



# Executive Committee Meeting

September 11, 2023

# Agenda

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- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
- Action to set the Agenda
  - Public Comment
- Regular Agenda
- Committee Members Reports
- Adjourn

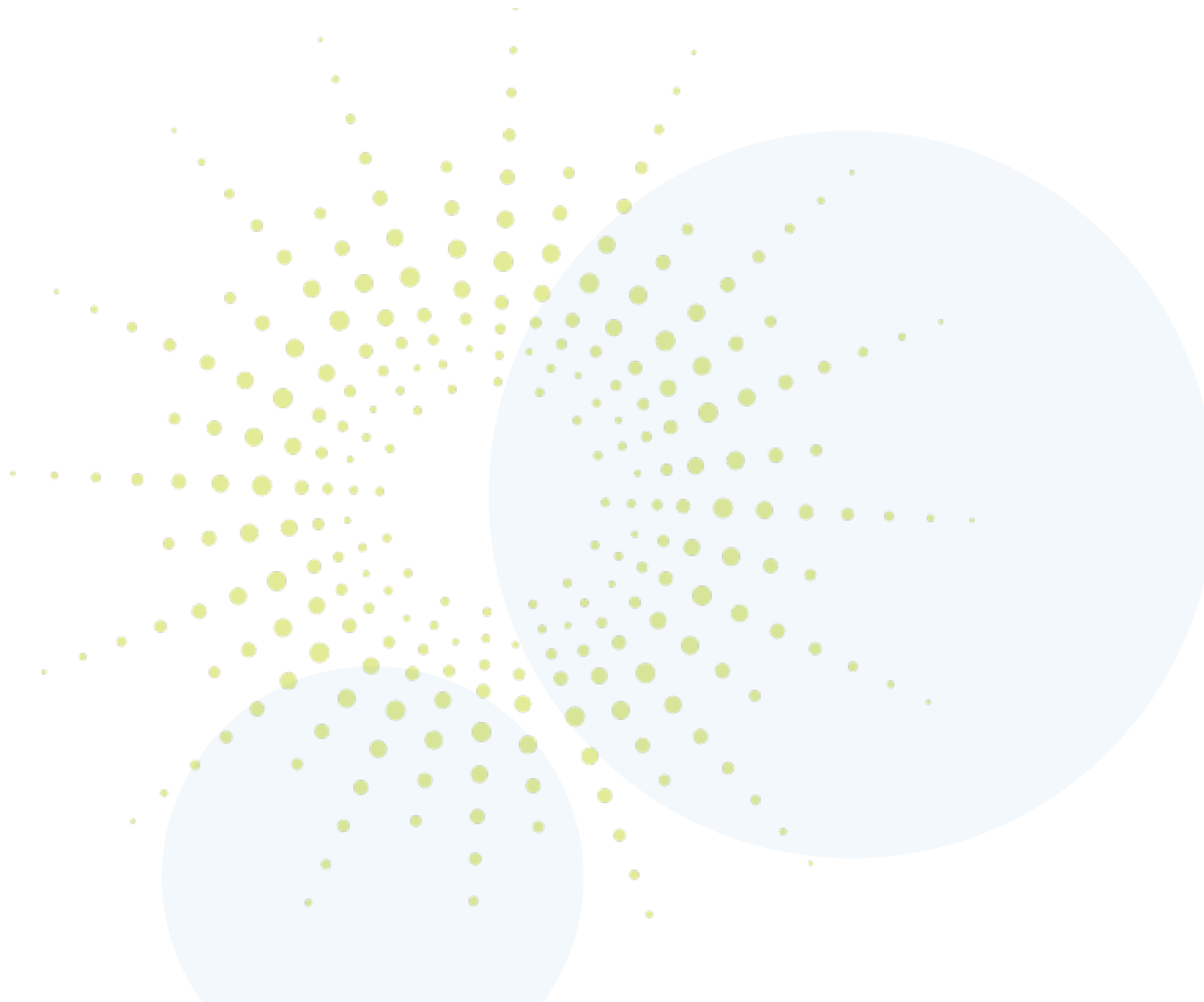
# Chair Report

Item 1



# CEO Report

Item 2



# CEO Discussion Items and Announcements

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- CEO and Vice Chair met with Mayor and City Mgr. in Los Banos on September 6<sup>th</sup>
- Procurement Subcommittee met on September 6<sup>th</sup> to discuss RA compliance and budget impacts
- Surplus Fund Committee met on September 8th and will meet again shortly to continue allocation discussions
- Upcoming staff retreat at Costanoa September 20-21
- Legislative Update – AB 1373 (Neutral), SB 537 (sponsoring), Climate Bond, Mike McGuire, Senate Pro Tem designee

# Open Positions

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Currently posted:

- Chief Operating Officer
- Chief Financial Officer/Director of Finance and Administration
- Los Banos Community Relations Associate Manager/Manager



# Proposed In-House Customer Service Center

Executive Committee  
Sept. 11, 2023



# Agenda

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- Context for Customer Service Center
- Problem: Current Customer Support Architecture
- One-Stop Shop Vision
- Peer Agencies
- Proposed Approach
- Budget
- Timeline



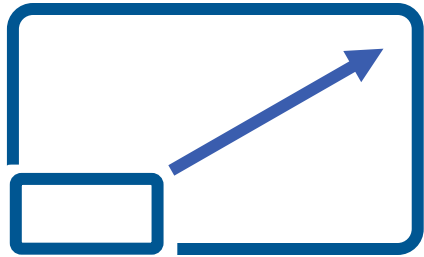
# Context: What customers are telling us

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- *This sparked my interest in switching from gas to electric appliances, but I honestly **have no idea how much it would cost, where I'd even begin to research** replacing my appliances, or who to reach out to*
- *...it feels like a **daunting task to do the research** to select the right unit, line up the contractor, schedule the work, submit a rebate application, etc.*
- ***Before I start, I wanted to get an estimate** for getting a heat pump HVAC for my house. I just want a ballpark estimate, before calling for real estimates.*
- *Having a **program that makes us confident** that we're getting a good deal on a quality brand and connects us with both the equipment and a trusted local contractor to install it could be what it takes to make us act.*

# Context: Vision for Residential Services

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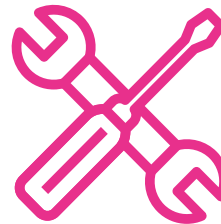
Scale to Whole Home



Increase Homes Impacted per Year



One-Stop Shop Services



Live “Concierge”  
Technical Assistance



Turnkey Services

# Context: From Transactions to Relationships

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## Customer-first

- Personal & custom



## Data-driven

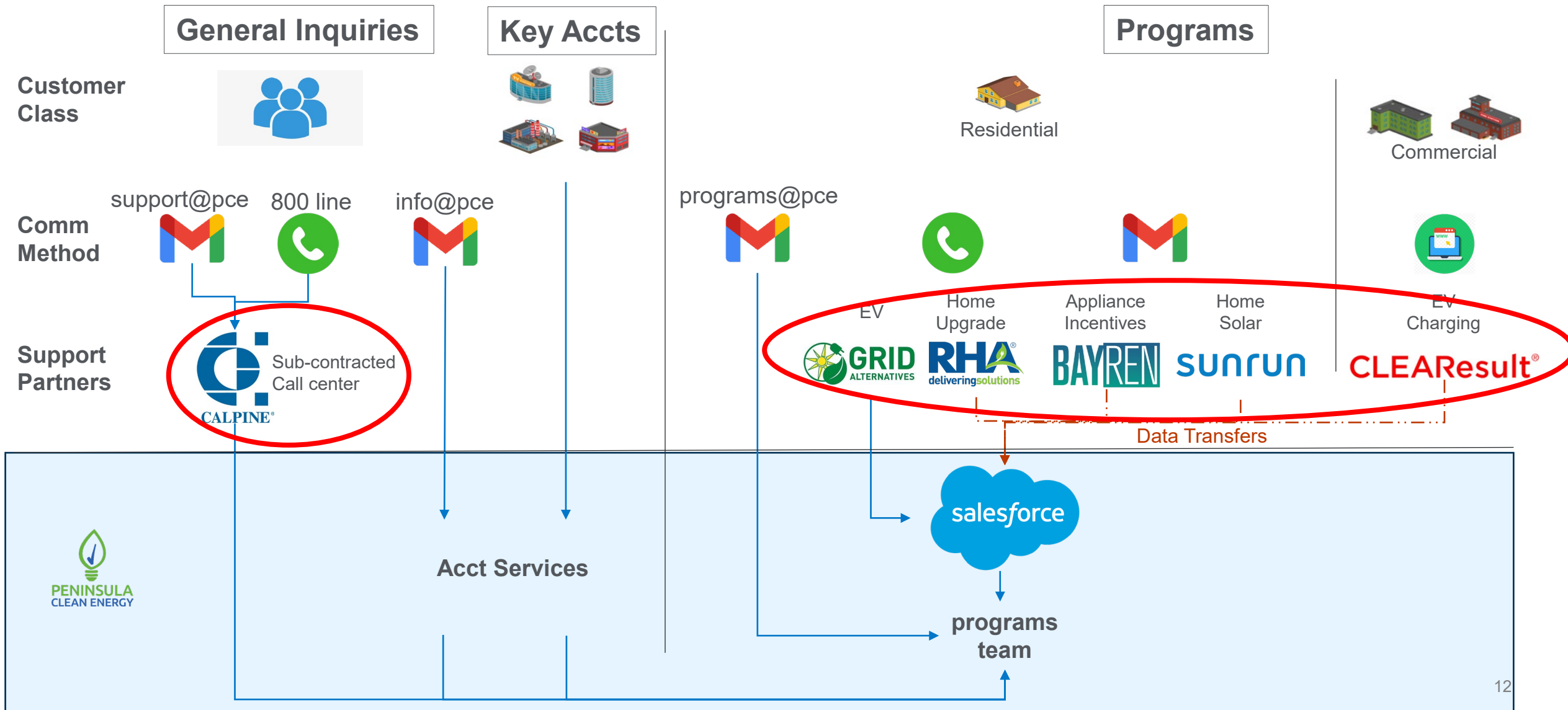
- Targeted insights



## Scalable

- Online marketplaces & tools

# Problem: Current Customer Support Architecture



# One-Stop Shop Vision – Customer View

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## One-Stop Website

Info & education  
Why, how, rebates, etc.

Appliance marketplace

Energy calculator /  
Virtual Energy Audit

Contractor network



## One-Stop Phone

Account Status, Billing, Rates

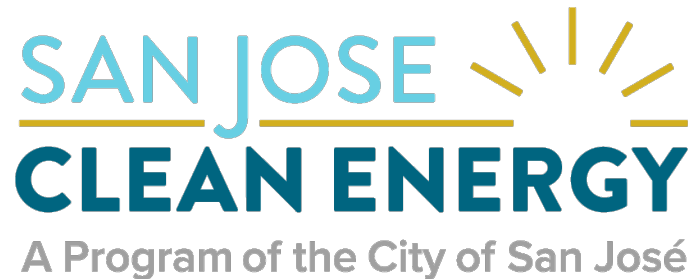
Program Navigation, Incentives &  
Eligibility

Rebate and Services Status

Referrals and Service Dispatch

# Peer Agencies: Internal Call Center

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## MCE experience

- Improved service response times (38%)
- Improved customer retention (>20%)
- Increased call volume, esp. Spanish (>45%)

# PCE Proposed Approach

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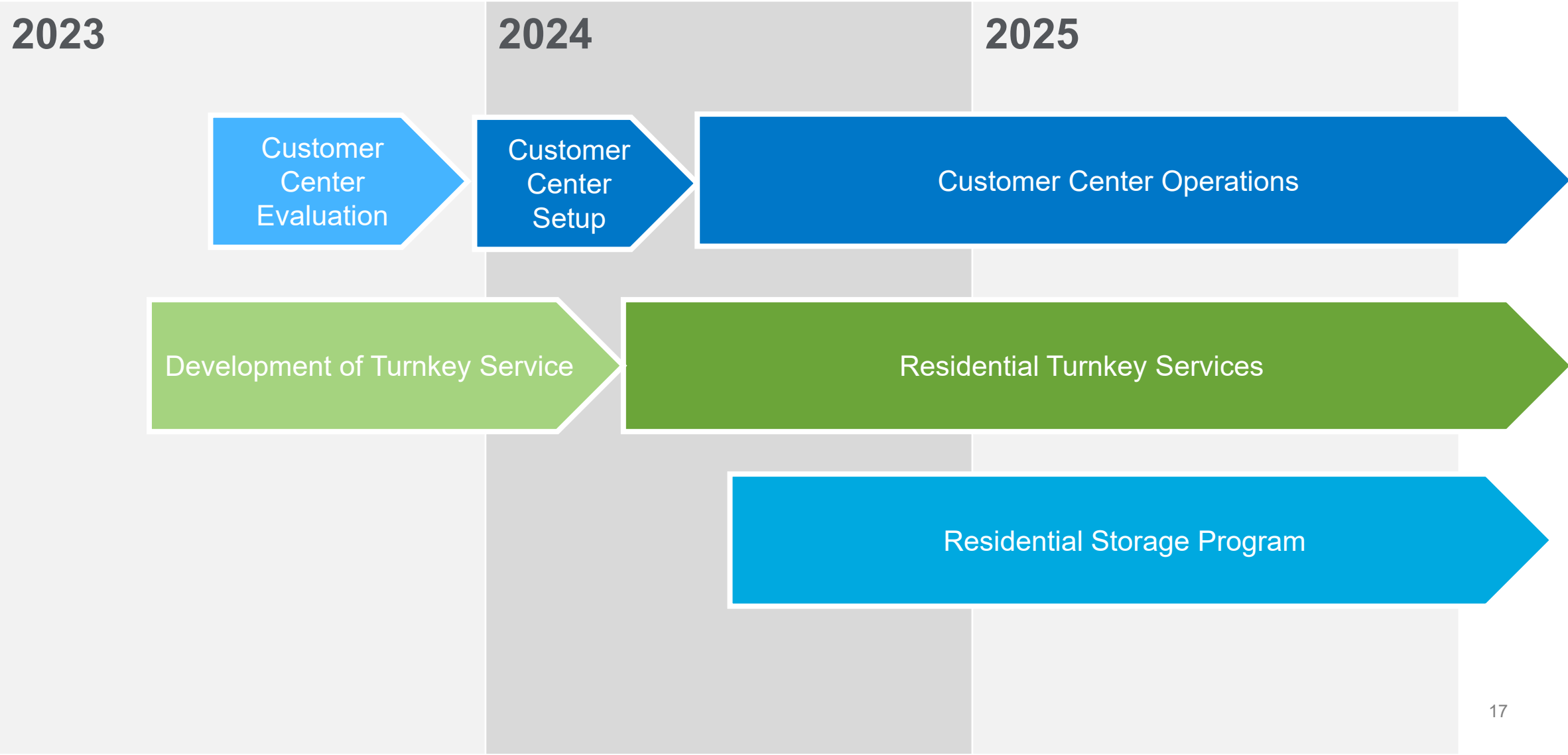
- Phased transition – adds program coverage over time
- Possible overflow support from Calpine call center
- Limited new investment in systems
- Continue to use Calpine CRM

# Initial Budget Estimate

| New Investment  | Annual           |
|---|------------------|
| Staff (manager & 3 representatives) and Systems           | \$550,000        |
|   |                  |
| Avoided Costs/Savings                                     |                  |
| Calpine call center savings                               | \$74,000         |
| Phase out current services (GRID)                         | \$96,000         |
| Avoided new program-specific call ctr (Turnkey/Concierge) | \$120,000        |
| <b>Total Savings</b>                                      | <b>\$290,000</b> |
|   |                  |
| <b>Net Annual Cost</b>                                    | <b>\$260,000</b> |



# Timeline



# Solar and Storage for Public Buildings Program (“GovPV”) Round 2 considerations and strategy

Executive Committee

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- Program Overview and Approach
- Status of Round 1 and Developments
- Broader Strategy
- Status of Round 2
- Considerations in Round 2 and beyond
- Contracting Approaches

# Program Overview

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**Summary:** Accelerate renewable energy at local government facilities

## Objectives

- Reduce agency energy costs; insulate against rising PG&E rates
- Support public agencies in achieving sustainability goals
- Help PCE reach its goal of 20 MW of Local Power

## Initial Cohorts

- Round 1 (Pilot): 12 sites, 1.7 MW solar, 3 sites w/ follow-on batteries
- Round 2: RFP issued, install first half 2024

# Approach: PCE Services

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1. Technical assistance, designs, financial analysis, and project development
2. Procurement process – Reduces customer effort
3. Group purchase with other agencies - Reduces total cost
4. Finance via Power Purchase Agreement - No upfront cost, low cost of capital
5. No profit motive, transparent process – Services are at cost with full visibility



# Status: Round 1 Installations Begun

- Systems to begin coming online in late Q4 / early Q1
- 1.7 MW across 12 sites
- 3 sites to include batteries, after solar completed
- Projected customer savings: \$15+ million over life of systems



San Carlos Youth Center  
29.5 kW

# Major developments from Round 1 Pilot

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- Evaluated multiple financial partnerships
- Vetted access to Investment Tax Credit (ITC)
- Developed new business model for PCE
- Created custom Power Purchase Agreement (PPA)
- Addressed risk management (insurance, liabilities, etc.)
- Established operating protocols (billing, maintenance) - in-progress
- Generated visibility for PCE



**CANARY MEDIA**

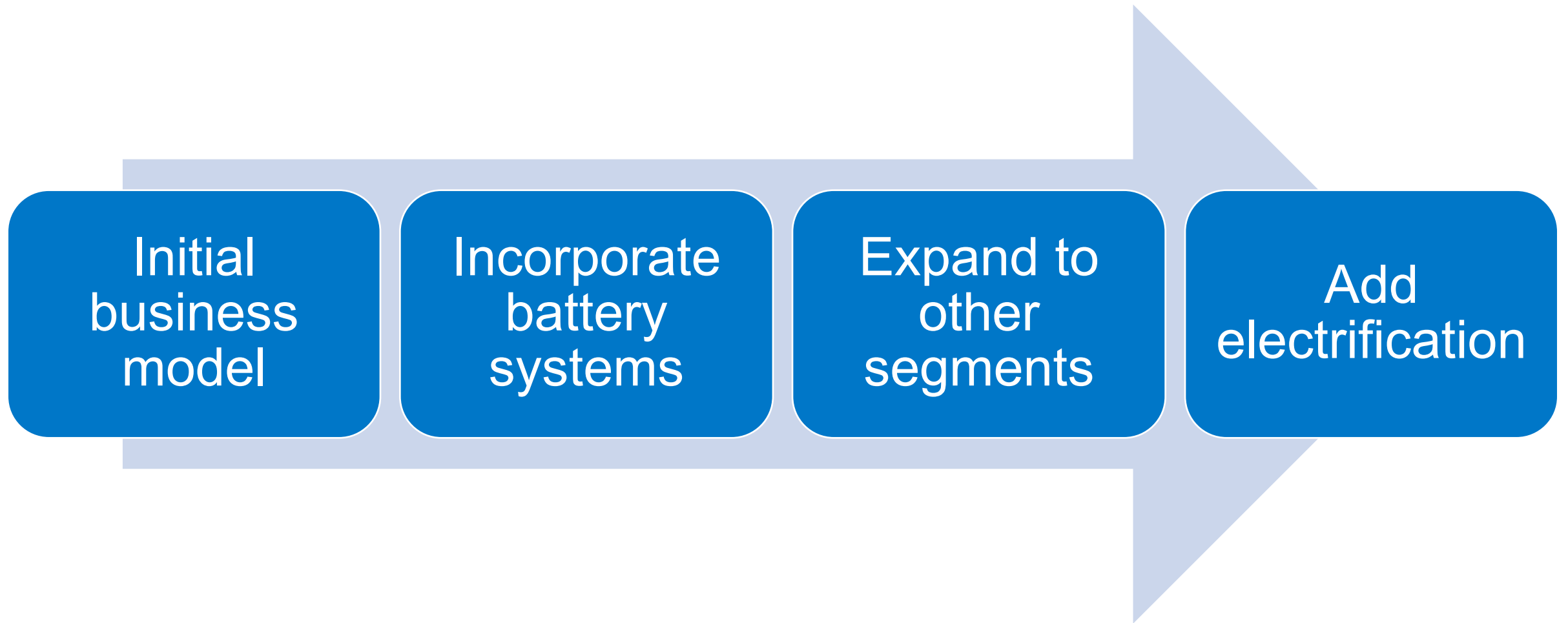
**US climate law introduces billion-dollar 'game-changer' for nonprofits**

Direct payments to cities, tribes, nonprofits and other entities that don't pay taxes could dramatically expand clean energy growth and boost community ownership.

15 August 2023

# Broader Strategy Concept: Model for local renewables

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# Status: Round 2

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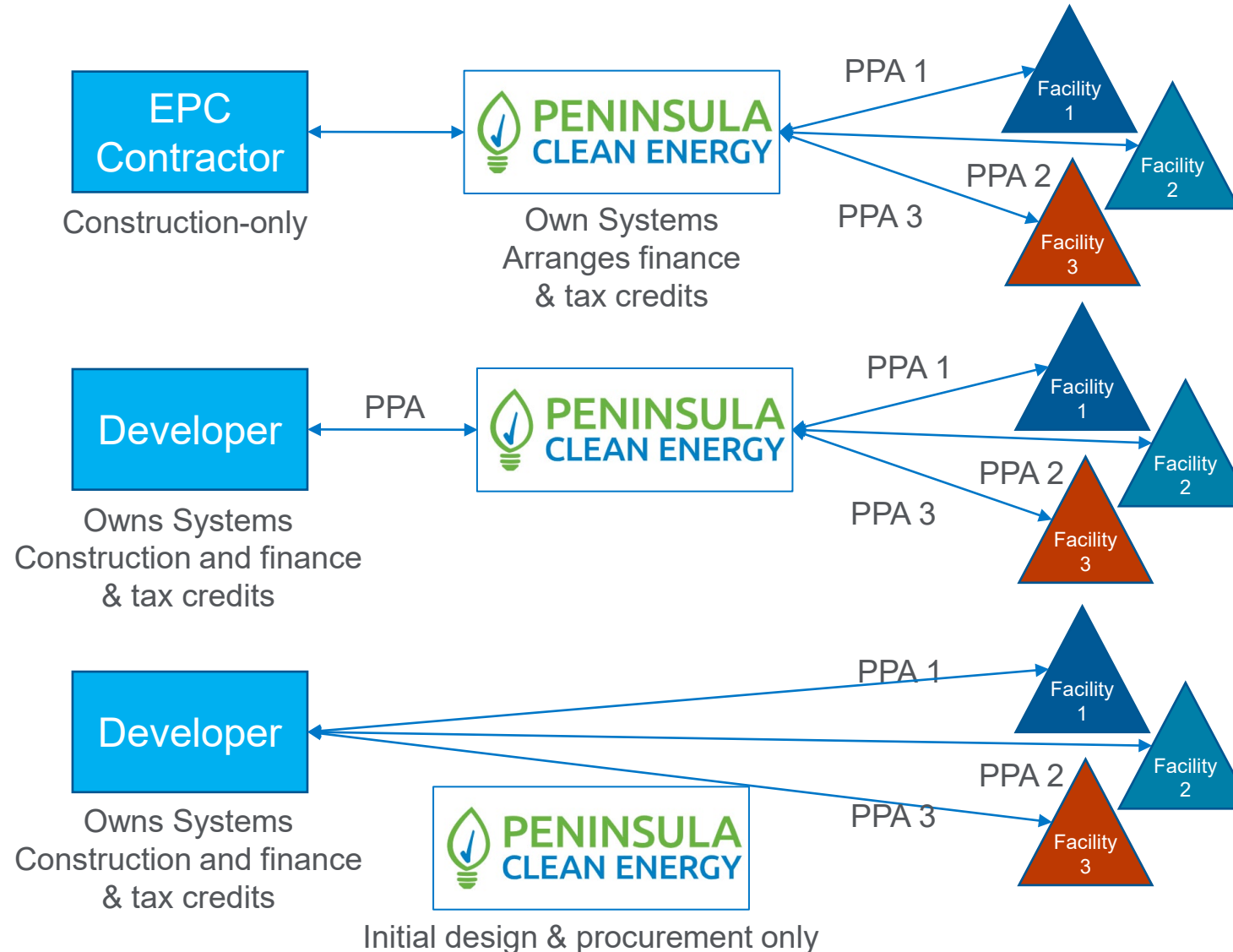
- Accelerated due to NEM 2 phase out and transition to Net Billing Tariff
- RFP issued Aug 29<sup>th</sup>
- Included non-member public agencies
- Included non-customer meters: SMCCCD
  - Rationale: participation is not subsidized, participation replaces DA load with PCE program, and cultivates relationship with account that may switch to PCE
- Round 2 divided into 2 sub-groups
  - 2a: 33 sites, solar-only projects immediately economical, 4.5 MW
  - 2b: 9 sites, solar and storage, up to 12 MW solar and 6 MWh of batteries
    - B19 and B20 rates - Solar-only not economical

# Considerations in Round 2 and beyond

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- Capital Outlay
  - 2a may be approximately \$20 million in capital
    - Already in budget forecast; recommend same approach as Round 1/ownership
  - 2b may be \$60 million for solar and an additional \$8 million or more for batteries
    - Considerations re: PCE capital vs. more expensive third-party capital vs. bond, etc.
    - For example, 4% rate results in approximately 50% cost increase over 20 years
    - Will come back to EC with detail for further direction (Dec/Jan)
- Ownership, risk management, contracting model
  - PCE **ownership** allows for better customer **economics**, **grid-serving battery** use
  - Ownership includes **more operating requirements** and **additional risks**: termination/non-payment, legal issues, operational risk such as battery fires
  - If PCE does not own systems, option exists to facilitate procurement without being party to the long-term contract

# Contracting Approaches



## Direct ownership & finance

- Better economics, battery use
- Risks: long-term operations, repayment, legal risks

## "In the Middle"

- Battery use, possible option to acquire
- Risks: repayment, legal risks

## Facilitator only

- Lowest risk
- Little/no battery use

# Committee Members' Reports

Item 5

# Adjournment

