Executive Committee Meeting

March 14, 2022
Agenda

• Call to Order / Roll Call

• Public Comment (for items not on the Agenda)

• Action to set the Agenda and Approve Consent Items
  o Consent Public Comment
Chair Report

Executive Committee
March 14, 2022
Item 3
CEO Report

Executive Committee
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Item 4
Updates

Recruitment
  o COO
  o CFO

All-Staff In-Person Off-Site on March 17

CalCCA Lobby Day in Sacramento – March 15

Strategic Plan
  o Semi-Annual Update to Executive Committee in April
  o EC discussion on how to better engage board alternates?

Los Banos Enrollment
Local Government Solar and Storage Program Approval

Executive Committee
Item 5
March 14, 2022
Local Gov. Solar Program: Request

**Program:** Local Government Solar and Storage

**Requests**
Approval of (prospective) capital for system installations and budget for next round of technical assistance

**Amount**
- $600,000 for technical assistance
- $8 million for prospective installation capital, repaid over 20 yrs
Program Overview

**Summary**: Accelerate local renewable energy deployment at local government facilities

**Objectives**
- Local solar and storage towards PCE’s goal of 20 MW by 2025
- Reduce customer energy costs; insulate against rise in PG&E rates
- Help local governments achieve sustainability goals
- Develop a reproducible program and new service model
Precedents

Aggregate Procurements
  - 43 sites, 11MW
  - 186 sites, 31MW
  - Group-purchasing volume discounts: 10% to 14%

CCAs developing local solar PPAs
- Peninsula Clean Energy
- East Bay Community Energy
- CalChoice Energy
General Deal Structure

PCE Provides

- Site evaluation, procurement and installation
- Aggregation of sites to facilitate better pricing
- Screen, select, and contract with reputable installers
- PPA to at a $/kWh that is lower than utility rate
- Service with no added “margin” - only to cover costs
Completed Work

21 Site Assessments*
  • Site plan
  • Solar yield
  • Single line diagrams
  • Panel layout
  • Preliminary financials
  • Agency commitments in progress

*Completed in conjunction with McCalmont Engineering, extensive C&I and utility experience
## Pilot Portfolio: 1.8 MW

<table>
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<tr>
<th>Agency</th>
<th>Site(s)</th>
<th>Size (kW)</th>
<th>Status</th>
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<tr>
<td>Atherton</td>
<td>Town Hall</td>
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<tr>
<td>Belmont</td>
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<td>HSA Building</td>
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<td>Hillsborough</td>
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<td>Los Banos</td>
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<td>Millbrae</td>
<td>Millbrae Rec Center</td>
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<td>Millbrae Chetcuti Complex</td>
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<td>Redwood City</td>
<td>Fair Oaks Community Center</td>
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<td>San Carlos</td>
<td>San Carlos Youth Center</td>
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<tr>
<td>San Mateo</td>
<td>San Mateo Police Building</td>
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Projected Savings

• 20-year solar-only benefit for approved portfolio sites: $4.5+M
• Savings vary significantly by site type
• Batteries remain expensive – provide resilience but at a cost
• Forthcoming rules for net energy metering (NEM 3.0) would likely affect economics significantly
  o Timing of new rules is unclear, CPUC decision was delayed
  o Submitting interconnection promptly will put projects under current rules
• Avoided PG&E rate increases may be very significant
  o Seeking +~18% starting 2023
### Goal and Progression

- Major component of 20 MW by 2025
- Facilitate all public agencies
- Potentially expand sectors with proven model
- Solar, storage and possibly other clean energy

<table>
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<tr>
<th></th>
<th>Site Types</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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<td><strong>Pilot</strong></td>
<td>Cities</td>
<td>Launch &gt;&gt;</td>
<td>Assess</td>
<td>Procure &amp; Install</td>
<td>Operate</td>
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<td><strong>Round 2</strong></td>
<td>Cities, schools, districts</td>
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<td>Assess &amp; Procure</td>
<td>Install</td>
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<td><strong>Round 3</strong></td>
<td>Public agencies &amp; other?</td>
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<td>Assess &amp; Procure</td>
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Financial Structure

Capital
• Installation can be financed, but with interest
• PCE capital may reduce cost of capital

Tax Credit
• Federal Investment Tax Credit (ITC) + depreciation can reduce costs about one-third
• Requires tax liability to secure
• PCE is tax-exempt
• PCE exploring tax equity partnerships to capture share of tax benefits

Options being considered
1. Tax credit and finance secured together with a developer PPA (“all in” model)
2. PCE provides capital, secures tax credit with tax equity partner, contracts with developer solely for equipment and installation
   o PCE capital treated as balance sheet asset
Pilot Next Steps

Q1
1. Finalize Site Assessment
2. Complete legal review and documents

Q2/Q3
4. Execute RFP
5. Evaluate Proposals
6. Brief local governments on finalist terms (last off-ramp)

Q3/Q4
6. Contract with local governments
7. Contract with developer
8. Begin installations
Round 2

• Larger aggregation: 20 to 40 sites
• Broader eligibility: all public agencies (schools, cities, special districts)
• Schedule: begin outreach on finalization of Pilot business model
• Budget: $600,000 for technical assistance
  o Site evaluations
  o Procurement support and construction oversight
  o Project management
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- $600,000 for technical assistance (round 2)
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Committee Members’ Reports

Executive Committee
February 14, 2022
Item 6