

Regular Meeting of the Executive Committee of the Peninsula Clean Energy Authority (PCEA) Minutes

Monday, April 11, 2022
10:00 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 10:01 a.m. in virtual teleconference.

ROLL CALL

Participating Remotely:

Dave Pine, San Mateo County
Rick DeGolia, Atherton, *Chair*
Donna Colson, Burlingame, *Vice Chair*
Giselle Hale, Redwood City
Marty Medina, San Bruno
Laura Parmer-Lohan, San Carlos
Jeff Aalfs, Portola Valley

Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent:

Julia Mates, Belmont
Rick Bonilla, San Mateo

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

MOTION: Director Parmer-Lohan moved, seconded by Director Hale 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 March 14, 2022 Executive Committee Meeting

MOTION PASSED: 7-0 (Absent: Belmont, San Mateo)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
Atherton	Director DeGolia	X			
Belmont	Director Mates				X
Burlingame	Director Colson	X			
Redwood City	Director Hale	X			
San Bruno	Director Medina	X			
San Carlos	Director Parmer-Lohan	X			
San Mateo	Director Bonilla				X
Portola Valley	Director Aalfs	X			
	Totals	7			2

REGULAR AGENDA

3. Chair Report

None

4. CEO Report

Jan Pepper, *CEO*, provided a report that covered the following topics: hiring status for COO and CFO and an update on legislation including AB 1814 and SB 1158.

Chair DeGolia asked if the unions opposed AB 1814 because it would result in less union jobs. Jan responded that the utilities can earn a rate of return on capital improvements such as EV infrastructure. Peninsula Clean Energy has been working with unions as part of the EV Ready Program. Marc Hershman, Director of Government Affairs explained that the unions that sent in a letter of opposition are closely aligned with the Investor Owned Utilities (IOU) and are in line to receive the work. These are not the same local unions that work with Peninsula Clean Energy. Jeremy Waen, Director of Regulatory Policy expanded that the work envisioned under AB 1814 would be behind the meter and should not impact the in front of the meter work that the unions predominantly handle.

Director Emeritus Gupta shared that bills like these have two sides to consider, one is the need and the other is the politics. Community Choice Aggregators (CCAs) are facing political opposition. Peninsula Clean Energy, as a CCA, needs to think about how to tackle this opposition, which is based on politics, not need. There will be lots of situations like this and we need to address this in a serious fashion.

Director Medina shared that while this news is disappointing, Peninsula Clean Energy needs to be in front of the labor groups, so they understand Peninsula Clean Energy's position. Director Medina suggested that Director Bonilla could help with strategy in this area, but that having an additional person to lead this effort could be beneficial.

Chair DeGolia shared that a main issue is different unions are working at the state level and getting work from the IOUs. Peninsula Clean Energy's unions would be more local, and it would be helpful if they could get engaged in these efforts.

Director Hale expanded that it might be helpful to have a subcommittee or brainstorming session with Director Bonilla and others to approach local labor unions and have the conversation move forward.

Chair DeGolia asked Jeremy Waen and Marc Hershman to brainstorm ideas on how to approach this going forward. Jan suggested it would be worth a brainstorming session with interested board members. Vice Chair Colson suggested talking to Assemblymember Grayson first and then to bring it back to the Executive Committee.

Jan explained that the Cal CCA is taking the lead on this bill.

5. Update on Six-Month Strategic Plan Status (Discussion)

Jan Pepper, CEO, introduced the Peninsula Clean Energy Semi-annual Strategic Plan Update to include the following priorities:

- Design a power portfolio that is sourced by 100% carbon-free energy* by 2025 that aligns supply and consumer demand on a 24x7 basis
- Contribute to San Mateo County reaching the state's goal to be 100% greenhouse gas-free for transportation and buildings by 2035

*carbon-free = California RPS renewable excluding biomass

Siobhan Doherty, Director of Power Resources, gave an update on the Power Resources Strategic Plan Process.

Rafael Reyes, Director of Energy Programs, gave an update on the Programs Strategic Plan Process.

KJ Janowski, Director of Marketing and Community Relations, gave an update on the Marketing and Community Relations Strategic Plan Process.

Leslie Brown, Director of Account Services, gave an update on the Account Services Strategic Plan Process.

Jeremy Waen, Director of Regulatory Policy, and Marc Hershman, Director of Government Affairs, gave an update on the Public Policy Strategic Plan Process.

Jan Pepper gave an update on both the Financial Stewardship and Organizational Excellence Strategic Plan Process.

Director Emeritus Gupta asked if data on coincidence of contracted energy versus non-coincidence of demand could be included in future reports, and asked how the load forecast for long-term energy procurement contracts impacts the success ratio of customer programs. Siobhan explained that the first Key Performance Indicator (KPI) of 2025 100% RE (Renewable Energy) 24/7 is intended to show how much of the current load is being served on an hourly bases by the renewable supply, which is currently 52%. Siobhan also explained that Power Resources is working with Energy Programs to incorporate programmatic efforts into the load forecast.

Director Medina asked about the reality of reaching the goal of 100% RE by 2025. Siobhan responded that many scenarios are being evaluated and will be shared with the 24/7

Subcommittee and that the once the modeling is refined, that would be shared in part two of the 24/7 White Paper, which should be published in the Spring of 2022.

Vice Chair Colson asked about the financial feasibility of some projects due to rising costs. Siobhan explained that from the Request for Offers (RFO) in January, the bids went through a shortlist process taking into account milestone objectives and price challenges from sourcing lithium ion batteries and lithium carbonate. More projects were shortlisted than we needed to ensure Peninsula Clean Energy will still have enough projects to move forward if some drop out.

Director Hale asked if this data could be tracked with a visualization to indicate if a goal is on or off target.

Chair DeGolia asked about the time and effort put into the planning and procurement stage versus the operations stage. Siobhan explained that currently more staff resources are spent on planning and procurement, but as more projects come online efforts will shift to operations.

Director Hale asked for clarification on the status of some of the program goals. Rafael explained that while things are currently challenging, increase in the purchase of new electric vehicles (EV) will continue to put pressure on properties to install more EV charging ports.

Director Parmer-Lohan noted that the latest survey of San Carlos residents indicated that 30% have electric vehicles and expressed concern on the lack of EV chargers. She asked if the installation of 6,200 EV charges would be enough. Rafael explained while even this goal wouldn't be enough, he believes the adoption rate will trends towards natural adoption to help close the gap. Director Parmer-Lohan suggested identifying locations for EV chargers that would also provide a lift to local businesses.

Vice Chair Colson asked if the EV charging port goal of 6,200 ports included private installations. Rafael explained that this number is solely a Peninsula Clean Energy incentivized target and that there are plans for tracking all installations, in addition to Peninsula Clean Energy installations, in the future.

Chair DeGolia noted that high electricity rates are adversely affecting decarbonization.

Vice Chair Colson asked about brand recognition between Peninsula Clean Energy and PG&E and if a rebranding strategy is needed. KJ explained that the Executive Committee did not want to pursue a name change when Los Banos was added to the organization, but that the brand recognition may be more related to not being visible because we don't send bills directly to the customers.

Vice Chair Colson asked if other Community Choice Aggregators (CCAs) were moving away from the 5% discount. Jan explained that we are the only CCA that has had a consistent discount since we started, but that Peninsula Clean Energy would look into this further. Vice Chair Colson asked for clarification on if a larger discount were being considered or if the 5% would remain the same. Jan explained that this year Peninsula Clean Energy would be doing a cost-of-service study to understand the effects of a pricing change away from being tied to PG&E's rates, and that continuing to have our rates below PG&E's rates is important.

Chair DeGolia asked if Peninsula Clean Energy was actively targeting an A credit rating. Jan explained that we have been in conversations with Moody's and the rating agencies, but that we have not been focused on these agency ratings. She continued that our Investment Grade rating is good, and that we have a high number of days cash on hand.

Director Emeritus Gupta wanted to highlight that there are two parts to consider in cost of service: how much revenue we need and how to distribute this among our customers.

Public Comment: Bill Nack

6. Update on Customer Arrearage Programs - CAPP and AMP (Discussion)

Leslie Brown, Director of Account Services, gave a presentation with an update on customer arrearage programs, California Arrearage Payment Program (CAPP) and Arrears Management Plan (AMP) including information on CAPP customer priority groups, application and allocation timeline, and AMP eligibility.

Vice Chair Colson asked what the total write-off would be for Peninsula Clean Energy. Leslie explained that the CAPP program has rules which require suspending collections and that in the Fall of 2021, the California Public Utilities Commission (CPUC) directed PG&E to automatically enroll any customer with a past due balance in a 24-month repayment plan. These two factors make predicting how much may need to be taken at a loss difficult to predict.

7. Update on Los Banos Enrollment (Discussion)

Leslie Brown gave an update on the Los Banos enrollment. Accounts began transitioning on April 1st following a final read of meters from PG&E. Pre-enrollment notices were sent out 60 and 30-days before enrollment. 12,600 customers were sent pre-enrollment notices. There are currently 243 opt-outs which is under 2%. Leslie explained that there will likely be more opt-outs as Peninsula Clean Energy begins appearing on the bills which many customers can misconstrue as additional charges.

8. Committee Members' Reports

Chair DeGolia shared that Peninsula Clean Energy is partnered with Harvest Thermal who will be appearing at Holbrook Parmer Park for Atherton's Earth Day event.

ADJOURNMENT

Meeting was adjourned at 12:01 p.m.