

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

Monday, June 12, 2023

10:00 a.m.

PLEASE NOTE: This meeting will be held in a hybrid format with both in-person and Zoom participation options for members of the public; Board members shall appear in person.

In-Person Meeting Location:
PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**

Zoom, **Virtual Meeting Link:** <https://pencleanenergy.zoom.us/j/85785703368>
Meeting ID: 857-8570-3368 **Passcode:** 2075 **Phone:** +1(669) 444-9171

This meeting of the Peninsula Clean Energy Executive Committee will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Committee are expected to attend the meeting in person** and should reach out to Assistant General Counsel for Peninsula Clean Energy, Jennifer Stalzer, with questions or accommodation information (jstalzer@smcgov.org). For information regarding how to participate in the meeting remotely, please refer to the instructions at the end of the agenda. In addition, a video broadcast of the meeting can be viewed at <https://www.peninsulacleanenergy.com/executive-committee> following the meeting.

Public Participation

The PCEA Executive Committee meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/85785703368>. The meeting ID is: 857-8570-3368 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 857-8570-3368, then press #. (Find your local number: <https://pencleanenergy.zoom.us/j/85785703368>). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

Members of the public can also attend this meeting physically at the **Peninsula Clean Energy Lobby** at 2075 Woodside Road, Redwood City, CA 94061.

Written public comments may be emailed to PCEA Board Clerk, Nelly Wogberg (nwogberg@peninsulacleanenergy.com) and such written comments should indicate the specific agenda item on which the member of the public is commenting.

Spoken public comments will be accepted during the meeting in the Board Room(s) or remotely through Zoom at the option of the speaker. Please use the "Raise Your Hand" function in the Zoom platform, or press *6 if you phoned into the meeting, to indicate that you would like to provide comment.

ADA Requests

Individuals who require 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, should contact Nelly Wogberg, Board Clerk, by 10:00 a.m. on the day before the meeting at (nwogberg@peninsulacleanenergy.com). Notification in advance of the meeting will enable PCEA to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

Closed Captioning is available for all PCEA Executive Committee meetings. While watching the video broadcast in Zoom, please enable captioning.

CALL TO ORDER / ROLL CALL/ APPROVE TELECONFERENCE PARTICIPATION UNDER AB 2449

This item is reserved to approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.

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 Committee are customarily limited to two minutes per speaker. The Committee Chair may increase or decrease the time allotted to each speaker.

ACTION TO SET AGENDA

REGULAR AGENDA

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Review of Fiscal Year 2023-2024 Budget (Discussion)
4. Update to Strategic Priority to Delivery 100% Renewable Energy Annually by 2025 and on a 99% Time-Coincident Basis by 2027 (Discussion)
5. Regionalization “Study session” (Discussion)
6. 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

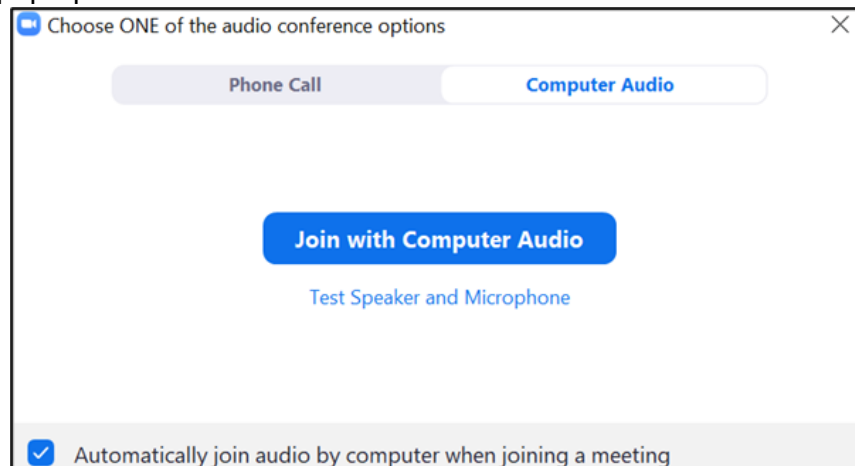
Videoconference Options:

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/85785703368>.
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/85785703368>.
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	
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	838 3472 4993		
Participant ID			
Passcode	2075		

4. Please dial +1 (669) 444-9171.
5. You will be instructed to enter the meeting ID: **857-8570-3368 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 (669) 444-9171.
2. You will be instructed to enter the meeting ID: **857-8570-3368 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 2, 2023
COMMITTEE MEETING DATE: June 12, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Andy Stern, Chief Financial Officer

SUBJECT: Proposed Fiscal Year 2023-2024 Budget and 5-year Projections

BACKGROUND:

On May 16, 2023, Staff presented a draft Fiscal Year 2023-2024 budget to the Audit & Finance Committee in order to solicit comments and input. Staff presented the same draft budget to the full Board of Directors on May 25, 2023.

DISCUSSION:

Fiscal Year 2023-2024 (July 1, 2023, through June 30, 2024) budget presentation and details will be provided for review. The bottom-up budgeting approach included discussions with the department heads to develop their portions of the budget and the Peninsula Clean Energy Chief Operating Officer and Chief Executive Officer to include cross agency elements of the budget. The final budget has been updated to reflect additional refinement of select revenue and expense categories.

The resolution for Board approval reflects a Not-to-Exceed level of Total Operating Expenses allowing for various categories to be above or below the planned level as long as the Total Operating Expenses do not exceed the requested level of \$350,657,317 for the full Fiscal Year 2023-2024.

**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: June 6, 2023
COMMITTEE MEETING DATE: June 12, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Jan Pepper, Chief Executive Officer,
Roy Xu, Director of Power Resources
Mehdi Shahriari, Manager of Planning and Analytics

SUBJECT: Update to Strategic Priority to Deliver 100% Renewable Energy
Annually by 2025 and on a 99% Time-Coincident Basis by 2027

RECOMMENDATION:

Based on the updated results of the 24/7 analysis presented by staff, direct staff to prepare a resolution recommending that the Board of Directors adopt staff's recommendation to update PCE's Strategic Plan Priority to deliver 100% renewable energy annually by 2025 and on a 99% time-coincident basis by 2027.

BACKGROUND:

In 2017 Peninsula Clean Energy ("PCE") set an ambitious goal to deliver 100% time-coincident renewable energy to its customers by 2025, which means delivering renewable energy that matches customers' demand each and every hour of the day. In the ensuing years, staff developed and leveraged a new 24/7 clean energy procurement modeling tool that has been helping Peninsula Clean Energy understand the best path to achieving this goal.

In December 2021, Peninsula Clean Energy published its [White Paper Part I](#) on this topic, explaining PCE's vision for its 24/7 renewable energy goal. Building on the work in the first white paper, staff presented the results of extensive portfolio modeling to the Board of Directors at the Board Retreat in September 2022. In that presentation, staff explained how Peninsula Clean Energy can achieve time-coincident renewable energy targets and how different time-coincident targets would impact Peninsula Clean Energy's cost of energy. Further, staff presented on how time-coincident renewable energy procurement could provide benefits to society by reducing greenhouse gas emissions and improving grid performance.

In November 2022, the Board of Directors adopted staff's recommendation on delivering 100% renewable energy annually on a 99% time-coincident basis by 2025.

In January 2023, Peninsula Clean Energy published its [White Paper Part II](#) that describes how we will achieve our 24/7 goal. At that time PCE also published the Modeling Around-

The-Clock Hourly Energy (MATCH) modeling tool, a free, open-source modeling tool that can be used by other communities to find the optimal portfolio to meet similar 24/7 goals for their community.

Staff has continued to update PCE's portfolio modeling and analysis with the most recent resource availability and market conditions. Delays in resource development due to global supply chain and financial issues, labor shortages, and interconnection delays have resulted in fewer resources available to Peninsula Clean Energy by 2025. Given these new conditions, staff has re-evaluated the optimal approach to delivering 24/7 renewable energy to our customers.

DISCUSSION:

Peninsula Clean Energy Staff leveraged the [Modeling Around-The-Clock Hourly Energy \(MATCH\) modeling tool](#) to evaluate the optimal implementation of PCE's 24/7 goal given updated market conditions and resource availability. Due to delays in resource development, only a limited pool of resources is available to begin delivering energy by 2025 and these resources are not a good fit for PCE's portfolio because of their generation profiles. Contracting with such resources will increase over-procurement, and lead to higher long-term cost and risk to PCE. In contrast, there is a more diverse set of resources available for energy delivery in 2027 and some are a much better fit for PCE's portfolio. For example, several important wind resources are expected to be online in 2027. Wind resources are an excellent fit for PCE, as they complement solar generation by providing overnight and winter generation. Contracting with these resources would decrease over-procurement and reduce the long-term cost and risk exposure to PCE. As such, staff recommends updating PCE's 99% time-coincident goal from 2025 to 2027 in order to incorporate the more optimal and cost-effective resources in PCE's portfolio. Staff further recommends keeping the goal of delivering 100% renewable energy *annually* by 2025.

In addition, Staff has been actively pursuing short-term contracts with existing renewable resources in an effort to meet the 24/7 goal by 2025, but has had limited success due to unavailability of such products in the current high-priced market. As a result, Staff expects that PCE will need to rely more on long-term contracts with new resources to meet its 24/7 goal. However, if Peninsula Clean Energy chooses to enter long-term contracts with sub-optimal resources for delivery in 2025 to try meeting the 99% time-coincident goal by 2025, then PCE won't have room in its portfolio for more optimal resources available in 2027.

Staff has compared the portfolio structures between meeting the 99% goal in 2025 versus meeting it in 2027. Staff notes that achieving the goal in 2025, given the resources that are expected to be available and online in 2025, would require a significantly larger total capacity. The larger amount of capacity needed to meet the 99% time-coincident goal by 2025 translates directly into high volumes of over-procurement, which Peninsula Clean Energy would try to sell, but the ability to sell at fair prices is not guaranteed. The high amount of capacity and the over-procurement could lead to increased costs and increased portfolio risk that would extend into the next ten to fifteen years. On the other hand, by targeting 24/7 in 2027, Staff would have more flexibility to contract with resources having desirable profiles and attributes that are a better fit for PCE's portfolio. In the long run, shifting the target date by two years will decrease over-procurement, and reduce the total cost and risk to PCE.

The recommended update to Peninsula Clean Energy's strategic priority will help to reduce cost and risk to PCE's customers. Staff's analysis indicates that the recommended strategy to achieving 24/7 by 2027 is the optimal approach to balance the costs and benefits to PCE's customers. At the same time, PCE will maintain the goal of delivering 100% renewable energy annually by 2025.

Staff will provide additional information and background during the Committee Meeting.

FISCAL IMPACT:

Updating the implementation of a 99% time-coincident renewable energy procurement target to 2027 will reduce the expected cost and risk of PCE's future portfolio, relative to a 2025 target. There is no immediate impact to the current FY 2023-2024 budget.

**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: June 2, 2023
COMMITTEE MEETING DATE: June 12, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Jan Pepper, Chief Executive Officer
Jeremy Waen, Director of Regulatory Policy
Marc Hershman, Director of Government Affairs

SUBJECT: Regionalization Study Session

BACKGROUND AND DISCUSSION:

The California Legislature is considering legislation that would enable the State's grid operator, the California Independent System Operator (CAISO), to expand service to other states within the Western Electricity Coordinating Council (WECC). This is a complex issue that has previously been before the legislature, with multiple stakeholders and several policy and operational implications to consider.

Staff will present an overview of the issue and its current status.