

**Regular Meeting of the Audit and Finance Committee of the  
Peninsula Clean Energy Authority (PCEA)**

**AGENDA**

**Monday, May 9, 2022**

**8:30 a.m.**

**Zoom Link:** <https://pencleanenergy.zoom.us/j/82172572134>

**Meeting ID:** 821-7257-2134 **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 Audit and Finance 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 Audit and Finance 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, 2022 Audit & Finance Committee Meeting

**REGULAR AGENDA**

3. Chair Report (Discussion)

4. Staff Report (Discussion)
5. Review Financial Reports and Investment Summary for Third Quarter Fiscal Year (FY) 2022-2023 (Discussion)
6. Review Fiscal Year 2022-2023 Draft Budget (Discussion)
7. Overview of Stochastic Modeling to Evaluate and Measure Risk to Cost of Energy (Discussion)
8. 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

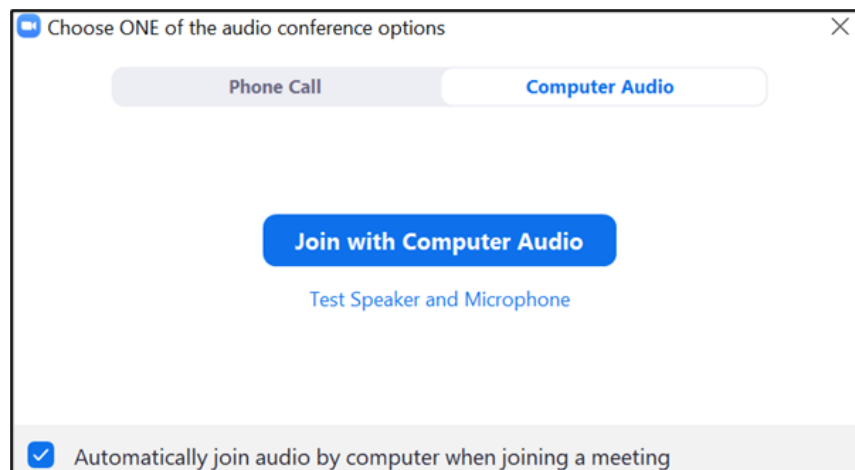
### Videoconference Options:

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:

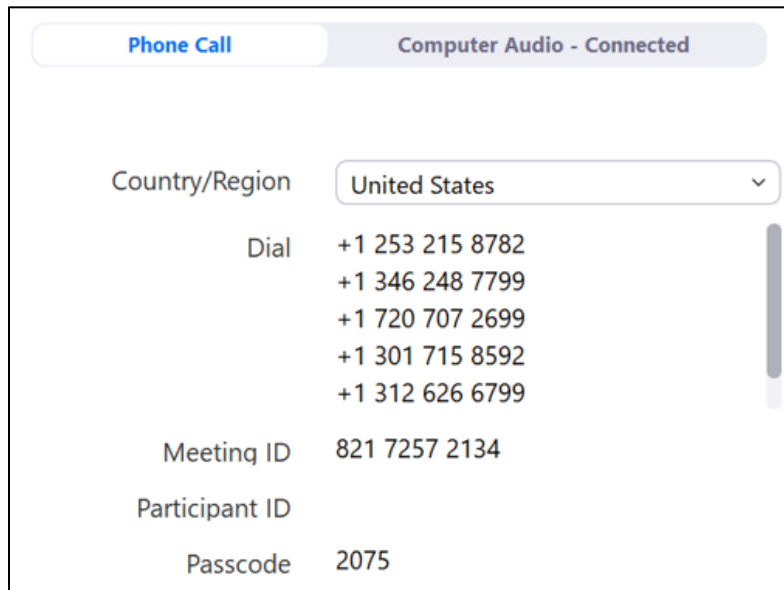
1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation : <https://pencleanenergy.zoom.us/j/82172572134>
2. The Zoom application will open on its own or you will be instructed to open Zoom.
3. After the application opens, the pop-up screen below will 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/82172572134>
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.



4. Please dial +1 (253) 215-8782.
5. You will be instructed to enter the meeting ID: **821-7257-2134 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: **821-7257-2134 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:** May 3, 2022  
**COMMITTEE MEETING DATE:** May 09, 2022  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority Present

**TO:** Honorable Peninsula Clean Energy Authority Audit & Finance  
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 will now 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 Audit & Finance Committee.

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

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

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

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

On February 14, 2022, the Peninsula Clean Energy Audit & Finance Committee 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 Audit & Finance 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 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 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 AUDIT & FINANCE 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**, 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 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 Audit & Finance Committee, and;



**WHEREAS**, on September 29, 2021, the Peninsula Clean Energy Audit and Finance 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 Audit and Finance 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 Audit and Finance 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 Audit and Finance 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 Audit and Finance Committee of the Peninsula Clean Energy Authority (PCEA) Minutes**

Monday, February 14, 2022  
8:30 a.m.  
Zoom Video Conference and Teleconference

### **CALL TO ORDER**

Meeting was called to order at 8:32 a.m. in virtual teleconference.

### **ROLL CALL**

#### **Participating Remotely:**

Donna Colson, Burlingame  
Carlos Romero, East Palo Alto  
Laurence May, Hillsborough, *Chair*  
Jeff Aalfs, Portola Valley

John Keener, Director Emeritus  
Pradeep Gupta, Director Emeritus

#### **Absent:**

**Staff:** Jan Pepper, Chief Executive Officer  
Andy Stern, Chief Financial Officer  
Shayna Barnes, Operations Specialist  
Marc Hershman, Director of Government Affairs  
Rafael Reyes, Director of Energy Programs  
Jennifer Stalzer Kraske, Deputy County Counsel  
Nelly Wogberg, Board Clerk

**A quorum was established.**

### **PUBLIC COMMENT**

None

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

**MOTION:** Director Colson moved, seconded by Director Aalfs to set the Agenda and approve Agenda Item Numbers 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 November 8 and November 18, 2021 Audit and Finance Committee Meetings

**MOTION PASSED:** 3-0 (Absent: East Palo Alto)

<b>JURISDICTION</b>	<b>BOARD MEMBER</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
Burlingame	Director Colson	X			
East Palo Alto	Director Romero				X
Hillsborough	Director May	X			
Portola Valley	Director Aalfs	X			
	Totals	3			1

**REGULAR AGENDA**

## 3. Chair Report

None

## 4. Staff Report

None

5. Review Financial Reports and Investment Summary for 2<sup>nd</sup> Quarter Fiscal Year (FY) 2021-2022 (Discussion)

Andy Stern, CFO, gave a presentation on the 2<sup>nd</sup> Quarter Fiscal Year 2021-2022 Financial Review including the quarterly and monthly trend for revenue and cost of energy, a review of the cash and investment summary, and a review of the financial statement.

Vice Chair Colson asked for input on the influence of higher rates driving energy conservation and how that would affect revenue projections. Andy explained that this wasn't factored in but that as rates increase with PG&E there will be a bump in revenue. Vice Chair Colson further explained that the increase in prices has been a challenge for those on a fixed-income. Andy explained that gas usage and heating generally drive up the costs of bills during the winter months. Andy also explained that due to the Power Charge Indifference Adjustment (PCIA) rate dropping, our rates would be increasing by 50% which would result in a 20% increase in customer's bills.

Jan Pepper, CEO, explained that our rates are tied to PG&E's rates, which are increasing, and that with the decreasing PCIA rates the difference in rates would equal about .09 cents per kilowatt hour (kWh) for customers. Vice Chair Colson emphasized the importance of messaging and sharing data.

Chair May asked about impact of solar residential solar power installations on our revenue and if we track that data. Andy explained that there is data for the amount that customers use and for customers that are on metering but that we wouldn't know how much energy solar customers are self-generating.

Director Emeritus Gupta asked for clarification on the timing of consumption and energy billing. Andy clarified that an estimate is used to allocate revenues to the month based on usage to try and get a more accurate revenue estimate.

Vice Chair Colson asked how the information in this presentation would affect budgeting for FY 2022-2023. Andy explained that with the upcoming change in the PCIA rates to a more normal

level, revenues would be increasing significantly. Jan and Andy explained the benefits of Peninsula Clean Energy's hedging strategy and shared that a cost of service analysis for rate setting is being planned. Director Aalfs added that as Peninsula Clean Energy enters more long term solar and wind contracts backed with batteries Peninsula Clean Energy's volatility decreases.

Director Aalfs asked if there was a point in the main vintage in San Mateo County where the PCIA would expire. Jan explained that there is no information from the CPUC on when or if PCIA rates will ever expire. Andy further explained that the PCIA rates dropped significantly this year because the costs went up so much last year thus creating a substantial difference between what PG&E paid versus the market costs.

Director Emeritus Keener suggested structuring a different rate structure than that used by PG&E.

#### 6. Approval of a Revised 2022 Audit and Finance Committee Schedule of Meetings (Action)

**MOTION:** Director Aalfs moved, seconded by Director Colson to approve the Revised 2022 Audit and Finance Committee Schedule of Meetings.

**MOTION PASSED:** 3-0 (Absent: East Palo Alto)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
Burlingame	Director Colson	X			
East Palo Alto	Director Romero				X
Hillsborough	Director May	X			
Portola Valley	Director Aalfs	X			
	Totals	3			1

#### 7. Committee Members' Reports

Director Aalfs asked if he could attend the Power Conference in March.

Director Colson expressed her gratitude to Andy Stern for his flexibility as we have worked on the CFO search.

#### **ADJOURNMENT**

Meeting was adjourned at 9:25 a.m.

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
March 31, 2022  
(\$000s)

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
March 31, 2022  
(\$000s)

<u>Net Position Balance</u>		
<u>Fiscal Year Ending</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	(\$1,044)
June 30, 2017	Audited	\$21,711
June 30, 2018	Audited	\$85,365
June 30, 2019	Audited	\$140,135
June 30, 2020	Audited	\$188,923
June 30, 2021	Audited	\$180,343
<b>March 31, 2022</b>	<b>Unaudited</b>	<b>\$145,266</b>
June 30, 2022	Budget	\$165,599

<u>Unrestricted Cash/Investments Balance</u>		
<u>Fiscal Year Ending</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	\$2,333
June 30, 2017	Audited	\$17,382
June 30, 2018	Audited	\$64,889
June 30, 2019	Audited	\$114,069
June 30, 2020	Audited	\$178,176
June 30, 2021	Audited	\$166,173
<b>March 31, 2022</b>	<b>Unaudited</b>	<b>\$138,338</b>
June 30, 2022	Budget	\$165,593

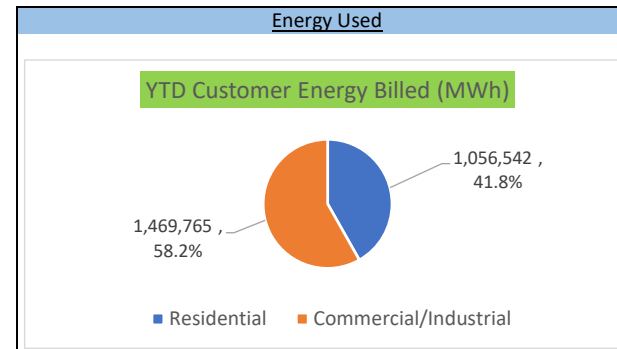
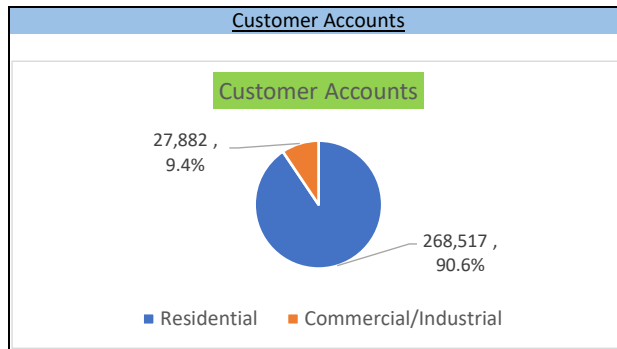
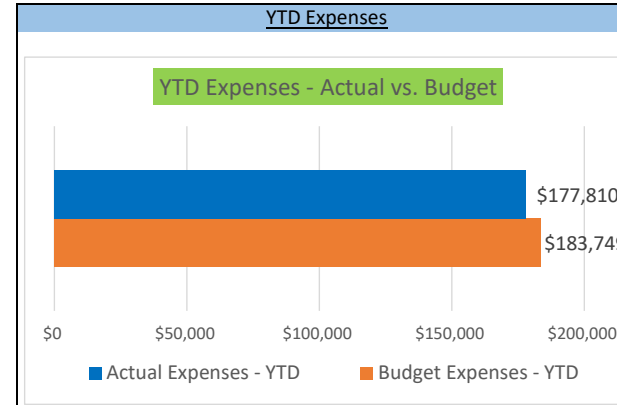
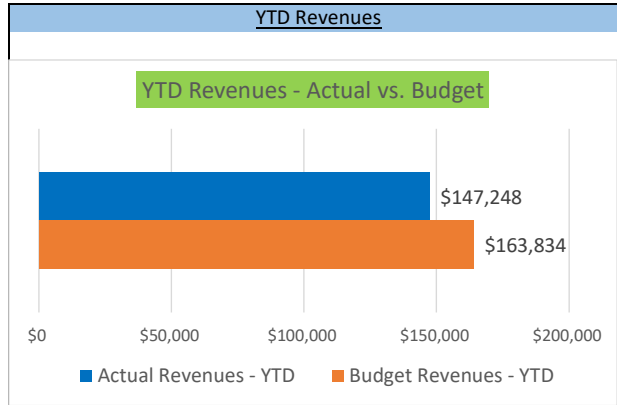
<u>Change in Net Position</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	(\$1,044)
FY2016-2017	Audited	\$22,755
FY2017-2018	Audited	\$63,655
FY2018-2019	Audited	\$54,774
FY2019-2020	Audited	\$48,788
FY2020-2021	Audited	(\$8,285)
<b>March 31, 2022</b>	<b>Unaudited YTD</b>	<b>(\$35,077)</b>
FY2021-2022	Budget	(\$18,672)

<u>Cost of Electricity</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$0
FY2016-2017	Audited	\$64,501
FY2017-2018	Audited	\$170,135
FY2018-2019	Audited	\$194,035
FY2019-2020	Audited	\$216,066
FY2020-2021	Audited	\$213,834
<b>March 31, 2022</b>	<b>Unaudited YTD</b>	<b>\$163,831</b>
FY2021-2022	Budget	\$216,706

<u>Revenues</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$0
FY2016-2017	Audited	\$93,129
FY2017-2018	Audited	\$244,738
FY2018-2019	Audited	\$259,782
FY2019-2020	Audited	\$278,093
FY2020-2021	Audited	\$228,101
<b>March 31, 2022</b>	<b>Unaudited YTD</b>	<b>\$147,248</b>
FY2021-2022	Budget	\$222,240

<u>Total Operating Expenses</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$1,041
FY2016-2017	Audited	\$70,104
FY2017-2018	Audited	\$180,970
FY2018-2019	Audited	\$206,964
FY2019-2020	Audited	\$231,482
FY2020-2021	Audited	\$236,373
<b>March 31, 2022</b>	<b>Unaudited YTD</b>	<b>\$177,810</b>
FY2021-2022	Budget	\$241,812

Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
March 31, 2022  
(\$000s)



**NOTE: FINANCIAL STATEMENTS ARE PRELIMINARY UNTIL THE ANNUAL AUDIT IS COMPLETED.**

- **Revenues below Budget.** Revenues were \$6.5 MM below Budget in Q3; 12.9% below the budgeted level.

Total load was 7.5% below budget for Q3 and 4.6% below Budget for the YTD.

Residential load was substantially below Budget level. Commercial loads also below Budget, but to a lesser extent.

- **Total Expenses below Budget.** Total Expenses were \$2.4 MM above below Budget in Q3 - Most categories were below except Cost of Energy. Although energy prices had been lower than Budget through most of the year, market prices for energy rose significantly in Q3. Although hedge strategies and practices mitigated much of the price increases significant spikes were felt throughout the market. Expenses were above Budget despite load usage below Budget. Almost all other expense categories are below Budget for YTD. Program expenses ended Q3-YTD \$3.8 MM below Budget, but may increase significantly depending on the timing of a \$2 MM payment to State of California for already-approved EV charger program.



Peninsula Clean Energy  
Performance at a Glance  
Results for the Fiscal Quarter Ended  
March 31, 2022  
(\$000s)

	Year-to-date				Full Year (FY 2021-2022)		Prior Year Actual (YTD)
	Actual	Budget	Variance: Favorable / (Unfavorable)	YTD Actual as % of YTD Budget	Budget	YTD Actual as % of Full Year Budget	
<b>OPERATING REVENUES</b>							
Electricity Sales, net	\$ 145,147	\$ 161,851	\$ (16,704)	89.7%	\$ 219,619	66.1%	\$ 182,192
Green electricity premium	2,101	1,983	118	106.0%	2,621	80.2%	2,007
<b>Total Operating Revenues</b>	<b>\$147,248</b>	<b>\$163,834</b>	<b>(\$16,585)</b>	<b>89.9%</b>	<b>\$222,240</b>	<b>66.3%</b>	<b>\$184,199</b>
<b>OPERATING EXPENSES</b>							
Cost of energy	163,831	164,384	553	99.7%	216,706	75.6%	167,381
Staff compensation	4,601	4,836	235	95.1%	6,464	71.2%	4,136
Data Manager	2,539	2,565	26	99.0%	3,420	74.3%	2,535
Service Fees - PG&E	928	945	17	98.2%	1,260	73.7%	940
Consultants/Professional Svcs	795	1,018	222	78.2%	1,351	58.9%	1,511
Legal	866	1,221	355	70.9%	1,616	53.6%	1,062
Communications/Noticing	1,066	1,592	526	66.9%	2,068	51.5%	1,100
General and Administrative	1,540	1,685	146	91.4%	2,259	68.1%	1,269
Community Energy Programs	1,581	5,423	3,841	29.2%	6,556	24.1%	1,185
Depreciation	62	80	19	76.5%	112	55.1%	69
<b>Total Operating Expenses</b>	<b>177,810</b>	<b>183,749</b>	<b>5,939</b>	<b>96.8%</b>	<b>241,812</b>	<b>73.5%</b>	<b>181,188</b>
<b>Operating Income (Loss)</b>	<b>(\$30,562)</b>	<b>(\$19,915)</b>	<b>(\$10,646)</b>	<b>153.5%</b>	<b>(\$19,572)</b>	<b>156.2%</b>	<b>\$3,011</b>
<b>Total Nonoperating Inc/(Exp)</b>	<b>(4,515)</b>	<b>675</b>	<b>(5,190)</b>	<b>-669.0%</b>	<b>900</b>	<b>-501.7%</b>	<b>(369)</b>
<b>CHANGE IN NET POSITION</b>	<b>(\$35,077)</b>	<b>(\$19,240)</b>	<b>(\$15,837)</b>		<b>(\$18,672)</b>		<b>\$2,642</b>



## ACCOUNTANTS' COMPILATION REPORT

Board of Directors  
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (PCE), a California Joint Powers Authority, which comprise the statement of net position as of March 31, 2022, and the statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. PCE's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to PCE because we performed certain accounting services that impaired our independence.

*Maher Accountancy*

San Rafael, CA  
April 27, 2022

# PENINSULA CLEAN ENERGY AUTHORITY

## STATEMENT OF NET POSITION

As of March 31, 2022

### ASSETS

#### Current assets

Cash and cash equivalents	\$ 8,820,301
Accounts receivable, net of allowance	15,267,817
Accrued revenue	7,975,307
Investments	17,000,397
Other receivables	995,417
Prepaid expenses	2,082,578
Deposits	7,947,922
Restricted cash	500,000
Total current assets	<u>60,589,739</u>

#### Noncurrent assets

Capital assets, net of depreciation	281,772
Intangible assets	1,903,075
Investments	112,037,057
Deposits and other assets	192,878
Total noncurrent assets	<u>114,414,782</u>
Total assets	<u>175,004,521</u>

### LIABILITIES

#### Current liabilities

Accrued cost of electricity	21,468,404
Accounts payable	996,947
Other accrued liabilities	652,028
User taxes and energy surcharges due to other governments	730,876
Supplier deposits - energy suppliers	1,949,090
Lease liability	461,218
Total current liabilities	<u>26,258,563</u>

#### Noncurrent liabilities

Supplier deposits - energy suppliers	1,593,433
Lease liability	1,886,382
Total noncurrent liabilities	<u>3,479,815</u>

#### Total liabilities

29,738,378

### NET POSITION

Investment in capital assets	281,772
Restricted for security collateral	500,000
Unrestricted	144,484,371
Total net position	<u>\$ 145,266,143</u>

**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION**

**Nine Months Ended March 31, 2022**

**OPERATING REVENUES**

Electricity sales, net	\$	142,649,987
Green electricity premium		2,101,241
Grant revenue		2,497,067
Total operating revenues		<u>147,248,295</u>

**OPERATING EXPENSES**

Cost of electricity		163,831,444
Contract services		7,321,945
Staff compensation		4,600,723
General and administration		1,618,419
Depreciation and amortization		378,683
Total operating expenses		<u>177,751,214</u>
Operating income (loss)		<u>(30,502,919)</u>

**NONOPERATING REVENUES (EXPENSES)**

Liquidated damages revenue		493,183
Interest and investment income (loss)		(5,008,676)
Finance costs		(58,844)
Nonoperating revenues (expenses), net		<u>(4,574,337)</u>

**CHANGE IN NET POSITION**

Net position at beginning of period (as restated)		<u>180,343,399</u>
Net position at end of period	\$	<u>145,266,143</u>

**PENINSULA CLEAN ENERGY AUTHORITY**

**STATEMENT OF CASH FLOWS**  
**Nine Months Ended March 31, 2022**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 156,495,914
Receipts from supplier security deposits	1,889,091
Payments to suppliers for electricity	(164,510,882)
Payments for other goods and services	(9,678,630)
Payments for staff compensation	(4,552,810)
Payments of taxes and surcharges to other governments	(2,650,664)
Net cash provided (used) by operating activities	<u>(23,007,981)</u>

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

Finance costs paid	(58,844)
Deposits and collateral paid	(4,109,931)
Net cash provided (used) by non-capital financing activities	<u>(4,168,775)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Payments on lease assets and to acquire capital assets	<u>401,965</u>
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**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from investment sales	46,227,398
Investment income received	1,431,515
Purchase of investments	(27,717,424)
Net cash provided (used) by investing activities	<u>19,941,489</u>

Net change in cash and cash equivalents	(6,833,302)
Cash and cash equivalents at beginning of period	16,153,603
Cash and cash equivalents at end of period	<u>\$ 9,320,301</u>

**Reconciliation to the Statement of Net Position**

Cash and cash equivalents (unrestricted)	\$ 8,820,301
Restricted cash	500,000
Cash and cash equivalents	<u>\$ 9,320,301</u>

**PENINSULA CLEAN ENERGY AUTHORITY**  
**STATEMENT OF CASH FLOWS (continued)**  
**Nine Months Ended March 31, 2022**

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

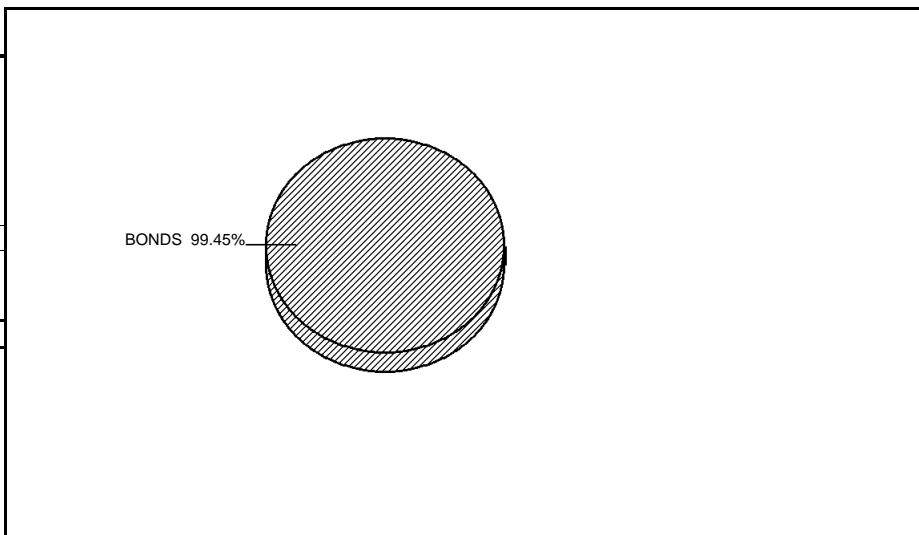
Operating income (loss)	\$ (30,502,919)
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation and amortization expense	376,867
Provision for uncollectible accounts	(363,801)
Nonoperating liquidated damages revenue	493,183
(Increase) decrease in:	
Accounts receivable	3,505,980
Accrued revenue	2,979,704
Other receivables	3,353,485
Prepaid expenses	1,488,634
Increase (decrease) in:	
Accrued cost of electricity	(2,105,852)
Accounts payable	(250,161)
Other accrued liabilities	(1,178,683)
User taxes and energy surcharges due to other governments	(18,111)
Supplier security deposits	(786,307)
Net cash provided (used) by operating activities	<u>\$ (23,007,981)</u>

**MARKET VALUE RECONCILIATION**

	CURRENT PERIOD 01/01/2022 TO 03/31/2022	YEAR TO DATE 07/01/2021 TO 03/31/2022
<b>Beginning Market Value</b>	<b>69,262,874.96</b>	<b>78,460,818.58</b>
<b>Disbursements</b>		
Cash Disbursements	- 2,520,783.92	- 11,326,999.38
<b>Total Disbursements</b>	<b>- 2,520,783.92</b>	<b>- 11,326,999.38</b>
<b>Asset Activity</b>		
Taxable Interest	175,345.65	731,839.81
Realized Gain/Loss	- 203,120.72	- 413,073.33
Change In Unrealized Gain/Loss	- 2,043,875.57	- 2,735,904.83
Change In Accrued Income	45,340.31	- 900.14
<b>Total Asset Activity</b>	<b>- 2,026,310.33</b>	<b>- 2,418,038.49</b>
<b>Net Change In Market Value</b>	<b>- 4,547,094.25</b>	<b>- 13,745,037.87</b>
<b>Ending Market Value</b>	<b>64,715,780.71</b>	<b>64,715,780.71</b>

**ASSET SUMMARY**

<b>ASSETS</b>	<b>03/31/2022 MARKET VALUE</b>	<b>% OF MARKET</b>
Cash And Equivalents	75,797.40	0.12
U.S. Government Issues	46,835,709.16	72.37
Corporate Issues	17,525,861.23	27.08
<b>Total Assets</b>	<b>64,437,367.79</b>	<b>99.57</b>
Accrued Income	278,412.92	0.43
<b>Grand Total</b>	<b>64,715,780.71</b>	<b>100.00</b>





**MARKET VALUE RECONCILIATION**

	<b>CURRENT PERIOD</b> <b>01/01/2022 TO 03/31/2022</b>	<b>YEAR TO DATE</b> <b>07/01/2021 TO 03/31/2022</b>
<b>Beginning Market Value</b>	<b>69,580,837.62</b>	<b>78,792,787.40</b>
<b>Disbursements</b>		
Cash Disbursements	- 2,500,000.00	- 11,288,151.39
Benefit Payments	- 17,570.24	- 17,570.24
<b>Total Disbursements</b>	<b>- 2,517,570.24</b>	<b>- 11,305,721.63</b>
<b>Asset Activity</b>		
Taxable Interest	243,213.99	697,242.49
Realized Gain/Loss	- 246,128.32	- 424,256.81
Change In Unrealized Gain/Loss	- 2,131,726.03	- 2,826,733.32
Change In Accrued Income	- 35,346.22	- 40,037.33
<b>Total Asset Activity</b>	<b>- 2,169,986.58</b>	<b>- 2,593,784.97</b>
<b>Net Change In Market Value</b>	<b>- 4,687,556.82</b>	<b>- 13,899,506.60</b>
<b>Ending Market Value</b>	<b>64,893,280.80</b>	<b>64,893,280.80</b>



### ASSET SUMMARY

<b>ASSETS</b>	<b>03/31/2022 MARKET VALUE</b>	<b>% OF MARKET</b>
Cash And Equivalents	15,770.60	0.02
U.S. Government Issues	42,844,583.30	66.02
Corporate Issues	15,357,359.96	23.67
Municipal Issues	6,473,940.30	9.98
<b>Total Assets</b>	<b>64,691,654.16</b>	<b>99.69</b>
Accrued Income	201,626.64	0.31
<b>Grand Total</b>	<b>64,893,280.80</b>	<b>100.00</b>

