

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

Thursday, June 22, 2023  
6:30 p.m.  
Zoom Video Conference and Teleconference

### **CALL TO ORDER**

Meeting was called to order at 6:35 p.m. in virtual teleconference in the Peninsula Clean Energy Authority lobby and in the Los Banos City Hall conference room A.

### **SWEARING IN OF NEW BOARD MEMBER**

David Silberman, General Counsel, presided over the official swearing-in of new Board Alternate Davina Hurt from Belmont.

### **ROLL CALL**

#### **Participating:**

Dave Pine, San Mateo County  
Ray Mueller, San Mateo County  
Rick DeGolia, Atherton, *Chair*  
Davina Hurt, Belmont  
Coleen Mackin, Brisbane  
Donna Colson, Burlingame, *Vice Chair*  
Ken Gonzalez, Colma  
Carlos Romero, East Palo Alto  
Sam Hindi, Foster City  
Leslie Ragsdale, Hillsborough  
Betsy Nash, Menlo Park  
Anders Fung, Millbrae  
Tygarjas Bigstyk, Pacifica  
Jeff Aalfs, Portola Valley  
Elmer Martinez Saballos, Redwood City  
Marty Medina, San Bruno  
Pranita Venkatesh, San Carlos  
Adam Loraine, San Mateo

Pradeep Gupta, Director Emeritus  
John Keener, Director Emeritus

#### **Absent:**

Roderick Daus-Magbual, Daly City  
Paul Llanez, Los Banos  
Harvey Rarback, Half Moon Bay  
James Coleman, South San Francisco  
Jennifer Wall, Woodside

**A quorum was established.**

**PUBLIC COMMENT**

None

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

Chair DeGolia noted that Agenda Item Number 9 will be heard before Agenda Item Number 8.

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

1. Approval of the Minutes for the May 25, 2023 Board of Directors Meeting
2. Appointment of Members to the Citizens Advisory Committee (CAC)

**MOTION PASSED:** 18-0 (Absent: Daly City, Half Moon Bay, Los Banos, South San Francisco, Woodside)

<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 Hurt	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 Wall				X
Total		18			5

## **REGULAR AGENDA**

### 3. Chair Report

Chair DeGolia shared that in an effort to include a member of the Citizens Advisory Committee on the Surplus Funds Committee, Peninsula Clean Energy Staff will manage the Committee. Chair DeGolia announced members of this Committee are Tygarjas Bigstyk, Steven Booker, Donna Colson, Rick DeGolia, Paul Llenez, Marty Medina, and Betsy Nash.

### 4. CEO Report

Jan Pepper, Chief Executive Officer, gave a report including a staffing update, an update on Peninsula Clean Energy Credit Ratings, a legislative update, an update on the EV Ready project, information on Net Energy Metering payouts, and expressed her gratitude to the Board for the last seven years as the CEO.

### 5. Citizens Advisory Committee Report

Cheryl Schaff, Citizens Advisory Committee (CAC) Chair, gave a presentation recapping the June 8, 2023 CAC meeting.

### 6. Recognition of Chief Executive Officer Jan Pepper Upon Retirement (Discussion)

Chair DeGolia introduced the item and recognized Jan Pepper upon her retirement. Additional speakers were invited to share their appreciation of Jan Pepper:

Beth Vaughn, Executive Director of CalCCA

Nicholas Hargis, Field Representative for Congresswoman Anna Eshoo

Kevin Fong, Field Representative for Congressman Kevin Mullin

David Burruto, District Director for Assemblymember Papan and Pablo Velasquez, Field Representative for Assemblymember Marc Berman

Dave Pine, San Mateo County Supervisor

Girish Balachadran, CEO of Silicon Valley Clean Energy

Director Jeff Aalfs

Vice Chair Donna Colson

John Keener

Chair Rick DeGolia

Ann Schneider

Director Anders Fung

Director Carlos Romero

Jan Pepper thanked the speakers and the Board for their kind words and support over the last 7 years.

7. Approval of the Fiscal Year (FY) 2023-2024 Budget (Action)

Andy Stern, Interim Chief Financial Officer, gave a presentation of the Fiscal Year (FY) 2023-2024 budget, including a review of the schedule, a recap of revisions since the initial draft budget, key assumptions, a summary and detailed view of the revised draft budget, and a 5-year outlook including the impact of GovPV Programs on cash position.

Vice Chair Colson thanked the Audit and Finance Committee for their work on this budget and noted that these numbers can be volatile and have fluctuation due to factors including market pricing and the Power Charge Indifference Adjustment charge (PCIA)) charge. Vice Chair Colson noted that the largest part of our budget is energy charges.

Director Aalfs noted that our commitment to 24/7 time-coincident power protects us against market volatility.

Jan Pepper offered her gratitude to Andy Stern for stepping into the budget process this year.

Vice Chair Colson added that the A- credit rating is important for counter party agreements and that higher credit ratings have allowed Peninsula Clean Energy to free up cash flow.

**MOTION:** Director Aalfs moved, seconded by Director Pine to Approve the Proposed Fiscal Year 2023-2024 (July 1, 2023, through June 30, 2024) budget with an amount of \$350,657,317 as a not-to-exceed amount of Total Operating Expenses.

**MOTION PASSED:** 18-0 (Absent: Daly City, Half Moon Bay, Los Banos, South San Francisco, Woodside)

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 Hurt	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 Wall				X
	Total	18			5

9. Approval of Staff's Recommendation on Delivery of 100% Renewable Energy Annually by 2025 and on a 99% Time-Coincident Basis by 2027 (Action)

Mehdi Shahriari, Planning and Analytics Manager, gave a presentation including background on 24/7 Renewable Energy by 2025, the current status, benefits of 24/7, the difference between renewable and carbon free, challenges in achieving the 2025 target, resources available in 2027, and benefits for shifting the goal.

Director Loraine asked why in-state wind seems so limited as an option in comparison to out-of-state wind. Mehdi explained that there are no sites available to further develop wind in California, and that their generation profiles may not be favorable to Peninsula Clean Energy's needs.

Chair DeGolia added that almost 100% of the available onshore wind in California has been fully harvested, while access to wind out-of-state is relatively new, requiring the building of transmission lines.

Director Romero asked about the 99% time-coincident number being closer to 97% due to the marginal cost related to getting to 99%. Mehdi explained that 99% is the planning basis while the 97% is the real-time operation which considers load variability and uncertainty which would result in a lower time-coincident percentage than what is being planned.

Chair DeGolia asked for a future presentation on system power that Peninsula Clean Energy purchases and how that gets reconciled with the California Public Utilities Commission's definition of 100% renewable.

**MOTION:** Vice Chair Colson moved, seconded by Director Medina to adopt Staff's recommendation to deliver 100% renewable energy annually by 2025 and on a 99% time-coincident basis by 2027.

**MOTION PASSED:** 18-0 (Absent: Daly City, Half Moon Bay, Los Banos, South San Francisco, Woodside)

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 Hurt	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 Wall				X
	Total	18			5

8. Approve Resolution Delegating Authority to Chief Executive Officer to Execute Power Purchase Agreement (PPA) With SunZia Wind Powerco LLC, and any Necessary Ancillary Documents, Including A Potential Replacement PPA With no Material Changes From Those Presented to the Board, With a Power Delivery Term of 15 Years Starting at the Commercial Operation Date on or About September 30, 2026, in an Amount Not-to-Exceed \$858 Million (Action)

Sara Maatta, Power Resources Manager, gave a presentation for the SunZia Wind PowerCo LLC project including a project overview, information on the transmission to California Independent System Operator (CAISO), contract structure, replacement power purchase agreement (PPA), workforce, community support for SunZia transmission, environmental review, expected operations the fit in Peninsula Clean Energy's energy portfolio, and fit with Peninsula Clean Energy's Strategic Plan.

Director Ragsdale asked about the replacement PPA. Chair DeGolia explained that Peninsula Clean Energy would be entering into a PPA with SunZia which is a subsidiary of Pattern Energy. Financial capital will need to be raised to build the transmission lines and towers. Some contracting parties may require direct contracts with an individual party and SunZia may be too broad for those requirements. SunZia is requesting the flexibility to assign the contract with identical terms and conditions of the original project contract.

Director Bigstyk asked if there would be minor cost adjustments included. Sara explained that there would be no cost adjustments, and that Peninsula Clean Energy's share would remain the same. Director Bigstyk asked if there is an option to renew the contract after the 15 years have lapsed. Sara explained that Peninsula Clean Energy hasn't come up on the end of a 15-year term and are not sure what that conversation looks like yet. Chair DeGolia noted there is not a renewal option in the contract.

Jan Pepper, Chief Executive Officer, explained that there have been renewals of shorter-term contracts in the past. Director Bigstyk asked about a first right of refusal. Sara explained that there is not a first right of refusal in Peninsula Clean Energy's standard proforma.

Director Pine asked about what happens with excess generation during certain times of the year. Sara explained that this situation is currently occurring where many hours in the summer produce more energy than is required and that energy is sold back to the system and explained that the hope is to store that energy to use when energy is short. Chair DeGolia added that energy which is stored becomes more valuable.

Director Loraine noted this project really embodies what Peninsula Clean Energy is doing.

Public Comment: Scott Wien, IBEW; John Keener

Monica Opderbeck, AVP, Origination & Power Marketing, Business Development for Pattern Energy Group introduced herself and explained that the PPA with Peninsula Clean Energy is their third PPA and an enabler to being construction.

Robin Christensen, President of Quanta West LLC, introduced herself and explained that Quanta West is very interested in working with labor unions including IBEW and explained that Quanta has almost 10,000 represented employees. Robin noted that in New Mexico the labor resources don't always match the need, but that the intent to leverage represented labor as much as possible.

Chair DeGolia explained that there are two different, but interdependent projects represented: Pattern Energy Group which is responsible for building the wind farm and Quanta West, LLC which is responsible for building the transmission line.

Derek Price, Vice President of Engineering and Construction for Pattern Energy Group introduced himself and explained that 2-3000 people will be working on the project and that labor resources in New Mexico can vary. Derek explained that Pattern Energy has a great relationship with IBEW. Derek added that Pattern is committed to working with IBEW and other labor unions to continue to train a new workforce.

Director Mueller asked if Pattern Energy was open to a Project Labor Agreement (PLA). Derek explained that Pattern Energy won't do a PLA as a project company with any of the unions for SunZia, adding that New Mexico is a right to work state and Pattern will work with contractors who will work out the labor agreements with IBEW and other trades to get the project completed.

Director Romero asked if Pattern Energy is committed to paying prevailing wage. Derek confirmed that it was written into the contract.

Director Hurt commented that the California Energy commission noted this project is an important project and should continue to watch that labor issues are followed.

**MOTION:** Director Hurt moved, seconded by Director Mackin to Approve a Resolution Delegating Authority to the Chief Executive Officer to Execute Power Purchase Agreement and any necessary ancillary documents, including potential Replacement PPA(s) with the same terms and conditions as the agreement presented to the Board except for any necessary administrative changes, with SunZia Wind PowerCo LLC or an Affiliate of SunZia Wind PowerCo LLC, with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about September 30, 2026, in an amount not to exceed \$858 million.

Chair DeGolia noted that Peninsula Clean Energy requires prevailing wage to be paid but prefers PLAs.

Director Mueller asked for clarification on the impediment of working out a PLA in a right to work state. Derek explained that these discussions are ongoing, and the labor options are being explored. Derek explained that the New Mexico labor workforce may not be exactly what is needed, and a PLA requires full union, but some flexibility is needed to ensure delivering the project on time and safely.

Monica added that Pattern Energy was the developer of the Western Spirit Wind Project that came online at the end of 2022 and noted that while there was not a PLA, there were favorable statistics for the workforce. Monica added that while there is not a PLA with SunZia, there will be different types of labor and workforce represented across SunZia. Derek added that Western Spirit Wind Project was a little smaller and had a large transmission component, which was constructed that line with 90% union labor and IBEW working on the wind farm. Derek added that Pattern Energy will hire any IBEW member that wants the work, noting that delays in these projects are typically around labor shortages.

Director Romero asked what safeguards will be put in place to ensure that prevailing wage is actually paid and what type of monitoring will exist. Derek explained that the prevailing wage requirements are similar to those on Western Spirit and the same contractual language with Peninsula Clean Energy extends to EPC contracting partners. Derek added that Pattern Energy has the ability to audit whenever needed to support prevailing wage requirements. Director Romero asked who would provide the auditors? Derek explained that Pattern Energy could provide the auditors.

Director Romero noted that if this project cannot be a 100% union labor project due to labor resources there should be an audit function to ensure the prevailing wage of the state is being paid. Derek noted Pattern Energy's commitment to that.

Director Mueller clarified that a PLA does not have to specify that everyone on the jobsite be hired from labor unions, but that a PLA could specify if there is a vacant seat it will be filled from labor unions first and asked if this would satisfy IBEW's concerns.

Scott Wien noted that as long as audits were being reviewed it would make them feel better.

Vice Chair Colson asked if Staff is comfortable getting reports and doing a review of the audit or if an external company would be hired. Jan Pepper shared that this has been done on a previous project with a smaller scale. Vice Chair Colson shared that Peninsula Clean Energy does not have available Staff to support reviewing the audits but that hiring an auditing company is a good resolution.

Director Gonzalez asked if there are mandatory reporting requirements for the contractors already. Chair DeGolia explained that they would be requirements of the state of New Mexico and asked if there is an audit trail or reports that need to be provided to the state to show compliance with prevailing wage. Derek explained that wages paid would be provided to the state, but there is not a requirement for what has been done to pay prevailing wage.



Monica clarified that Pattern Energy can pay for an audit across SunZia's entire 3.5-gigawatt project, although the PPA is only for 250 megawatts. Chair DeGolia noted that there are other contracting parties, and that Peninsula Clean Energy is only 6% of the deal. Monica explained that the contract applies to the facility and not just Peninsula Clean Energy's share of the facility. Monica added that Pattern Energy would pay for the audit and that would be their way of proving that they are complying with that section of the contract. Derek confirmed and offered to provide information upon request.

Monica added that this is not Pattern Energy's first project in New Mexico, noting that there are 1.6 gigawatts of wind assets that have been built that deliver power to California, and that Pattern Energy has a track record as the biggest wind developer in the state and that comments are based off experience of doing this in the past.

**MOTION AS AMENDED:** Director Hurt moved, seconded by Director Mackin to Approve a Resolution Delegating Authority to the Chief Executive Officer to Execute Power Purchase Agreement and any necessary ancillary documents, including potential Replacement PPA(s) with the same terms and conditions as the agreement presented to the Board except for any necessary administrative changes, with SunZia Wind PowerCo LLC or an Affiliate of SunZia Wind PowerCo LLC, with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about September 30, 2026, in an amount not to exceed \$858 million and to direct Staff to amend the agreement to provide a reasonable mechanism to verify that prevailing wage requirements of the contract are met.

Director Pine asked if this was at Pattern Energy's expense. Chair DeGolia confirmed that this would be an audit of the entire project and not just Peninsula Clean Energy's portion.

**MOTION AS AMENDED:** Director Hurt moved, seconded by Director Mackin to Approve a Resolution Delegating Authority to the Chief Executive Officer to Execute Power Purchase Agreement and any necessary ancillary documents, including potential Replacement PPA(s) with the same terms and conditions as the agreement presented to the Board except for any necessary administrative changes, with SunZia Wind PowerCo LLC or an Affiliate of SunZia Wind PowerCo LLC, with a Power Delivery Term of 15 years starting at the Commercial Operation Date on or about September 30, 2026, in an amount not to exceed \$858 million and to direct Staff to amend the agreement to provide a reasonable mechanism to verify that prevailing wage requirements of the contract are met at SunZia's expense.

Director Bigstyk added his appreciation for the labor conversation.

**MOTION AS AMENDED PASSED:** 18-0 (Absent: Daly City, Half Moon Bay, Los Banos, South San Francisco, Woodside)

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 Hurt	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 Wall				X
	Total	18			5

10. Approval of Resolution Approving Appointment of Shawn E. Marshall as Chief Executive Officer (CEO) and an Agreement for her Service as CEO for the Term of July 1, 2023 to June 30, 2026 in an Amount Not-to-Exceed \$400,000 Annually (Action)

Chair DeGolia introduced the recruitment process for Chief Executive Officer and shared that following a robust requirement process as well as a comparative review of other salaries in the market, the ad-hoc committee is proposing Shawn E. Marshall as the next CEO of Peninsula Clean Energy.

Public Comment: Bruce Karney, John Keener

**MOTION:** Director Aalfs moved, seconded by Director Romero to approve an Agreement with Shawn E. Marshall in the position of Chief Executive Officer for Peninsula Clean Energy. The Agreement commences on July 1, 2023 and concludes on June 30, 2026 with the possibility of an extension; and (2) provides for an annual base salary of \$375,000 effective July 1, 2023 with the possibility of an annual bonus of up to \$25,000, subject to the PCEA Board's sole discretion.

**MOTION PASSED:** 18-0 (Absent: Daly City, Half Moon Bay, Los Banos, South San Francisco, Woodside)

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 Hurt	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 Wall				X
Total		18			5

Shawn Marshall, Chief Operating Officer, and newly appointed Chief Executive Officer shared her gratitude to the Board and to Jan Pepper.

#### 11. Regionalization Study Session (Discussion)

Chair DeGolia noted that this item will be postponed until the July BOD meeting.

Jan Pepper added that there has been discussion of California expanding to a regionalized system which is a complex issue. Jan requested that Board Members refrain from supporting or opposing regionalization until a study session can be held next month to share the pros and cons.

#### 12. Board Members' Reports

Director Bigstyk shared that he visited *Sensorio* in Paso Robles, which is a solar powered art installation and recommended a visit.

### **ADJOURNMENT**

Meeting was adjourned at 9:13 p.m.