November 4th | | | | | | | |
|---|---|---|---|---|---|---|---|
| TOT | RES Count | COM Count | Active Count | Eligible Count | Participation Percent | ECO100 Count | ECO100 Percent |
| ATHERTON INC | 2410 | 230 | 2640 | 2726 | 97% | 60 | 2% |
| BELMONT INC | 10722 | 918 | 11640 | 11950 | 97% | 162 | 1% |
| BRISBANE INC | 1969 | 497 | 2466 | 2529 | 98% | 89 | 4% |
| BURLINGAME INC | 13398 | 1963 | 15361 | 15719 | 98% | 346 | 2% |
| COLMA INC | 578 | 290 | 868 | 882 | 98% | 32 | 4% |
| DALY CITY INC | 30944 | 1977 | 32921 | 34050 | 97% | 111 | 0% |
| EAST PALO ALTO INC | 7134 | 444 | 7578 | 7933 | 96% | 24 | 0% |
| FOSTER CITY INC | 13693 | 864 | 14557 | 14839 | 98% | 331 | 2% |
| HALF MOON BAY INC | 4200 | 633 | 4833 | 4982 | 97% | 116 | 2% |
| HILLSBOROUGH INC | 3797 | 148 | 3945 | 4055 | 97% | 71 | 2% |
| LOS BANOS INC | 12138 | 1291 | 13429 | 15309 | 88% | 3 | 0% |
| MENLO PARK INC | 14046 | 1711 | 15757 | 16046 | 98% | 459 | 3% |
| MILLBRAE INC | 8776 | 648 | 9424 | 9729 | 97% | 112 | 1% |
| PACIFICA INC | 14000 | 857 | 14857 | 15415 | 96% | 178 | 1% |
| PORTOLA VALLEY INC | 1461 | 132 | 1593 | 1695 | 94% | 1494 | 94% |
| REDWOOD CITY INC | 31342 | 3322 | 34664 | 35472 | 98% | 721 | 2% |
| SAN BRUNO INC | 14758 | 1084 | 15842 | 16527 | 96% | 95 | 1% |
| SAN CARLOS INC | 12202 | 2083 | 14285 | 14673 | 97% | 332 | 2% |
| SAN MATEO INC | 39734 | 3890 | 43624 | 44775 | 97% | 688 | 2% |
| SO SAN FRANCISCO INC | 21430 | 3098 | 24528 | 25483 | 96% | 121 | 0% |
| UNINC SAN MATEO CO | 20846 | 2980 | 23826 | 24644 | 97% | 645 | 3% |
| WOODSIDE INC | 2013 | 219 | 2232 | 2286 | 98% | 63 | 3% |

Table reflects data as of November 4th, 2022

In the above table, the participation rate for the City of Los Banos is at 88%. This number is low due to us conducting a rolling enrollment for our NEM customers in Los Banos. 247 Los Banos NEM customers have yet to be enrolled in Peninsula Clean Energy service. They will be enrolled monthly on their true-up month with PG&E from November through December. These accounts are included in the Eligible Count column but are not currently active Peninsula Clean Energy customers, and are therefore not included in the Active Count column. The opt-out rate from Los Banos customers who received enrollment notices is currently at 7.3%.

**Los Banos Enrollment Notices**

The first set of Los Banos enrollment notices was mailed to customers February 14th, 2022, and the second set of enrollment notices was mailed March 8th, 2022. Four sets of enrollment notices are required to be mailed to our future customers in the City of Los Banos; two must be sent pre-enrollment (60 days before and 30 days before), and the other two must be sent post-enrollment (30 days after and 60 days after). Peninsula Clean Energy staff created separate pre-enrollment notices for standard customers, NEM customers, and DAC-GT customers in the City of Los Banos. Our standard welcome postcard will be used as the two required post-enrollment notices.

## 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 |
|---|---|---|---|
| Social Media Policy | KT3 Tell the story of Peninsula Clean Energy through diverse channels | | |
| HPWH Incentive | | KT6: Promote programs and services, including community energy programs and premium energy services | |
| Electrification Messaging Project | | KT5: Provide inspirational, informative content that spurs action to reduce emissions. | |
| EV Campaign | | KT6 (see above) | |
| Building Electrification Awareness Program | | KT6 (see above) | |
| Los Banos Update<br>E-bikes for Everyone | KT4: Engage community through participation in local events | KT6 (see above) | |
| CAC Recruitment<br>Los Banos Update | KT4: Engage community through participation in local events | KT4: Support the Citizens Advisory Committee | |
| News and Media Announcements<br>CAC Recruitment | KT1: Position leadership as experts on CCAs and the industry<br>KT2: Cultivate relationships with industry media and | | |

| | | | |
|---|---|---|---|
| | influencers<br>KT3 (see above) | | |
| ECO100 and Enrollment Statistics<br>News and Media Announcements | KT1: Position leadership as experts on CCAs and the industry<br>KT2: Cultivate relationships with industry media and influencers<br>KT3 (see above) | | Reports on main objective C |
| ECO100 and Enrollment Statistics | | | Reports on main objective C |

* “KT” refers to Key Tactic

PENINSULA CLEAN ENERGY

Item No. 13

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE:** November 5, 2022
**BOARD MEETING DATE:** November 17, 2022
**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
Zsuzsanna Klara, Regulatory Compliance Analyst

**SUBJECT:** Update Regarding Regulatory Policy Activities

## SUMMARY

Over the last month the Regulatory Policy team continues to be busy. Jeremy has focused his time across supporting organizational needs. Doug has been particularly heavily focused on work to reform the California Public Utilities Commission's (CPUC) Resource Adequacy construct. Matthew has continued his work in supporting PCE's programmatic efforts through Transportation Electrification, Building Decarbonization, Resiliency, Supplier Diversity, and DAC-Green Tariff matters. Zsuzsanna continued building a comprehensive reference document about PCE's compliance filings and took over more responsibilities regarding managing upcoming filings.

## DEEPER DIVE

### Regulatory Compliance

Zsuzsanna worked with the Power Resources team on the text of the IRP Narrative leading to the timely submission of the 2022 IRP to the CPUC on November 1, 2022.

Zsuzsanna continued her work on the Compliance Checklist and – based on the conversations with colleagues - added more information about upcoming filings and new compliance deliverables. She created project charters and Gantt charts about the compliance projects, for example IRP and SQMD filing procedures. Zsuzsanna continued working on the Compliance Guidebook and adding updated information about compliance obligations.

Zsuzsanna has begun serving as our agency's primary contact with regulatory agencies and consultant companies regarding upcoming regulatory compliance filings, for example IEPR transmission filing to CEC and SQMD Affirmation and Attestation to CAISO.

**Power Charge Indifference Adjustment and 2023 Rates Outlook**

Jeremy continues to monitor the various regulatory proceedings impacting PCE's rate outlook for 2023. The primary case relevant to this rate adjustment is the annual Energy Resource Recovery Account (ERRA) Forecast proceeding. This year the proceeding started a month earlier, due to the Commission acting on past CCA advocacy to adjust this proceeding's schedule. As such what was formally referred to as the "November Update" to PG&E's ERRA Forecast testimony, has now become the "October Update" and this year PG&E circulated it on October 17, 2022. Based on the latest rate outlook from this update, it looks like PG&E's generation rates will be roughly comparable to 2022 rates (averaging around 14¢/kWh) and PCIA rates will likely be decreasing from present rates (~2 to 2.5¢/kWh) to somewhere between 0 and -1¢/kWh. If these rates are implemented this would be the first year in which PG&E's PCIA rates have swung negative while CCAs have been in existence.

(Public Policy Objective A, Key Tactic1)

**Transportation Electrification**

As included in the October Regulatory Policy memo, on Friday, October 14, 2022, the CPUC issued a long-awaited Proposed Decision (PD) in the Development of Rates and Infrastructure for Vehicle Electrification Order Instituting Rulemaking (DRIVE OIR). The Joint CCA group that has been engaged in this docket is led by Matthew. The DRIVE OIR was opened in December 2018 by the CPUC to address all manner of transportation electrification (TE) issues, with a particular focus on the Transportation Electrification Framework (TEF) which would serve as an overarching policy model for utility investments and rates related to TE. The instant PD proposes to implement a new behind the meter (BTM) Funding Cycle 1 (FC1) with a total budget of $1 billion starting in 2025 and ending in 2030. The primary focus of FC1 would be a statewide BTM TE rebate program that would be administered by a single third party, thereby taking the place of individual IOU programs that have traditionally been the primary vehicle for ratepayer-funded TE programs. The FC1 program would exclusively support charging for multi-unit dwellings (MUD) and small medium duty and heavy duty (MHDH) fleets.

On November 3, the Joint CCAs filed opening comments, the bulk of which addressed the propose Locally Invested Transportation Electrification (LITE) Pilot Program. The Program would allow CCAs and CBOs to bid in locally-focused innovative programs aimed to advance TE among underserved communities. This would be the only opportunity for the CCAs to have access to ratepayer funding to support our TE programs and our comments proposed modifications which would make the program and pilot restrictions workable. The Joint CCAs also raised issue with the fact that the PD did not address the many times on the record that we had substantiated why the CCAs should be permitted to serve as Program Administrators (PAs) subject to the same regulatory compliance standards as the IOUs and allowing CCAs to seek CPUC-regulated ratepayer funding for their approved programs and investments.

Many parties filed comments suggesting that the entire PD should be rejected or heavily modified. IOUs, ratepayer advocates, even some environmental organizations have argued that the PD and the proposed FC1 program and budget are essentially unsupported by the record. They point out that the PD does not consider funding sources other than ratepayer dollars (such as federal monies and the potential new revenue from Prop 30). Some also argue that the PD violates due process rights because the record does not include enough discussion about the appropriateness of a new $1 billion program in terms of its potential rate impacts, nor whether the funding level is sufficient to meaningfully support the needs for MUDs and MDHD fleets. It is uncertain if FC1 will be adopted by the CPUC considering the range of parties who oppose the PD in total, as well as the range of legal and policy reasons that they say it should be rejected.

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

**<u>Integrated Resource Planning & Resource Adequacy</u>**

The Resource Adequacy (RA) proceeding has concluded the working group workshop series earlier this month. The Final Workshop paper summarizing the proposals made, including for hourly trading is due out November 15, with comments on specific proposals on the 24-hour RA framework due in mid-December. Dr. Karpa is working with our CCA partners and CalCCA to incorporate recommendations for an hourly load obligation trading system to be tested during the 24-hour RA methodology test year in 2024.

With the filing of Integrated Resources Plans at the Commission on November 1, 2022, regulatory deadlines have been moved back until mid -December. Significant work among CCAs has been ongoing to develop and socialize proposals for methods to ensure that all LSEs plan to build their fair share of clean resources going forward and to develop appropriate enforcement mechanisms that will not severely distort the market.

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

**<u>FISCAL IMPACT</u>**

Not applicable.

**PENINSULA CLEAN ENERGY AUTHORITY**
**Board Correspondence**

**DATE:** November 3, 2022
**BOARD MEETING DATE:** November 17, 2022
**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 Peninsula Clean Energy's Legislative Activities

## SACRAMENTO SUMMARY – End of 2022 Session:

The 2022 session of the California Legislature ended on August 31. The Legislature is now adjourned until December 5, 2022. September 30 was the last day on which the governor could sign, or veto, bills passed by the Legislature.

## RECENT DEVELOPMENTS IN SACRAMENTO:

On October 7, Governor Newsom called for a special legislative session to address rebates to offset ever increasing prices for gasoline, with the rebates to be funded by a windfall profits tax on oil companies. The special session would commence on December 5, timed to coincide with the swearing-in of the new Legislature and the start of the new legislative session. The special session would run concurrent with the new legislative session.

As of the date of this writing, the Governor has not submitted in writing his detailed proposal.

On October 17, Governor Newsom announced that the COVID-19 State of Emergency will end on February 28, 2023. In so doing the Governor offered that this timeline would provide the healthcare system with flexibility to handle any potential surge in COVID-19 cases during the winter months and give sufficient time to prepare for the phaseout of the emergency order.

Of significance to local government, including Peninsula Clean Energy, the termination of the State of Emergency will end the suspension of the Brown Act that has enabled virtual attendance at meetings by elected officials from undisclosed, remote locations.

## A LOOK AHEAD AT 2023 LEGISLATIVE ACTIVITY IN SACRAMENTO:

While the legislative calendar for the year ahead has yet to be announced, the Legislature is scheduled to meet on Monday, December 5 to convene the 2023-24 legislative session. At that time, the members of the Legislature who are beginning new terms are sworn into office, there is an opportunity to introduce some legislation and the leadership team in each house is established. In addition to the special session, of particular interest this year is the possible contest for Speaker of the Assembly.

Once the legislative leadership is in place, committee chairs and members are appointed. It is anticipated that there will be a significant number of freshman legislators coming to Sacramento due to term limits and redistricting, and therefore many new faces on critical committees. For instance, San Mateo County and Los Banos will both have new representatives in the state Assembly. We also expect many new staff will be hired to support legislators in their work.

Of keen interest to Peninsula Clean Energy is the vacancy in the chair position on the Senate Committee on Energy, Utilities and Communications. There will also be at least 3 seats to be filled on the Senate Committee on Energy, Utilities and Communications and 4 vacancies on the Assembly Committee on Utilities and Energy.

In the coming weeks we will be meeting with legislators and their staff to discuss legislative initiatives for 2023, an effort that will ramp up further once the election results are known. Already identified by Governor Newsom as a concern is the likelihood of a shrinking state budget should markets continue to stagnate, thus reducing the capital gains taxes the state collects and which are a significant source of state revenues.

Looking further ahead, the Legislature will reconvene in Sacramento the first week of January. The Governor's 2023-24 initial budget proposal will likely be made public during the second week of January.

Other dates for the new Legislature will become known once the legislative calendar is released.

(Public Policy Objective B, Key Tactic 1)

# PENINSULA CLEAN ENERGY AUTHORITY
## JPA Board Correspondence

**DATE**: Nov. 17, 2022
**BOARD MEETING DATE**: Nov. 17, 2022
**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. Highlights from Prior Month
2. Building and EV Reach Codes
3. Buildings Programs
   - 3.1. Appliance Rebates and On-Bill Financing
   - 3.2. Low-Income Home Upgrades & Electrification
   - 3.3. Building Pilots
   - 3.4. Refrigerator Recycling
4. Distributed Energy Programs
   - 4.1. Local Government Solar
   - 4.2. Power On Peninsula – Homeowner
   - 4.3. FLEXmarket
   - 4.4. Community Solar, DAC-GT
5. Transportation Programs
   - 5.1. "EV Ready" Charging Incentive
   - 5.2. Used EV Rebate
   - 5.3. EV Ride & Drives/EV Rental Rebate
   - 5.4. E-Bikes for Everyone Rebate
   - 5.5. Municipal Fleets
   - 5.6. Transportation Pilots


**DETAIL**

## 1 Highlights from Prior Month

- New program launch: Zero Percent Loans and major updates to the Appliance Rebates
- New program launch: Public EV Fleets

- 3 reach codes adopted in October
- 16 EV charging stations installed in EV Ready

## 2 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) and East Bay Community Energy (EBCE). 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.BayAreaReachCodes.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 publicly available at www.AllElectricDesign.org. In December 2020, the Board approved to extend the contract with TRC Engineers include technical assistance for developing policy for existing buildings. In February 2022 the Board extended the initiative for another two years.

SVCE and Joint Venture Silicon Valley are planning a webinar in September specifically for local elected officials on new and existing building Reach Codes. San Mateo elected officials will be invited to attend.

**Model Code Summary**

- New construction building electrification codes require all-electric and include a menu of exceptions for cities to choose from
- New construction EV codes are the same as last cycle for most building types, requiring more access than the state code. Multi-family buildings are required to provide at least one level 2 charging access point for every dwelling unit. 15% must be Level 2 charging stations. 85% can be low-power Level 2 EV ready.
- Existing building model codes provide a full menu of options for cities to choose from, including: end of flow requirements, time-of-replacement mandates, time of sale disclosure requirements, and a requirement to upgrade existing EV-capable circuits to EV-ready by a time-certain deadline.

**Status**:

- **New Construction Codes:** Draft new and existing model codes are available.
- **Existing Building Decarbonization**: Existing building model codes are posted online. During a poll at a City Staff workshop, 64% of respondents stated that they were interested in exploring an existing building reach code.
- **City Progress**: Most cities with reach codes from the prior cycle have begun the renewal process. The following cities are currently advancing code updates:
  - New construction:
    - Adopted on second reading: Portola Valley, San Bruno, San Carlos

        - Adopted on first reading: Menlo Park, Redwood City, City of San Mateo
        - Planned to consider: County of San Mateo, Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, Half Moon Bay, Millbrae, Pacifica.
    - Existing buildings: Portola Valley (adopted on second reading), City of San Mateo (adopted on first reading,) Colma (considering)

**Strategic Plan**:

Goal 3 – Community Energy Programs

Objective A: Decarbonization Programs: Develop market momentum for electric transportation, and initiate the transition to clean energy buildings

- 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

## 3 Buildings Programs

### 3.1 Appliance Rebates and Zero Percent Loans

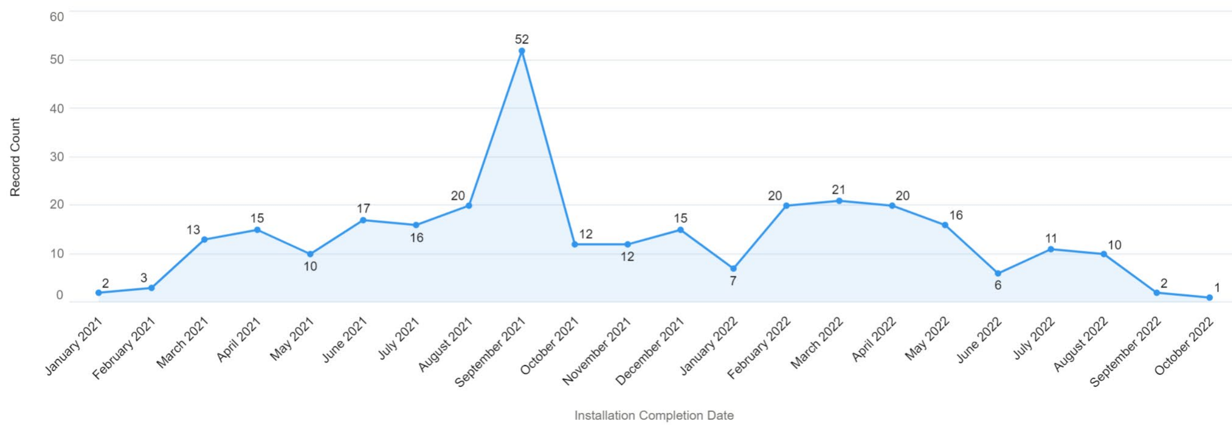
**Background**: In May 2020, the Board approved a 4-year, $6.1 million for electrifying existing buildings. This included $2.8 million for implementing an appliance rebate program. Peninsula Clean Energy successfully launched the heat pump water heater (HPWH) rebates on January 01, 2021. Peninsula Clean Energy rebates were exclusively offered in partnership with BayREN's Home+ program, which offers additional rebates for HPWHs that are combined with Peninsula Clean Energy's. Additionally, in August 2021, the Board approved an On-Bill Financing program (now referred to as the Zero Percent Loan program) with $1.0 million in loan capital (treated as a balance sheet asset and not part of the annual budget). The program offers qualified residential customers a 0% interest loan up to $10,000 to fund the cost of eligible electrification and complementary electrical and energy efficiency upgrades.

On October 17, 2022, Peninsula Clean Energy launched its Zero Percent Loan program and rolled out modifications and enhancements to the Appliance Rebates Program including increasing its HPWH rebate, launching a new heat pump heating ventilation and air conditioning (HVAC) rebate, adjusting the eligibility criteria for its electrical panel upgrade bonus rebate, and creating a rebate application process for customers not working with BayREN contractors, while still maintaining the integrated application process with the BayREN Home+ programStaff made these modifications to A) bring fuel switching/electrification to at least cost parity with gas replacements, B) backstop the loss of state incentives, and C) support the adoption of existing building reach codes.

**Status**: The below table summarizes the number of rebates issued as of November 3, 2022.

| Measure | Count |
|---|---|

| | |
|---|---|
| HPWH rebates | 301 (see chart below for detail, note reporting lags 2-3 months from installation) |
| Heat pump HVAC rebates | 2 |
| Electrical panel rebates | 49 |




These rebates amount to 433,000 or 15% of the total program budget.

The table below summarizes the status of the zero percent loan program as of November 3, 2022.

| Metric | Count |
|---|---|
| Applications received | 1 |
| Applications approved / loans secured | 0 |
| Loans issued | 0 |

**Strategic Plan**:

Goal 3 – Community Energy Programs

Objective A: Decarbonization 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

### 3.2 (Low-Income) Home Upgrade Program

**Background:** In May 2020, the Board approved $2 million for implementing a turnkey low-income home upgrade program to offer minor home repair, energy efficiency, and electrification measures to income-qualified homeowners at no cost to them. The measures implemented in each home will vary depending on the home's needs but will include at least one electrification measure such as installing a HPWH or replacing a gas stove with an electric induction stove. 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. The below table summarizes the program's status as of September 30, 2022.

| Stage/category | #s as of September 30, 2022 |
|---|---|
| Leads | 938 |
| Reached | 393 |
| Pre-assessments | 278 |
| Enrolled | 217 |
| Ineligible | 181 |
| Installations in progress | 32 |
| Fully complete | 66 |

The following table summarizes the number of electrification measures implemented on the fully complete homes.

| Measure | Count |
|---|---|
| Heat pump water heater | 28 |
| Induction cooktop/range | 15 |
| Electric dryer | 19 |
| Central or mini split heat pump (HVAC) | 3 |
| Window or wall mounted heat pump (HVAC) | 7 |
| Portable heat pump (HVAC) | 20 |

**Strategic Plan**:

Goal 3 – Community Energy Programs

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

- Key Tactic 1: Invest in programs that benefit underserved communities
- Key Tactic 3: Support workforce development programs in the County

### 3.3 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 (no updates from last month):** The home recruitment process began in late April 2021 and the project received 290 applications. Homes were selected based on technical criteria (home characteristics, energy usage patterns, and technical feasible of the upgrade within budget). The four pilot homes are located in Daly City, South San Francisco, Redwood City, and Menlo Park. As of September 7, 2022, all four homes have had their system installed. The consulting firm TRC has been contracted to provide independent measurement and verification services for the project and have begun collecting data on the homes installed. A final report is anticipated in the summer of 2023 after a year a data has been collected and analyzed. Lastly, the Technical Advisory Committee (TAC) had its third meeting on August 31, 2022, following the second meeting on June 2, 2022 and first meeting on September 30, 2021. The objective of the TAC is 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. Senator Josh Becker toured a Harvest Thermal home and Home Upgrade home on July 20th with PCE staff in attendance.

**Strategic Plan**:
Goal 3 – Community Energy Programs

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

### 3.4 Refrigerator Recycling

**Background**: In April 2019, Peninsula Clean Energy launched a small turnkey refrigerator recycling program with a budget of $75,000 as part of the Community Pilots program. The program administrator, ARCA Recycling, manages orders intake, pick up scheduling, and rebate processing. The objective of the program is to capture high impact greenhouse gas gases from old appliances by facilitating proper recycling of the appliance's refrigerants and foaming agents for insulation (which also continue refrigerants). The initial program budget was exhausted in May but in June 2022, following Board approval, staff executed a contract amendment to continue, and expand the program with an additional budget of $200,000 over three years (FY23-FY25). The contract amendment includes adding more appliance types (air conditioning units, and allowing non-working units to be eligible) and allowing for bulk pickups from apartment complexes and waste distribution centers.

**Status**: Since inception in April 2019 and as of September 30, 2022, the recycling program has recycled 606 refrigerators and freezers resulting in approximately 1,000 MTCO2e in greenhouse gas reduction.

**Strategic Plan**:
Goal 3 – Community Energy Programs

Objective A: Decarbonization 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

## 4 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 is advancing distributed energy resources to provide resilience, lower decarbonization costs, provide load shaping to support our strategic goal for 24/7 renewables. The projects described below are efforts towards meeting both of these goals.

### 4.1 Solar and Storage for Public Buildings

**Background:** The Solar and Storage for Public Buildings (formerly called Local Government Solar Program) is aimed at aggregating local government facilities into a group procurement of solar and optionally storage systems. Peninsula Clean Energy provides no-cost site assessments and preliminary designs as well as manages the procurement process. Participating sites have systems installed as part of power purchase agreements directly with Peninsula Clean Energy. As part of the pilot phase, in October 2020, the Board approved a Solar Site Evaluation Services contract with McCalmont Engineering for Solar site evaluation and designs for County and municipal facilities identified as candidates for solar-only or solar + storage resilience projects. In March 2022, the board approved up to $8 million in capital for system installations to be repaid over 20 years and $600,000 for technical assistance on the second round of the aggregated solar program. Peninsula Clean Energy developed a portfolio of 15 sites in 13 cities for a total portfolio size of approximately 2 MW of solar. Battery storage will be explored for 4 of the 15 sites. Commitments for the projects were secured from all 13 local governments. A Request for Proposals for equipment was conducted and closed in August.

**Status:**
Peninsula Clean Energy has completed its RFP evaluation process and has selected Intermountain Electric Company to be the Engineering, Procurement, and Construction (EPC) contractor to deploy the solar and battery storage projects.

The recent passage of the Inflation Reduction Act (IRA) provides for qualifying tax-exempt entities to receive the Investment Tax Credit (ITC) directly (Direct Pay). Previously, partnership with a Tax Equity firm would have been required to monetize and share in the ITC. Staff completed due diligence on this new legislation and the potential for Peninsula Clean Energy to pursue the Direct Pay option, working in conjunction with its legal counsels, and has elected to move forward with direct ownership / direct pay option due to the enhanced financial benefit that can accrue to customers via a lower PPA price.

Staff in conjunction with legal counsel is currently working on a revised Customer Power Purchase Agreement (PPA) based on feedback from all participating jurisdictions to its original draft sent in August, 2022. This will be the agreement between Peninsula Clean Energy and site hosts for the installation and operations of solar and, where applicable, solar + storage systems. This will be a 20-year agreement at a fixed $/kWh price that will provide substantial savings over the current PG&E rate for all customers, and savings will increase with time if utility rates escalate, as is expected.

Staff is planning the next round of the Solar and Storage for Public Buildings. This will include an expansion of eligible agencies. In addition to the county and cities, school districts and other local public agencies in Peninsula Clean Energy's service territory will be eligible. Staff organized webinars for public agencies interested in the program October 27and November 3.

### 4.2 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. 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 $500. At Peninsula Clean Energy's direction, Sunrun will dispatch the stored energy during evening hours when renewable generation on the California grid is low and electricity prices are high. This will also help Peninsula Clean Energy to reduce its peak load and thereby reduce our resource adequacy requirements.

**Status**: The program has commenced dispatching customer batteries in the evening to help reduce Peninsula Clean Energy's net peak. Sunrun is continuing to enroll new customers throughout 2022. The program is being impacted by supply chain issues including contractor, materials, and product supply and cost. Sunrun has significantly increased effective dispatch of battery systems as part of the Peninsula Clean Energy Load Modification agreement and this dispatch has been very supportive of state needs during recent statewide Flex Alerts.

### 4.3 FLEXmarket

**Background**: In November 2021 the Board approved a program plan for the establishment of an innovative "virtual power plant" using what is known as FLEXmarket. FLEXmarket is a market-based program structure that provides incentives to program "aggregators" to implement programs for energy efficiency and load shaping. The novel elements of the structure include a "pay-for-performance" approach which only provides incentives on confirmed performance using meter data. This novel structure was innovated by MCE and is also being implemented by East Bay Community Energy and Sonoma Clean Power. In addition, the program plan was developed for submission to the

CPUC to allow Peninsula Clean Energy to run the program with fully reimbursed funding through the CPUC. Peninsula Clean Energy's billing data services provider Calpine has entered into a strategic partnership with the firm Recurve to provide FLEXmarket services through a streamlined structure.

**Status**: In September, Peninsula Clean Energy and Calpine signed the Second Amendment to the Master Services Agreement to enable the development and launch of the FLEXmarket program. Staff is planning to launch the residential FLEXmarket program in early Q1 2023, with the commercial program intended to follow shortly thereafter. Detailed program design is ongoing.

### 4.4 Community Solar, DAC-GT

**Background:** The Disadvantaged Communities Green Tariff program ("DAC-GT") and associated Community Solar Green Tariff ("CSGT") are community solar programs developed by the California Public Utilities Commission (CPUC) to enable DAC residents to participate in renewable energy projects, and to promote development of renewable projects in DACs. Participating customers will receive a 20% discount on their full electric bill (PG&E and Peninsula Clean Energy charges). Peninsula Clean Energy administers these programs on behalf of its customers.

Peninsula Clean Energy began enrolling DAC-GT customers in San Mateo County in January 2022 and customers in Los Banos in April 2022. Those customers are currently served by an interim resource procured from Marin Clean Energy pending Peninsula Clean Energy's procurement of a new renewable resource for the program.

Per the CPUC DAC program guidelines, Peninsula Clean Energy is authorized to procure up to 3MW of solar capacity. Until a new solar resource is procured, Peninsula Clean Energy will serve customers from MCE's interim resource. Peninsula Clean Energy executed a PPA with Marin Clean Energy for its existing Goose Lake Solar project, which meets DAC program guidelines, to provide for its DAC customers until a permanent resource is procured.

**Status:** Peninsula Clean Energy signed a PPA with Renewable America, LLC for a 3MW solar resource located in Dos Palos, CA, approximately 15 miles southeast of the City of Los Banos. The Dos Palos Clean Power solar project has a Commercial Operation Date of August 1, 2023.

### Strategic Plan

- Distributed Energy Resources: Support strategic decarbonization and local power
    - Key Tactic 1: Create minimum of 20 MW of new local renewable power sources in PCE service territory by 2025
    - Key Tactic 2: Support distributed energy resources to lower costs, support reliability, and advance distributed and grid decarbonization

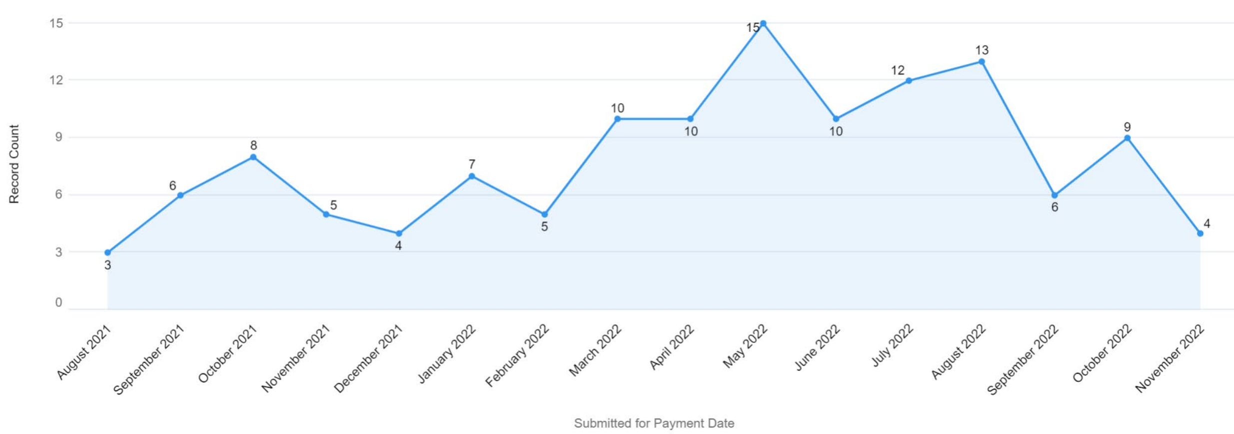
- Key Tactic 3: Foster Resilience

# 5 Transportation Programs

## 5.1 Used EV Rebate Program

**Background:** Launched in March 2019, the Used EV Rebate Program (formerly referred to as "DriveForward Electric") provided 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 and Los Banos residents, while maintaining the increased incentives for income-qualified residents. In February 2021, Peninsula Clean Energy executed a competitively bid contract with GRID Alternatives ("GRID") to administer the expanded program. The 'old' program incentivized 105 rebates from March 2019 through August 2021. In August 2021, the program was officially re-launched. In March 2022, staff made modifications to the program to adjust to market conditions (I.e. high used vehicle prices). Modifications included raising the eligible vehicle price cap from $25,000 to $35,000 and increasing the rebate amount for income-qualified residents by $2,000 taking the maximum rebate amount to $6,000.

**Status**: Since the re-launch of the program in August 2021 and as of November 3, 2022, 129 rebates have been provided under the new program (see monthly chart below) and 300+ customers are actively in the pipeline (customers must apply prior to purchase). Since the increased incentives were put in place in March, the program has a substantial increase in applications, doubling the pace from prior months.




**Strategic Plan**:

Goal 3 – Community Energy Programs

Objective A: Decarbonization Programs: Develop market momentum for electric transportation, and initiate the transition to clean energy buildings

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

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

- Key Tactic 1: Invest in programs that benefit underserved communities

## 5.2 "EV Ready" Charging Incentive Program

**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, Peninsula Clean Energy 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 Peninsula Clean Energy's $12 million in incentives, $8 million was previously administered through the CEC's California Electric Vehicle Incentive Project (CALeVIP) and $4 million under a dedicated, complementary Peninsula Clean Energy incentive fund. The dedicated Peninsula Clean Energy incentives address Level 1 charging, assigned parking in multi-family dwellings, affordable housing new construction, public agency new construction, and charging for resiliency purposes. In August, Peninsula Clean Energy elected to directly administer the not yet approved pool of funds that were previously administered through CALeVIP, worth approximately $4 million, further described below.

**Status**: The program has been significantly impacted by partner and supply chain issues including contractor scheduling materials, and product supply and cost. To address these issues, Peninsula Clean Energy implemented changes in August to expedite installations. These include providing customers with greater flexibility in selecting contractors, adjusted incentive levels to account for rising costs, and direct management of all Level 2 projects not already approved by the Center for Sustainable Energy in the CALeVIP program (worth approximately $4 million in funding). The CALeVIP projects were notified in late August and are in the process of transferring to PCE direct management.

The program changes were implemented, beginning on August 17, and projects that were in the CALeVIP pipeline were asked to reapply for incentives directly with Peninsula Clean Energy. Peninsula Clean Energy also provided outreach to public agencies and other stakeholders to encourage new sites to apply for these incentives. Since the changes were implemented there has been significant uptake in the program:

- 48 applications received, representing ~$2.6m in incentives and 600+ ports (252 L1, 365 L2 chargers, 34 L2 outlets, and 19 make ready)
- 15 public agency applications received. Notably, 8 new incentives applications received for Belmont-Redwood Shores School District.
- 16 new sites have enrolled in technical assistance (11 multi-family housing sites including 1 Affordable Housing site and 4 public agency sites, including 3 Ravenswood School District sites and a large project at Menlo Park City Hall, 1 other public site)

Summary of program metrics is outlined in the table below:

| | Sites/ Applications | Ports | Incentive Amount |
|---|---|---|---|

| | | | |
|---|---|---|---|
| # of sites in PCE Technical Assistance | 166 | 2,300+ | - |
| # of Technical Assistance site evaluations approved by PCE | 115 | 2,400+ | - |
| # of funding applications received in Peninsula Clean Energy incentive program | 95 | 1,281 | $4.4 million |
| # of funding applications approved in Peninsula Clean Energy incentive program | 70 | 1,042 | $3.3 million |
| # of CALeVIP applications approved* | 52 | 793 | |
| Total # of ports installed | 13 | 256 | $864,000 |

*Includes DCFC and L2 ports: 250 DCFC, 543 L2 ports

**Strategic Plan**:
Goal 3 – Community Energy Programs

Objective A: Decarbonization Programs: Develop market momentum for electric transportation, and initiate the transition to clean energy buildings

- Key Tactic 1: Drive personal electrified transportation to majority adoption
- Key Tactic 5: Support local government initiatives to advance decarbonization

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

- Key Tactic 3: Support workforce development programs in the County

### 5.3 E-Bikes for Everyone Rebate Program

**Background:** The Board initially approved the income-qualified E-Bikes Rebate program in July 2020 with a budget of $300,000, approved an increase of an additional $300,000 in December 2022, and approved a further increase of $150,000 in August 2022, bringing the total program budget to $750,000. The first phase of the program launched in May 2021 and sold out immediately and provided 275 rebates. The second phase is currently underway and will provide up to 470 rebates, including the additional funding approved by the Board of Directors in August to cover the waitlist. The program is available to residents with low to moderate incomes. Silicon Valley Bicycle Coalition is under contract to Peninsula Clean Energy 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, Chain Reaction, Woodside Bike Shop, and E-Bike Annex.

**Status:** The second round of the program has closed. 235+ e-bikes have been purchased. The prior round utilized more targeted outreach with community partners and a lottery method for awarding incentives rather than the first-come, first-served method used in 2021. Participation has dropped off considerably with approximately $240,000 in funds remaining. Staff are planning to reopen the program in early 2023 for new applicants, utilizing the remaining funds. A PCE-sponsored group e-bike ride with Silicon Valley Bicycle Coalition will take place on Nov. 19, details here.

**Strategic Plan**:
Goal 3 – Community Energy Programs

Objective A: Decarbonization Programs: Develop market momentum for electric transportation, and initiate the transition to clean energy buildings
- Key Tactic 1: Drive personal electrified transportation to majority adoption

Objective B: Community Benefits: Deliver tangible benefits throughout our diverse communities
- Key Tactic 1: Invest in programs that benefit underserved communities

## 5.4 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. In August 2022, the Board of Directors approved a contract with Optony to assist in administration of this program.

**Status:** The program has now started. A workshop will be held on November 16 to promote the program and recruit local agency fleet managers. 26 people have already registered. Register at pencleanenergy.com/PublicEVFleets.

**Strategic Plan**:
Goal 3 – Community Energy Programs

Objective A: Decarbonization Programs: Develop market momentum for electric transportation and initiate the transition to clean energy buildings
- Key Tactic 2: Bolster electrification of fleets and shared transportation
- Key Tactic 5: Support local government initiatives to advance decarbonization

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

## 5.5 Transportation Pilots

***Ride-Hail Electrification Pilot***

**Background:** This pilot, approved by the Board in March 2020, is Peninsula Clean Energy'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 with up to 100 EVs. Because ride-hail vehicles drive much higher than average miles per year, each vehicle in this electrification pilot is expected to save over 2,000 gallons of gas and 20 tons of greenhouse gas emissions per year.

**Status:** The 100 EV fleet has been put into service by Lyft and Peninsula Clean Energy is monitoring progress. 200+ unique drivers have already rented them, with each rental averaging over three months. Over 2 million all electric miles have been driven so far with an average of 120 miles/day per vehicle, comparable to gas counterparts. Vehicles include a customer-facing PCE branded placard that informs riders about the pilot and directs them to the PCE website for more information.

**Strategic Plan**

Goal 3 – Community Energy Programs

Objective A: Decarbonization Programs: Develop market momentum for electric transportation and initiate the transition to clean energy buildings

- Key Tactic 2: Bolster electrification of fleets and shared transportation

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

***EV Managed Charging Pilot***

**Background**: Peninsula Clean Energy aims to facilitate EV charging that avoids expensive and polluting evening hours through "managed charging" systems. This work is in the second phase of a pilot. In 2020, Peninsula Clean Energy ran a proof-of-concept pilot for EV managed charging with startup FlexCharging to test timing of EV charging through vehicle-based telematics. This was a limited pilot with approximately 10 vehicles. The system utilizes existing Connected Car Apps and allows Peninsula Clean Energy to manage EV charging via algorithms as a non-hardware-based approach to shift more charging to occur during off-peak hours. The pilot is moving to Phase 2 intended for a larger set of 1,000 to 2,000 vehicles. In October of 2021, the Board approved a contract up to $220,000 with the University of California, Davis' Energy Economics Program (DEEP) to develop and advise on an incentive structure experiment that will be used to inform the Peninsula Clean Energy managed charging program design. This collaboration has been ongoing.

**Status**: The contract for the recommended telematics service provider is being brought to the Board in November. A Technical Advisory Committee, consisting of staff from CEC, CPUC, CCAs, and NGOs, is also informing the pilot and held its first meeting mid-February. The pilot is expected to launch in Q2 2023.

See attached memo and resolution for detail on the recommendation to approve the telematics provider contract.

**Strategic Plan**

Goal 3 – Community Energy Programs

Community Benefits: Deliver tangible benefits throughout our diverse communities

- Key Tactic 1: Invest in programs that benefit underserved communities

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

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

Pilot and scale EV load shaping programs to ensure that 50% of energy for EV charging takes places in non-peak hours

Item No. 16

# PENINSULA CLEAN ENERGY
## JPA Board Correspondence

**DATE:** November 4, 2022
**BOARD MEETING DATE:** November 17, 2022
**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 2022

## 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 Resource Adequacy | Elk Hills Power, LLC | 6 Months |
| September | Purchase of Resource Adequacy | TGP Energy Management, LLC | 5 Months |
| October | Purchase of Resource Adequacy | Southern California Edison Company | 7 Months |
| October | Purchase of Resource Adequacy | San Diego Gas & Electric Company | 1 Month |
| October | Purchase of Import Capability for Resource Adequacy | San Jose Clean Energy | 12 Months |
| October | Purchase of Resource Adequacy | Pacifica Gas & Electric Company | 2 Months |
| October | Sale of Resource Adequacy | Pacifica Gas & Electric Company | 2 Months |

| | | | |
|---|---|---|---|
| October | Purchase of Resource Adequacy | East Bay Community Energy Authority | 1 Month |
| September | Purchase of Resource Adequacy | Sentinel Energy Center, LLC | 10 Months |
| October | Purchase of Resource Adequacy | East Bay Community Energy Authority | 1 Month |
| October | Sale of Resource Adequacy | East Bay Community Energy Authority | 1 Month |

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.
   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.

   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 |

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 September and October 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

**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
BLPTA – Buyer Liability Pass Through Agreement
CAC – Citizens Advisory Committee
CAISO – California Independent System Operator
CalCCA – California Community Choice Association
CAM – Cost Allocation Mechanism
CAP – Climate Action Plan
CAPP – California Arrearage Payment Program
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) (Also PUC)
CSD – California Department of Community Services and Development
CSGT - Community Solar Green Tariff
DA – Direct Access
DAC-GT - Disadvantaged Communities Green Tariff
DER – Distributed Energy Resources
DG – Distributed Generation
DOE – Department of Energy
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 50% carbon-free (in 2021)
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
ESSA – Energy Storage Services Agreement
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
GWh – Gigawatt Hours (Energy) = 1000 MWh
IDER – Integrated Distributed Energy Resources
IOU – Investor-Owned Utility (e.g. PG&E, SCE, SDG&E)
IRP – Integrated Resource Plan
IVR – Interactive Voice Response
ITC – Investment Tax Credit (it's a solar tax credit)
JCC – Joint Cost Comparison
JPA – Joint Powers Authority
JRC – Joint Rate Comparison
JRM – Joint Rate Mailer
kW – kilowatt (Power)
kWh – Kilowatt-hour (Energy)
LDS – Long Duration Storage
LDES – Long Duration Energy Storage
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
OBF – On-bill Financing
OBR – On-bill Repayment
OES – Office of Emergency Services
OIR – Order Instituting Rulemaking
PACE – Property Assessed Clean Energy
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
PLA – Project Labor Agreement
POU – Publicly Owned Utility
PPA – Power Purchase Agreement
PPSA – Project Participation Share Agreement (CC Power)
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
SJVAPCD - San Joaquin Valley Air Pollution Control District
SMD – Share My Data, interval meter data
SQMD – Settlement Quality Meter Data
SVCE – Silicon Valley Clean Energy
TEF – Transportation Electrification Framework (CPUC Proceeding)
TNCs – Transportation Network Companies (ridesharing companies)
TOB – Tariff on Bill
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