



Executive Committee Meeting

December 5, 2022



Agenda

- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
- Action to set the Agenda and Approve Consent Items
 - Public Comment
- Regular Agenda
- Committee Members Reports
- Adjourn

Chair Report

Item 4



CEO Report

Item 5



Staffing Updates

Welcome to:

- Brooke Morales, Senior Specialist, Marketing Communications
- Justin Pine, Strategic Accounts Manager

Open Positions:

- Director of Power Resources

Other Updates

- Solar and Storage on Public Buildings:
 - Seeking public building sites for cohort 2
- Meetings with each jurisdiction (city manager, PCE Board Member, PCE Alternate) ongoing
- Recognition of retiring Board members at Dec 15 Board meeting



2023 Rate Change Discussion

Peninsula Clean Energy Executive Committee
December 5, 2022



PCE Standard Ratemaking Process

$$\begin{aligned} & ((\text{PG\&E Bundled Gen rate}) * 0.95) - \text{PCIA} - \text{FFS} \\ & = \text{PCE Gen rate} \end{aligned}$$

PCE Gen Rate + PCIA + FFS = net 5% discount from PG&E Gen Rate

Maintaining 5% Value Proposition to New Customers

- PCIA Vintage year for San Mateo County is 2016
 - Bulk of customers in SMC transitioned to PCE during the 2016 Vintage year
 - 2016 PCIA and FFS are used to calculate PCE rates for SMC
- Los Banos primarily enrolled during 2021 Vintage year
 - Small number of NEM customers enrolled in 2022 Vintage year due to rolling NEM enrollment (~1000 customers)
 - Los Banos PCE rates were initially calculated using 2021 PCIA and FFS to ensure LB customers also received a net 5% discount from PG&E
- Going forward PCE anticipated needing to maintain two sets of rates so customers in each territory would receive a 5% discount

2023 Rate Filings Project Negative PCIA for Some Vintages

- October update for 2023 ERRA proceeding forecasted negative PCIA rates for Vintages 2016 and 2021 and positive rates for Vintage 2022

2016	2021	2022
(0.00256)	(0.00796)	0.01077

- Annual Electric True-up (AET) filing from November 15th shifted projections so that only Vintage 2021 is negative

2016	2021	2022
0.00098	(0.00455)	0.01383

- Rates will change again when final advice letter is filed at the end of December, 2016 may end up being negative in final tariff update

What if PCIA is Negative?

- If PCIA is negative, propose we modify PCE rate calculation process to allow customers to keep the PCIA credit on PG&E side of the bill

$$((\text{PG\&E Bundled Gen Rate}) * 0.95) - (-\text{PCIA}) - \text{FFS}$$



$$((\text{PG\&E Bundled Gen Rate}) * 0.95) + \text{PCIA} - \text{FFS}$$



$$((\text{PG\&E Bundled Gen Rate}) * 0.95) - \text{FFS} = \text{PCE Rate}$$

Net Effect > 5% discount

E1 Rate Example 2021 PCIA Vintage

- Standard Rate Calculation:

$$\begin{aligned} & ((0.15683)*0.95)-(-0.00455)-(0.00117) \\ & =(0.14899)+(0.00455)-(0.00117) \\ & =(0.14899)+(0.00338) \\ & =0.15237 \text{ PCE Rate} \Rightarrow \text{Net Discount 5\%} \end{aligned}$$

- Modified Rate Calculation

$$\begin{aligned} & ((0.15683)*0.95)-(0.00117) \\ & =(0.14899)-(0.00117) \\ & =0.14782 \text{ PCE Rate} \Rightarrow \text{Net Discount 5.75\%} \end{aligned}$$

Ratemaking With Both +/- PCIA Vintages

- 2023 rates will not be known until final advice letter is filed on December 30th 2022
- However, we do know that we will have both positive and negative PCIA rates for our customers in Los Banos (Vintage 2021 and 2022)
- San Mateo County (Vintage 2016) will be very close to a \$0 PCIA, but it could be either +/-
- Flexibility to use both the standard or modified ratemaking process depending on final rates is ideal

Minimizing Rate Complexity

- Ideally continue to maintain at most two rate schedules for PCE customers
 - One rate for San Mateo County and Los Banos Vintage 2021 customers
 - One rate for Los Banos Vintage 2022 customers
- Effective discounts for each customer group
 - Los Banos 2022 customers will have a 5% discount
 - Los Banos 2021 customers will have a slightly more than 5% discount
 - San Mateo County customers will have at least a 5% discount (more than 5% if 2016 PCIA is negative)
- Majority of PCE customers would all be on the same rate schedule

Request to Board

At the December Board meeting staff plans to request flexibility to apply either our standard or the proposed modified rate making process to calculate PCE rates based on PCIA impact by Vintage and allow customers with negative PCIA to keep the credits as an extra discount.



Discussion on Net Energy Metering (NEM) 3.0 Proposed Decision

Peninsula Clean Energy Executive Committee

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Committee Members' Reports

Item 8