



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

Thursday, July 27, 2023
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 6:34 p.m. in virtual teleconference, in the Peninsula Clean Energy Authority lobby and in the Los Banos City Hall Conference Room A.

ROLL CALL

Participating:

Ray Mueller, San Mateo County, arrived at 6:40 p.m.
Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*, arrived at 6:58 p.m.
Carlos Romero, East Palo Alto
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough
Betsy Nash, Menlo Park
Anders Fung, Millbrae
Tygarjas Bigstyk, Pacifica
Craig Taylor, Portola Valley, arrived at 7:15 p.m.
Elmer Martinez Saballos, Redwood City, participating remotely under AB 2449's "just cause" exemption
Marty Medina, San Bruno
Amourence Lee, San Mateo, participating remotely under AB 2449's "just cause" exemption
James Coleman, South San Francisco
Jennifer Wall, Woodside

Absent:

Dave Pine, San Mateo County
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Sam Hindi, Foster City
Paul Llanez Faria, Los Banos
John Dugan, San Carlos

A quorum was established.

PUBLIC COMMENT

David Mauro

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

MOTION: Director Mates moved, seconded by Director Medina to set the Agenda, and approve Agenda Item Numbers 1-3.

1. Approval of the Minutes for the June 22, 2023 Board of Directors Meeting
2. Approval of Contract Renewal Between Peninsula Clean Energy and Maher Accountancy for the Period of July 1, 2023 Through June 30, 2024 in an Amount Not-to-Exceed \$258,150
3. Approval of the Revised Employee Handbook, Version 5

MOTION PASSED: 15-0 (Absent: San Mateo County, Burlingame, Colma, Daly City, Foster City, Los Banos, Portola Valley, San Carlos)

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 Dugan				X
San Mateo	Director Lee	X			
South San Francisco	Director Coleman	X			
Woodside	Director Wall	X			
	Total:	15			8

REGULAR AGENDA

4. Chair Report

Chair DeGolia stated this is Peninsula Clean Energy's first meeting with its second Chief Executive Officer, Shawn Marshall, and the transition has been remarkably easy.

5. CEO Report

Shawn Marshall, Chief Executive Officer, thanked Chair DeGolia. She reported on her attendance to a CalCCA study session focused on PG&E rate forecast and Power Charge Indifference Adjustment (PCIA) update. Peninsula Clean Energy's 5-year forecast remains on track with its assumptions.

Jeremy Waen, Director of Regulatory Policy, gave an update on the Power Charge Indifference Adjustment (PCIA) and Rates Forecast Study Session.

Shawn continued the presentation with staffing updates on promotions, new Staff members, managed growth and planned redundancy, career planning/succession, addition of two job classifications, elevation of data and technology to its own department, current recruitments, the Surplus Funds Committee held on July 18th, deepening of customer engagement and offerings, the opening of demand flex market, the Marketing Subcommittee's brand audit, upcoming meeting dates, office hours available to Directors, and a Director survey.

6. Citizens Advisory Committee Report

Jason Mendelson, Citizens Advisory Committee (CAC) Vice Chair, gave a report recapping the July 13, 2023 CAC meeting.

7. Review of 2022-23 Citizens Advisory Committee Work Plan Deliverables (Discussion)

Kirsten Andrews-Schwind, Senior Manager, Community Relations, gave a presentation including a recap of the 2022-2023 Citizens Advisory Committee (CAC) working groups.

Director Mackin asked if the 24/7 decarbonization working group is going to meet next year. Kirsten said there is variation on it.

Director Mackin referred to the last sentence in the report, "encouraging Peninsula Clean Energy opportunities to work with commercial customers" and suggested reaching out to business that operate overnight to find out how Peninsula Clean Energy can help them reduce energy consumption. Regarding the survey, Director Mackin asked for clarification on micro-bonds from page 208/209 of the Agenda Packet. Kristen explained that was something that Pioneer Clean Energy was working on.

Chair DeGolia added that the Community Choice Aggregation (CCA) Finance Authority is doing bonds and Pioneer Energy has participated. He noted this was presented at the CalCCA conference in May 2023 and Peninsula Clean Energy had a presentation from the CFO at Marin Clean Energy. Shawn added this is also known as pre-pay power purchase agreements.

Public Comments: None

8. Approval of 2023-24 Citizens Advisory Committee Work Plan, Objectives, and New Committee Name (Action)

Kirsten Andrews-Schwind, Senior Manager, Community Relations, gave a presentation covering a proposed name change from the Citizens Advisory Committee (CAC) to Community Advisory Committee, updates to the CAC roles and responsibilities, the 2023-2024 Citizens Advisory Committee Work Plan and guiding principles, 5 proposed working groups.

Director Medina asked if Peninsula Clean Energy Staff would be able to handle the additional workload. Shawn Marshall, Chief Executive Officer, confirmed that Staff was consulted.

Vice Chair Colson asked for an example of “advise on high-level legislative and regulatory direction of the organization”. Kirsten shared that Marc Hershman explained at the study session that these are high level objectives.

Vice Chair Colson asked if CAC members would be able to share ideas and not just advise but to advise and advocate. Kirsten said this is what the language used to be. Shawn explained that they look at the role of Staff versus the Committee and in these situations the preference is for Staff to represent the organization. Vice Chair Colson asked and confirmed they could ask a CAC member to speak, under Item 2; engage and advocate.

Public Comment: Eduardo Pelegri-Llopart

Kirsten shared that the CAC can reach out to Staff on issues that are brought up at the CAC and make sure that they take that feedback into account, which helps shape their work. Director Romero, suggested a filtered approach where Staff look at issues and table ideas because they does not intersect well with strategic priorities.

Director Medina noted that a committee appointed by the BOD, if a member felt that they were not in agreement, they can approach Board members and provide input and ideas during public comment. Director Mackin added reaching out to CAC liaisons if their emphasis is not being heard.

Chair DeGolia referred to, “provide a forum for community discussions on a wide variety of strategies to reduce carbon emissions in conjunction with Staff and the Board”. This is specifically focusing on reduction of carbon emissions. He recommended making it more open by changing it to, “Provide a forum for communication discussions on a wide variety of strategies in conjunction with Staff and the Board”.

Chair DeGolia noted there are different relationships with other Community Choice Aggregations (CCA) and their CAC. Peninsula Clean Energy takes their CAC very seriously, noting that the CAC is an integral part of Peninsula Clean Energy.

Chair DeGolia referred to the first bullet point, “advise on substantial public-facing program initiatives before they are presented to the Board for approval, as practical given Staff and CAC capacity”. He thinks there can be things that come up with “urgency” that the BOD needs to deal with and he would

not want to be locked in by policy. He suggested, “as practical, given urgency, Staff and CAC capacity”. Vice Chair Colson suggested amending it to read, “as practical given timeliness”. Chair DeGolia agreed with this, given it is a timeliness issue.

Public Comment: Jason Mendelson

MOTION: Chair DeGolia moved, seconded by Director Bigstycck to Approve the 2023-2024 Citizens Advisory Committee Work Plan, Objectives, and New Committee Name with 2 changes:

Add the word “timeliness” to the first point to read “as practical given timeliness, Staff and CAC capacity”, and to change the fourth bullet point to remove “reduce carbon emissions”.

Director Ragsdale referred to education initiatives, especially in the City of Los Banos. She asked if this is because this has already been done in the other communities. Kirsten explained, yes; that there have been initiatives that have been funded in San Mateo County with good momentum, and Peninsula Clean Energy is still exploring what the interests and programs are for Los Banos.

MOTION PASSED: 16-0 (Absent: San Mateo County, San Mateo County, Colma, Daly City, Foster City, Los Banos, San Carlos)

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 Taylor	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 Wall	X			
	Total:	16			7

9. Approval of a Resolution to Delegate Authority to the Chief Executive Officer to Finalize and Execute a Contract with the San Mateo County Office of Education to Support Schools in Implementing Clean Energy Literacy and Decarbonization of Facilities for an Amount Not-to-Exceed \$205,000 in 2023-2024.

Vanessa Shin, Community Outreach Specialist, gave a presentation of solutions which will make it easier for educators to teach students, providing curriculum, resources, incentives, support for teachers to teach about energy, options to participate in a year-long fellowship which is a professional development opportunity which will teach them to design their own curriculum in the classroom. For those not able to make that time commitment, Peninsula Clean Energy will offer workshops to be trained on specific lesson plans and set of curricula. She then highlighted other items Staff is working towards further developing programs for students in the school district, San Mateo County Community College District, and school investments in the Los Banos School District.

Director Mackin asked if there are any plans for Peninsula Clean Energy to reach out to school districts because often times the districts may not take the initiative, but a phone call could generate responses. Vanessa explained this would be a good idea, and noted that historically the County Office of Education does have a good partnership with the school districts.

Vice Chair Colson said she thinks the number one way that schools decarbonize are through school facility bonds. She asked to keep an eye out for districts and making sure that climate readiness is part of the ballot language that is allowed. She added that Peninsula Clean Energy should help generate “boiler plate language” to help them partner and leverage those bonds, adding that the Board could endorse those types of school facility bonds.

Vanessa shared that teachers who focus on clean energy receive a stipend of \$1,000 without specifying what they must use it for, but that it is to compensate them for the time they are teaching. Vice Chair Colson suggested awards for innovative curriculum like science teachers.

Director Taylor asked if there are any metrics defined to measure success. Vanessa explained that there are metrics on the number of students participating, tracked by school district. She added that much of it is the number of participants, and they also track specific deliverables for the content Peninsula Clean Energy wants them to teach and invite Peninsula Clean Energy to share through their partnership.

Director Taylor asked if metrics of actual impact can be measured such as what kind of difference did spending the \$1,000 have on the school. Vanessa said she was referring to the literacy programs, but for the decarbonization facility efforts, they are asking for reports on what the school district can do, what can be done with appliances identified in schools, and she confirmed they have goals they track for achievement.

Public Comment: David Mauro, Kathleen Goforth

Director Mueller asked about the impact for the expansion of the overall budget and suggested surveying what the schools’ knowledge was before and after because it may not be the best

investment if students already had a good knowledge base. Vanessa explained that the programs are available to all school districts and for facility-based ones, the approach has been in the past for the County Office of Education to conduct outreach to individual districts and those able or most ready to act will take up Peninsula Clean Energy on its offer.

Director Medina shared that it is important to find ways to support purchasing school supplies and some teachers put together Go Fund pages for her school. He suggested ways to fill in the gaps with teaching materials, paper, becoming a larger sponsor during Earth Day week, and to provide schweg for students to tie in education about clean energy.

Director Mackin referred to energy literacy suggested putting together videos that are downloadable for everyone, using it in the classroom for broad age groups on how Peninsula Clean Energy sources energy.

Director Mates suggested finding out what the educator’s baseline knowledge is, having a place for people to go to access new curricula and information, and suggested going out to the districts and the foundations and share there are these resources for them.

Director Nash added it should be something that is educational and not necessarily promotional.

Director Romero added that there is a tremendous amount of fossil fuel that gets spent on busses or cars driving to school, and the County Office of Education has Safe Routes to School program which is underfunded. They promote active transportation among children to walk and bike to school. It is a cultural and lane geometry issue so to the extent Peninsula Clean Energy can think about supporting an existing program that indirectly decarbonizes, it would be important as well as to see if reductions occur as a result.

Chair DeGolia noted that in every program Peninsula Clean Energy needs to measure the success and the challenges, and it would be helpful to give the Board a detailed update on what the money spent has done.

Director Ragsdale asked if the emphasis on going through the County Office of Education. She asked if it is okay to contact school districts directly. Kirsten Andrews-Schwind, Senior Manager, Community Relations, confirmed and said she appreciates the work of Board members to facilitate introductions.

MOTION: Director Romero moved, seconded by Director Medina to adopt a resolution to delegate authority to the Chief Executive Officer to finalize and execute a contract with the San Mateo County Office of Education for an amount not to exceed \$205,000 in Fiscal Year 2023-2024.

MOTION PASSED: 17-0 (Absent: San Mateo County, Colma, Daly City, Foster City, Los Banos, San Carlos)

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 Taylor	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 Wall	X			
	Total:	17			6

10. Regionalization Study Session (Discussion) (Continued from June 22, 2023 Board of Directors Meeting)

Jeremy Waen, Director of Regulatory Policy, gave a presentation on regionalization. Marc Hershman, Director of Government Affairs continued the presentation regarding AB 538.

Director Mackin asked if Staff knows which states are part of the Southwest Power Pool. Jeremy displayed a graphic with color coding of services being provided over a number of different states.

Director Mueller asked how this impacts Peninsula Clean Energy’s current and future contracts with out of state providers. Jeremy explained that the resource would have a transmission line developed to a point of interconnection with the California Independent System Operators (CAISO). It enables it to be plugged directly into the California grid. With the regionalization effort, there would not have to be that same level of transmission built all the way back to the California grid.

Director Mueller said they need to access capacity outside the state, noting the question of what infrastructure is needed to do so. Jeremy explained there will be a lot of transmission needed, but it may be more of an ad-hoc project by project or a regional holistic plan, noting that this is the discussion for a more coordinated transmission buildout.

Shawn Marshall, Chief Executive Officer, added that there is some islanding with the state of California. Marc added that if California were islanded and on its own, the ability to tap resources outside the state might be more limited depending on whether those states are part of the pool.

Chair DeGolia asked if there is any change to PCE's large hydro access and the ability to get that on an hourly basis plan versus the way it currently is. Jeremy explained this would not have any impacts for in-state hydro.

Director Fung noted that California has an ambitious climate goal and more than double. He asked if it is a fair statement to say that they are in need of greater capacity and it is not something that can be fulfilled within California. Jeremy explained there are ways to get there in state but the resource mix would be very different.

Director Mackin asked if they are using present day resources to evaluate what they need to import. She asked if they are thinking into the future about geothermal new technology, offshore wind, and industrial parks with rooftops that can have solar with battery storage. Shawn explained that CAISO and the California Energy Commission (CEC) both do this on an annual basis.

Director Nash asked for the environmental issues that are splitting organizations. Jeremy explained that part of it is whether this expanded market is really creating the demand for new generation or whether it is finding better connecting demand with existing generation. There is the governance structure where California has a one vote on, so governments may be less open to decarbonize as much as they might want to, so there may be potential to prioritize this over other agenda items so there are concerns this might not be as green as some are arguing they could be.

Marc added that one of California's central concerns by environmental groups is whether they would be able to export their goals to other states, or whether their priorities would overtake ours in terms of influence, which creates a tension.

Chair DeGolia asked why Peninsula Clean Energy is worried about Wyoming being on the Board with us. Shawn explained that some members of CAISO leadership believe that Southwest Power Pool is making significant in-roads into the western region and CAISO continues to argue about governance and some other legitimate issues while Southwest Power Pool continues to pick up areas through some of their programs, and the potential end result is islanding, making this a competitive issue.

Director Taylor asked for clarification on the competitive landscape. Jeremy explained that in the last few years, the CPUC reformed the rules that import Resource Adequacy (RA) to be able to provide for outside generation provider in California, and that they must meet contractual agreements with those counter parties, making it more challenging and costly. There has been a record steep drop in import capacity. If the western RA program has simpler rules to play by, they may not get quite the same prices they are getting in the California market.

Director Mueller asked if Peninsula Clean Energy has access to this transmission now. Jeremy explained that through the CAISO's balance market they do have access to out of state resources. Director Mueller asked if Peninsula Clean Energy will lose access to those. Jeremy explained that

yes, the rules in California are onerous and motivating markets to ignore California and find other topics of demand to provide their energy services too.

Director Mueller asked if this would stop the provider from out of state or someone from in state from purchasing something from out of state. Jeremy explained if Peninsula Clean Energy wanted to procure capacity out of state for their RA requirements, the list of generators would shrink as more of them enroll into the Southwest Power Pool's RA program.

Director Mueller asked if California became an island what stops them from joining. Jeremy explained that if California decided to not regionalize now and the Southwest Power Pool (SPP) continues to thrive, California could choose to participate in SPP but would have to play by their governance structure and not be at the table setting up the structure.

Director Mueller asked and confirmed with Jeremy that if states join SPP, they are precluded from providing their energy and capacity to California's markets.

Director Romero said he is trying to understand what percentage of transmission planning is driving this. Jeremy explained the block graphic tries to illustrate it is kind of a menu of options. It could be transmission planning at a regional level or energy markets at a regional level. Currently, CAISO transmission planning is just within their balancing authority.

Shawn Marshall noted that CalCCA sponsored a study session 3 months ago with the Executive Director of CAISO stressing the urgency of this matter.

Chair DeGolia said in terms of advice and what is important for Peninsula Clean Energy, his perspective is to be able to maintain or increase their access to northwest hydro power.

Vice Chair Colson asked if Peninsula Clean Energy knows where our legislators stand on this. Marc explained that Peninsula Clean Energy has not conveyed a position or engaged legislators on a position at this point. Vice Chair Colson said she would be interested to hear what legislators have to say and whether they have a position.

Director Medina noted that California needs 86GW by 2045 and he asked what Peninsula Clean Energy needs for their customers to achieve their goals. Roy Xu, Director of Power Resources, replied that they have a load forecast for 5-10 years and the load is currently 36 GWh per year. The question is whether out of state resources are cheaper than in-state resources. From a generation standpoint, it is cheaper to build out of state.

Director Taylor asked if Peninsula Clean Energy wants to start lobbying for regionalization and wonders if they have a choice to not pursue regionalization. Shawn said they would continue to pay escalating prices.

Roy said if they do not go to regionalization and SPP is able to pool all resources into their region and we do not have access to capacity out of state, RA costs would increase. They are already in a constrained RA environment. If they lose imports, it will add to Peninsula Clean Energy's capacity

costs to meet RA compliance, but this is assuming SPP is able to absorb all generators and everyone wants to join them.

Public Comment: David Mauro

Director Mackin asked how many resources are being developed and asked if Peninsula Clean Energy would have access across the border such as in Canada and in Mexico. Jeremy said there is one additional landmass in the map presented, and eastward, there is tremendous amount of hydro generation in Canada and it all comes back to transmission and interconnectedness.

Public Comment: Gail

11. Board Members' Reports

Vice Chair Colson reported a ribbon-cutting ceremony is taking place in Burlingame for a 12-acre property with 4.5 million square feet of life sciences. They specifically called out Peninsula Clean Energy and their Reach codes and how they were very enthusiastically supporting them and building all-electric on the site.

Director Nash commented that she is noticing in many developments is people bidding a lot of diesel generators. She wondered if there is any opportunity to require all-electric.

Chair DeGolia added that there was a meeting this week between Peninsula Clean Energy Staff and Bellows.

Director Fung shared that PG&E will begin charging a fixed rate on grid maintenance starting in 2025, with the cost being income-dependent for residential customers only. Chair DeGolia noted this is still under a proposal, and Jeremy added that there is an active case at the Commission which Peninsula Clean Energy is tracking.

ADJOURNMENT

Meeting was adjourned at 9:31 p.m.