



2075 Woodside Road | Redwood City, CA 94061
(650) 260-0005 | peninsulacleanenergy.com

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

AGENDA

Monday, September 11, 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/u/kTIH1Ocod>). 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 AND TO APPROVE CONSENT AGENDA ITEMS

REGULAR AGENDA

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Discussion and Direction regarding proposed Peninsula Clean Energy Customer Support Call Center (Discussion)
4. Solar and Storage on Public Buildings Round Two Considerations and Strategy (Discussion)
5. 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

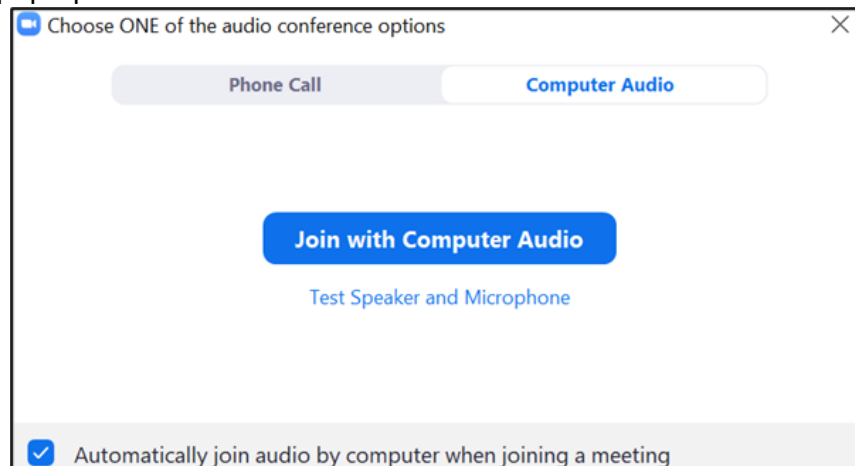
Videoconference Options:

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
JPA Board Correspondence**

DATE: Sept. 1, 2023
BOARD MEETING DATE: Sept. 11, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Rafael Reyes, Director of Energy Programs
Leslie Brown, Director of Account Services

SUBJECT: Discussion and Direction regarding proposed Peninsula Clean Energy Customer Support Call Center (Discussion)

RECOMMENDATION

No Action Recommended. Discussion and direction only.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions by expanding access to sustainable and affordable energy solutions. Peninsula Clean Energy's organizational priorities include supporting the region in reaching 100% decarbonization in buildings and transportation by 2035. In September 2022, staff presented the 2035 Decarbonization Feasibility and Plan which included targets and program concepts for the decarbonization.

Per the 2035 Decarbonization Feasibility and Plan, Peninsula Clean Energy is best positioned to affect change in select areas of transportation and buildings. For existing buildings, "small residential" (single-family and small multi-family residential units), office and small commercial have been identified as priority targets. The 2035 Plan established objectives for future building electrification programs including flexible incentives, high-touch support, and links to financing options.

As part of the high-touch support component, the plan envisions a "one-stop shop" for customers, a "concierge hotline" for technical assistance, and a turnkey installation service if customers need and choose it. These added services are intended to build on current incentives and on-bill financing offers with the goal of reducing complexity and costs for upgrading homes with clean and efficient appliances as well as other features such as solar and battery storage systems.

Current Status

Currently the website for the “one-stop shop” is in a requirements analysis phase. Envisioned features include more robust and actionable information, guidance for contractor selection, “calculator” tools to guide customers, and potentially an online marketplace for various products.

The RFP for the turnkey service was issued on August 28th with the goal of launching the service in mid-2024. The electrification concierge technical assistance is also under development and likely will require additional staff resources.

Customer Support

In assessing the specifics of the “one-stop shop”, concierge technical assistance, and turnkey services, one consideration is how Peninsula Clean Energy currently supports customers and whether our current approach will provide service at a desired level of availability and quality.

Currently, Peninsula Clean Energy contracts for and oversees multiple concurrent support channels. Customers have approximately 10 different avenues for outside customer support depending on the specific request or program. These include the 800 phone line for account and billing questions handled by a Calpine subcontractor call center, two separate email channels (info@ and programs@) supported by different PCE departments for different needs, and multiple direct and siloed channels to Peninsula Clean Energy contractors across different programs (EV rebates, Home Upgrade, Appliance incentives, etc.)

Elevation of Peninsula Clean Energy’s services will require a move from a transactional service approach (single rebate or billing need) to a fully integrated customer-centric approach where deeper relationships are cultivated through a comprehensive customer journey with a “360 degree” view of the customer at every step from initial marketing through repeated program participation across all programs.

One aspect of improved customer service -- bringing call center services in house -- has been evaluated and implemented by several peer agencies (MCE, CleanPowerSF, and San Jose Clean Energy). This approach can provide a more integrated, efficient experience so that a customer representative can assist customers with most or all queries that may arise on a given call, rather than having multiple service providers and customers having to speak with a myriad of people for different topics and inquiries. In this scenario the call center, or “customer support center,” could respond to a full range of customer needs including billing questions, program navigation and eligibility, rebate status, and contractor referrals across all programs.

During the Executive Committee presentation and discussion, staff will solicit direction to proceed with further research and cost analysis of an integrated, in-house customer

support center to potentially be implemented in 2024 to coincide with our turnkey and electrification concierge services.

**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: Sept. 1, 2023
BOARD MEETING DATE: Sept. 11, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Yes

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Rafael Reyes, Director of Energy Programs
SUBJECT: Solar and Storage on Public Buildings Round Two Considerations and Strategy

RECOMMENDATION

No Action Recommended. Discussion and direction only.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. This mission includes a goal of developing 20 megawatts (MW) of local power within PCE's service territory by 2025. To date, the principal Peninsula Clean Energy program to meet this goal is Solar and Storage on Public Buildings, also referred to as "GovPV". Specific program objectives include:

- Deploying incremental, local solar and solar+storage projects on public buildings as part of PCE's 20MW goal
- Reduce our Resource Adequacy (RA) obligations through load modifying storage
- Reducing customer energy costs; insulating against rising energy rates
- Helping public agencies achieve sustainability goals

Under the program initially approved by the Board in 2020, Peninsula Clean Energy owns and operates the solar systems under a Power Purchase Agreement (PPA) executed with participating agencies. Peninsula Clean Energy manages each phase of system development including design (site assessments, design and interconnection submittals), procurement of construction firm (solicitation and contracting), construction, and operations and maintenance. The program operates in cohorts with a specific number of sites in each round. Two cohorts are currently in process. In addition, the program also has a broader set of strategic objectives as discussed below.

For the first round of projects, Peninsula Clean Energy is financing the systems and will be securing the Federal Investment Tax Credits (ITC) using the novel "elective pay"

(formerly referred to as “direct pay”) provisions of the Inflation Reduction Act. The ITC is worth 30% of the project cost. Under the PPAs, participating agencies pay for power provided by the systems over 20 years at a rate that includes the amortized costs of the systems. This rate is less than utility costs, and the savings grow over time as utility rates rise.

For the second round, there are solar-only projects and solar+storage projects. Peninsula Clean Energy plans to finance the solar-only projects in the same way as described above for the first cohort. For the solar+storage projects, Peninsula Clean Energy is evaluating multiple financing models, including a third-party financing model. A third-party financing model could enable Peninsula Clean Energy to aggregate the buying power of agencies participating in the solar+storage program, while avoiding the need for costly capital outlay by Peninsula Clean Energy and our customers.

Status of First Round

The first phase of the program is in the construction phase with 12 sites at 10 member agencies, and a total of 1.7 MW of solar installed. Initial systems may be ready for operations by the end of the year, though most systems should be operational in the first quarter of 2024. Initial capital outlay for the first-round solar systems is approximately \$6.8 million in construction costs, and the total savings for participating agencies over the 20-year life of the systems is projected to be over \$15 million.

Storage Systems

Three storage systems are planned for inclusion in the first round based on the interest of agencies. The storage systems are to be designed and deployed after the solar systems come online due to the net energy metering rule requirements. However, significant design, financial, legal and operational details remain to be developed for the storage systems to move forward.

Second Round

In response to the phase out of the net energy metering (NEM) 2.0 rules, the second round of the program was rapidly initiated in late 2022 to take advantage of NEM 2.0 rules that expired in April 2023. This second round currently includes 42 public agency sites across 18 agencies, including five non-member agencies. All design and interconnection submittals were completed for these sites before the NEM 2.0 expiration deadline. The RFP for the procurement process was released on August 29, 2023 with the intention of executing contracts in early 2024 and completing systems in late 2024 or early 2025.

Round two is substantially larger than round one. In addition, analysis of sites indicated that sites on certain rates (B1/B6/B10) would see economic benefit of solar-only systems under NEM 2.0, whereas sites on B19 and B20 rates would not because solar by itself only reduces energy charges, and B19 and B20 energy charges are relatively low. However, the addition of storage on B19 and B20 sites may make local solar+storage favorable, even for sites that proceed under the Net Billing Tariff (the successor tariff to NEM 2.0).

These subgroups are being identified as the 2a and 2b groups. 2a are solar-only projects for sites on a B1, B6, or B10 rate, while 2b are solar+storage projects for B19 and B20 sites. There is approximately 4.5 MW of solar scoped for the 2a sites whereas 2b is larger -- potentially over 12 MW solar and 6 MWh of batteries.

The capital requirement for the 2a group is estimated at approximately \$20 million. The 2b group could require over \$60 million for the solar systems and up to \$8 million or more for the storage component. The specific capital requirement will depend on the pricing secured through the RFP and amount of site attrition which may result before PPAs are executed. Attrition of sites can occur for many reasons including previously unknown physical challenges uncovered at a site, project cost evaluation, or other factors. Peninsula Clean Energy will evaluate the opportunity for third-party financing to limit the capital outlay required for the 2b portfolio.

Considerations

The program has surfaced multiple considerations meriting further discussion.

- **Asset ownership:** GovPV is the first program by the agency which includes long term asset ownership, 20 years under the current contracts. Asset ownership enables PCE to secure the federal tax credits and deliver lower cost systems. If PCE were to own battery systems, PCE would have more control over battery operations including greater ability to dispatch the batteries to serve grid needs. However, asset ownership also requires ongoing maintenance and operations, greater staffing and expertise, and exposure to liabilities such as performance shortfalls, personal and property injuries, and mechanical failures. These issues are particularly acute with batteries due to complex operations and maintenance and fire risks.
- **Total capital outlay:** The total capital costs are significant, especially for the 2b group of sites. The \$20 million in capital costs for 2a has been included in the budget forecasts approved by the Board but the \$60+ million in capital costs for 2b has not. Utilization of PCE capital significantly improves the economic profile of projects but has a material effect on the organization's reserves. Third-party capital is an option and has been included in the Round 2 RFP. Best case for third-party capital may be the California Infrastructure and Economic Development Bank (IBank) which offers capital at approximately 4%. This would result in approximately 50% total cost increase over the life of the projects and may make some projects uneconomical. Specific pricing is expected to be determined as part of the proposals received for the RFP.
- **Contracting model:** In the first round of the program, participating customer agencies signed PPAs with PCE and PCE managed all financing and construction. If PCE chooses not to own assets in future rounds, there will be an option for PCE to allow developers to contract directly with customer agencies. In this approach PCE is only facilitating a "group buy" model. This reduces risk but also reduces benefits to customers and PCE, including limiting PCE access to storage systems.

- **Repayment risk:** Where PCE has direct PPAs with customer agencies, PCE may be exposed to possible repayment risks under some circumstances. While customer agencies are anticipated to be motivated to fulfill obligations under the PPA contracts due to the economic value, there may be some circumstances where a customer may breach a contract and terminate. PCE has worked with multiple outside counsel to minimize risks of non-payment in the event of termination, but the risks are non-zero.

Broader Distributed Resource Strategy and GovPV

The GovPV program was designed with the vision of establishing a scalable way for Peninsula Clean Energy to meet its customers' electricity load directly with on-site renewable energy supply. This enables Peninsula Clean Energy to enter into secure, long-term contractual partnerships with our customers, to deliver substantial bill savings benefits that may assist in the acceleration of other electrification projects, and to progress long-term, clean backup power solutions at public locations. At this stage, the program is intended to not only provide direct benefits to participating agencies but also to establish a foundation for a broader set of PCE-advanced energy objectives.

Additionally, the added renewable energy capacity would likely not have happened without the program as this market is underserved by solar developers and Peninsula Clean Energy is providing substantial support which enables bandwidth-constrained agencies to participate.

This is the first program involving power asset ownership for Peninsula Clean Energy. Significant development capacity has been invested in financial modeling of solar and storage systems, legal agreements, risk assessments, and the program model itself. These steps provide direct experience to inform which approaches will be most viable for deployment of storage systems, potential microgrids, possible expansion into other segments and perhaps utilization of PPA program structures toward not just generation but also electrification.

STRATEGIC PLAN

The proposed program supports the following elements of the strategic plan:

- **Local Power Sources:** Create a minimum of 20 MW of new power sources in the service territory by 2025