



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

Monday, May 8, 2023
10:00 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 10:05 a.m. in virtual teleconference and the Peninsula Clean Energy lobby.

ROLL CALL

Participating Remotely:

Rick DeGolia, Atherton, *Chair*
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Carlos Romero, East Palo Alto
Anders Fung, Millbrae
Marty Medina, San Bruno
Jeff Aalfs, Portola Valley

Absent:

Dave Pine, San Mateo County
Julia Mates, Belmont

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA

MOTION: Director Romero moved, seconded by Director Medina to set the Agenda.

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

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
Atherton	Director DeGolia	X			
Belmont	Director Mates				X
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
East Palo Alto	Director Romero	X			
Millbrae	Director Fung	X			
San Bruno	Director Medina	X			

Portola Valley	Director Aalfs	X			
	Totals	7			2

REGULAR AGENDA

1. Chair Report

Chair DeGolia noted that he and Director Fung are the only Directors signed up to join the CalCCA Conference in San Diego later this month. He encouraged members to join if they are able.

Chair DeGolia shared that he attended a meeting with other Community Choice Aggregators and a private contractor group called Bellows. He noted two takeaways:

1. The effort to fully electrify a house is a major cost and there are concerns over efficiency and noise and panel upgrades
2. There are concerns over the size of heat pump hot water heaters needed to provide the same levels of hot water to residences

Vice Chair Colson asked if Bellows was unionized. Chair DeGolia said no, they are not unionized, but they are prevailing wage with an apprenticeship program.

Vice Chair Colson said if the cost of installations were going up so much she asked if they explained the electric bill. Chair DeGolia said no, they did not.

Chair DeGolia said what he was most focused on was the emissions issue and they said if you had a dual source space heating they would save 80% of the emissions.

Vice Chair Colson asked if the dual source system would comply with Bay Area Air Quality Management District (BAAQMD) rules. Chair DeGolia said he does not think so, noting that BAAQMD rules are subject to a 2025 review and the timetable is conditional in 2025. Vice Chair Colson shared that her concern is a big disconnect between BAAQMD and the realities of getting this implemented.

Chair DeGolia said they know there will be challenges and this is a big transition which they will need to get data for and assess it. They need people's support and knows it will be easier to address this issue in new construction than in retrofits, but they need the data.

Director Mackin said she would suggest talking to more of the contractors, big and small, and find out what they have encountered and what the problems are.

3. CEO Report

Jan Pepper, *CEO*, provided a report that covered current recruitments, internships and a new Account Services Specialist, upcoming Senior Manager of Local Power Development positions, and on the CalCCA Annual Conference next week encouraging Board Members to attend.

4. Discussion on June Rate Change

Leslie Brown, Director of Account Service, gave a presentation on the expected rate change from PG&E on June 1, 2023.

Chair DeGolia asked if the off-peak is being reduced and the peak increased. Leslie explained that the differential for the summer is .053 cents between peak and off-peak pricing.

Chair DeGolia confirmed that this should be revenue neutral. Leslie indicated that it is not necessarily revenue neutral for Peninsula Clean Energy since they have a subsection of PG&E's customers in their territory with different customer profiles.

Vice Chair Colson referred to people using electricity between 4:00 and 9:00 p.m. and asked if certain communities are being impacted more. Leslie explained that Peninsula Clean Energy has not done deep analysis on who is using more electricity between 4:00 and 9:00 p.m. in certain pockets of their territory, adding that load is viewed on a broader system-wide basis for procurement purposes.

Director Fung added that different socioeconomic factors come into play. Those who work two jobs are more susceptible to these rate changes where those who are able to have a more flexible work life have more flexibility.

Leslie added that this data analysis is pre-pandemic, but when working with PG&E on the rollout of Time of Use (TOU) transition they did a system-wide analysis of historical usage for customers that were going to be eligible to be transitioned from E1 to E-TOU-C rate structures. At that time, moving customers over to E-TOU-C would be a net benefit to customers based on the service territory.

Jan added that Peninsula Clean Energy will begin a cost-of-service study and will look closely at rates and when people use electricity.

Vice Chair Colson added that the comparison should be between 2018 to today. Director Fung said there is no question that they need to look at this from a lens of equity and how this will affect communities of different types since everyone needs electricity.

Leslie shared that this feeds into the cost-of-service study including what Peninsula Clean Energy is procuring power at and how much it costs for them to deliver it in a certain timeframe, adding that Peninsula Clean Energy only controls a small portion of the utility rate, so even if they set their price to zero at some point of the day, there is still 16-cents coming in from PG&E that they have no control over.

5. Discussion on Financial Diversification Strategy

Andy Stern, Interim CFO, gave an update on the diversification strategy including an update of the amount of funds kept in different bank accounts.

Vice Chair Colson shared that she believes it is important to understand that the US Bank piece are securities that Peninsula Clean Energy owns regardless of who is managing them, and she asked and confirmed with Andy they are about 2.5 years and 80% or more is in US Treasuries. Vice Chair Colson added that the risk in US Treasuries is interest rate risk, and anytime the rates go up, anything will devalue.

Vice Chair Colson said First Republic Bank (FRB) will eventually be migrated to the Chase system. She did not think they could have ended up with a better buyer than Chase and she thanked Jan Pepper and the team for being responsive and proactive.

Andy explained that it should not be difficult to move their operating accounts somewhere else and added that FRB customer service seems like they are expecting to keep their jobs and relationships.

Vice Chair Colson suggested letting the dust settle a bit and after the end of summer they can bring in the FRB team who is managing the portfolio and see where they have personnel changes and how it is integrating.

Chair DeGolia asked if the Wilmington funds are bank funds or securities like those at Fidelity. Stern said they are in a trust account, but they are not securities. They are in their own operating account.

Public Comments: None

6. Committee Members' Reports

Vice Chair Colson reported that Shawn Marshall joined her in San Francisco and hear Kathern Blunt speak.

Director Medina shared that he and Marc Hershman went to Sacramento to testify on SB 537, the bill to change the Brown Act to allow multi-jurisdictional to have remote meetings. They went before the Audit Committee, and it passed 9-2.

ADJOURNMENT

The Meeting was adjourned at 11:17 a.m.