



**Regular Meeting of the Executive Committee of the  
Peninsula Clean Energy Authority (PCEA)**

**AGENDA**

**Monday, March 14, 2022**

**10:00 a.m.**

**Zoom Link:** <https://pencleanenergy.zoom.us/j/83834724993>

**Meeting ID:** 838-3472-4993 **Passcode:** 2075 **Phone:** +1(253)215-8782

**NOTE: Please see attached document for additional detailed teleconference instructions.**

*In accordance with AB 361, the Committee 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 Committee 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](mailto: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 Executive Committee, 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 Executive Committee and included in the official record, please send to [nwogberg@peninsulacleanenergy.com](mailto: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 Committee are customarily limited to two minutes per speaker. The Committee 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 February 14, 2021 Executive Committee Meeting

**REGULAR AGENDA**

3. Chair Report (Discussion)

4. CEO Report (Discussion)
5. Local Government Solar and Storage Program Approval (Action)
6. Committee Members' Reports (Discussion)

#### **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

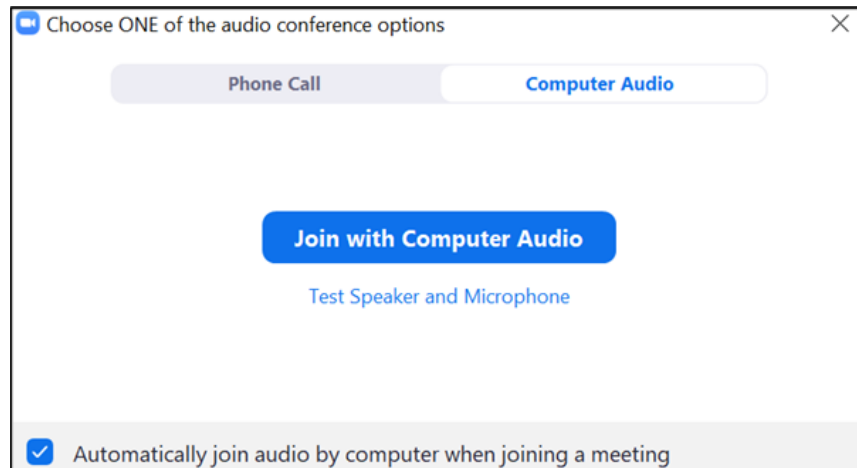
### Videoconference Options:

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/83834724993>.
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/83834724993>.
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 Phone Call option at the top of the pop-up screen.

Phone Call		Computer Audio
Country/Region	United States	
Dial	+1 253 215 8782 +1 346 248 7799 +1 720 707 2699 +1 301 715 8592 +1 312 626 6799	
Meeting ID	838 3472 4993	
Participant ID		
Passcode	2075	

4. Please dial +1 (253) 215-8782.
5. You will be instructed to enter the meeting ID: **838-3472-4993 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 (253) 215-8782.
2. You will be instructed to enter the meeting ID: **838-3472-4993 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:** March 10, 2022  
**COMMITTEE MEETING DATE:** March 14, 2022  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy Authority

**SUBJECT:** Resolution to Make Findings Allowing Continued Remote Meetings Under Brown Act

**RECOMMENDATION:**

Adopt a resolution finding that, as a result of the continuing COVID-19 pandemic state of emergency declared by Governor Newsom, meeting in person would present imminent risks to the health or safety of attendees.

**BACKGROUND:**

On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which rescinded his prior Executive Order N-29-20 and set a date of October 1, 2021 for public agencies to transition back to public meetings held in full compliance with the Brown Act. The original Executive Order provided that all provisions of the Brown Act that required the physical presence of members or other personnel as a condition of participation or as a quorum for a public meeting were waived for public health reasons. If these waivers fully sunset on October 1, 2021, legislative bodies subject to the Brown Act would have to contend with a sudden return to full compliance with in-person meeting requirements as they existed prior to March 2020, including the requirement for full physical public access to all teleconference locations from which committee members were participating.

On September 16, 2021, the Governor signed AB 361, a bill that formalizes and modifies the teleconference procedures implemented by California public agencies in response to the Governor's Executive Orders addressing Brown Act compliance during shelter-in-place periods. AB 361 allows a local agency to continue to use teleconferencing under the same basic rules as provided in the Executive Orders when certain circumstances occur or when certain findings have been made and adopted by the local agency. On January 5, 2022, Governor Newsom extended the sunset provision of AB361 and Government Code Section 11133(g) from January 31, 2022 to April 1, 2022 due to the surge in Omicron variant related COVID-19 cases and hospitalizations.

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 Committees 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 is effective immediately as urgency legislation and will now sunset on April 1, 2022.

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 Executive Committee.

On September 29, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On October 12, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On November 8, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On December 6, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On January 10, 2022, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On February 14, 2022, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

#### **DISCUSSION:**

Because local rates of transmission of COVID-19 are in the "high transmission" tier as measured by the Centers for Disease Control, it is recommended that the Peninsula Clean Energy Executive Committee avail itself of the provisions of AB 361 allowing continuation of online meetings by adopting findings to the effect that conducting in-person meetings would present an imminent risk to the health and safety of attendees. A

resolution to that effect and directing staff to agendaize the renewal of such findings in the event that thirty (30) days has passed since the Committee'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 EXECUTIVE COMMITTEE 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) from January 31, 2022 to April 1, 2022 due to the surge in Omicron variant related COVID-19 cases; and,

**WHEREAS**, California Department of Public Health (“CDPH”) and the federal Centers for Disease Control and Prevention (“CDC”) caution that the Omicron variant of COVID-19, currently the dominant strain of COVID-19 in the country, is more transmissible than prior variants of the virus and that even fully vaccinated individuals can spread the virus to others resulting in rapid and alarming rates of COVID-19 cases and hospitalizations ; and,

**WHEREAS**, the CDC has established a “Community Transmission” metric with 4 tiers designed to reflect a community’s COVID-19 case rate and percent positivity; and,

**WHEREAS**, the County of San Mateo currently has a Community Transmission metric of “High Transmission” which is the most serious of the tiers; and,

**WHEREAS**, the Committee 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 Executive Committee, and;

**WHEREAS**, on September 29, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on October 12, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on November 8, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on December 6, 2021, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on January 10, 2022, the Peninsula Clean Energy Executive Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361, and;

**WHEREAS**, on February 14, 2022, the Peninsula Clean Energy Executive Committee 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 Committee 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 Committee 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 Committee, after the adoption of this resolution with an item for the Committee 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 Executive Committee of the  
Peninsula Clean Energy Authority (PCEA)  
Minutes**

Monday, February 14, 2022  
10:00 a.m.  
Zoom Video Conference and Teleconference

**CALL TO ORDER**

Meeting was called to order at 10:00 a.m. in virtual teleconference.

**ROLL CALL**

**Participating Remotely:**

Dave Pine, San Mateo County  
Rick DeGolia, Atherton, *Chair*  
Julia Mates, Belmont  
Donna Colson, Burlingame, *Vice Chair*  
Giselle Hale, Redwood City  
Marty Medina, San Bruno  
Laura Parmer-Lohan, San Carlos  
Rick Bonilla, San Mateo  
Jeff Aalfs, Portola Valley

Pradeep Gupta, Director Emeritus  
John Keener, Director Emeritus

**Absent:**

**A quorum was established.**

**PUBLIC COMMENT**

None

**ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS**

**MOTION:** Director Bonilla moved, seconded by Director Pine to set the Agenda and approve Agenda Item Number 1-2.

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 January 10, 2022 Executive Committee Meeting

**MOTION PASSED: 9-0**

<b>JURISDICTION</b>	<b>BOARD MEMBER</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
San Mateo County	Director Pine	X			
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Burlingame	Director Colson	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Parmer-Lohan	X			
San Mateo	Director Bonilla	X			
Portola Valley	Director Aalfs	X			
	Totals	9			

### **REGULAR AGENDA**

#### 3. Chair Report

None

#### 4. CEO Report

Jan Pepper, *CEO*, provided a report including a recruitment update for the COO and CFO positions, the Los Banos enrollment, and an update on the Diversity, Equity, Accessibility, and Inclusion (DEAI) program.

#### 5. Update on Work from Home Policy (Discussion)

Jan Pepper, *CEO*, gave an update on the proposed Work from Home Policy including information on location, equipment, in-person meetings, office use, vaccinations, and a Work from Home Policy.

Director Medina asked about the expansion of the office lease. Jan explained that we did sign a long-term lease, but that we haven't explored if we can break that lease. Board Members Medina suggested we look into breaking that lease and report back to the Committee. Vice Chair Colson suggested to look into subleasing the space.

Director Hale asked about the proposed legislation around the Brown Act and suggested posting a letter of support. Director Hale also suggested Canada College as a partially outdoor, flexible meeting space.

Chair DeGolia asked about the costs of required meetings for out of area employees. Jan explained the required meetings are at Peninsula Clean Energy's cost. Andy Stern, *CFO*, explained that this was the reason for the 100 mile cut-off and explained that if attendance was required, Peninsula Clean Energy would cover the expenses.

#### 6. Peninsula Clean Energy Labor Policy (Discussion)

Jan Pepper, *CEO*, gave a presentation on Peninsula Clean Energy's Labor Policy including a recap of Peninsula Clean Energy Policy 10 and data for Power Purchase Agreement (PPA) offers with Project Labor Agreements (PLA) or prevailing wage.

Director Bonilla asked about the budget for the Low-Income Home Upgrade Program. Jan shared that the budget is overall \$2 million with \$1.3 million for work which averages to about \$6000-7000 per home.

Director Colson asked for clarification on what is driving the issues Peninsula Clean Energy is facing with single family homes. Jan explained that a lot of analysis went into planning the budget for the Low-Income Home Upgrade Program and that a lack of contractors is preventing competitive pricing. Chair DeGolia shared that his understanding that there is not sufficient interest as the work is not substantial enough for union contractors. Director Colson asked if we could package these single family homes as one larger offer? Jan explained that they could talk to RHA about this option and discuss what this looks like for the homeowner as well.

Director Colson shared that perhaps Peninsula Clean Energy should look at options to support single family homeowners in getting furniture moved as needed to allow access for the contractors. She also inquired if there are ways to package multiple homes for one type of work in order to produce greater economies to attract union workers.

Director Parmer-Lohan showed support for greater market insights to understand the needs and barriers to action and making program modifications as necessary.

Director Hale commented about supply chain issues for these new technologies. She asked if Peninsula Clean Energy has a preferred vendor program to bring on contractors and create jobs and connect them to interested homeowners.

Jan explained that Peninsula Clean Energy does do this for the Heat Pump Water Heater Program and that we are working with our Low-Income Home Upgrade program administrator, RHA, to connect subcontractors and low-income homeowners.

Director Bonilla shared that it may be beneficial to hire someone to move furniture or complete other tasks that are not in the scope of work and to ask RHA to better manage customer expectations. He also noted that we use the words “best efforts” which doesn’t lock us in as to who is doing the work.

## 7. Administration of Menlo Park Electric Vehicle (EV) Charging Incentives (Discussion)

Peter Ambriel, Associate Programs Manager, gave a presentation on the administration of the proposed Menlo Park Electric Vehicle (EV) charging incentives including an overview of the EV Ready Program, background and the proposed Incentive Structure for Menlo Park, and the benefits for Peninsula Clean Energy.

Director Colson supports working on this model in Menlo Park in hopes that, if it is successful, it can be rolled out to other cities. Director Medina offered support of this program. Director Bonilla offered support of the program as it supports individual jurisdictions who may not be able to achieve this on their own.

Chair DeGolia shared that these types of partnerships with cities will become more valuable as we move towards decarbonization and offered his support of the program.

Director Emeritus Gupta asked if Peninsula Clean Energy is limited to a 50/50 contribution based on Menlo Park’s budget. Rafael Reyes, Director of Energy Programs, explained that we are not limited.

8. Committee Members' Reports

None

**ADJOURNMENT**

Meeting was adjourned at 11:09 a.m.

**PENINSULA CLEAN ENERGY  
JPA Board Correspondence**

**DATE:** Mar. 7, 2022  
**BOARD MEETING DATE:** Mar. 14, 2022  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Yes

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Jan Pepper, Chief Executive Officer, Peninsula Clean Energy  
Rafael Reyes, Director of Energy Programs

**SUBJECT:** Local Government Solar and Storage Program Approval (Action)

**RECOMMENDATION**

Recommend to the Board approval of the Local Government Solar and Storage Program.

**BACKGROUND**

Peninsula Clean Energy's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. This mission includes a goal of developing 20 megawatts (MW) of local power in the service territory. To this end, during this last year we have developed a local government solar and storage program which would aggregate purchasing to lower costs of installation and reduce complexity for local governments to install systems.

Solar technology is mature and solar projects can provide bill savings and provide insulation against rising utility rates while providing 100% renewable energy. Furthermore, when paired with an energy storage system, a solar + storage system can be configured to provide backup power in the case of a power outage and potentially to shift solar energy usage from off-peak to peak grid periods.

However, local governments often do not have the available staff time, financial resources, or technical expertise to advance these types of projects. In addition, government facilities generally support only relatively small systems resulting in comparatively higher costs. Recognizing these barriers, the Local Government Solar Program was developed with the following goals:

1. **Reducing the burden and associated costs for local governments for site identification, evaluation, and design work** by providing up-front technical assistance for these needs using an established solar engineering firm



2. **Reducing equipment, procurement and contracting costs** by aggregating sites into a larger portfolio for higher volume purchasing and a single-source buyer for the entire portfolio
3. **Reducing financing costs** by leveraging Peninsula Clean Energy's financial strength and non-profit status

The genesis of this initiative was a grant from Bay Area Air Quality Management District (BAAQMD) secured jointly with East Bay Community Energy in 2018. Peninsula Clean Energy worked with the consultancy ARUP to assess sites for clean resiliency projects. Working with local governments, over 140 facilities were identified, which were then screened for a number of suitability criteria including age/condition of facility, near-term planned renovations, seismic zone concerns, customer level of interest, and others. Eventually, 32 strong candidates were identified, and the project completed its scope with ARUP analyzing the potential solar production and battery sizing for each of the 32 facilities.

Peninsula Clean Energy then conducted a competitive solicitation for a solar engineering and design firm to provide on-site evaluations and associated electrical, structural, solar production and technical analyses to develop high quality system designs.

In October 2020, McCalmont Engineering was selected and awarded a contract for up to \$267,000 site design of the pilot phase. Of the 32 facilities, municipalities and the county were asked to prioritize their individual candidate sites. In total, 21 sites were assessed; some sites deemed not viable, and two additional sites in Los Banos and Atherton were added to the original list of sites. The initial project development activities are nearly completed for the pilot portfolio of 14 government sites in San Mateo County and prospectively Los Banos. Sites without existing backup generation included full battery backup designs and other sites had "battery ready" designs.

As of this date staff has presented to and received approval from nearly all city councils and County senior staff for the proposed systems. The presentations covered the system designs, prospective financial benefits, and details on the program process. The approvals authorize participation in an aggregate procurement to be issued by Peninsula Clean Energy and delegate to respective city managers to execute a Power Purchase Agreement (PPA) with Peninsula Clean Energy if financial and/or community benefits can be provided following the RFP and detailed financials are determined.

The portfolio of projects is as follows. "Approved" indicates that the respective city council or County senior staff have approved including these systems in the aggregate RFP:

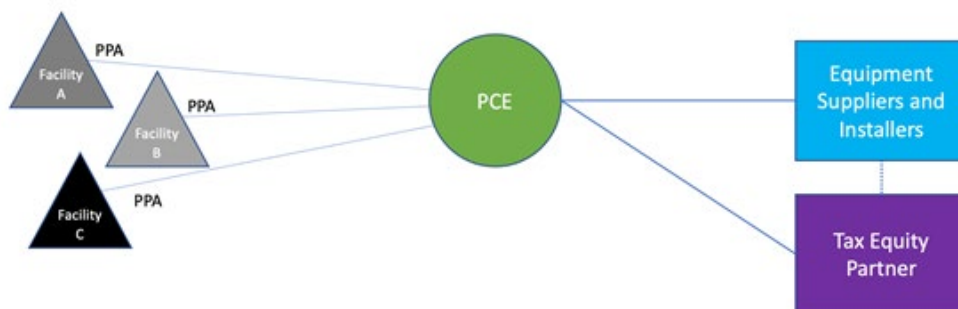
Agency	Site(s)	Solar (kW)	Design With Battery?	Status
Atherton	Town Hall	113.5	No	Approved
Belmont	City Hall	88.5	No	Approved
Brisbane	Mission Blue Center	11	Yes	Approved
Colma	Community Center	61.5	Yes	Approved
San Mateo County	HSA Building	126	No	Approved
Hillsborough	Public Works Yard	41.8	No	Approved
Los Banos	Community Center	152 <sup>1</sup>	No	Pending
Los Banos	Wastewater Treatment Plant	287 <sup>2</sup>	No	Pending
Millbrae	Recreation Center	155	No	Approved
Millbrae	Chetcuti Complex	412	No	Approved
Pacifica	Community Center	77	Yes	Approved
Redwood City	Fair Oaks Community Center	89	Yes	Approved
San Carlos	San Carlos Youth Center	30	No	Approved
San Mateo	San Mateo Police Building	170	No	Approved
	TOTAL	1.8 MW		

Under the proposed PPA structure, Peninsula Clean Energy, rather than the participating agencies, would contract with equipment vendors for the installation and maintenance of the systems. Peninsula Clean Energy would, in conjunction, execute a PPA with the agencies that would enable them to deploy the systems with no upfront cost while still retaining some of the electric bill savings. Participating agencies would pay to Peninsula Clean Energy the monthly PPA price for the solar power reflecting the costs of installing the systems for 20-year terms. At the end of the PPA term, the systems could revert to full ownership by the respective agencies<sup>3</sup>. The diagram below illustrates the relationships between the parties, with Peninsula Clean Energy “in the middle” of the contracting agreements.

<sup>1</sup> Current estimate: design still in process

<sup>2</sup> Current estimate: design still in process

<sup>3</sup> Battery storage may be a separate agreement and structure, since it is expected that solar + storage systems will not result in net bill savings and require additional funding and likely further iteration with customers once current pricing is solicited.



In summary, this pilot has two primary innovations it is exploring that have the potential to facilitate and accelerate the deployment of solar and solar + storage systems in Peninsula Clean Energy territory:

1. Peninsula Clean Energy acts as a project developer in conjunction with and on behalf of interested customers to evaluate, design, de-risk, and aggregate projects
2. Peninsula Clean Energy offers a PPA to customers directly, procures equipment and services directly, and manages the PPAs over their term.

We expect these activities can lower direct and indirect costs to both customers and equipment providers and help overcome existing barriers in the marketplace.

## **DISCUSSION**

The majority of pilot sites have completed designs with Council approval to move forward. The next step is running an aggregate procurement for equipment. The procurement will include a “Project Package” for each site that will contain a system design, site plan, single line diagram, detailed solar production estimate, and structural engineering report. The advance design work, securing of customer commitments and aggregating smaller projects into a larger portfolio, should enable equipment contractors to bid lower pricing since they will have reduced customer acquisition and project development costs.

However, a key financial value in solar projects are the tax benefits – the Investment Tax Credit (ITC) and depreciation – which combined can reduce the total costs of a project by approximately one-third. Peninsula Clean Energy cannot directly monetize these benefits due to its tax-exempt status. For its wholesale procurements, Peninsula Clean Energy is able to capture the tax benefits indirectly by signing a PPA with a project developer that is bundled with a tax equity partner, who together can capture the tax benefits and share a portion back via a reduced PPA price.

This program is different in that Peninsula Clean Energy will itself be providing a PPA to customers, while also procuring the equipment and services to do so. This puts Peninsula Clean Energy into a different position from a legal and contracting perspective and has required the engagement of specialized legal and deal structure expertise to navigate the complexities it presents.

Currently, staff are considering two possible models:

- **Model 1 – Tax Benefit Partnership:** PCE partners with an entity (“tax benefits partner”) that can itself or in partnership with a third-party tax equity provider monetize the tax benefits and share a portion back with Peninsula Clean Energy. In this model, Peninsula Clean Energy would solicit for and engage an Engineering, Procurement, and Construction (EPC) firm to procure, install, and maintain equipment and would provide some or all of the upfront capital, paid back over time by customers via their respective PPA agreements.
- **Model 2 – Bundled PPA:** Peninsula Clean Energy solicits a PPA from a bundled EPC + tax equity partnership (“bundled provider”), similar to our existing wholesale contracts, for the aggregate portfolio. In this model, Peninsula Clean Energy is the buyer for a master PPA from the bundled provider for the procurement, installation, and maintenance of systems and the seller for individual PPAs to customers for the energy dispatched by those systems.

Staff see advantages of Tax Benefit Partnership (Model 1) in that it opens the field of EPC contractors to smaller and more local firms that may not have tax equity partnerships in place. Furthermore, the aggregate portfolio size is still relatively small and may not be of high interest to the bundled providers in Model 2 which generally prefer larger scale, in the tens of megawatts. Staff also hypothesizes that Model 1 may enable PCE to provide customers with a lower PPA than Model 2, especially if PCE can utilize its capital. However, Model 1 requires a tax equity provider willing to both engage on a very small portfolio (typically tax equity providers require a minimum 20 MW project size, and our aggregate portfolio will be less than 2 MW) as well as one willing to explore the novel legal complexities that this specific deal structure will create.

Peninsula Clean Energy is continuing to explore both of these models in conversations with potential partners and legal counsel and to refine the specific approach to the PPA structure and tax benefits. At the same time, staff is working to complete project development activities for the outstanding sites in Atherton and Los Banos. Once all portfolio sites are designed and Council-approved, staff will run an RFP for firms that could fit into one or both of the models described above. This competitive solicitation will comply with internal, municipal, and county procurement requirements. We expect the responses and bids from the RFP will ultimately inform which model is pursued, and that we cannot know which is the best model until seeing those results.

Finally, there is some time sensitivity to initiating the pilot procurement. The California Public Utilities Commission (CPUC) is currently considering significant changes to formulas which govern the solar “net energy metering” (NEM). NEM rules determine how solar energy generated “behind the meter” is valued. It is very likely that the new NEM rules could substantially reduce the value of solar energy. For this reason, Peninsula Clean Energy is aiming to execute promptly, minimizing complexity, so the pilot systems will operate under the current, more favorable, NEM rules.

The expected timeline for the pilot portfolio deployment is as follows:

- Spring 2022: Complete all portfolio Project Packages and obtain Council approval

- Late Spring 2022: Run competitive solicitation per above
- Summer 2022: Executed agreements with equipment provider and tax benefits partner(s) (if relevant)
- Fall 2022: Kickoff for system installations
- Late 2023: All systems installed and operational

The program is envisioned to have cohorts assembled as frequently as yearly and for the program to play a major role in achieving Peninsula Clean Energy's goal of 20 MW by 2025. As such, intake for a second round of sites would begin in parallel with above.

## **Capital Funds**

The proposed program authorization includes two financial elements:

1. \$8 million in prospective capital funds for use if Model 1 is selected
2. \$600,000 in program funds to organize the second round.

The capital funds may or may not be utilized depending on the economic assessment of the bids received. The total funds are derived from the project scopes and estimates on the costs of rooftop and carport solar systems inclusive of prevailing wage requirements. These costs are then multiplied by the total rooftop and carport solar as designed in the portfolio. Based on the current portfolio, we estimate the cost of the solar installations to be between \$6.5 million and \$8 million, with a medium level of confidence. Energy storage costs are not included as pricing is substantially more uncertain and pricing will affect system sizing and possible cost participation.

## **Second Round Funds**

The second round is envisioned to begin recruiting promptly following the execution of the RFP for the first round. This second round would incorporate lessons learned from this first pilot round and is intended to target any public agency in the service territory including not only cities but also school districts and other agencies. To begin the process on the next round, authorization of \$600,000 is also proposed with the intention of accommodating 20 to 40 sites. These costs go towards direct costs for the following primary activities:

- Engineering services for project development, including site evaluation, design, solar production estimation, structural engineering review, and engineering support/consultation as needed. (\$300,000 - \$400,000)
- Engineering services for procurement support and construction oversight acting in the capacity of owner's engineer. (\$50,000 - \$100,000)
- Project development and program management support.

Some additional miscellaneous costs may also be incurred. Specific contracts would be brought to the Board for approval as needed.

### **FISCAL IMPACT**

The \$600,000 in technical assistance would be within the existing Programs budget primarily in FY2023.

The capital for installation, if utilized, is estimated at a maximum of \$8 million. Capital funds would be expended for the procurement, installation, and maintenance of equipment, with capital recovered via participating agencies' monthly PPA payments over the 20-year term of the PPAs. Capital funds would be treated as an asset on the agency's balance sheet.

### **STRATEGIC PLAN**

The proposed program supports the following elements of the strategic plan:

- Local Power Sources: Create a minimum of 20 MW of new power sources in San Mateo County by 2025