

**Regular Meeting of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)  
Minutes**

Thursday, May 25, 2023  
6:30 p.m.  
Zoom Video Conference and Teleconference

**CALL TO ORDER**

Meeting was called to order at 6:32 p.m. in virtual teleconference, in the Peninsula Clean Energy Authority lobby, in the Los Banos City Hall conference room A, and the Homewood Suites Anaheim Resort in California.

**ROLL CALL**

**Participating:**

Dave Pine, San Mateo County  
Rick DeGolia, Atherton, *Chair*  
Julia Mates, Belmont  
Coleen Mackin, Brisbane  
Donna Colson, Burlingame, *Vice Chair*  
Ken Gonzalez, Colma  
Roderick Daus-Magbual, Daly City  
Carlos Romero, East Palo Alto  
Sam Hindi, Foster City  
Harvey Rarback, Half Moon Bay  
Leslie Ragsdale, Hillsborough  
Paul Llanez Faria, Los Banos  
Betsy Nash, Menlo Park  
Anders Fung, Millbrae  
Tygarjas Bigstycck, Pacifica  
Jeff Aalfs, Portola Valley  
Elmer Martinez Saballos, Redwood City  
Marty Medina, San Bruno  
Pranita Venkatesh, San Carlos  
Adam Loraine, San Mateo  
Kevin Bryant, Woodside

**Absent:**

Ray Mueller, San Mateo County  
James Coleman, South San Francisco

**A quorum was established.**

**PUBLIC COMMENT**

None

**ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS**

**MOTION:** Director Medina moved, seconded by Director Hindi to set the Agenda, and approve Agenda Item Numbers 1-2.

1. Approval of the Minutes for the March 23, 2023 and April 27, 2023 Board of Directors Meetings
2. Approval of revisions to the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) Tariff Sheet

**MOTION PASSED:** 21-0 (Absent: San Mateo County, South San Francisco)

<b>JURISDICTION</b>	<b>BOARD MEMBER</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Lee	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Totals	21			2

**REGULAR AGENDA**

3. Chair Report

Chair DeGolia gave a recap of the CalCCA Conference in San Diego, California. Chair DeGolia noted that Garth Salisbury, the Chief Financial Officer at Marin Clean Energy will present to the June 12, 2023 Audit and Finance Committee meeting.

#### 4. CEO Report

Jan Pepper, Chief Executive Officer, gave a presentation including a note that Peninsula Clean Energy Staff is working on improving audio quality for the recorded meetings, a staffing update including summer interns, a legislative update, information on Community Impact Awards from the CalCCA Conference, and a recap of staff volunteer events in the community. Jan reported that Peninsula Clean Energy received two Community Impact Awards: we received first place in the Equity Category for our Community Outreach Grants Program and we received runner-up in the Decarbonization Category with EBCE and SVCE for the reach codes work.

#### 5. Citizens Advisory Committee Report

Cheryl Schaff, Citizens Advisory Committee (CAC) Chair, gave a presentation recapping the May 11, 2023 Citizens Advisory Committee Meeting, including enthusiasm for a committee name change to the Community Advisory Group.

Director Romero asked the process for the CAC changing their name. Chair DeGolia explained the name change will be brought to the Board for official adoption.

Director Aalfs asked when new CAC members would be approved. Cheryl explained that new members would be approved at the June Board meeting and sworn in at the July 13, 2023 CAC meeting.

Director Nash offered her gratitude for the interest in the local government electrification program.

#### 6. Approval of DEAI Action Plan (Action)

Kirsten Anders-Schwind, Senior Manager of Community Relations, introduced the Diversity, Equity, Accessibility, and Inclusion (DEAI) Action Plan.

Vice Chair Colson shared background information on Peninsula Clean Energy's DEAI Commitment.

Shayna Barnes, Operations Specialist, continued the presentation with the Action Plan development and the DEAI Action Plan outline.

Kirsten continued the presentation with the foundation of strategic goals, organizational culture and DEAI commitment actions, actions for human resources, staffing and recruitment,

Chair DeGolia asked for clarification on Self-ID. Kirsten explained, that self-ID is asking individuals to identify in a safe way and allowing for ongoing change.

Kristen continued the presentation with Energy Program development and implementation, and Marketing and Account Services actions.

Director Mackin asked to see a simplification of messaging to older residents included in the action plan.

Vice Chair Colson noted that she is working on Age Friendly Cities documents in Burlingame to work with organizations like Peninsula Clean Energy, One Shoreline, City/County Association of Governments, and others to figure out ways to engage our seniors back in the political process and encouraged participation at the city level.

Shayna continued the presentation with vendor and energy supplier diversity actions, monitoring and evaluation, an overview of appendices, and training plan recommendations.

Director Mates noted her thanks for the Citizens Advisory Committee (CAC) and the DEAI Subcommittee and Staff for their important work on DEAI and asked if staff is on board with the aggressive timeline? Kirsten explained that it is important to start aggressively and do our best. Director Mates also noted the importance of making sure that trainings speak to all the different kinds of diversity definitions that exist.

Chair DeGolia noted that he hopes this item could come before CalCCA next year and that to make that work we have to know how to define this so it can be easily explained to others.

Director Daus-Magbual thanked Vice Chair Colson and the DEAI Subcommittee, including Staff and GCAP for their work on the DEAI Action Plan.

Director Bigstycck noted the strong stance Peninsula Clean Energy is taking on this version of equity, and shared that Jonathan Cordero, the Executive Director of the Association of Ramaytush Ohlone, offers some trainings that he will connect with Staff about. Director Bigstycck also noted that environmental justice hasn't been mentioned tonight and is a connection to Peninsula Clean Energy's environmental mission.

Director Hindi shared gratitude to others on the DEAI Subcommittee and thanked the Board for direction to do the maximum amount of effort.

Director Romero asked if the DEAI Council has been formed and if not, when is that Council expected for form. Kirsten explained that is an internal Staff council was formed in Fall 2022 and has been expanded to include representatives from all departments. The staff-led DEAI Council meets twice a month to assist departments in implementing the Action Plan.

Director Romero asked how the annual review process will work. Kirsten explained that is yet to be determined. Director Romero suggested an outside vendor work with the DEAI Council to review the status of meeting DEAI goals.

Vice Chair Colson suggested the original consultant, GCAP, or other consultants who were interviewed previously could be brought in again to help with annual monitoring.

Director Romero expressed his gratitude to those who have worked hard to keep the DEAI Action Plan moving forward.

Director Mackin shared that internal annual reporting is equally important to external reporting and suggested a debriefing from contractors that Peninsula Clean Energy contracts with to see the ease of complying with what is asked of them.

**MOTION:** Director Romero moved, seconded by Director Daus-Magbual to Adopt Peninsula Clean Energy Diversity, Equity, Accessibility, and Inclusion (DEAI) Action Plan

**MOTION PASSED:** 21-0 (Absent: San Mateo County, South San Francisco)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X

Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Venkatesh	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Totals	21			2

## 7. Review of Fiscal Year 2023-2024 Draft Budget (Discussion)

Andy Stern, Interim Chief Financial Officer, gave a presentation including a budget review and approval schedule, key assumptions of the draft budget for Fiscal Year (FY) 2023-2024, revenue assumptions for PG&E generation rate and Power Charge Indifference Adjustment (PCIA) assumptions, and revenue assumptions with PG&E PCIA and generation rate assumptions.

Director Loraine asked when Peninsula Clean Energy would be free of the PG&E PCIA obligation.

Jan Pepper, Chief Executive Officer, added that the PCIA would remain until 2040 or 2045.

Chair DeGolia noted that the only thing we've seen in the last few years is that projections are impossible to predict. Jan added that the day when projections are done, they are as good as can be, and that outside forces change things.

Director Romero asked for clarification on the two conservatism contingencies from key assumptions. Andy explained that cost of energy is budgeted at \$311 million, with the \$39 million increase inclusive of almost \$16 million in contingencies. Andy noted that without the contingencies the forecast would still be 9% higher.

Vice Chair Colson noted that the carryover of 180 days cash on hand is to absorb unexpected volatility and added that our conservative financial policies are why Peninsula Clean Energy has cash on hand.

Jan Pepper added that the 24/7 goal is less expensive than being subject to the volatility of natural gas prices and fossil fuels. Jan added that once you contract for renewables there isn't any fuel volatility and that even if the 24/7 timeline goals weren't met it would be more expensive to purchase renewable energy credits rather than having locked in prices for contracts.

Andy Stern continued the presentation with cost of energy assumptions, staffing assumptions, other budgeting assumptions including the Solar and Storage on Public Buildings program, and the summary initial draft budget for FY 2024.

Director Romero asked if the predictions for market price of Resource Adequacy (RA) could vary greatly. Jan Pepper explained that yes, they could, and that prices are currently very high.

Andy Stern noted that a signification amount has been factored in for volatility and contingency, and that a significant chunk of the \$5 million happened in a 10-day period in September 2022 during the heat wave.

Andy Stern continued the presentation with the Draft Budget FY 2023-2028 Budget summary and 5-year Plan.

Jan Pepper shared staff's recommended steps to discuss excess funds including a recommendation that the Executive Committee form a subcommittee to determine a policy on use of excess funds, considering Peninsula Clean Energy's mission and other objectives and noting that this is a policy decision and the Executive Committee's role is to work through policy changes.

Andy Stern added that energy prices are volatile, the PCIA is extremely difficult to predict, and that long-term projections are based on continued rate-setting using PG&E's rates and expected PCIA which are not reliable 5-years out. Andy added that Staff is simultaneously investigating a cost-of-service rate setting format which would tie rates to cost. Andy also shared that 180 days cash on hand is a company policy, but in his opinion it is lower than recommended.

Vice Chair Colson asked if moving to a cost-of-service model would reduce the overages that tend to occur in the current model. Andy explained that if load and costs could be accurately predicted, it would narrow it. Andy shared that the Investor Owned Utilities (IOUs) set their rates on a cost-of-service model within the California Public Utilities Commission (CPUC) margin they are allowed to charge, but that they frequently miss the mark in part because it is difficult to predict what will happen in energy markets.

Director Aalfs shared that rate setting could reward consumers for saving during critical times and could become strategic as a conservation tool. Director Aalfs asked if there is a negative correlation between RA and PCIA. Andy explained that one of the contributors to why RA prices change is that more Community Choice Aggregations (CCAs) are chasing the same resources to be compliant. CCAs are only getting bigger and more prevalent and that could be a counterweight to the prediction.

Public Comment: Micah

Chair DeGolia noted that projections are highly volatile and that the numbers in the budget are large in contrast to the budgeted loss 2 years prior and supported Staff's decision to create a mechanism to address the policy issue.

Director Llanez shared information on the financial demographics in Los Banos and noted that Los Banos and San Mateo County are not on level playing fields. He also noted that the policy on days

cash on hand should be adjusted before creating the budget. Andy Stern explained that the policy is a minimum days cash on hand policy with the intention of the policy that if the amount went below 180, there would need to be a marked change of either increased rates or cuts in programs. The policy does not address a maximum, which is a Board decision.

Director Nash shared that within the budget in Menlo Park there are strong climate goals and one of the pieces that isn't coming together is the Electric Vehicle (EV) charging infrastructure, especially for emergency vehicles. Director Nash asked for \$300,000-\$500,000 for two fast EV chargers for emergency vehicles in Menlo Park.

Vice Chair Colson noted that many cities are trying to electrify fleets and that this falls under policy work and is a broader topic for partially using reserves as a pool for electrification standards for municipal buildings. Knowing that EV infrastructure is a need, the Board could set up a fund and allocate money, rather than a one-off for an individual city.

Director Aalfs noted Peninsula Clean Energy has an EV charging structure program. Director Nash shared that Menlo Park is in the Peninsula Clean Energy program for EV infrastructure which covers approximately 6-10% of the costs, and that because these are lighter duty vehicles the cost is not covered by PG&Es rebates.

Vice Chair Colson suggested a program to consider could be a revolving loan program with a low interest rate, giving flexibility to pay it back over different budget cycles.

Shawn Marshall, Chief Operating Officer, added that some of this is being contemplated with the local government electrification program which is under development.

Chair DeGolia noted that this is a policy issue, and the Board needs to figure out the right mechanism with what to do, not as part of a one-off, but with specific uses of the funds to achieve the goals that are targeted. Peninsula Clean Energy had the highest discount rate of any CCA in California; Pioneer Clean Energy now has a 15% discount rate. It is impossible to predict what will happen with rates, but Peninsula Clean Energy's mission is not just to provide clean energy but to also do it at a lower cost. Chair DeGolia added that he is interested in increasing the discount so all customers can feel that.

Director Daus-Magbual suggested a framework such as an equity net that can show specific needs in each city.

Director Mates noted that Staff recommends the Executive Committee forms a subcommittee and asked if the subcommittee could be formed differently.

Jan Pepper explained that the suggestion would be to not have a quorum of any committee.

Directors Fung noted that this should be viewed holistically and through an equity lens while prioritizing Peninsula Clean Energy's goals and taking Andy Sterns consideration on the number of days cash on hand into account.

Jennifer Stalzer, Associate County Counsel, noted that an ad-hoc subcommittee could meet as a derivative of the board to determine what to do with these funds.

Director Nash shared that climate action is important and is affecting our most vulnerable communities first.

Chair DeGolia restated that Staff suggested forming an ad-hoc subcommittee at the June 12, 2023 Executive Committee and to let the Chair know of interest in serving on the ad-hoc committee. Chair DeGolia suggested the subcommittee return with a recommendation on how to address the surplus, not necessarily the answer, but to bring this back to the entire Board.

Director Medina noted submitting ideas to Staff versus the ad-hoc subcommittee.

Director Ragsdale added that ideas could be brought to the Citizens Advisory Committee (CAC).

Chair DeGolia agreed that this is an important issue for the CAC.

Jan Pepper asked for clarification. Chair DeGolia suggested that the Executive Committee discuss and decide what type of ad-hoc committee to set up, and for those who are not on the Executive Committee to let the Chair know. The Executive Committee will return to the Board at the next meeting to set policy rather than approve individual projects.

**8. Approval of New Peninsula Clean Energy Rates to be Effective July 1, 2023 with a Net 5% Discount in Generation Charges for ECOplus Compared to PG&E Generation Rates (Action)**

Justin Pine, Strategic Accounts Manager, gave a presentation including the PG&E June 1, 2023 rate change, an explanation of the E-TOU-C rate, information in the E-TOU-C rate change, and the Peninsula Clean Energy rate change and bill impact.

Director Loraine clarified that there are two parts to the recommendation, one in response to PG&Es rates but the other part is an ongoing program that Peninsula Clean Energy has already begun. Justin explained that the statewide transition in 2021 changed the default rate from all Investor Owned Utilities (IOUs) and Community Choice Aggregation (CCAs) to the E-TOU-C rate. The rate schedule that customers can choose and is the default when they start service with PG&E and Peninsula Clean Energy.

Director Romero asked what the chances are of the Canary Media article on assumption of rates.

Chair DeGolia noted that this isn't on the agenda but there are a lot of issues around this, and that there will be assessment of the impacts as this would be changing rates from a usage basis to household income.

**MOTION:** Director Hindi moved, seconded by Director Ragsdale to Approve a Resolution authorizing staff to calculate and implement new Peninsula Clean Energy ECOplus rates to be effective July 1, 2023 to reflect changes to PG&E rates happening June 1, 2023 ensuring a minimum net 5% discount.

**MOTION PASSED:** 20-1 (Absent: San Mateo County, South San Francisco)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			



Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez		X		
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstycck	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Venkatesh	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Total	20	1		2

#### 9. Board Members' Reports

Director Bigstycck shared that the Pacifica Pride Parade will be held on June 3, 2023.

#### **CLOSED SESSION**

The Board went into closed session at 8:55 p.m. and returned from closed session at 9:51 p.m. with no reportable action.

#### **ADJOURNMENT**

Meeting was adjourned at 9:51 p.m.