



Peninsula Clean Energy Board of Directors Regular Meeting

May 25, 2023

6:30 p.m.

Agenda

- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
 - Please note, send any chats to Board Clerk, Nelly Wogberg
- Action to set the Agenda and Approve Consent Items 1-2
 - Consent - Public Comment
- Regular Agenda
- Adjournment

Chair Report (Discussion)

CEO Report (Discussion)

Topics to be Covered Tonight

- Staffing Update
- Legislative Update
- CalCCA Annual Conference
- Upcoming Meetings

Staffing Updates

Currently posted on PCE website:

- Power Resources Analyst/Specialist
- Account Services Specialist



We are hiring 7 summer interns.

- Offers made and accepted for 3
- Offer awaiting acceptance for 1
- Final interviews wrapping up for 3

Coming Soon: Senior Manager of Local Power Development

Legislative Update

- SB 537 (Becker) to amend Brown Act – PCE is sponsor
- AB 1373 (Garcia) - DWR to be central procurement entity and CPUC jurisdiction over CCA IRPs
- AB 538 (Holden) to expand CAISO as a multi-state regional transmission system



CalCCA Annual Conference

- Community Impact Awards:
 - PCE awarded 1st place in the Equity category with Outreach Grants Program
 - PCE was a runner-up in the Decarbonization category with Reach Code Initiatives



Volunteering in the Community

- At the April All-Staff meeting, Staff worked as a team to put together 398 hygiene kits for the Samaritan House in San Mateo
- On May 12th, PCE Staff worked with Second Harvest Food Bank to help sort 25,500 lbs of produce



Upcoming Meetings

- Citizens Advisory Committee:
 - June 8 at 6:30 p.m. (In-person and zoom)
- Audit and Finance Committee:
 - June 12 at 8:30 a.m. (In-person and zoom)
- Executive Committee:
 - June 12 at 10:00 a.m. (In-person and zoom)
- Board of Directors:
 - June 22 at 6:30 p.m. (In-person and zoom)



CAC Report

Diversity, Equity, Accessibility and Inclusion Action Plan Review

May 2023

Outline of Presentation

1. DEAI Policy Commitment Review
2. Development of the DEAI Action Plan
3. Plan Outline and Structure
4. Key Actions
5. Overview of Appendices
6. Recommended Action

Peninsula Clean Energy's DEAI Commitment

"Peninsula Clean Energy has a vision of a sustainable world with clean energy for everyone.

We recognize there are longstanding systemic barriers that impede the advancement of fair and inclusive policies and limit the full participation of historically underserved and disadvantaged communities. This includes our stakeholders that face the most adverse impacts from economic, health, and environmental burdens.

Peninsula Clean Energy recognizes that we have an obligation to maximize our efforts to eliminate disparities and ensure that our programs, policies, and practices are inclusive and accessible for everyone in the geographic markets we serve."

DEAI Commitment Continued

"Peninsula Clean Energy commits to making diversity, equity, accessibility, and inclusion a priority during decision making.

We firmly uphold anti-racism, anti-discrimination, diversity, equity, accessibility, and inclusion as core values.

The Peninsula Clean Energy team, including all staff, Board of Directors, committees, and community groups, is committed to this DEAI Policy.

This policy is a foundation for operating our business and Peninsula Clean Energy's goals as detailed in the Strategic Plan 2020-2025."

- Peninsula Clean Energy's DEAI Policy (Policy 22)

Action Plan Development

- Implements PCE's DEAI Policy passed Oct 2022
- Includes recommendations from needs assessment and stakeholder engagement phase
- Developed by equity consultants GCAP
- Strengthened by staff feedback from all departments
- Feedback from Board DEAI Subcommittee and CAC incorporated
- Living document to be updated by staff as needed



DEAI Action Plan Outline

Executive Summary

Foundation for Strategic Goals

Purpose and Elements

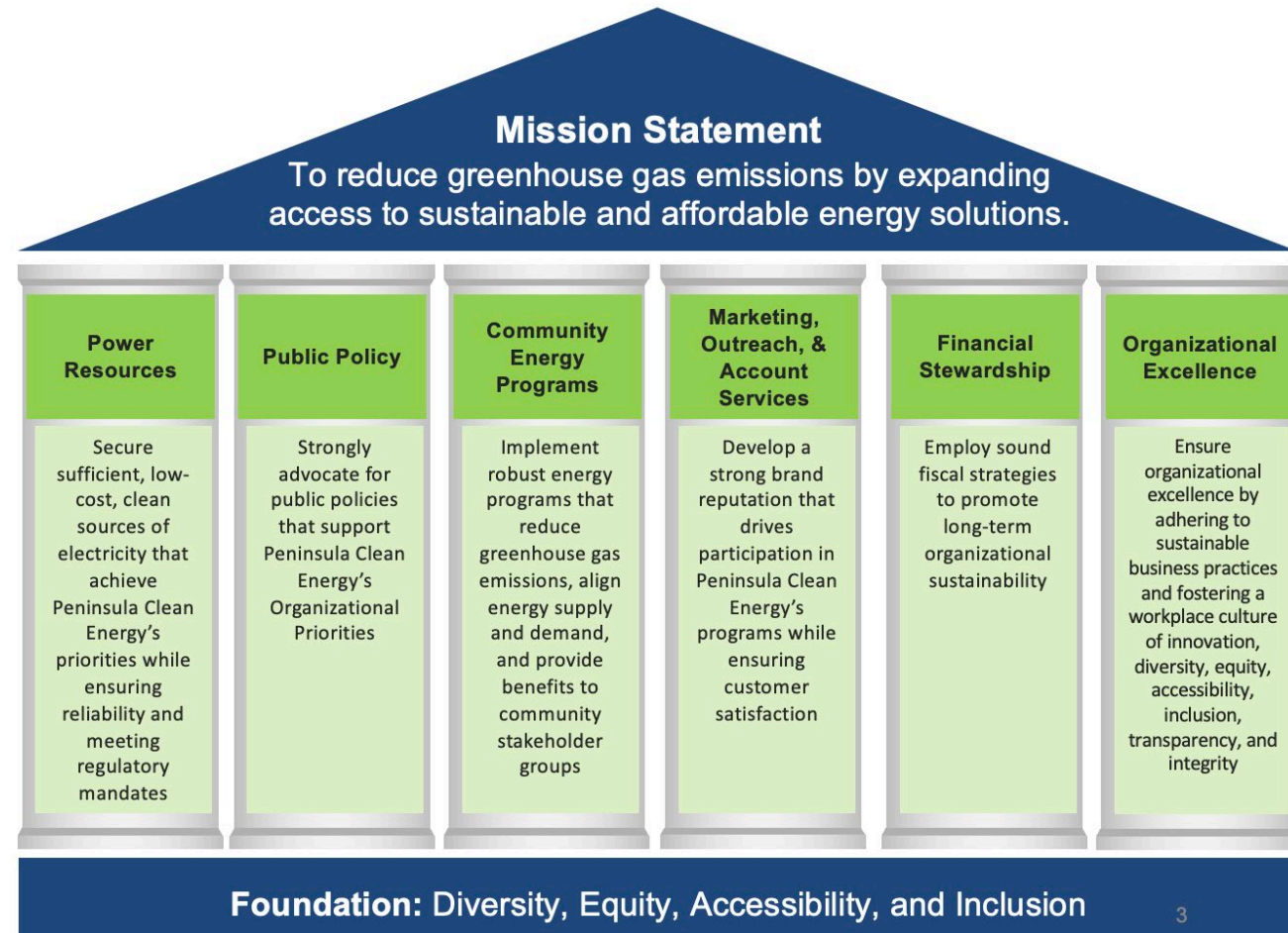
Gap Analysis Summary

Action Plan (43 Actions touching all departments)

Getting Started and Evaluation

Appendices

Foundation of Strategic Goals



Area of Focus	DEAI Goal Description
Organizational Culture and DEAI Commitment	<ul style="list-style-type: none"> Advance DEAI within PCE’s workforce, business practices, policies, and programs.
Human Resources, Staffing, and Recruitment	<ul style="list-style-type: none"> Create a workforce that is more representative; provide equitable access to employment opportunities for underrepresented members of our communities.
Training and Development	<ul style="list-style-type: none"> Require employees to complete DEAI related training, and encourage Board and CAC members to do so as well.
Energy Program Development and Implementation	<ul style="list-style-type: none"> Define energy equity and set goals and metrics for achieving it through our programs. Increase input and feedback from diverse and low-income communities.
Marketing and Account Services	<ul style="list-style-type: none"> Improve awareness, communication, and accessibility of PCE customer service, among low-income, disadvantaged, and limited English proficiency customers.
Vendor and Energy Supplier Diversity and Social Responsibility	<ul style="list-style-type: none"> Ensure that the vendors and suppliers that do business with PCE are environmentally conscious and have equitable business practices. Create opportunities and eliminate barriers to equal participation for all vendors.

Organizational Culture and DEAI Commitment

Advance and promote diversity, equity, accessibility, and inclusion within PCE's workforce, business practices, policies, and programs.

Actions	Steps	Timeline	Lead	Metrics	Recommendations
Establish a DEAI Action Plan Dashboard within the Strategic Plan, and incorporate into the annual staff performance review process	<ul style="list-style-type: none"> Deploy a visual, user-friendly dashboard to track DEAI Action Plan initiatives and include information on the following: alignment to Strategic Plan and DEAI Policy, lead department/staff, progress status, next steps, recommendations to improve, etc. Integrate accountability for implementing actions outlined in the DEAI Action Plan into staff annual performance review process 	Q2 2023	DEAI Lead and Council	<ul style="list-style-type: none"> Strategic Plan Dashboard has been deployed and is tracked on an on-going basis All DEAI Action Plan initiatives have been assigned to a lead department/staff to follow through Staff annual review process has been updated to include a requirement for specific reporting on each DEAI action assigned to specific staff 	<ul style="list-style-type: none"> Deploy a dashboard that is easily manageable by the agency (see Appendix C for an example) Consider incorporating into existing Strategic Plan Dashboard Dashboard should be reviewed regularly with executive leadership team for awareness, feedback.

Organizational Culture and DEAI Commitment 2

Actions	Steps	Timeline	Lead	Metrics	Recommendations
Establish DEAI Framework for Decision Making	Develop a list of DEAI questions to consider and ask before producing policies, programs, practices, and decisions	Q2/Q3 2023	DEAI Council	All employees are aware of these DEAI questions and have implemented into daily practices	<p>Consider including the following questions:</p> <p>Who is this work positively or negatively impacting?</p> <p>Have you considered gender, race, religion, physical ability, location, socioeconomics, etc.?</p> <p>Who could be excluded by this work?</p> <p>Does this work impact groups differently?</p> <p>What does the data say?</p> <p>Has this work been communicated transparently?</p> <p>Could this work hinder feeling of belonging, especially in underrepresented groups?</p> <p>How will you ensure criteria is fair and transparent?</p>

Additional DEAI Commitment Actions

- Adopt DEAI Policy
- Adopt DEAI Action Plan
- Form DEAI Council
- Appoint a DEAI Lead
- Annually review and ensure that Peninsula Clean Energy's Legislative and Regulatory Policy Platform section on environmental justice and affordability is meaningfully implemented
- Participate in or monitor CPUC, CARB, and CEC proceedings regarding energy affordability and environmental justice, in dialog with environmental justice networks

Human Resources, Staffing, and Recruitment

Create a workforce that is more representative and inclusive of people of all backgrounds; provide equitable access to employment opportunities for underrepresented and underserved members of the communities PCE serves.

Actions	Steps	Timeline	Lead	Metrics	Recommendations
Increase the diversity of our staff team	<ul style="list-style-type: none"> Research and diversify places we advertise our job opportunities Analyze workforce needs, qualifications and work with hiring managers to determine bona-fide qualifications Gather current data to understand the ethnic, gender, disability, veteran composition of our communities so that PCE can strive to be reflective within its workforce Identify and remove artificial barriers to entry 	Ongoing	Leadership and Human Resources	<ul style="list-style-type: none"> Number of open and filled positions with diverse employees Outreach to diverse communities during recruitment Monitor changes in diversity of the candidate pool throughout the interview and hiring process Leadership, especially hiring managers, increased diversity in the workforce 	<ul style="list-style-type: none"> Prioritize open management positions, especially senior manager roles Use S.M.A.R.T. (specific, measurable, attainable, relevant, and time-bound) goals to establish your strategic diversity goals

Additional Human Resources Actions

- Finalize and Adopt DEAI Revisions to the Strategic Plan, Employee Handbook, Policy 9, and Policy 10
- Actively Outreach to a Diversity of Communities/Groups in Recruitment Process
- Ensure Salary Transparency
- Enhance DEAI in the Application and Interview Process
- Integrate DEAI Metrics in Employee Performance Reviews
- Launch a Self-ID Campaign

Additional Training and Development Actions

- Finalize and Approve DEAI Training Plan (See Appendix D)
- Select Training Method & Develop Training Courses
- Provide Training on How to Respond to an Accommodations Request
- Provide Training on Community Engagement for Program Planning
- Ensure Professional Development Opportunities are Available and Accessible

Energy Program Development and Implementation

Define energy equity and set goals and metrics for achieving it through our programs. Increase input and feedback from diverse communities, especially low-income and disadvantaged groups, to improve equity in program development and implementation.

Actions	Steps	Timeline	Lead	Metrics	Recommendations
Create Organizational Definition of and Goals for Energy Equity and Incorporate into Programs	<ul style="list-style-type: none">• Research energy equity frameworks and definitions• Create energy equity definition, goals, and metrics for PCE• Solicit input from community stakeholders, CAC, and Board and finalize based on feedback• Implement, including evaluating current and future programs for how well they meet these goals and what changes need to be made	Q2 2023	DEAI Council, Director of Programs, Programs Team, Director of Account Services	<ul style="list-style-type: none">▪ Energy equity definition, goals, and metrics drafted▪ Community input incorporated from partners, CAC, and Board▪ Definition, goals, and metrics finalized▪ Changes made to programs and budgets as needed to meet goals	<ul style="list-style-type: none">▪ Engage all members of the Programs Team in this effort▪ Include Account Services to evaluate the role of rate structures as well

Additional Energy Program Actions

- Develop and Finalize a Worksheet Template for Community Engagement in Program Development
- Engage with Community Leaders and Community Based Organizations in the Early Stages of Public Facing Program Development
- Review Current Programs for Gaps & Inequities and Continuously Refine Programs to Better Align with Customer Needs
- Develop and implement PCE language and technology access policy for entire customer journey for PCE programs

Marketing and Account Services

Improve awareness, communication, and accessibility of PCE customer service, energy supply, and energy programs, especially among low-income and disadvantaged populations, and limited English proficiency groups.

Actions	Steps	Timeline	Lead	Metrics	Recommendations
Develop PCE Language and Technology Access Policy	<ul style="list-style-type: none">Survey other agencies' language and technology access policies for best practicesIdentify metrics used to quantify language and technology isolation across our service territory, if availableDraft/amend policy that incorporates best practices and addresses language and technology access needs of our customers	Q2 2023	Marketing and Community Relations	<ul style="list-style-type: none">Language and Technology access policy finalized, implementation started	<ul style="list-style-type: none">Circulate language and technology access policy to appropriate CBO partners/stakeholders to gather feedback prior to finalization

Additional Marketing and Account Services Actions

- Ensure that customer awareness surveys include and are reflective of PCE's diverse customer base
- Ensure PCE public website is accessible
- Develop a DEAI webpage
- Increase accessibility in public meetings
- Increase accessibility and diversity in outreach materials and customer notifications
- Ensure customer service representatives provide quality customer service in all PCE priority languages
- Ensure customer email inquiries in PCE priority languages receive accurate responses in same time frame as inquiries in English

Vendor and Energy Supplier Diversity

Ensure that the vendors and suppliers that do business with PCE are environmentally conscious and have equitable business practices. Establish a level playing field by creating opportunities and eliminating barriers to equal participation for all vendors.

Actions	Steps	Timeline	Lead	Metrics	Recommendations
Finalize and Adopt Recommended Revisions of PCE's Contracting Documents and Templates	<ul style="list-style-type: none">Review contracting documents and templates (Contracting Template, RFO, RFP, and Supplier Diversity Questionnaire) to identify potential bias and inequities in the languageReview and finalize GCAP suggested edits and updates to the contracting documents and templatesIntegrate DEAI principles and commitment into documents and templates	Q2 2023	Account Services	<ul style="list-style-type: none">Revised documents published and available to PCE employees engaged in procurement activitiesAll contracting documents and templates have DEAI commitment	<ul style="list-style-type: none">Review and update these documents on a regular basis to keep current with legislative and regulatory requirementsNotify Primes of commitment to DEAI

Additional Supplier Diversity Actions

- Finalize and Adopt the Recommendations in the Legislation & Regulatory Analysis Report (See Appendix E)
- Finalize and Adopt Recommended Revisions of PCE's Contracting Documents and Templates
- Add Qualitative Questions to RFO Template for Utility Scale Procurements Regarding Environmental Stewardship, Disadvantaged Community Outreach, Workforce Development, Responsible Procurement, and Supplier Diversity
- Adopt Supply Chain Code of Conduct
- Develop and Implement Diverse Subcontractor Reporting
- Develop Outreach Materials on How to do Business with PCE and a GO 156 FAQ document
- Increase Visibility of Solicitations Webpage
- Conduct Supplier Diversity Training for All Staff
- Encourage Vendors/Suppliers to Practice Equity
- Measure customer satisfaction with customer service provided by vendors

Monitoring and Evaluation

Action Plan Execution

- Execute and initiate the activities within the DEAI Action Plan and monitor progress.

Team Collaboration

- Collaborate between teams for input and feedback on specific tasks.

Adjust the Work

- If gaps in the monitoring and evaluation process are identified, make adjustments and improvements as necessary.

Annual Review

- Conduct annual reviews to revisit and identify PCE priorities.

Overview of Appendices

A. Gap Analysis

- Areas of focus identified through internal and external stakeholder surveys last summer
- Results reviewed with this committee previously

B. DEAI Glossary

C. DEAI Metrics Dashboard Example

D. DEAI Training Plan

E. Legislation and Regulatory Analysis

- Review of related laws and regulations that support or inhibit PCE's DEAI implementation

F. Monthly Diverse Subcontractor Paid Report Summary and Payment Verification

Training Plan Recommendations

- DEAI Basics
 - *4-hour training with outside facilitator, October 2022*
 - *Will be offered periodically to new staff as well*
- Inclusive Leadership
- Cultural Competency
- How to Be an Ally
- Inclusive One-to-One Meetings
- Inclusive Hiring
- Mitigating Unconscious Bias in Performance Reviews
- How to Crawl, Walk, and Run with Diversity Data
- Creating and Leading Mentoring Circles



The October 2022 all-staff retreat focused on DEAI training

Recommended Action

Approve Diversity, Equity, Accessibility and Inclusion (DEAI) Action Plan as a living document to guide staff in implementing the DEAI Policy, and to be updated by staff as needed.



FY 2023-2024

(July 1, 2023 – June 30, 2024)

Budget Review

Initial Draft

Schedule – Budget Review and Approval

- May 16, 2023 – Reviewed Initial Draft Budget with Audit & Finance Committee
- May 25, 2023 – Review Initial Draft Budget with Board of Directors
- June 12, 2023 – Review Revised Draft Budget with Audit & Finance Committee
- June 12, 2023 – Review Revised Draft Budget with Executive Committee
- June 22, 2023 – Approve Final Budget by Board of Directors

Draft Budget FY 2023-2024 – Key Assumptions (Page 1 of 2)

PG&E Generation Rates – Slight decline in rates for next 4 years

- January 1, 2024 – Increase 1%

PCIA Rates – Continuing decrease in rates as of January 1, 2024

- January 1, 2024
 - San Mateo – Drop to \$0.00 from already low rate
 - Los Banos – Drop to \$0.00 from already low rate
- After 2024
 - Significant increases for next 4 years, near to rates of 2022, but still not approaching rates of 2021

Customer Rates to PCE – Relatively flat for next 3 years, then lower in 2027 and 2028 (but still well above low year of 2021)

Draft Budget FY 2023-2024 – Key Assumptions (Page 2 of 2)

Cost of Energy –

- Budgeted at \$311 million - Increase of \$39 million (14%) over FY23 forecast
- Resource Adequacy cost projection accounts for nearly \$31 million of the increase
- Overall budget includes 2 conservatism contingencies
 - Energy Cost Volatility = \$15 million/year
 - Achieving 100% Renewable with 99% Time Coincidence by 2027 = \$56 million over 5 years; \$770K in FY24
 - To achieve this by 2027, requires signing of 15 projects on detailed planned timeline – delays would result in additional REC and RA costs and more market volatility exposure
- Total cost is 9% higher than FY23 forecast without conservatism adders

Revenue Assumptions

PG&E Generation Rate Assumptions								
	Calendar Year							
	2021	2022	2023	2024	2025	2026	2027	2028
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Example Residential Rate: PG&E E-1 Rate								
San Mateo County	0.11314	0.15152	0.15614	0.15737	0.16119	0.15934	0.14490	0.13533
YoY % Change		33.93%	3.05%	0.79%	2.42%	-1.15%	-9.06%	-6.61%
Los Banos		0.15152	0.15614	0.15737	0.16119	0.15934	0.14490	0.13533
YoY % Change			3.05%	0.79%	2.42%	-1.15%	-9.06%	-6.61%
Example Business Rate: PG&E B10-S Summer Off-Peak								
San Mateo County	0.10299	0.13999	0.14359	0.14472	0.14823	0.14653	0.13325	0.12445
YoY % Change		35.93%	2.57%	0.79%	2.42%	-1.15%	-9.06%	-6.61%
Los Banos		0.13999	0.14359	0.14472	0.14823	0.14653	0.13325	0.12445
YoY % Change			2.57%	0.79%	2.42%	-1.15%	-9.06%	-6.61%

Revenue Assumptions

PG&E PCIA Assumptions								
	Calendar Year							
	2021	2022	2023	2024	2025	2026	2027	2028
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Example Residential Rate: PG&E E-1 Rate								
San Mateo County	0.04579	0.02010	0.00335	0.00000	0.00463	0.00932	0.01767	0.02331
YoY % Change		-56.10%	-83.33%	-100.00%	n/a	101.44%	89.52%	31.96%
				*				
Los Banos		0.02572	0.00335	0.00000	0.00463	0.00316	0.01168	0.01800
YoY % Change			-86.98%	-100.00%	n/a	-31.72%	269.65%	54.09%
				*				
Example Business Rate: PG&E B10-S Summer Off-Peak								
San Mateo County	0.04764	0.02054	0.00338	0.00000	0.00467	0.00941	0.01783	0.02352
YoY % Change		-56.88%	-83.54%	-100.00%	n/a	101.44%	89.52%	31.96%
				*				
Los Banos		0.02594	0.00338	0.00000	0.00467	0.00319	0.01179	0.01816
YoY % Change			-86.97%	-100.00%	n/a	-31.72%	269.65%	54.09%
				*				
* Note - PCIA is expected to be negative. We have assumed zero.								

Revenue Assumptions

PCE Customer Generation Rate Assumptions								
	Calendar Year							
	2021	2022	2023	2024	2025	2026	2027	2028
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Example Residential Rate: PG&E E-1 Rate								
San Mateo County	0.06120	0.12057	0.14388	0.14841	0.14740	0.14095	0.11889	0.10415
YoY % Change		97.02%	19.34%	3.15%	-0.68%	-4.38%	-15.65%	-12.40%
				*				
Los Banos		0.11752	0.14388	0.14841	0.14740	0.14711	0.12488	0.10946
YoY % Change			22.43%	3.15%	-0.68%	-0.20%	-15.11%	-12.35%
				*				
Example Business Rate: PG&E B10-S Summer Off-Peak								
San Mateo County	0.04970	0.10895	0.13191	0.13637	0.13503	0.12867	0.10764	0.09359
YoY % Change		119.23%	21.08%	3.38%	-0.98%	-4.71%	-16.34%	-13.06%
				*				
Los Banos		0.10544	0.13191	0.13637	0.13503	0.13489	0.11368	0.09895
YoY % Change			25.10%	3.38%	-0.98%	-0.10%	-15.72%	-12.96%

Cost of Energy Assumptions

- 100% Renewable Power by end of CY2025
- 100% Renewable and 99% Time Coincident by end of CY2027
- Forward Price Curve from third-party provider based on March 22, 2023 pricing – details by nodes for each PPA and hedge contract
- RA purchases at market prices in all months for each calendar year
- EV Adoption rates add ~50 to 100GWh/year (1% to 3% of load)

Load Assumptions (MWh)					
	Calendar Year				
	2024	2025	2026	2027	2028
	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
Loss Adjusted Load	3,721,576,759	3,775,401,772	3,857,638,693	3,993,193,610	4,154,575,319

Staffing Assumptions

- Current 38 Positions
- FY 24 Budget assumes adding:
 - Account Services – Senior Account Services Analyst
 - Regulatory - Regulatory Analyst
 - Marketing - Community Outreach Specialist
 - Programs – Program Analyst/Program Manager
 - Data and Technology - Data Analyst
 - Finance – Finance and Rates Manager
 - Power Resources – Power Resources Specialist/ Analyst
 - Power Resources - Senior Manager Local Generation
 - Human Resources - HR Specialist/Admin Asst

Other Budgeting Assumptions

- Solar and Storage on Public Buildings
 - Capital Outlay
 - PV1 - \$7.4 million in FY 24
 - PV2 - \$43.0 million in FY 25
 - Investment Tax Credit – 30-35%
 - PV1 - \$2.2 million in FY 26
 - PV2 - \$15.0 million in FY 27
 - Repayment based on usage over 20-year period

Initial Draft Budget FY24 – Summary



	Fiscal Year			Fiscal Year
	2023	2023	2023	2024
	Budget	Forecast	Variance - Fav/(Unf)	Draft Budget
Operating Revenues	367,783,691	431,254,981	63,471,290	474,624,034
OPERATING EXPENSES				
Cost of energy	264,208,440	269,342,688	(5,134,249)	311,261,389
Total Operating Expenses	294,429,488	293,405,542	1,023,946	349,657,317
Operating Income (Loss)	73,354,203	137,849,439	64,495,237	124,966,717
Total Nonoperating Income/(Expense)	600,000	2,192,412	1,592,412	645,192
CHANGE IN NET POSITION	73,954,203	140,041,851	66,087,648	125,611,909
Net Position at the beginning of period	174,211,272	167,670,734	(6,540,538)	300,430,872
Net Position at the end of period	248,165,475	307,712,585	59,547,110	426,042,781
Total Cash & Cash Equivalents		244,006,205		379,902,700
Unrestricted Cash Days on Hand		304		397

Initial Draft Budget FY 24 – Detail



	Fiscal Year			Fiscal Year
	2023 Budget	2023 Forecast	2023 Variance - Fav/(Unf)	2024 Draft Budget
OPERATING REVENUES				
Electricity Sales, net	364,961,141	428,282,058	63,320,918	471,670,872
Green electricity premium	2,822,550	2,972,923	150,373	2,953,162
Operating Revenues	367,783,691	431,254,981	63,471,290	474,624,034
OPERATING EXPENSES				
Cost of energy	264,208,440	269,342,688	(5,134,249)	311,261,389
Staff compensation	8,583,221	7,373,531	1,209,691	10,922,801
Data Manager	3,600,000	3,574,069	25,931	3,871,152
Service Fees - PG&E	1,350,000	1,305,818	44,182	1,400,000
Consultants & Professional Services	1,431,813	1,044,479	387,334	1,788,491
Legal	1,474,000	1,383,211	90,789	1,574,558
Communications and Noticing	2,686,208	1,524,403	1,161,805	2,850,940
General and Administrative	2,359,806	2,233,614	126,192	4,027,236
Community Energy Programs	8,640,000	5,542,963	3,097,037	11,726,000
Depreciation	96,000	80,765	15,235	234,750
Total Operating Expenses	294,429,488	293,405,542	1,023,946	349,657,317
Operating Income (Loss)	73,354,203	137,849,439	64,495,237	124,966,717
NON-OPERATING REVENUES (EXP.)				
Total Nonoperating Income/(Expense)	600,000	2,192,412	1,592,412	645,192
CHANGE IN NET POSITION	73,954,203	140,041,851	66,087,648	125,611,909
Net Position at the beginning of period	174,211,272	167,670,734	(6,540,538)	300,430,872
Net Position at the end of period	248,165,475	307,712,585	59,547,110	426,042,781
Total Cash & Cash Equivalents		244,006,205		379,902,700
Unrestricted Cash Days on Hand		304		397

Draft Budget FY 2023-2028 – Budget Summary & 5-year Plan



	Fiscal Year				
	2024	2025	2026	2027	2028
	Draft Budget	Projection	Projection	Projection	Projection
Operating Revenues	474,624,034	487,194,674	485,715,240	455,048,558	405,882,856
OPERATING EXPENSES					
Cost of energy	311,261,389	383,611,464	382,474,223	344,299,885	329,946,422
Total Operating Expenses	349,657,317	431,907,562	438,723,088	406,769,676	396,572,285
Operating Income (Loss)	124,966,717	55,287,112	46,992,152	48,278,882	9,310,571
Total Nonoperating Income/(Expense)	645,192	673,580	703,218	734,160	766,463
CHANGE IN NET POSITION	125,611,909	55,960,692	47,695,370	49,013,041	10,077,033
Net Position at the beginning of period	300,430,872	426,132,781	482,188,873	529,985,368	579,105,600
Net Position at the end of period	426,042,781	482,093,473	529,884,244	578,998,409	589,182,634
Total Cash & Cash Equivalents	379,902,700	433,325,042	484,752,203	533,919,686	544,157,425
Unrestricted Cash Days on Hand	397	367	406	482	504

Draft Budget FY 2023-2028 – Budget Detail & 5-year Plan

	Fiscal Year	Fiscal Year				
	2023	2024	2025	2026	2027	2028
	Forecast	Draft Budget	Projection	Projection	Projection	Projection
OPERATING REVENUES						
Electricity Sales, net	428,282,058	471,670,872	484,233,036	482,737,236	452,054,000	402,863,671
Green electricity premium	2,972,923	2,953,162	2,961,637	2,978,004	2,994,557	3,019,185
Operating Revenues	431,254,981	474,624,034	487,194,674	485,715,240	455,048,558	405,882,856
OPERATING EXPENSES						
Cost of energy	269,342,688	311,261,389	383,611,464	382,474,223	344,299,885	329,946,422
Staff compensation	7,373,531	10,922,801	11,578,169	12,272,859	13,009,231	13,789,784
Data Manager	3,574,069	3,871,152	4,103,421	4,349,626	4,610,604	4,887,240
Service Fees - PG&E	1,305,818	1,400,000	1,484,000	1,573,040	1,667,422	1,767,468
Consultants & Professional Services	1,044,479	1,788,491	1,091,949	1,119,665	1,168,642	1,199,674
Legal	1,383,211	1,574,558	1,633,099	1,707,767	1,786,843	1,870,626
Communications and Noticing	1,524,403	2,850,940	2,964,912	3,048,580	3,134,757	3,223,520
General and Administrative	2,233,614	4,027,236	3,748,298	3,929,634	4,121,293	4,336,551
Community Energy Programs	5,542,963	11,726,000	20,630,000	25,781,000	30,355,000	32,935,000
Depreciation	80,765	234,750	1,062,250	2,466,694	2,616,000	2,616,000
Total Operating Expenses	293,405,542	349,657,317	431,907,562	438,723,088	406,769,676	396,572,285
Operating Income (Loss)	137,849,439	124,966,717	55,287,112	46,992,152	48,278,882	9,310,571
NON-OPERATING REVENUES (EXP.)						
Total Nonoperating Income/(Expense)	2,192,412	645,192	673,580	703,218	734,160	766,463
CHANGE IN NET POSITION	140,041,851	125,611,909	55,960,692	47,695,370	49,013,041	10,077,033
Net Position at the beginning of period	167,670,734	300,430,872	426,132,781	482,188,873	529,985,368	579,105,600
Net Position at the end of period	307,712,585	426,042,781	482,093,473	529,884,244	578,998,409	589,182,634
Total Cash & Cash Equivalents	244,006,205	379,902,700	433,325,042	484,752,203	533,919,686	544,157,425
Unrestricted Cash Days on Hand	304	397	367	406	482	504

Excess Funds

- Recommended steps:

1. Executive Committee to form Subcommittee to develop overall policy on use of excess funds considering the mission of PCE and other objectives
2. Staff to develop possible options/recommendations on use of funds
3. Board members submit ideas to staff (to avoid Brown Act issues)
4. Staff to provide analysis of Board member and staff options for consideration by EC subcommittee
5. EC Subcommittee to meet with staff to evaluate options for use of excess funds based on staff analysis
6. EC Subcommittee provide recommendation to Executive Committee in 90-120 days
7. Executive Committee present recommendation to full Board (possibly at September Board retreat)

Next Steps on Adoption of FY 24 Budget

- Update to year-end FY24 forecast to reflect April 2023 financial results – expected to be available in time for June Audit and Finance meeting
- June 12, 2023 – Review Revised Draft Budget with Audit & Finance Committee
- June 12, 2023 – Review Revised Draft Budget with Executive Committee
- June 22, 2023 – Approve Final Budget by Board of Directors

July 1, 2023 Rate Change

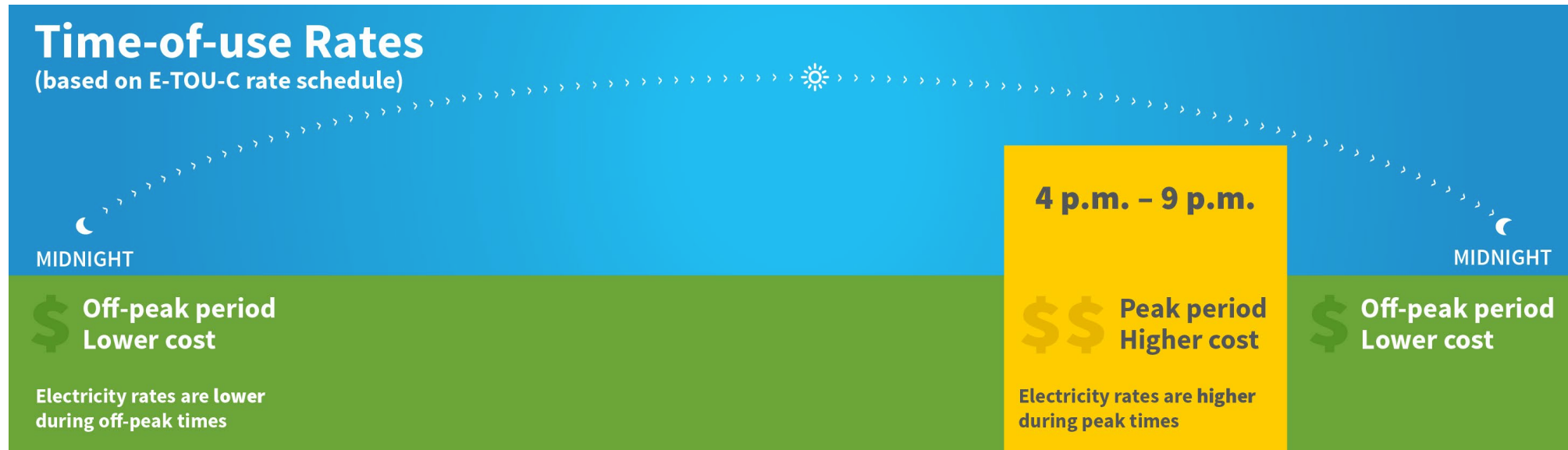
Board Meeting Discussion
May 25, 2023

PG&E June 1, 2023 Rate Change

- Distribution Rate Impacts
 - Four revenue requirement changes with net decrease to system average rate of 0.50 cents (\$0.005), or ~2%
- Residential E-TOU-C Structural Rate Change
 - Structural rate change increasing Peak (4-9 pm) and Off Peak differential pricing for both distribution and generation rates
 - Rate change is “revenue neutral” for PG&E customer base
 - This is the first step of three structural rate changes following 2020 GRC Phase 2 decision

What is E-TOU-C

- E-TOU-C is the default electricity rate for residential customers
- ~164K customers currently have E-TOU-C as their rate schedule
- Peak pricing is 4-9 p.m. every day



E-TOU-C Rate Change

- TOU-C was intentionally introduced with mild Peak/Off Peak price differentials with a plan to phase in greater differentials over time
- June 1 rate change increases differential between Peak and Off Peak by 1 cent/kWh

PG&E E-TOU-C Generation Rates			
Summer Rate	Peak	Off Peak	Differential
Current	\$0.20433	\$0.15089	\$0.05344
June 1, 2023 Rates	\$0.21085	\$0.14741	\$0.06344
Net Change	\$0.00652	(\$0.00348)	\$0.01000

Peninsula Clean Energy Rate Change and Bill Impact

- The average TOU-C customers will save \$0.31 (0.53%) monthly in electric generation costs (CARE customers will save \$0.25 (0.49%))
- Structural rate change benefits customers who use more electricity during off peak hours (all hours outside of 4-9 p.m.)

Rate Component	Peninsula Clean Energy Rates In Effect Today	Proposed Peninsula Clean Energy Rates Effective July 1	\$/kWh Change
Summer Peak	\$0.18966	\$0.19586	\$0.00619
Summer Off Peak	\$0.1389	\$0.13559	(\$0.00331)
Winter Peak	\$0.14334	\$0.14969	\$0.00635
Winter Off Peak	\$0.12906	\$0.12591	(\$0.00315)

Recommendation

- Approve this resolution authorizing the implementation of new Peninsula Clean Energy rates to be effective July 1, 2023 to maintain a 5% discount in generation charges as compared to PG&E generation rates

Adjournment