

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

AGENDA

Monday, August 15, 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. 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.*

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 Board are customarily limited to two minutes per speaker. The Board 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 June 13, 2022 Audit & Finance Committee Meeting

REGULAR AGENDA

3. Chair Report (Discussion)

4. Staff Report (Discussion)
5. Review Financial Reports and Investment Summary for 4th Quarter Fiscal Year (FY) 2021-2022 (Discussion)
6. Review of the Audit Schedule (Discussion)
7. Review of Investment Managers (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

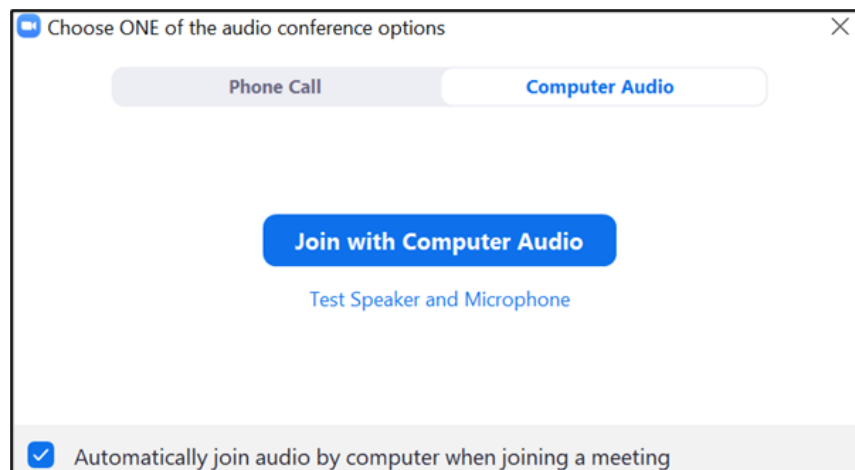
Videoconference Options:

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.

Phone Call		Computer Audio - Connected	
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	821 7257 2134		
Participant ID			
Passcode	2075		

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: June 6, 2022
COMMITTEE MEETING DATE: June 13, 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.

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.

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 Boards 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 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 and Finance Committee.

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.

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.

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.

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

On May 9, 2022, the Peninsula Clean Energy Audit and Finance Committee approved a thirty (30) day extension of remote meetings in accordance with AB 361.

On June 13, 2022, the Peninsula Clean Energy Audit and 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 and 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 EXECUTIVE COMMITTEE WOULD PRESENT IMMINENT RISKS TO THE HEALTH OR SAFETY OF ATTENDEES

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) 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, on May 9, 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, on June 13, 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, June 13, 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*

John Keener, Director Emeritus
Pradeep Gupta, Director Emeritus

Absent: Jeff Aalfs, Portola Valley

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

MOTION: Director Colson moved, seconded by Director Romero to set the Agenda and approve Agenda Item Number 1.

1. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings

MOTION PASSED: 3-0 (Absent: Portola Valley)

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

MOTION: Director Romero moved, seconded by Chair May to set the Agenda and approve Agenda Item Number 2.

2. Approval of the Minutes for the May 9, 2022 Meeting

MOTION PASSED: 3-0 (Absent: Portola Valley)

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

REGULAR AGENDA

3. Chair Report

None

4. Staff Report

None

5. Recommend Approval of Fiscal Year 2022-2023 Budget (Action)

Andy Stern, Chief Financial Officer, gave a presentation of the final draft of the Fiscal Year 2022-2023 Budget including key assumptions, PG&E and Power Charge Indifference Adjustment rate change summary, and a budget summary and 5-year plan.

Vice Chair Colson asked for clarification on the contingency reserves. Andy explained that contingency reserves are not shown as a line item on the summary page because it is embedded in the Cost of Energy line.

Chair May asked about the relative performance of Peninsula Clean Energy's investment portfolio. Director Colson suggested that investment portfolios should be viewed with a three to five year time horizon and not changed as a reaction to the market. Chair May suggested making the advisor aware of goals that were set 2.5 years ago. Andy added that the investment managers will be making a presentation at the August Audit and Finance Committee meeting.

Vice Chair Colson asked if the contingency reserves in the Cost of Energy line could only be used for cost of energy. Andy explained that Board approval would be required if the overall changes exceeded those approved in the proposed Resolution.

Director Colson asked how Peninsula Clean Energy's 8% operating margin compared to other Community Choice Aggregations (CCAs). Andy reported that he has not seen the budgets of other CCAs but that many CCAs would see dramatic changes in their financial outlooks, especially those with rates tied to PG&E.

Director Romero suggested a follow-up conversation with the Board on how to handle the \$74 million change in net position. Director Colson added that some markers may need to be added to days cash on hand to signify if actions need to be taken.

MOTION: Director Romero moved, seconded by Director Colson to recommend approval of the Fiscal Year 2022-2023 Budget.

MOTION PASSED: 3-0 (Absent: Portola Valley)

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				1
Totals		3			

6. Overview of Stochastic Modeling to Evaluate and Measures Risk to Cost of Energy (Discussion) (Continued from May 09, 2022 Meeting)

Mehdi Shahriari, Senior Renewable Energy Analyst, continued a presentation from the May 9, 2022 Audit and Finance Committee Meeting detailing the Stochastic Analysis, background, examples of hourly simulation, cost of energy and load.

Director Emeritus Gupta asked if the serial correlation between hours was considered. Mehdi explained that yes, this was taken into account and that the stochastic simulation considers temperature in forecasting the load.

Director Emeritus Keener asked for clarification on the Price-Load Correlation graphs. Mehdi explained that the differing y-axis is due to pricing differences between August and December.

Vice Chair Colson asked if this type of modeling should be used as the basis from which to put the contingency in. Andy Stern, Chief Financial Officer, explained that this would make sense as currently the contingency number is arbitrarily made up and it would make sense to get this analysis in advance of the budgeting cycle. Director Romero asked how the arbitrary contingency number compared to what this model put out. Mehdi explained the difference was between \$254 million and \$245 million. Andy explained that this is approximately \$10 million in contingency and the budget used \$15 million.

Director Romero asked if this would have helped to address the issue of the Power Change Indifference Adjustment (PCIA). Andy explained that there is some aspect of how energy costs effect the PCIA.

7. Overview of Government Solar Business Models (Discussion)

Rafael Reyes, Director of Energy Programs, and Dave Fribush, Local Power Manager Contractor, gave a presentation with an overview of the Local Government Solar and Storage Program including a program overview, projects in the portfolio, the general deal structure, key customers PPA contract terms, basic financials, procurement models and tax structure as well as key next steps.

Director Romero asked if Peninsula Clean Energy would be liable for providing power at a particular guaranteed rate. Dave explained that the production guarantee would come from the EPC firm and Peninsula Clean Energy would pass that along.

Chair May asked how Peninsula Clean Energy's labor goals are being addressed. Dave explained that the guidelines are coming from San Mateo County as well as Peninsula Clean Energy and that key one would be prevailing wage as well as any standard requirements in normal RFPs, and that the procurement requirements exist in either procurement model.

Dave explained that this project has been thoroughly vetted by Peninsula Clean Energy's legal team, an external law firm, and an ITC Federal Tax Specialist. Rafael added that other Community Choice Aggregators including East Bay Community Energy and Cal Choice are also considering a plan similar to this.

Vice Chair Colson asked about California state laws regarding net energy metering for this situation. Jan Pepper, CEO, explained that the California Public Utilities Commission put out a controversial proposed decision, and that Peninsula Clean Energy is currently in the process of providing comments on a portion of their proposal. Jan predicts that the earliest NEM 3.0 might be adopted is September or October, but that others believe it may be postponed until November.

Director Romero asked a series of questions including: if this type of deal structure had been used before, what is the legal structure of the deal, what does the back end of the tax credit period look like, what is Peninsula Clean Energy's role in the partnership, have there been any CCA's that have entered a deal like this yet? Jan Pepper suggested setting up a separate meeting to discuss these detailed questions.

8. Committee Members' Reports

None

ADJOURNMENT

Meeting was adjourned at 10:19 a.m.

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 2022
(\$000s)

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 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
June 30, 2022	Unaudited	\$167,367
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
June 30, 2022	Unaudited	\$135,511
June 30, 2022	Budget	\$165,593

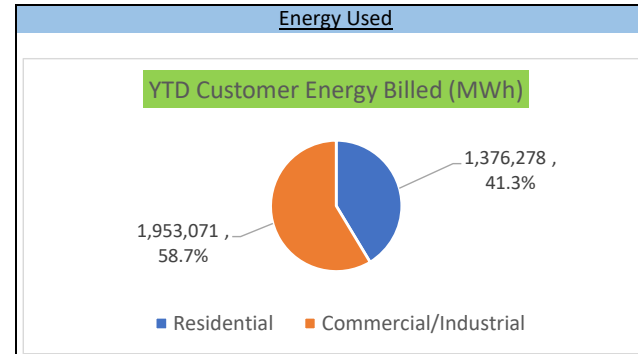
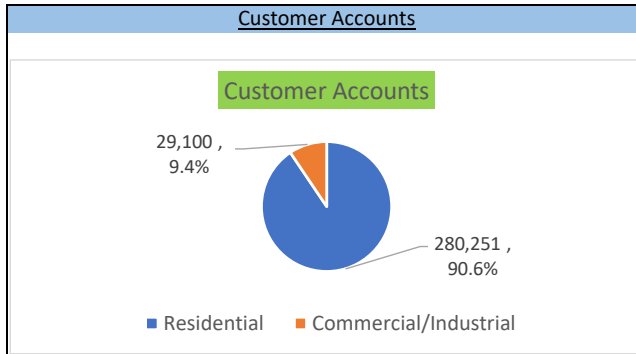
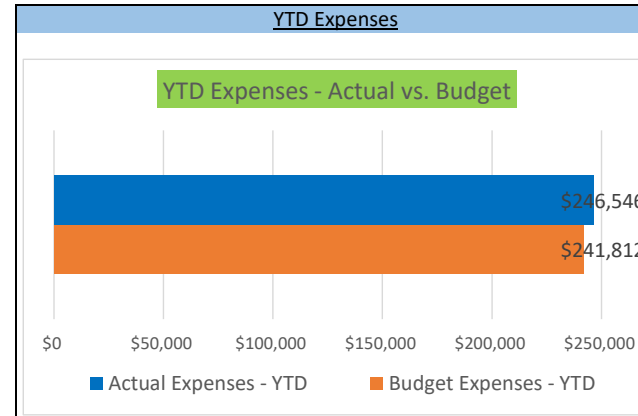
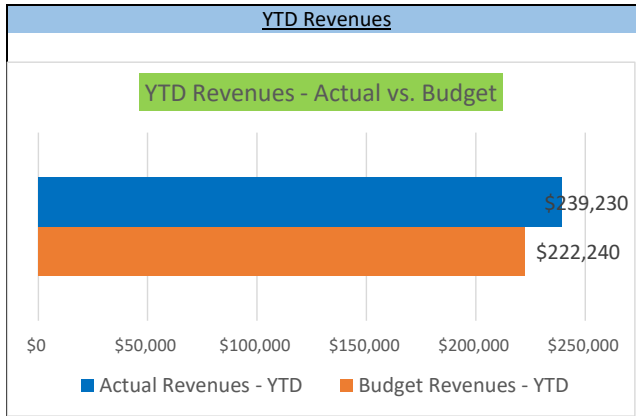
<u>Change in Net Position</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	(\$1,044)
FY2016-2017	Audited	\$22,755
FY2017-2018	Audited	\$63,655
FY2018-2019	Audited	\$54,774
FY2019-2020	Audited	\$48,788
FY2020-2021	Audited	(\$8,285)
June 30, 2022	Unaudited YTD	(\$12,977)
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
June 30, 2022	Unaudited YTD	\$226,679
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
June 30, 2022	Unaudited YTD	\$239,230
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
June 30, 2022	Unaudited YTD	\$246,546
FY2021-2022	Budget	\$241,812

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 2022
(\$000s)



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

- **Revenues above Budget.** Revenues were \$33.65 MM below Budget in Q4; significantly above the budgeted level.
Total load was 8.0% below budget for Q4, running below Budget all year.
Residential load was 10.2% below Budget level. Commercial loads also below Budget, but to a lesser extent.
- **Total Expenses above Budget.** Total Expenses were \$10.6 MM above Budget in Q4 - Most categories continued below Budget except Cost of Energy as energy prices spiked in the past 4-6 months.
Two expense categories were above Budget in Q4 (fees for PG&E Service Fees and Data Manager) due to higher customer counts following Los Banos service adoption.

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
June 30, 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	
OPERATING REVENUES							
Electricity Sales, net	\$ 236,371	\$ 219,619	\$ 16,752	107.6%	\$ 219,619	107.6%	\$ 225,452
Green electricity premium	2,859	2,621	238	109.1%	2,621	109.1%	2,650
Total Operating Revenues	\$239,230	\$222,240	\$16,990	107.6%	\$222,240	107.6%	\$228,101
OPERATING EXPENSES							
Cost of energy	226,679	216,706	(9,973)	104.6%	216,706	104.6%	213,834
Staff compensation	6,351	6,464	113	98.3%	6,464	98.3%	5,637
Data Manager	3,417	3,420	3	99.9%	3,420	99.9%	3,385
Service Fees - PG&E	1,267	1,260	(7)	100.5%	1,260	100.5%	1,255
Consultants/Professional Svcs	1,085	1,351	266	80.3%	1,351	80.3%	1,995
Legal	1,174	1,616	441	72.7%	1,616	72.7%	1,372
Communications/Noticing	1,527	2,068	541	73.8%	2,068	73.8%	1,417
General and Administrative	2,033	2,259	226	90.0%	2,259	90.0%	1,666
Community Energy Programs	2,931	6,556	3,625	44.7%	6,556	44.7%	5,722
Depreciation	82	112	30	73.0%	112	73.0%	91
Total Operating Expenses	246,546	241,812	(4,734)	102.0%	241,812	102.0%	236,373
Operating Income (Loss)	(\$7,317)	(\$19,572)	\$12,255	37.4%	(\$19,572)	37.4%	(\$8,272)
Total Nonoperating Inc/(Exp)	(5,660)	900	(6,560)	-628.9%	900	-628.9%	(13)
CHANGE IN NET POSITION	(\$12,977)	(\$18,672)	\$5,695		(\$18,672)		(\$8,285)



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 June 30, 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
August 1, 2022

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of June 30, 2022

ASSETS

Current assets

Cash and cash equivalents	\$ 9,777,452
Accounts receivable, net of allowance	32,869,379
Accrued revenue	20,721,981
Investments	17,564,207
Other receivables	2,986,880
Prepaid expenses	4,976,571
Deposits	5,454,023
Total current assets	<u>94,350,493</u>

Noncurrent assets

Investments	107,748,793
Deposits and other assets	192,878
Lease asset	1,797,349
Capital assets, net of depreciation	261,774
Total noncurrent assets	<u>110,000,794</u>

Total assets	<u>204,351,287</u>
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LIABILITIES

Current liabilities

Accrued cost of electricity	27,138,918
Accounts payable	1,171,803
Other accrued liabilities	1,078,334
User taxes and energy surcharges due to other governments	1,081,831
Supplier deposits - energy suppliers	2,624,090
Lease liability	468,691
Total current liabilities	<u>33,563,667</u>

Noncurrent liabilities

Supplier deposits - energy suppliers	1,653,433
Lease liability	1,767,519
Total noncurrent liabilities	<u>3,420,952</u>

Total liabilities	<u>36,984,619</u>
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NET POSITION

Investment in capital assets	261,774
Unrestricted	167,104,894
Total net position	<u>\$ 167,366,668</u>

PENINSULA CLEAN ENERGY AUTHORITY

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

Twelve Months Ended June 30, 2022

OPERATING REVENUES

Electricity sales, net	\$	233,526,144
Green electricity premium		2,858,977
Grant revenue		2,844,600
Total operating revenues		<u>239,229,721</u>

OPERATING EXPENSES

Cost of electricity		226,678,063
Contract services		10,188,610
Staff compensation		6,351,193
General and administration		2,747,243
Depreciation and amortization		504,407
Total operating expenses		<u>246,469,516</u>
Operating income (loss)		<u>(7,239,795)</u>

NONOPERATING REVENUES (EXPENSES)

Liquidated damages revenue		493,183
Interest and investment income (loss)		(6,153,368)
Finance costs		(76,751)
Nonoperating revenues (expenses), net		<u>(5,736,936)</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>167,366,668</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS Twelve Months Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 216,532,488
Receipts from grantors	2,844,600
Receipts from supplier security deposits	2,639,091
Payments to suppliers for electricity	(226,221,013)
Payments for other goods and services	(12,725,342)
Payments for staff compensation	(6,249,329)
Payments of taxes and surcharges to other governments	(3,547,693)
Net cash provided (used) by operating activities	<u>(26,727,198)</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Deposits and collateral received	4,000,000
Finance costs paid	(76,751)
Deposits and collateral paid	<u>(5,616,033)</u>
Net cash provided (used) by non-capital financing activities	<u>(1,692,784)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments on lease asset	<u>(533,806)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment sales	58,926,086
Investment income received	1,947,354
Purchase of investments	<u>(38,295,803)</u>
Net cash provided (used) by investing activities	<u>22,577,637</u>

Net change in cash and cash equivalents	(6,376,151)
Cash and cash equivalents at beginning of period	<u>16,153,603</u>
Cash and cash equivalents at end of period	<u>\$ 9,777,452</u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Twelve Months Ended June 30, 2022

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

Operating income (loss)	\$ (7,239,795)
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation and amortization expense	504,407
Provision for uncollectible accounts	(38,138)
Nonoperating liquidated damages revenue	493,183
(Increase) decrease in:	
Accounts receivable	(14,421,245)
Accrued revenue	(9,766,970)
Other receivables	1,305,636
Prepaid expenses	(1,405,359)
Increase (decrease) in:	
Accrued cost of electricity	3,564,668
Accounts payable	(75,305)
Other accrued liabilities	69,820
User taxes and energy surcharges due to other governments	333,207
Supplier security deposits	(51,307)
Net cash provided (used) by operating activities	<u>\$ (26,727,198)</u>

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Period from April 1, 2022 to June 30, 2022

MARKET VALUE RECONCILIATION

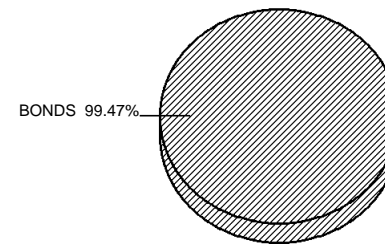
	CURRENT PERIOD 04/01/2022 TO 06/30/2022	YEAR TO DATE 07/01/2021 TO 06/30/2022
Beginning Market Value	64,715,780.71	78,460,818.58
Disbursements		
Cash Disbursements	- 2,519,430.82	- 13,846,430.20
Total Disbursements	- 2,519,430.82	- 13,846,430.20
Asset Activity		
Taxable Interest	321,518.08	1,053,357.89
Realized Gain/Loss	16,160.15	- 396,913.18
Change In Unrealized Gain/Loss	- 803,202.29	- 3,539,107.12
Change In Accrued Income	- 86,668.97	- 87,569.11
Total Asset Activity	- 552,193.03	- 2,970,231.52
Net Change In Market Value	- 3,071,623.85	- 16,816,661.72
Ending Market Value	61,644,156.86	61,644,156.86



Period from April 1, 2022 to June 30, 2022

ASSET SUMMARY

ASSETS	06/30/2022 MARKET VALUE	% OF MARKET
Cash And Equivalents	137,128.02	0.22
U.S. Government Issues	42,555,572.88	69.04
Corporate Issues	18,759,712.01	30.43
Total Assets	61,452,412.91	99.69
Accrued Income	191,743.95	0.31
Grand Total	61,644,156.86	100.00



PFM



Period from April 1, 2022 to June 30, 2022

MARKET VALUE RECONCILIATION

	CURRENT PERIOD 04/01/2022 TO 06/30/2022	YEAR TO DATE 07/01/2021 TO 06/30/2022
Beginning Market Value	64,893,280.80	78,792,787.40
Disbursements		
Cash Disbursements	.00	- 11,288,151.39
Benefit Payments	- 16,959.16	- 34,529.40
Total Disbursements	- 16,959.16	- 11,322,680.79
Asset Activity		
Taxable Interest	184,679.14	881,921.63
Realized Gain/Loss	- 213,316.72	- 637,573.53
Change In Unrealized Gain/Loss	- 603,784.94	- 3,430,518.26
Change In Accrued Income	27,644.24	- 12,393.09
Total Asset Activity	- 604,778.28	- 3,198,563.25
Net Change In Market Value	- 621,737.44	- 14,521,244.04
Ending Market Value	64,271,543.36	64,271,543.36



Period from April 1, 2022 to June 30, 2022

ASSET SUMMARY

ASSETS	06/30/2022 MARKET VALUE	% OF MARKET
Cash And Equivalents	44,557.06	0.07
U.S. Government Issues	41,692,198.17	64.87
Corporate Issues	15,428,360.25	24.00
Foreign Issues	494,225.00	0.77
Municipal Issues	6,382,932.00	9.93
Total Assets	64,042,272.48	99.64
Accrued Income	229,270.88	0.36
Grand Total	64,271,543.36	100.00

