



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

Thursday, October 26, 2023
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 6:36 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:

Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Carlos Romero, East Palo Alto
Sam Hindi, Foster City
Leslie Ragsdale, Hillsborough, participating remotely under AB 2449
Paul Llanez Faria, Los Banos, joined at 6:44 p.m.
Betsy Nash, Menlo Park
Anders Fung, Millbrae, joined at 6:42 p.m.
Tygarjas Bigstyk, Pacifica
Craig Taylor, Portola Valley
Kaia Eakin, Redwood City
Marty Medina, San Bruno
John Dugan, San Carlos
Adam Loraine, San Mateo
James Coleman, South San Francisco
Kevin Bryant, Woodside

Absent:

Dave Pine, San Mateo County
Ray Mueller, San Mateo County
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Harvey Rarback, Half Moon Bay

A quorum was established.

PUBLIC COMMENT

David Mauro

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

Public Comment: David Mauro

Phillip Kobernick, Senior Programs Manager for Transportation provided an update on the status of the projects included in Agenda Item Number 1.

Chair DeGolia asked if this item was coming to the Board tonight because it was assumed the CEO could approve these, but because they are contractual, they needed to come before the Board. Phillip explained that almost 100 projects under the 100k amount have been approved, but that there was some confusion on if projects under a main project that has been approved needs to be brought to the Board.

MOTION: Director Mates moved, seconded by Director Hindi to set the Agenda, and approve Agenda Item Numbers 1-4.

1. Approval of 19 EV Ready Program Fund Reservation Agreements, Providing \$2,634,000 in Customer Incentives.
2. Approve Revised Policy #19 - Investment Policy.
3. Approve the Audited Financial Statements for Fiscal Year 2022-2023.
4. Approve Cash Management and Investment Management Structure.

MOTION PASSED: 23-0 (Absent: San Mateo County, San Mateo County, Colma, Daly City, Half Moon Bay)

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 Eakin	X			
San Bruno	Director Medina	X			

San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman	X			
Woodside	Director Bryant	X			
	Total	18			5

REGULAR AGENDA

5. Chair Report

None

6. CEO Report

Shawn Marshall, Chief Executive Officer, gave a presentation including an update on the Surplus Funds Committee, Peninsula Clean Energy National Support, information on the November Board Retreat, an update on automation and IT, and a staffing update.

Marc Hershman, Director of Government Affairs, provided a legislative update.

7. Community Advisory Committee Report

Cheryl Schaff, Community Advisory Committee (CAC) Chair, gave a report on the October 12, 2023 CAC meeting.

8. Approval of Solar Billing Plan Program

Leslie Brown, Director of Account Services, gave a presentation on the Solar Billing Plan Program including background information, Peninsula Clean Energy’s Solar Billing Plan (SBP) policy, the annual cash out on SBP, alterations from PG&E’s SBP, policy considerations, and key takeaways.

Chair DeGolia asked if under the new system, would customers pay the retail rate for energy used and get the reduced rate for energy generated. Leslie explained that what is generated from solar is used first in the home. When the kWh leaves the house and goes to the grid, you wont get a retail credit but instead an Energy Export Credit (EEC). Chair DeGolia asked if the purpose was to encourage battery backup and to discharge the batteries during the peak hours. Leslie confirmed the goal is to encourage people to use the energy you generate at home, store it in a battery, or export solar during peak time.

Director Eakin asked for clarification on solar homeowners. Leslie explained that nothing will change for solar customers who have an active solar connection agreement, and that this program applies to those who submitted an interconnection agreement after April 15, 2023 or have older systems that require an updated interconnection agreement.

Director Eakin asked for clarification that this is less of a good deal than it used to be. Leslie explained that yes, this program is less generous than the Net Energy Metering (NEM) 2.0 program. Director Eakin asked if it makes sense for Peninsula Clean Energy to keep the value high for solar users. Leslie explained that Peninsula Clean Energy only controls a small portion of the charges on a customer’s bill, and that new solar users will be subject to larger portions of the bill from state rules

and policy from the investor-owned utilities which will apply to a large portion of their bill. If Peninsula Clean Energy did nothing to our side of the bill, the increase would be insignificant to the overall value of the system. Shawn Marshall, Chief Executive Officer, added that the impact would be negligible and would increase customer confusion.

Director Taylor asked if Peninsula Clean Energy had considered adding batteries. Leslie explained that is being discussed internally, such as ways to incentivize offsetting usage. Director Taylor any way of measuring the potential negative impact due to the additional cost of the batteries. Leslie explained that there was a large influx of interconnection applications before the April deadline, and that installers are now trying to deliver on the systems sold in the months before the new rules went into effect.

Chair DeGolia noted that there are still 2.5 years left to complete installation of systems under NEM 2.0.

Chair DeGolia asked about the addition of \$.01 to the energy export credit and if it would give our customers who generate more power from solar panels than they consume over 12 months a \$.01 benefit for their excess power. Leslie explained that it is a \$.01 adder to the net surplus compensation rate, which is the calculation that happens at the end of the 12 months.

Chair DeGolia stated that we could add a penny to energy export credit. Leslie explained it would be very expensive, but that we that cannot model it because Peninsula Clean Energy does not yet get this data from customers or PG&E.

MOTION: Vice Chair Colson moved, seconded by Director Medina to approve the proposed Solar Billing Plan (SBP) program policy.

MOTION PASSED: 23-0 (Absent: San Mateo County, San Mateo County, Colma, Daly City, Half Moon Bay)

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 Bigstyck	X			
Portola Valley	Director Taylor	X			

Redwood City	Director Eakin	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman	X			
Woodside	Director Bryant	X			
	Total	18			5

9. Update on Diversity, Equity, Accessibility, and Inclusion (DEAI) Action Plan Implementation

Kirsten Andrews Schwind, Senior Manager of Community Relations, gave a presentation including action plan development, organizational culture and DEAI commitment, including specific department responsibilities, and implementation challenges.

Director Hindi asked about the annual staff training and if the plan was outlined through the consultant, GCAP. Kirsten explained that the outline was developed through GCAP, but that Staff is still determining who the provider will be. Shawn Marshall, Chief Executive Officer, added that the media types will also be varied.

10. Annual Strategic Plan Update

Shawn Marshall, Chief Executive Officer, introduced the Annual Strategic Plan update including a recap of adjustments since September 2022, and Organizational Priorities.

Andy Stern, Interim Chief Financial Officer, gave a presentation of the Financial Stewardship Annual Strategic Plan update.

Director Mackin asked about the stewardship update and difference from the 2023 Year to Date and 2025 Target decrease in Cost of Energy. Andy explained that the 2025 target was made when the Strategic Plan was created with the hope to stabilize the average cost of energy, but that has proven challenging as energy costs have gone up, noting that this is not a projection of future costs of energy but rather a measurement against a long-term target.

Roy Xu, Director of Power Resources, gave a presentation of the Power Resources Annual Strategic Plan update.

Vice Chair Colson asked about the staff collaboration when analyzing Power Purchase Agreements and if the process is becoming more robust. Roy explained that evaluating incoming project proposals has not changed, but the back-office staffing helps to manage projects as they are coming online and to manage contract terms.

Phillip Kobernick, Programs Manager, gave a presentation of the Community Energy Programs Annual Strategic Plan update.

Director Loraine asked about power outages in San Mateo County. Phillip explained that there haven't been major PSPS events, but during the storm season outages occurred for multiple days.

Gwen Rose, Director of Marketing and Community Relations, gave a presentation of the Marketing and Community Outreach Annual Strategic Plan update.

Director Mackin asked about the participation rate and if there should be a goal to increase that goal. Leslie Brown, Director of Account Services, explained that the rate hovers around 97% as there is an ebb and flow of customers opting out and enrolling, and that to do a re-enrollment campaign, there are challenges and would reflect a mostly residential campaign.

Director Taylor asked about Peninsula Clean Energy's favorability. Gwen explained that there is not unfavorable, but rather not enough information to be favorable, and that a very small percentage are actively unfavorable, mostly stemming from misperceptions.

Director Nash asked if there is a place to have community events listed on the website. Gwen explained that this is in progress.

Leslie Brown, Director of Account Services, gave a presentation of the Account Services Annual Strategic Plan update.

Director Mackin asked about the timely uploads of gas data within DataConnect. Leslie explained that the DataConnect portal allows customers to extract all their data in one stream, and that the gas data also allows customers to pull data for home upgrade electrification. Director Mackin asked if this would be available to residential customers. Leslie explained that it was built as an interface for vendors but that it is technically available to residential customers.

Chair DeGolia asked about the CalTrain electrification plan. Leslie explained that CalTrain is ready to go live in the Fall of 2024. Chair DeGolia asked about the power up stations. Leslie explained that there is one station in San Mateo County and one in San Jose, and that power mixes are being considered.

Jeremy Waen, Director of Public Policy, and Marc Hershman, Director of Government Affairs, gave a presentation of the Public Policy Annual Strategic Plan update.

Shawn Marshall noted that there has been internal discussions about the fostering Community Choice Aggregators (CCAs) Growth Key Performance Indicator, noting that there hasn't been much interest within Merced County on expansion, the market is challenging, and suggests pushing back the goal a few years until the market improves.

Director Mackin asked if hydrogen had any part in this and about local political pushback from other regions. Shawn explained she wasn't sure about hydrogen and that there isn't pushback from Merced, but rather no response.

Director Fung asked about the economics of the acquisition of new customers. Shawn explained that with some analysis of bringing on new customers and growth that requires new power supply, there is not a lot of head room to absorb the new customer base. She explained with the economic issue combined with a lack of general interest, it makes sense to not push hard at the moment and wait for things to improve.

Director Fung commented on the margin between wholesale and retail as not worth pursuing. Roy explained that if a new city were added, Peninsula Clean Energy's peak load would increase, and the Resource Adequacy (RA) requirement would increase, where we would need to purchase more RA in a high cost environment. This cost would balance across all ratepayers in the territory.

Shawn Marshall, Chief Executive Officer, gave a presentation of the Organizational Excellence Annual Strategic Plan update.

11. Regulatory Update Pending 2024 Rate Changes

Jeremy Waen, Director of Regulatory Policy, gave a presentation on the regulatory update pending the 2024 rate changes from PG&E including the 2024 Energy Resource Recovery Account (ERRA) Forecast overview and outlook, the PG&E 2023 General Rate Case (GRC) Phase 1 overview, consideration of the Income-Graduated Fixed Charge (IGFC), and timing for commission action.

12. Board Members' Reports

Director Bigstyk noted an interview with Senator Josh Becker available on the Half Moon Bay website.

Director Coleman shared a South San Francisco Council of Cities event Saturday, October 28 at 5:30pm.

ADJOURNMENT

Meeting was adjourned at 9:25 p.m.