



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

Monday, June 12, 2023  
10:00 a.m.  
Zoom Video Conference and Teleconference

**CALL TO ORDER**

Meeting was called to order at 10:00 a.m. in virtual teleconference and in the Peninsula Clean Energy Authority lobby.

**ROLL CALL**

**Participating:**

Dave Pine, San Mateo County  
Rick DeGolia, Atherton, *Chair*  
Julia Mates, Belmont  
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:**

**A quorum was established.**

**PUBLIC COMMENT**

None

**ACTION TO SET AGENDA**

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

**MOTION PASSED: 9-0**

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	9			

**REGULAR AGENDA**

1. Chair Report

Chair DeGolia reported at the last Board meeting they agreed to set up an ad-hoc committee to discuss how to use excess funds. Staff put together a committee of 6 members including himself, Vice Chair Colson, Director Medina, Director Nash, Director Bigstyck, Director Llanez and Community Advisory Committee member Steven Booker.

2. CEO Report

Jan Pepper, CEO, provided a report covering open positions within Peninsula Clean Energy.

3. Review of Fiscal Year 2023-2024 Budget (Discussion)

Andy Stern, Interim Chief Financial Officer, gave a presentation detailing the Fiscal Year 2023-2024 budget.

Shawn Marshall, COO, read the comments of appreciation from the Community Advisory Committee meeting on Thursday, June 8, 2023 wherein they support the creation of an ad-hoc subcommittee in order to advise potential uses of excess funds, specifically focused on programmatic funding moving forward.

Public Comments: None

4. Update to Strategic Priority to Deliver 100% Renewable Energy Annually by 2025 and on a 99% Time-Coincident Basis by 2027 (Discussion)

Jan Pepper, CEO, explained that their strategic plan is to deliver 100% renewable by 2025 on a 99% time-coincident by 2025 and explained that this item is a discussion to push the time-coincident piece out until 2027.

Mehdi Shahriari, Manager of Planning and Analytics, gave a presentation on their strategy priority regarding their 24/7 renewable goal, background, and challenges facing with meeting this goal in 2025, such as delays in development of resources, increased financing costs, and interconnection delays. This recommendation was based on the 2022 market conditions and also analysis performed by staff last year and published in the white paper in January 2023. Achieving the goal in 2025 with limited resources expected to be available on-line would be infeasible.

Director Mates asked for more detail on why 2027 is going to be a reasonable goal. Her preference is to set reasonable goals as they know 2025 would be a challenge, but she wants to know if 2027 is far enough out. Mehdi explained they have been running several RFOs and bilateral reach out to different parties, and this is based on when different projects could become available to Peninsula Clean Energy based on analysis and start dates of the different projects.

Chair DeGolia noted three different variables that are very important: 1. Whether the power is 100% carbon-free versus renewable; 2. Whether we achieve 100% clean power or we agree to achieve some lesser percentage of clean power. They could look at a different percentage; and 3. The issue of being time-coincident; defining their power as clean with the way the California Public Utilities Commission (CPUC) defines it which is on an annual basis versus doing it every hour (24x7).

Vice Chair Colson noted the complexity of the market is not that they are just operating a vacuum, but in an ecosystem with multi-faceted and multi-functioning parts. These factors may push the timeline out and questioned whether they want to continue to have missed benchmarks or make goals they can meet comfortably.

Director Aalfs added that by getting closer to 100% time-coincidence, they naturally realize savings versus an annual renewable goal which will spur demand by sending a market signal and the market should respond. Vice Chair Colson agreed but with construction labor shortages those are things beyond Peninsula Clean Energy's control.

Director Aalfs said the added demand puts more pressure on the markets. He would like to stay aggressive on this because 78% is not meeting their goal, but in a far enough timeline it is still good.

Chair DeGolia added that of the 3 variables, he thinks the time-coincident variable is the most important. The proposal he is hearing is go to time-coincident and push it out until 2027 because they cannot get the renewable power to satisfy it, but he asked if they can get carbon-free power to satisfy it. He would rather be time-coincident sooner than 2027 and not worry so much about renewable power. Director Aalfs asked for an example of carbon free versus renewable. Chair DeGolia said the best example is large hydro from the northwest.

Jan added that they need to be able to schedule their power to get it when they need it in order to be time-coincident. Large hydro cannot guarantee the timing of when they deliver energy. It is difficult to achieve time-coincident if it is just clean. This is why they have been focusing on renewable because they can contract for it and schedule when they need it.

Director Pine asked if Peninsula Clean Energy has to use renewable energy to meet the timeline. Jan replied yes, unless they were able to contract directly with a large hydro facility.

Roy Xu, Director of Power Resources, explained that when he was in Riverside they had a federally-owned project, and allocation of the Hoover project was agreed upon decades ago through an allocation process. It was not done through a PPA. The priority of the Hoover Dam is you have to group water use, agriculture use, and power generation, which is third on the line. Every month, they received a monthly schedule depending on the water level of the lake and then depending on that you get allocation or a percentage of your contract to take the power. So, it is not as reliable to need an hourly matching goal as a geothermal resource which is a base load that has a very high capacity factors.

Director Aalfs said he knows it is true with the Hoover Dam, but he also thinks it is true with the Washington Hydro where electricity is not their top priority unlike water for farming. If they let water out on a certain day Peninsula Clean Energy needs electricity, that electricity could go out.

Vice Chair Colson said they also have to have enough water for the salmon runs, etc. She asked when the goal is to phase out Eco100. Jan explained that Staff is talking about that internally. They need to have some kind of marketing strategy to transition the product to 100% renewable including education on what that means.

Public Comments: None

#### 5. Regionalization “Study Session” (Discussion)

Jan Pepper, CEO, introduced the item, and explained that Jeremy Waen and Mark Hershman will give a presentation on what is a study session to inform the Executive Committee about what the issues are regarding regionalization, mainly about the California ISO expanding beyond California and what the pros and cons are of that.

Jeremy Waen, Director of Regulatory Policy, gave a presentation which is a primer on grid regionalization, including what is a very complicated technical and political issue but important. Marc Hershman, Director of Legislative Affairs, spoke about AB 538 which has several key components, but it does not dictate the structure or framework and it will return to the legislature. AB 538 was presented to the Utilities and Energy Committee in April and passed by a 12-0 vote.

Director Aalfs said there is hard regionalization and then something less formal as the California Independent System Operator (CAISO) joining Markets Plus, and it sounds like there is some discretion but he wondered if someone has talked about the intermediary step like that where they have some agreement so California can still be getting power from outside California and rely more on market forces and governments to achieve their goals.

Chair DeGolia referred to one of the slides that said California would maintain State authority over state matters related to procurement policy and resource planning. He assumes that their Resource Adequacy (RA) requirement has to be satisfied from within California.

Jeremy explained they can meet some of their RA requirement through importing capacity outside of California, but the RA requirements are established in a combination between what CAISO determines is needed for reliability within its footprint in terms of contract capacity, and then the California Public Utilities Commission (CPUC) for its jurisdictional entities then takes their share of what ISOs identified as needed and assigns those obligations onto all of the entities it has authority over.

Chair DeGolia said it sounds like their RA obligations with the CPUC have been extremely difficult with especially their penalties and the way they have managed the process, and it does not sound like it changes with regionalization.

Vice Chair Colson asked if Staff feels Peninsula Clean Energy needs to take a position on this or be non-reactive. Jan explained it would be to their benefit to take a position and, from a resources position, Staff is more in favor of it.

Chair DeGolia said the reason he asked the question about RA is he can see there are pros and cons to this. The risk is the loss of state control and increase of the power mix with coal-generated power. He also sees the strength of having more access to power and easier transmission and access.

Director Aalfs said the argument for regionalization is Texas which is both politically and physically an island in terms of reliability and economics. He thinks Peninsula Clean Energy's market is as large as the western states combined, so they are looking for certain procurement goals and they will have some impact as they engage in this which is market leverage.

Vice Chair Colson said they can potentially persuade them for more of a weighted representation as opposed to just the Senate. And noted that decarbonizing only CA while the rest of the United States does not, is not productive. If they get strong leadership and representation, being a leader and working throughout the rest of the country is probably ultimately good for America.

Director Romero asked if there is that alternative to not doing regionalization that gets us out of deficit. Jeremy referred to the 86 GWs of new generation capacities that have to be built and said if they presume that gets done, it will happen one way or the other. It is all sited in California or it is balanced between being sited in California and elsewhere, those are very different economic outcomes. If they bring states like Wyoming into the mix in a regionalized effort, this might help to accelerate the economics to encourage them to use more renewable source energy as more of its gets built within their state. At the same time, in the governance structure if every seat on the Board for the regionalized effort is one seat per state that participates, then a Wyoming representative carries as much weight potentially as a California representative and wondered what that could mean in terms of gamesmanship and politics.

Jan asked if there has been any discussion of representation by load or population. Jeremy explained this has been discussed, but the challenge is that if a regionalized effort forms that does not guarantee that other states will participate. The governance structure is a little too biased towards California getting the beat of everything just by load share alone.

Public Comments: None

## 6. Committee Members' Reports

Chair DeGolia suggested stopping at Wright Solar Facility on the way to CAISO.

Shawn Marshall, COO, suggested that Staff can arrange a tour of CAISO and will follow-up.

## **ADJOURNMENT**

Meeting was adjourned at 12:10 p.m.