



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
 - Consent Public Comment

Chair Report

Executive Committee

March 14, 2022

Item 3



CEO Report

Executive Committee

March 14, 2022

Item 4



Updates

Recruitment

- COO
- CFO

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

CalCCA Lobby Day in Sacramento – March 15

Strategic Plan

- Semi- Annual Update to Executive Committee in April
- 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

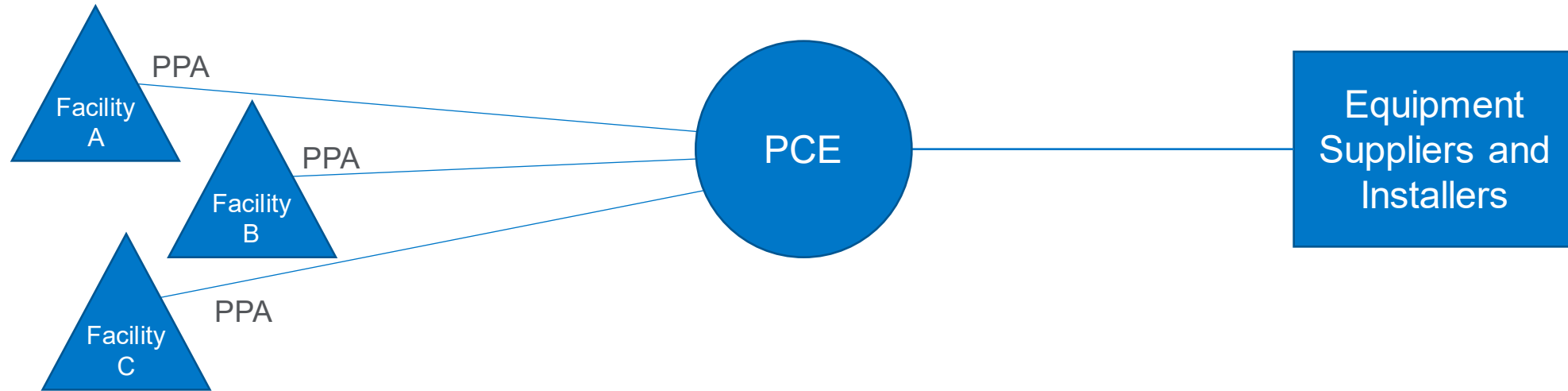
Aggregate Procurements

- Silicon Valley Renewable Energy Project (2010)
 - 43 sites, 11MW
- Alameda County Regional Renewable Energy Procurement Project (2015)
 - 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

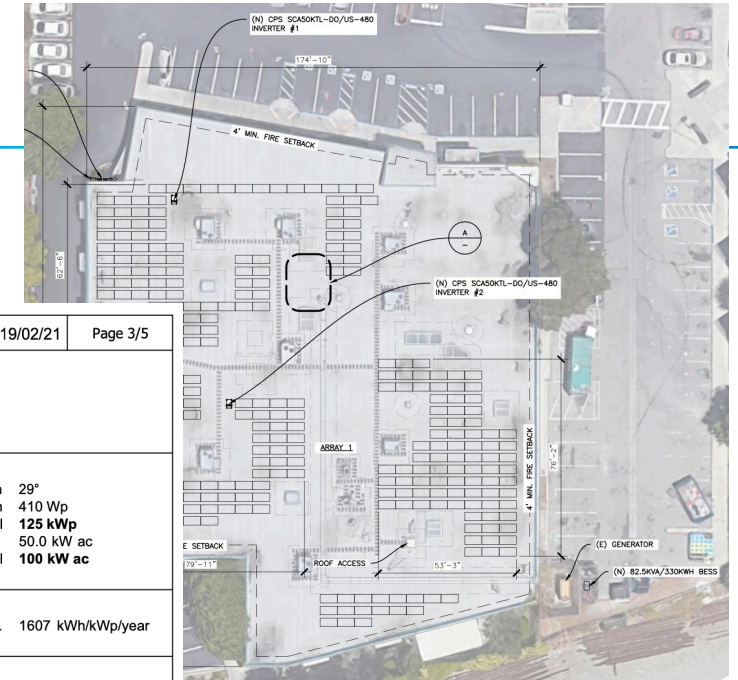
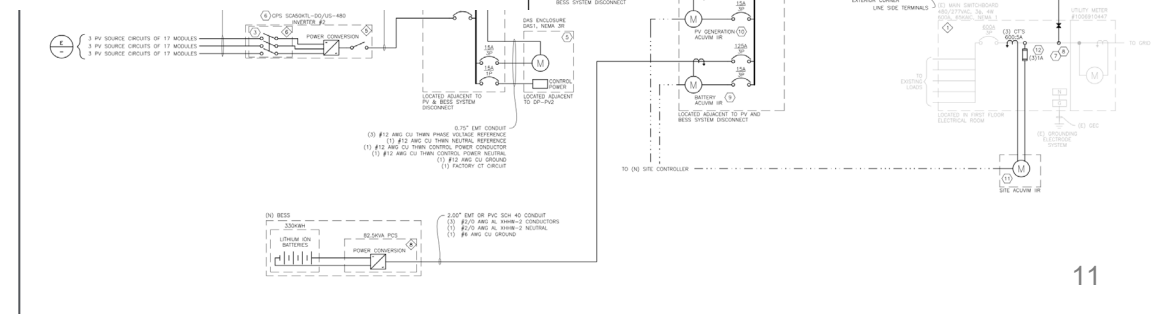
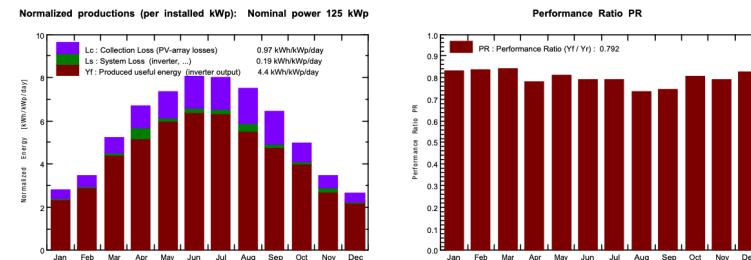
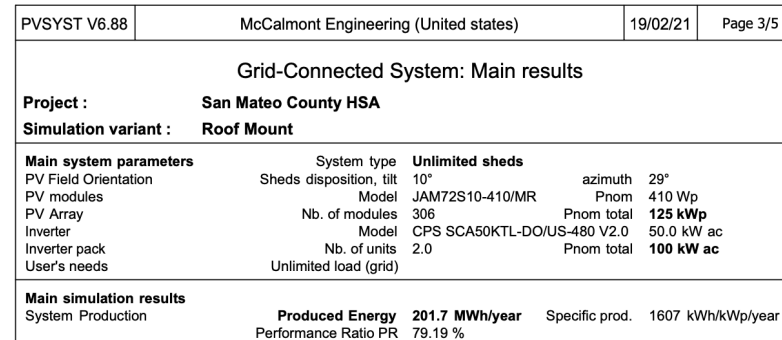
- Site evaluation, procurement and installation
- Aggregation of sites to facilitate better pricing
- Screen, select, and contract with reputable installers
- PPA to at a \$/kWh that is lower than utility rate
- Service with no added “margin” - only to cover costs

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

Agency	Site(s)	Size (kW)	Status
Atherton	Town Hall	113.5	Approved
Belmont	Belmont City Hall	88.5	Approved
Brisbane	Brisbane Mission Blue Center	11	Approved
Colma	Colma Community Center	61.5	Approved
San Mateo County	HSA Building	126	Approved
Hillsborough	Hillsborough Public Works Yard	41.8	Approved
Los Banos	Community Center, Waste Water Treatment Plant	152 287	Pending
Millbrae	Millbrae Rec Center	155	Approved
Millbrae	Millbrae Chetcuti Complex	412	Approved
Pacifica	Pacifica Community Center	77	Approved
Redwood City	Fair Oaks Community Center	89	Approved
San Carlos	San Carlos Youth Center	30	Approved
San Mateo	San Mateo Police Building	170	Approved

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
 - Timing of new rules is unclear, CPUC decision was delayed
 - Submitting interconnection promptly will put projects under current rules
- Avoided PG&E rate increases may be very significant
 - 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

		Timeline			
	Site Types	2020	2021	2022	2023
Pilot	Cities	Launch >>	Assess	Procure & Install	Operate
Round 2	Cities, schools, districts			Assess & Procure	Install
Round 3	Public agencies & other?				Assess & Procure

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
 - 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
 - Site evaluations
 - Procurement support and construction oversight
 - Project management

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 (round 2)
- \$8 million for prospective pilot capital, repaid over 20 yrs

Committee Members' Reports

Executive Committee

February 14, 2022

Item 6