



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

Thursday, August 24, 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 in Unit 2405 at the Ritz Residence Club.

ROLL CALL

Participating:

Dave Pine, San Mateo County
Ray Mueller, San Mateo County
Rick DeGolia, Atherton, *Chair (via Zoom)*
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
Paul Llanez Faria, Los Banos
Betsy Nash, Menlo Park
Tygarjas Bigstyck, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
Marty Medina, San Bruno
Amourence Lee, San Mateo
James Coleman, South San Francisco
Kevin Bryant, Woodside

Absent:

Leslie Ragsdale, Hillsborough
Anders Fung, Millbrae
John Dugan, San Carlos

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

Nelly Wogberg, Board Clerk, made an announcement that an attachment for Agenda Item Number 4, “Approval of Revised Employee Handbook, Version 6” was distributed to Board Members and the Public at the meeting, and is also available online.

MOTION: Director Romero moved, seconded by Director Coleman to set the Agenda, and approve Agenda Item Numbers 1-5.

1. Approval of an Update to Policy 14, Delegation of Authority Policy
2. Approval of an Update to Policy 17, Disbursement and Invoice Payment Policy
3. Approval of Revised Board of Directors Schedule of Meetings for 2023
4. Approval of Revised Employee Handbook, Version 6
5. Delegate authority to the Chief Executive Officer to finalize and execute an agreement with the San Mateo County Community Colleges District (SMCCCD) for up to \$175,000 to expand clean energy education and student engagement in 2023-2024

MOTION PASSED: 20-0 (Absent: Hillsborough, Millbrae, 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	20			3

REGULAR AGENDA

6. Chair Report

None

7. CEO Report

Shawn Marshall, Chief Executive Officer, gave a report including audio/visual upgrades in the Board Room, results of the Board Survey, an update on the Surplus Funds Committee, and an update on the Solar on Public Buildings Program.

8. Community Advisory Committee Report

Kathleen Goforth, Community Advisory Committee (CAC) Member, read and gave a report of the August 10, 2023 Community Advisory Committee meeting.

Public Comment: Mark Roest

9. Approval of the Local Government Building Electrification Program (Action)

Blake Herrschaft, Programs Manager, Building Electrification, gave a presentation on the Local Government Building Electrification Program including background on government emissions and the PCE program, Climate Action Plan goals to decarbonize government buildings, Bay Area Air Quality Management District (BAAQMD) ruling and the impact on government buildings, the proposed program component, incentives, information on the loan fund, and proposed program and loan terms.

Director Romero asked if the loan is fully amortized over 7 years, about the payment structure, and who will be servicing the loans. Rafael Reyes, Director of Energy Programs, explained that they are setting up the capacity to handle payments by virtue of the GovPV program. It would be fully electronic on a monthly basis, and the 1% on the loan is to cover some administrative costs but they are not envisioning anything additional.

Director Romero asked if the 1% is a loan origination fee. Rafael said no, it would be fully amortized. Director Romero noted this is essentially \$100,000.

Director Mackin asked what would happen if someone applied every year and notated the need for a mechanism for fairness. She suggested a deadline for everyone to submit so Staff can evaluate them all and determine whether the same communities over and over are getting the funding. Rafael explained there would be a specific deadline on the notice of funding.

Director Mueller asked for the comparison of what the terms are of heat pump water heaters now. Rafael explained it is 10 years. Rafael explained they are looking to reducing it to 5 years.

Director Lee asked about prioritization for equity priority areas of significant environmental health burdens. Vice Chair Colson said she thinks this would comply with the Diversity, Equity, Accessibility, and Inclusion (DEAI) policy.

Director Gonzales asked about the shovel readiness which is dependent upon the cities' plans and specifications and asked if Peninsula Clean Energy handles origination or sizing information. Blake explained that cities would come to us with this information and a plan. City projects can often take over a year so the plans will need to be shovel ready.

Chair DeGolia asked about gas-heated swimming pools and understands that the operating costs were \$60,000/year and for the electrical replacement would be \$34,000/year, so it would be a \$26,000 operating cost savings/year. Blake confirmed and explained that pool heat pumps are the most effective and commercial rates are lower than residential rates, and he further explained the cost savings. Chair DeGolia noted that he thinks there will be a significant number of municipal pools that will exchange gas heaters for the heat pump heaters under this program.

Director Lee asked about prioritizing projects that are more labor-friendly and asked if this structure would give preferential consideration for projects with a Project Labor Agreement (PLA). Rafael explained that Peninsula Clean Energy is not dictating the contracting structure and said they would follow cities' contracts and rules, most of which are under PLA already. Rafael Reyes explained that Peninsula Clean Energy will not own the construction projects.

Vice Chair Colson added that many of these projects will be smaller, noting that she would encourage Board Members to press their own cities to use PLAs.

Director Colson asked where the \$390,000 incentive comes from. Blake explained that there is already a budget for this program of \$1 million per year. Director Romero asked if \$1 million per year will be enough. Rafael explained that there is a chance that many projects will be submitted, and this is something the Board may wish to consider in the future.

Director Romero asked if the incentive is after installation or once it has gone through the Peninsula Clean Energy process of loan approval. Rafael explained that the funds would be in advance and there may be some sort of gate they may want the City to have reached before funds are dispersed, but this is to be determined.

Director Rarback asked if this program applies to schools, and Blake explained that it is designed to start with member agencies but it could include schools sometime in the future.

Public Comment: Mark Roest, David Mauro

Chair DeGolia voiced support for approval, and believes the \$10 million is the right recommendation.

MOTION: Director Mates moved, seconded by Director Mueller to Approve Local Government Building Electrification Program, including new \$10 million revolving loan fund, and existing budgeted incentive funding to support electrification projects at local government facilities.

MOTION PASSED: 20-0 (Absent: Hillsborough, Millbrae, 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		20		3

10. Update on Net Billing Tariff (Discussion)

Leslie Brown, Director of Account Services, gave a presentation with an update on the Net Billing Tariff (NBT) including background, the Net Energy Metering (NEM) evolution and California Public Utilities Commission (CPUC) policy objectives, the NBT program versus the NEM program, examples of the export values in PG&E Territories, information on what other Community Choice Aggregators are planning and Peninsula Clean Energy policy considerations.

Director Romero asked if Leslie had any solar incentives in mind. Leslie said they have been looking into launching some programs. Rafael Reyes, Director of Energy Programs, explained that the residential solar storage program has wound down, and that something will come to the Board in 2 to 3 months to potentially include battery storage coupled with financing incentives.

Director Romero asked and confirmed with Rafael that the incentives would likely be on installation.

Director Gonzales asked about the discouragement of midday solar production and if the higher rates would be charged for transmission. Leslie explained that when energy is pushed back out to the grid it would result in a smaller credit because the CPUC devalues that export and there is almost no transmission value and then there is a little bit of generation value.

Public Comment: Mark Roest

11. Review and Implications of Customer Research on Brand Awareness and Attitudes About Energy, Climate, And Electrification (Discussion)

Gwen Rose, Director of Marketing and Community Relations, gave a presentation on the review and implications of customer research on brand awareness and attitudes about energy, climate, and electrification including customer verbatims, and the results of the annual perception survey.

Director Mackin commented that there has been a lot of push by the oil companies trying to instill fear for anyone considering EV purchases about charging stations, and she thinks these statistics show that. Gwen explained they asked about new Electric Vehicle (EV) barriers and concerns about charging stations has dropped as one of the primary concerns.

Director Mueller asked if there was a perception on the concerns around costs to operate EVs. Gwen explained statistics that have gone up from 2020 to 2023 around electrification and described statistics with awareness, familiarity, and said there is work Peninsula Clean Energy can do to bring up lower metrics up around electrification, such as the one-stop shop.

Director Aalfs asked about the 24% of people said they currently use Peninsula Clean Energy. He asked if the number should be closer to 98%. He asked if people still do not know who Peninsula Clean Energy is, and Gwen confirmed, 75% are unsure. Director Mates noted that this has been a consistent issue including factors such as PG&E and the bill.

Vice Chair Colson asked if there was data that compares other Community Choice Aggregators (CCAs) on brand metrics. Gwen noted Sonoma Clean Power has an awareness of 71%. Vice Chair Colson asked why other CCAs have higher brand awareness than Peninsula Clean Energy and asked what they can do.

Director Lee asked if Peninsula Clean Energy is oversubscribed in terms of programs and in high demand, and asked how this fits strategically in what they are trying to accomplish. Gwen noted that strategic goals are 60% brand awareness and motivate programs. She added there is a lot to do to change behavior and help customers take control, even if not participating in a program.

Director Mueller noted that there are assumptions made in terms of advances in the consumer market. If Peninsula Clean Energy does not raise awareness here, manufacturers will look at this exact same data and there is no payoff. Director Mates agreed and said they talk about wanting to be a resource.

Vice Chair Colson noted that some programs are very high in demand and targeted for income-level driven and focused, and may not be driving brand awareness, noting that Peninsula Clean Energy can grow these programs. Shawn Marshall, Chief Executive Officer, added that 25% of the programs are segmented and not hard to brand.

Director Aalfs shared that there are many people who barely look at their bills and Peninsula Clean Energy is always going to struggle to reach them because they do not read their bills. Shawn Marshall added that discussions have begun for a more customer-centric approach as they evaluate programs and design new programs. Peninsula Clean Energy has positioned themselves as subject matter experts with dense technical information, but there is a sense that we do not reach the emotion of the human perspective and customers and what they want and need. So, this is the new overlay for the marketing department to determine how they shift to be inclusive of the human element and more focused on the customer as opposed to the industry and how they are performing industry-wide, which is just a different messaging.

Director Mackin noted that PG&E is shareholder-focused, and that Peninsula Clean Energy is customer-focused, and Peninsula Clean Energy has a good reputation in the energy sector.

Public Comment: Mark Roest

Director Romero said the original mailing was a random sampling mailing. He asked if the randomness get skewed by those willing to respond and asked about the confidence of the results. Gwen explained that incentives are offered, but that these numbers are very similar. They typically do not see a greater than 5% increase.

Director Bigstyck said he is inundated with PG&E's symbol whether it is on the envelope or whenever he receives mail or even email. He asked if Peninsula Clean Energy can inundate others with the its logo and suggested perhaps on the envelope with the bills. Gwen explained that this is probably not possible, but she agreed some work is needed to see what would resonate and communicate that out in a big way. Director Bigstyck commented that he sees PG&E emails but does not see Peninsula Clean Energy emails as often.

12. Board Members' Reports

Director Tygarjas shared that Pacifica's Art Fest will be held the 23rd and 24th of September.

Director Hindi shared that Foster City will hold a 24th Annual event on September 9th event in the park.

Director Coleman shared the South San Francisco Library Parks and Recreation opening on October 28th with all-electric.

ADJOURNMENT

Meeting was adjourned at 8:34 p.m.