



Peninsula Clean Energy Board of Directors Regular Meeting

October 26, 2023

Agenda

- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
 - Please note, send any chats to Board Clerk, Nelly Wogberg
- Action to set the Agenda and Approve Consent Items 1-4
 - Consent - Public Comment
- Regular Agenda
- Adjournment

Chair Report (Discussion)

CEO Report (Discussion)

CEO Topics For Tonight

- Update on Surplus Funds Committee
- PCE National/Federal Support
- Legislative Update
- 2023 Board Retreat
- Automation/IT
- Staffing Update

Surplus Funds Committee Update

- Committee met on September 27
- Focused on potential program funding options
- Committee directed development of options/costs/ranking spreadsheet to aid next discussion

Next steps

- (Final?) meeting #5 on Monday, October 30th
- Recommendations to CAC, EC and Board in November (or December if needed)

PCE National Support

- Joined a sign-on letter to the DOE, DOT and US-EPA authored by LEAN Energy US, a non-profit organization focused on the expansion and support of clean energy CCA nationwide. Letter made 3 requests:
 - 1) List CCA entities as eligible to receive funds under Federal Agency programs;
 - 2) Encourage applicants to partner with CCAs, especially when community involvement is required or when local grid challenges require tailored solutions and governance; and,
 - 3) Join and support educational efforts led by CCA organizations and communities.

Board Retreat – November 16

- November 16 starting at 5:30 pm; arrive earlier for dinner
- Combination of big picture, futures thinking and PCE operational priorities; working on a pre-recorded presentation around CA energy market issues, trends, challenges, opportunities; tbd
- We will introduce our org development initiative and facilitators from the Potrero Group (www.potrerogroup.com)
- We won't have time to get to every topic at the November meeting, so plan is to "chunk it down" into shorter, department focused discussions at Board meetings throughout the coming year.
- All of which leads up to our next long-term Strategic Planning exercise in 2025.

Legislative Update

- AB 1373 (E. Garcia) – Central Procurement
- SB 253 (Wiener) – Carbon Footprint Disclosure
- SB 48 (Becker) – Existing Building GHGs
- SB 49 (Becker) – Caltrans ROW



Automation/IT

- New and improved A/V system in our Board room!
- Bamboo HR launched
- Granicus Peak Agenda launched

Staffing Update

- Promotion of Jeremy Waen to Senior Director of Regulatory Policy!



- COO/CFO positions to be announced in the coming week

Currently Posted Positions

Please help us spread the word!



- Information Technology Specialist/Senior Specialist - NEW
- Power Resources Sr/Manager - Market Operations
- Los Banos Community Relations Associate Manager

<https://www.peninsulacleanenergy.com/join-our-team>

Energy Institute 2023 Research Briefing

- Wednesday, November 15 at UC Berkeley Haas School of Business
- Please let Nelly know if you are interested in attending; we have 4 comp tickets available

November Meetings

- Citizens Advisory Committee:
 - Thursday, November 2 at 6:30 p.m.
- Audit and Finance Committee:
 - Monday, November 6 at 8:30 a.m. – **Cancelled**
 - Next meeting on December 11 at 8:30 a.m.
- Executive Committee:
 - Monday, November 6 at 10:00 a.m.
- Board of Directors:
 - Thursday, November 16 at **5:30 p.m.**



CAC Report

Solar Billing Plan (SBP)

(Previously Net Billing Tariff (NBT))

Leslie Brown

Board of Directors Meeting

October 26th, 2023

What is Solar Billing Plan?

- New solar interconnection policy for all new interconnection applications after April 15, 2023.
 - PG&E is currently scheduled to begin billing customers on the Solar Billing Plan (SBP) on December 15th, 2023.
- Per the California Public Utilities Commission(CPUC), the new policy changes are intended to:
 - Credit excess solar generation at its grid value (vs retail prices).
 - Charge SBP customers for grid electricity based on high differential Time Of Use (TOU) tariffs and encourage solar + battery storage installations.
 - Discourage mid-day solar exports to the grid and encourage shifting exports to later in the day with battery storage to help curb demand during On Peak hours (4pm-9pm).

PCE SBP Policy

- Primary Billing: PCE's proposed Solar Billing Plan will closely model PG&E's SBP tariff.
 - Customers will be charged for consumption at the standard retail rates for their applicable rate schedule and credited at the Energy Export Credit (EEC) rate.
- The Export Credit Rates are determined through a public proceeding managed by the CPUC using the Avoided Cost Calculator.
 - Energy Export Credit rates vary by the hour and day throughout the year. Credit values for solar systems connected by 2027 will be predetermined and set for nine years. Credit values for systems connected after 2027 will be updated every two years to reflect the most current energy prices.

*Export Credit Rate Information from PG&E

Annual Cash Out on SBP

- SBP customers will follow the Annual Cash Out timeline that occurs after each April billing cycle, similar to NEM customers.
 - The Annual Cash Out for SBP customers will be calculated under the Net Surplus Compensation (NSC) model, as mentioned previously they will be credited at the EEC rate monthly rather than retail.
 - Cash out amounts will be calculated based off the net kWh quantity at the end of their 12-month period and PG&E NSC rate. PCE will include an additional \$0.01 per kWh adder to the PG&E NSC rate.
 - Customers with NSC credit amounts in excess of \$300 will be issued a check and amounts under \$300 will be applied as an on-bill credit.

Alterations from PG&E SBP

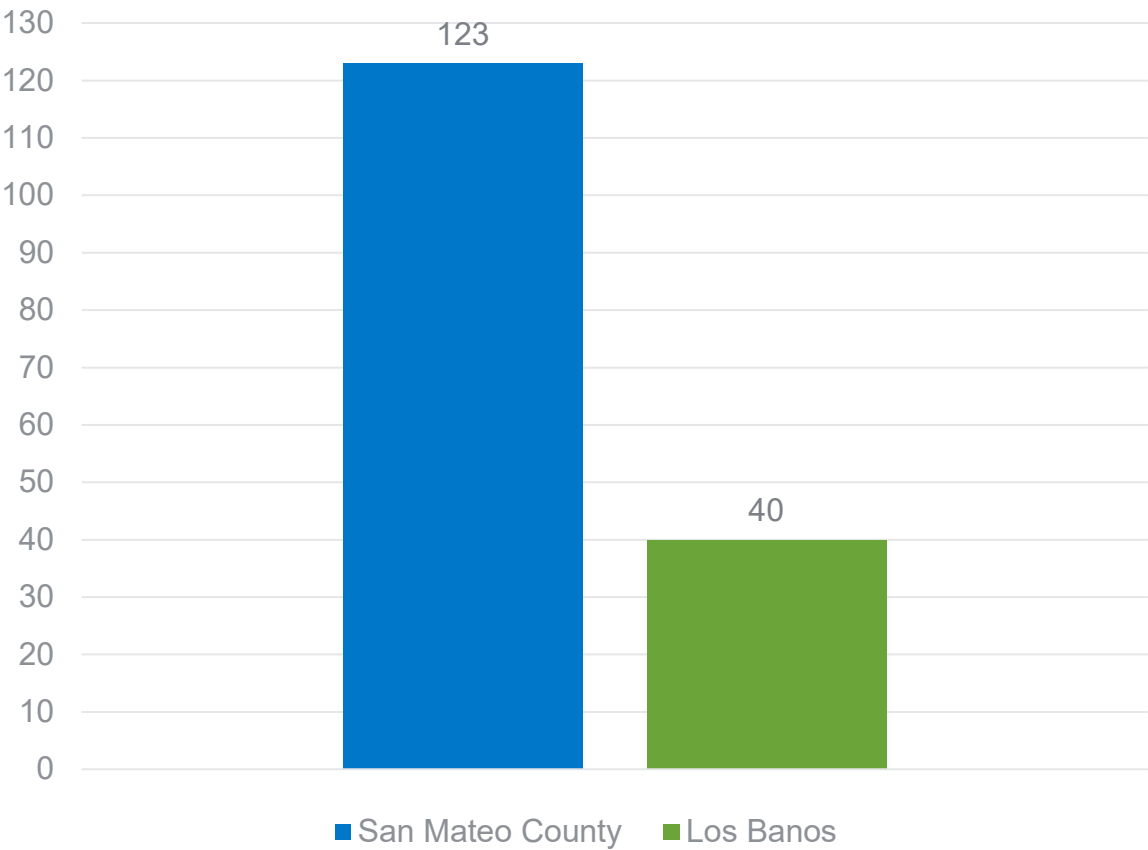
- The Export Credit Reversal “clawback” charge will not be assessed to PCE customers at the time of their annual cash out.
 - Since the customer is being credited monthly at the EEC rate, the customer is already losing value compared to the retail credits provided under the NEM tariff.
 - Adding the NSC cash out payment on top of monthly EEC credits increases value of excess generation for customers, while still falling below the retail rate earned on the NEM tariff.

PCE Policy Considerations

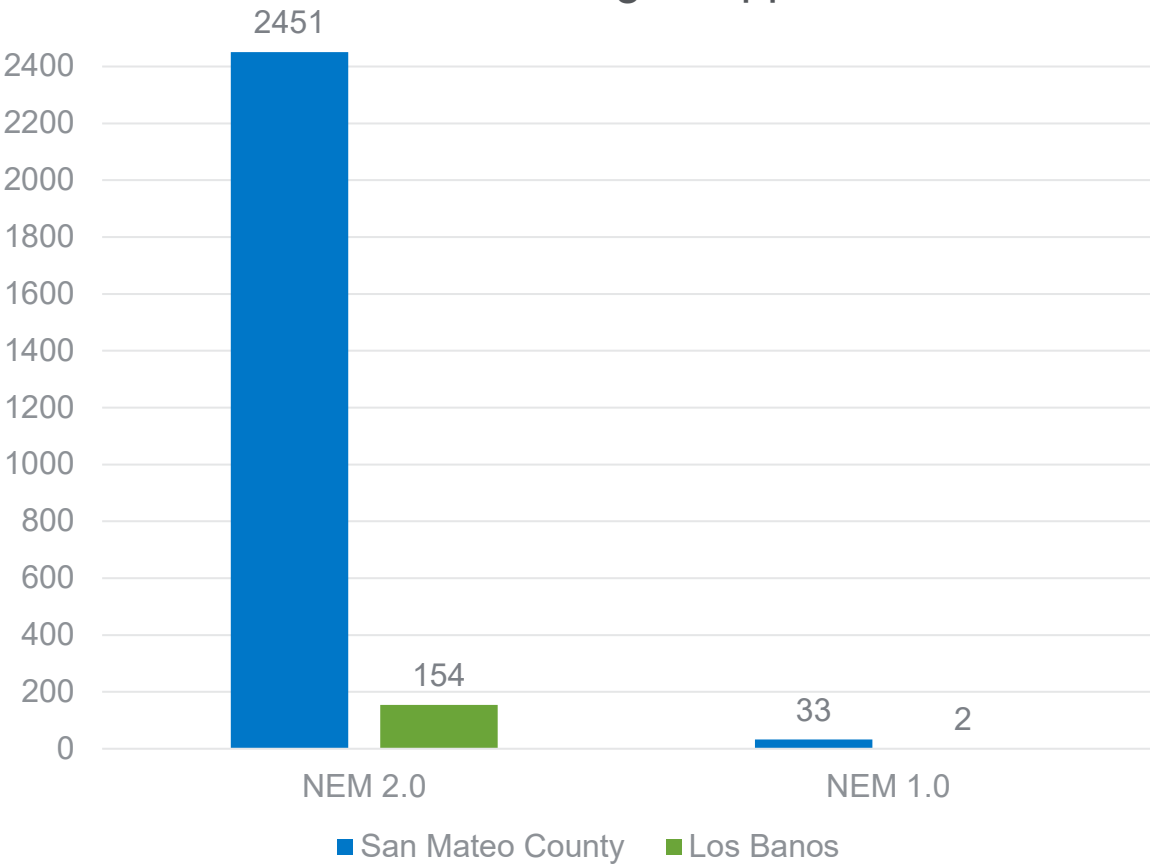
- PCE will benefit from an observational approach, as only ~1% of our NEM customers will transition to SBP in it's first year.
- EEC values will still apply to T&D exports regardless of CCA Generation export rates, so any variance in PCE credit rates could create a confusion.
- Analyzing the first year of billing on this tariff will provide a better assessment of its success and how incentives and export credit adders can be most impactful.
- SBP applies to new solar interconnections (applications submitted 4/15/2023 and after) and customers whose 20-year NEM legacy period ends, allowing a slow transition for our overall customer base.

Solar Applications in Progress

Current SBP “In-Flight” Applications

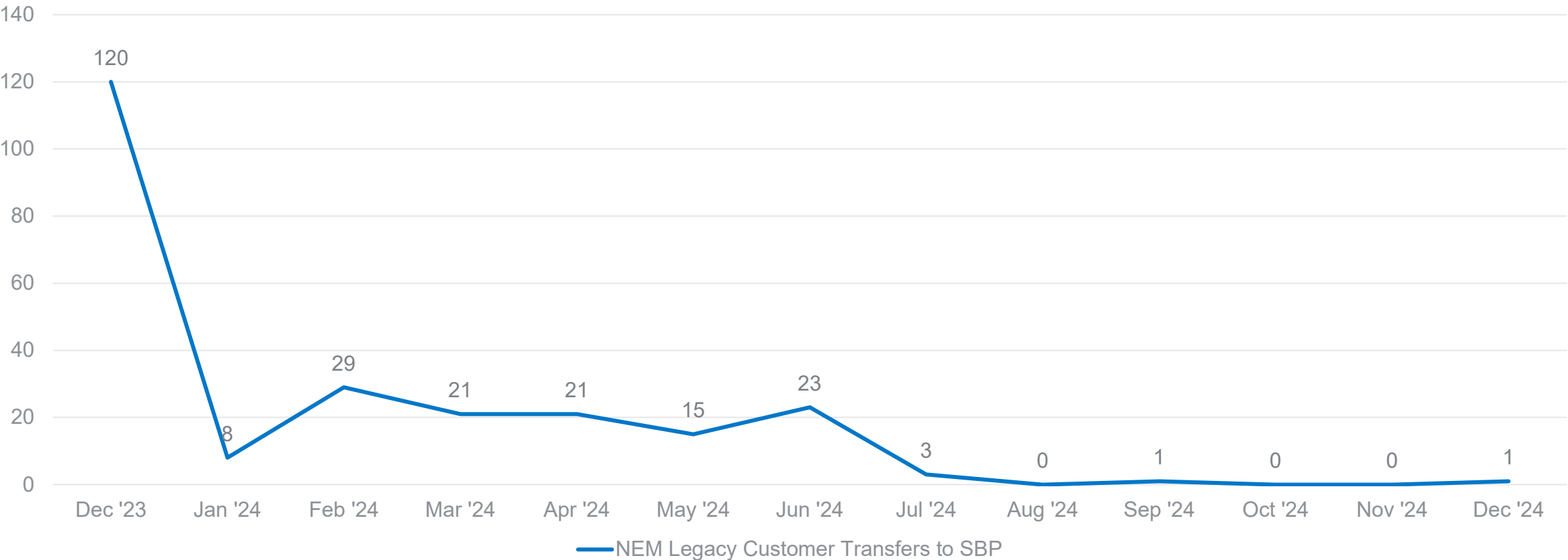


Current NEM “In-Flight” Applications



NEM Legacy Customer Transfers to SBP

First Year of NEM Legacy Transfers to SBP



Primary SBP Policy Takeaways

- This SBP tariff is not set in stone; as we analyze customer experience at the end of the first year we will work to improve and supplement where most effective.
- PCE will still provide additional value to SBP customers during that first year by retaining full value of Energy Export Credits without a “claw back” charge and a \$0.01 per kWh adder to the NSC rate during the annual cash out.
- We are in a favorable position to analyze this first year of SBP with a small percentage of our customer base before a larger segment of NEM legacy periods end over the next few years.

Diversity, Equity, Accessibility and Inclusion Action Plan Update

October 2023

Our DEAI Policy

“Peninsula Clean Energy commits to making diversity, equity, accessibility, and inclusion a priority during decision-making.”

- Peninsula Clean Energy Policy 22

Action Plan Development

- DEAI Policy passed Oct 2022
- Action Plan developed by equity consultants GCAP
- Includes recommendations from staff, Board, CAC and community
- Approved by Board of Directors in May 2023



DEAI Action Plan

We Can Do It!

- **43 actions total**
- CEO and all departments are responsible for implementation



Organizational Culture and DEAI Commitment

Responsible: CEO

Goal: Advance and promote DEAI within Peninsula Clean Energy's workforce, business practices, policies, and programs.

Action: Appoint a DEAI Lead and form a staff DEAI Council

Status: **Complete**



DEAI Commitment (continued)

Action: **Establish a DEAI framework** for goal-setting and decision-making

- List of DEAI questions to ask before producing organizational goals, policies, programs, and decisions.

Status: **In Progress.** Framework has been drafted based on input from all staff, currently in review



Human Resources, Staffing, and Recruitment

Responsible: HR

Goal: Create a **workforce that is more representative** and inclusive of people of all backgrounds; provide equitable access to employment opportunities



Human Resources, Staffing, and Recruitment

Action: Adopt DEAI Revisions to the Employee Handbook

Status: **Complete**

Action: Ensure Salary Transparency: post salary ranges on all job announcements and advertisements

Status: **Complete**



Training and Development

Responsible: HR

Goal: Require employees to complete DEAI-related training

Status: In Progress

Initial DEAI training was given at the October 2022 all-hands meeting. Annual training courses are in development.



Energy Program Development and Implementation

Responsible: Programs Team

Goal:

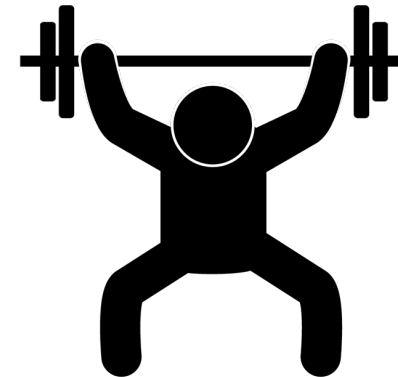
- **Define energy equity** and set goals and metrics for achieving it through our programs.
- **Increase input and feedback** from diverse communities to improve equity in programs



Energy Program Development and Implementation

Action: Develop and finalize a worksheet template for community engagement in program development

Status: In Progress. Draft worksheet is in review.



Energy Program Development and Implementation

Action: **Engage with community leaders and organizations** in the early stages of program development

Status: **In Progress.**

- Seven focus groups getting input on programs this fall
- English, Spanish, and Mandarin Chinese
- In partnership with community-based organizations



Marketing and Account Services

Responsible: Marketing/Community Relations and Account Services Teams

Goal:

- **Improve accessibility** of Peninsula Clean Energy customer service, energy supply, and energy programs...
- especially among low-income and disadvantaged populations, and **limited English proficiency groups**.



Marketing and Account Services

Action: Ensure Peninsula Clean Energy public website is accessible

Status: **Complete**

PCE website is compliant Web Compliance Accessibility Guidelines (WCAG) 2.0.



Energy Program Development and Implementation

Action: Develop Peninsula Clean Energy Language and Technology Access Guidelines

Status: **In Progress.**

- Outreach materials are in Spanish and Traditional Chinese
- Outreach offered in Spanish, Mandarin, Cantonese, Tagalog, and other languages
- Robust guidelines being developed



Vendor Diversity and Social Responsibility

Responsible: Power Resources Team, and all teams

Goal:

- Ensure that PCE suppliers are **environmentally conscious** and have **equitable business practices**.
- Establish a **level playing field** by creating opportunities and eliminating barriers to equal participation for all vendors.



Vendor Diversity and Social Responsibility

Action: Add questions to Request for Offers (RFO) template for utility scale procurement regarding:

- Environmental Stewardship
- Disadvantaged Community Outreach
- Workforce Development
- Responsible Procurement and Supplier Diversity



Status: **Complete.** 20% of the score when proposals for new power purchase agreements (PPAs) are evaluated.

Vendor Diversity and Social Responsibility

Action: Develop and Implement Diverse Subcontractor Reporting

Status: **In Progress.** Data request for subcontractor spending will be sent in January 2024.



Action Plan Implementation Challenges

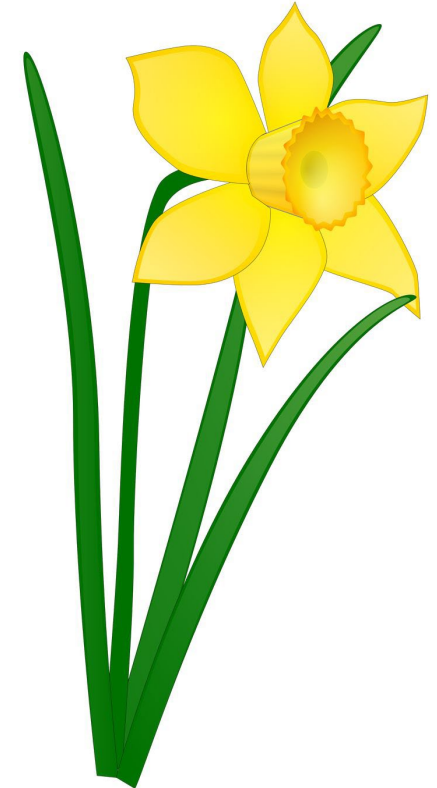
1. DEAI implementation support (staff time)
2. Learning to make DEAI an organizational priority as per policy:

“Peninsula Clean Energy commits to making diversity, equity, accessibility, and inclusion a priority during decision-making.”



Next Steps

1. Ongoing Staff/Board Training Plan
2. Detailed update on DEAI Action Plan implementation at the one-year mark (Spring 2024) to:
 - Community Advisory Committee
 - Board of Directors



PCE Strategic Plan (2020-2025) Annual Update for FY and CY 2023

Board of Directors Presentation
October 26, 2023

Recap of Adjustments Since Sept 2023

1. Updated community program targets to more closely reflect post-pandemic market realities.
2. Clarified our decarbonization goal to read: Contribute to Peninsula Clean Energy member jurisdictions reaching the state's 2045 goal to be 100% greenhouse gas free for transportation and buildings by 2035.
3. Added operational and customer data objectives for Account Services as its own functional area
4. Added some additional key tactics in the regulatory and legislative areas; and,
5. In June 2023, the Board amended its 24/7 goal to now read:
 - a. Deliver 100% renewable energy *annually* by 2025
 - b. Deliver 100% renewable energy *on a 99% time-coincident* basis by 2027

Organizational Priorities

Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022	2023 YTD	2025 Target
100% Renewable <i>Annual Matching</i> **	47.0%	47.0%	49.2%	52.4%	53.7%*	100%
2035 Decarbonization (MT GHG reduced)	3,800	14,300	23,100	27,500	38,100	See Below***

*Estimate as of 10/13/23

**Hourly matching goal will start in 2027; for reference: 46% time-coincident in 2022 (actuals) and we estimate 60% in 2025; under further discussion by the Procurement subcommittee which meets again in early November

***Peninsula Clean Energy has a 2035 decarbonization target in San Mateo County only. Total San Mateo County emissions inventoried in 2019 were 4.1 million MT GHG of which 3.2 million MT GHG are in buildings and transportation. Decarbonization figures for each year are the estimated reductions resulting from PCE programs on a cumulative basis through that year.

On target

Challenges exist

At risk

Financial Stewardship Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023	2025 Target
Days Cash On Hand (Unrestricted)	238	257	201	319	231
Credit Ratings	BBB+/ Baa2	same	BBB+/ Baa2 POS	A-/ Baa1	single “A” level
Change in Net Position (\$000s)	\$48,900	-\$8,355	-\$13,046	\$139,955	positive
Investment Performance (FRB/PFM)		2%	-4.4%/-4.7% ¹	TBD	TBD
Average Cost of Energy (\$/MWh)	\$61.92	\$59.04	\$62.75	\$73.59	\$62.73

1. Investment Performance results reported for each portfolio manager's holdings in FY 2021-22

Finance: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Employ sound fiscal strategies to promote long-term organizational sustainability

OBJECTIVES

1. **Fiscal Health:** Strengthen and maintain Peninsula Clean Energy's fiscal health
2. **Financial Controls and Management:** Implement financial controls and policies that meet or exceed best practices for leading not-for-profit organizations
3. **Financial Stability:** Practice strategies to ensure long-term financial sustainability

Finance: Mid-Year Highlights

1. FY 2022-2023 mid-year financial performance on track to produce healthy operating surplus
2. Continued conservative and prudent practice diversifying financial institution exposure

Upcoming Priorities

- Confirm permanent CFO and add one position in finance
- Expand CFO role to oversee risk management and IT/Data functions
- Complete cost of service rate study
- Consider pre-pay PPA option for long-term energy savings

Power Resources Update

Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022	2023 (Est.)	2025 Target
EcoPlus Annual Renewable Content (%)	52%	51.7%	49.2%	51.8%	53.7%	100%
EcoPlus Emissions Factor (lbs. / MWh)	102	13	5	9	13	16
Eco100 Annual Renewable Content (%)	100%	100%	100%	100%	100%	100%
Eco100 Emissions Factor (lbs. / MWh)	0	0	0	0	0	0
New Peninsula Clean Energy Capacity (% of load served by new resources)	0	16%	24%	24%	30%	50%

On target

Challenges exist

At risk

Power Resources: Strategic Plan Goals/Objectives

STRATEGIC PLAN GOALS

1. Deliver 100% renewable energy annually by 2025 and on a 99% time-coincident basis by 2027.
2. Secure sufficient, low cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates.

OBJECTIVES

1. **Planning:** Develop strategies to achieve a reliable power portfolio to meet 100% renewable on a 24 x 7 basis for 2027 and beyond
2. **Procurement:** Procure power resources to meet regulatory mandates and internal priorities at affordable cost
3. **Operations:** Manage power portfolio to ensure performance consistent with contractual requirements, regulatory compliance, and internal strategies
4. **Innovation & Market Development:** Provide a model of leadership for procuring energy resources for a clean energy future

*CA RPS eligible resources except Biomass

Power Resources: Highlights in CY 2023

Planning:

- Published White Paper Part 2 in Jan.: Achieving 24/7 Renewable Energy by 2025
- Board adopted revised target in June: Delivery of 100% Renewable Energy Annually by 2025 and on a 99% Time-Coincident Basis by 2027
- Staff continued to refine assumptions and improve strategies to meet the 24/7 goal based on new market conditions

Procurement:

- Released two RFPs for long-term contracts, evaluated close to 100 proposals
- In active negotiation with 18 projects at one time, currently 5 in advanced contracting phase
- Executed two long-term agreements:
 - Lockhart Standalone Storage – 45MW
 - SunZia Wind Project – 220MW
- Successfully completed two hedging solicitations and associated transactions
- Met 2023 MTR compliance requirement
- Met 2023 Month-ahead and 2024 Year-ahead Resource Adequacy requirements

Power Resources: Highlights in CY 2023

Operations:

- Draft Energy Risk Management Policy completed, final expected by year end
- New Scheduling Coordinator selection process completed; contract approval expected in Nov.
- Staffing -
 - Hired Director of Power Resources
 - Hired **two** Power Resources Specialist
 - Hired one Power Resources Analyst
 - Currently recruiting a Power Resources Manager/Sr. Manager – Market Operations
 - Onboarded and trained three interns

Innovation:

- Exploring long-term shaped renewable products
- Exploring excess resale strategies to minimize risk

Power Resources: Challenges

- Difficulties finding optimal renewable projects with near-term in service dates
- Elevated market prices across the board for all products: RA, RECs, PPAs
- Projects experiencing delays in reaching commercial operation
- Compliance-driven procurement for MTR and RA

Upcoming Priorities

Planning and Procurement:

- Working with the Board to further refine PCE's 24/7 hourly matching renewable goal
- Building up a diverse and cost-effective resource portfolio through strategic procurement
- Minimizing RA cost exposure by proactive forward planning

Operations:

- Onboarding a Mkt Ops Manager to collaborate with the new Scheduling Coordinator to develop market strategies for upcoming energy storage resources;
- Developing a resilient back-office team to support contract administration and settlement
- Standing up the middle-office function and establishing the Risk Oversight Committee

Community Energy Programs Update

Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022	2023 YTD As of 9/30	2025 Target (revised)
Transportation: GHG Reductions (MT)	2,000	8,200	14,800	18,600	27,378	83,000
Buildings: GHG Reductions (MT)	1,800	6,100	8,000	8,900	10,728	9,800
EV charging ports installed (#)	0	13	146	348	572*	3,500
Electric appliances installed (#)	0	0	219	616	1,895	1,800
Local Resources (MW)	0	1.47	4.26	5.54	6.9**	20
Funds for Low Income	11%	47%	19%	43%	27%	20%

1. 2025 targets were updated in September 2022
2. All figures cumulative except Funds for Low Income
3. Overall County GHGs when last inventoried in 2019 were 4,100,000 MT
4. GHG measures reflect projected future average annual reductions of actions taken that year (ex: adopted reach codes, charging installed, EVs acquired, etc.)

*** EV Charging ports in pipeline: ~3,000**

**** ~18 MW in GovPV pipeline**

Programs: Strategic Plan Goals & Objectives

STRATEGIC PLAN GOALS

1. Contribute to Peninsula Clean Energy member jurisdictions reaching a goal to be 100% greenhouse gas free for transportation and buildings by 2035.
2. Implement robust energy programs that reduce GHG emissions, align energy supply and demand, and provide benefits across the community.

OBJECTIVES

1. **Signature Programs:** Develop market momentum for electric transportation and initiate the transition to clean energy buildings
2. **Distributed Energy Resources:** Support strategic decarbonization and local power development
3. **Community Benefits:** Deliver tangible benefits throughout our diverse communities
4. **Innovation and Scale:** Leverage leadership, innovation, and regulatory action for scaled impact

Programs: Recent Highlights

1. Appliances & Zero Percent Loans

- 5x+ acceleration due to PCE changes and IRA, est. ~5% of annual installs
- Loans very popular with contractors & customers, >\$2M reserved in 1 year
- Low-Income program reaches >200 homes, whole home pilots begun



2. Electric Vehicle Charging

- Innovation in approach, \$4,000 ave per port (vs PG&E \$18k)
- 2/3rds in multifamily, highest need segment
- EV managed charging pilot in-progress



3. Distributed Resources

- GovPV Round 1: 12 sites, 1.7 MW solar, CYQ1 2024, \$17M lifetime savings
- GovPV Round 2: ~30-40 sites, 6-16 MW, RFP in-progress



Programs: Challenges

1. High Utility Rates

- PG&E territory has some of the highest utility rates in the country
- Adversely impacting customer economics, trust and electrification benefits

2. Power Outages

- Frequent power outages are creating both real and perceived customer problems resulting in reticence to electrify

3. Bandwidth

- Team is operating at full capacity with significant agenda for 2024

4. Inflation & Supply Chain

- Rising costs have tapered but remain a concern

Programs: CY 2024 Key Priorities

1. Overall

- Move to customer-centric service delivery
- Execute current programs with high quality

2. Buildings

- Turnkey installation service & concierge residential technical assistance
- Possible customer service center

3. Distributed Resources

- GovPV second round
- Residential solar and storage program

4. Transportation

- Ramp-up of EV managed charging

Marketing & Community Relations Update

	2020 Baseline	2021	2022	2023 YTD	2025 Target
Participation Rate (as of FY end) ¹	97%	97%	97%	97%	97%
PCE Aided Awareness	34%	31% ²	39% ⁴	41%	60%
PCE Favorability ³	63%	61% ²	57% ⁴	58%	80%
Residential & SMB Engagement ¹	Med/Low	Med/Low	Med/Low	Med/Low	High

1. Shared responsibility with Account Services team
2. Given sample size in 2021, this is statistically equivalent to the 2020 baseline
3. Of those who are aware of Peninsula Clean Energy
4. Statistically different from 2020 baseline

On target

Challenges exist

At risk

Marketing/Outreach: Strategic Plan Goals/Objectives

STRATEGIC PLAN GOAL

Develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs and ensures customer satisfaction and retention

OBJECTIVES

1. **Brand Reputation:** Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry.
2. **Engagement:** Educate and engage stakeholders in order to gather input, inspire action, and drive program participation

Marketing/Outreach: Annual Highlights

- 16 press releases, 60 articles, 4 podcasts (including Bloomberg, S&P Global, San Mateo Daily Journal)
- Presentations at conferences and webinars on electrification, EV charging, and 24/7 renewables
- 3,000 customer interactions through 85 community events
- Celebrating electrification successes
- Supporting education initiatives
- Conducting focus groups with CBOs
- Promotional efforts brought 41,000 online visitors to our all-electric content and enabled programs to reach their goals



Upcoming Priorities

- Brand awareness campaign
- Building electrification program launch
- Managed EV charging program launch
- Los Banos communications & community relations hire

Account Services Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023	2025 Target
Participation Rate (as of FY end) ¹	97%	97%	97%	97%	97%
Customer Data Access & Analytics ²	Low	N/A	Low/Med	Med	High
External Partner Relations	Med/High	High	High	High	High
Key Account Engagement ³	Low	Low	Med/Low	Med/High	High
Residential & SMB Engagement ¹	Med/Low	Med/Low	Med/Low	Med	High

1. Shared responsibility with Marketing and Community Relations
2. Expanding Account Services teams dashboards and analytics capabilities to provide more robust analysis of and for customers
3. Held successful customer workshop on reliability in July 2023

On target

Challenges exist

At risk

Account Services: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Ensure high customer retention and satisfaction

OBJECTIVES

1. **Customer Care:** Ensure High Customer Retention and Satisfaction
2. **Operational Excellence:** Build and Maintain Strong Partner Relations
3. **Customer Data:** Improve Access to Energy Data and Analytics

Account Services: Annual Highlights

- Added Senior Account Services Analyst to the team
- Increased engagement with Key Accounts, re-enrolling targeted accounts in PCE service and hosted a webinar educating customers on shifting loads during grid emergencies
- Helped facilitate Phase 1 of PCE's Cost of Service Study
- Collaborated with PCE's data manager Calpine and CEC staff to successfully complete initial rate uploads into MIDAS database
- Started internal analysis to create data screens to identify 'vulnerable' customers who may benefit by being connected with additional assistance (CARE/FERA/AMP/etc.)
- Developed PCE's Solar Billing Plan tariff

Upcoming Priorities

- Implement new Solar Billing Plan tariff while continuing to advocate for bill presentment enhancements with PG&E
- Revamp PCE's collection processes for closed accounts with remaining balances
- Expand on vulnerable customer analysis and create outreach action plan
- Participate in phase 2 of PCE's cost of service study
- Collaborate with Programs and Marketing on customer centric delivery of services including potential updates to contact center

Public Policy Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023	2025 Target
PCIA Containment	Low	Low	Challenges	On Target	See Below
Legislative Impact	Medium	Medium	Challenges	Challenges / On Target	See Below
Regulatory Impact	High	High	On Target	On Target	See Below
Coalition Building	Low	Medium	On Target	On Target	See Below
Fostering CCA Growth	Medium	Medium	Challenges / On Target	At Risk / Challenges	See Below
Regarding 2025 Targets					

- 1) PCIA Containment:** PCE staff interprets this goal as an objective to minimize PCIA-related costs applicable to PCE customers by 2025. With that said, PCIA costs applicable to PCE's customers will remain long past 2025 and are expected to persist into the 2040s.
- 2) Legislative Impact:** PCE staff interprets this goal as having a high level of influence with our local representatives and CalCCA's legislative efforts, such that our efforts result in overall positive legislative outcomes in Sacramento.
- 3) Regulatory Impact:** PCE staff interprets this goal as taking the steps necessary to enable the organizations programmatic and procurement objectives by 2025.
- 4) Coalition Building:** PCE staff interprets this goal as having strong local, state and regional relationships to leverage our knowledge and influence towards positive outcomes.
- 5) Fostering CCA Growth:** PCE staff recognizes that CCA growth has slowed in recent years. We believe this goal should be revisited.

Public Policy: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Strongly advocate for public policies that advance Peninsula Clean Energy's organizational priorities.

OBJECTIVES

- 1. Regulatory:** Educate and engage policymakers to develop policies that support Peninsula Clean Energy's organizational priorities
- 2. Legislative:** Engage state legislators to pass legislation that advances Peninsula Clean Energy's organizational priorities and defeat legislation that would hinder Peninsula Clean Energy's organizational priorities and operations.
- 3. Growth of CCA/Expansion:** Take a leadership position in supporting the growth of community energy and CCAs in California

Public Policy: Annual Highlights

1. PCE sponsored our first bill in legislature
2. PCE engagement is shaping IRP/RA reform to better align with our 24/7 objective
3. Further expansion of DAC-GT program to serve more low-income customers
4. Achieved Commission funding to enable our FLEXMarket program offering
5. Shifting oversight of regulatory compliance into regulatory policy department

Upcoming Priorities

Regulatory

1. Continue to pursue PCIA containment by support CalCCA's efforts for reform
2. Continued advocacy for state regulatory refinements that better align with PCE's programmatic and procurement-oriented objectives
3. Continue to advocate for more affordable and equitable access to electricity service

Legislative

1. Continued development of strong working relationships with state and local elected officials and their staff
2. Continue to strategically advocate for policies that align with and effectuate PCE's priorities

Organizational Excellence Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023	2025 Target
Staff Satisfaction	High	High	On Target	On Target	See Below
Innovation Impact	High	High	On Target	On Target	See Below
Technology & Systems	High	Med-High	On Target	On Target	See Below
Organizational Policies*	High	High	On Target	On target	See Below
Governance	High	High	Challenges	On Target	See Below

*For external vendors and partners

Regarding 2025 Targets

- 1) Staff Satisfaction:** PCE staff interprets this goal based on yearly surveys, assessment of employee satisfaction; evaluation of professional development and training efforts; evaluation of competitive benefits.
- 2) Innovation Impact:** PCE staff interprets this goal as the assessment of the quality of technology, program design, and policy innovation developed by the organization and its impact towards the organization's goals and the clean energy industry.
- 3) Technology & Systems:** PCE staff interprets this goal as the assessment of quality and completeness of systems to support the organization's work including for business processes, energy-related analysis, program impact evaluation and customer insights; evaluation of systems and practices that ensure data accuracy/privacy and security.
- 4) Organizational Policies:** PCE staff interprets this goal as the assessment of progress toward implementation of key policies such as the Sustainable Workforce and Ethical Vendor Standards policies.
- 5) Governance:** PCE staff interprets this goal as facilitating the succession process, providing high quality orientation materials, and eliciting broad support of the organization by new Board Members, Alternates, and Citizen Advisory Committee Members; incorporating DEAL policy when completed.

Org. Excellence: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity

OBJECTIVES

1. **Culture and People:** Foster a workplace culture that attracts and develops exceptional and diverse talent and values all people
2. **Innovation:** Foster a culture of innovation to yield solutions that accelerate our mission
3. **Data and Technology:** Increase data analytics capability to enable energy-related analyses, program impact measures, and consumer insights for continuous improvement
4. **External Vendor Policies:** Implement vendor policies that embrace diversity and inclusion and that optimize engagement results
5. **Governance:** Follow best practices for governance and succession to engage and develop qualified, diverse Board Members and Citizens Advisory Committee Members

Organizational Excellence: Annual Highlights

1. Successful transition to a new CEO in summer 2023; COO/CFO search nearing completion
2. Organizational development initiative underway; kicked off by first-ever all staff retreat in September
3. First surplus funds effort to reallocate \$67.8 M nearing completion (by year-end)
4. Several automation/software/IT improvements to improve workflow and internal QC/efficiency
5. Launched successful summer internship program
6. Approved DEAI Action Plan in May; several elements have been completed or underway
7. Recruitment and on-boarding of 15 vacant/new staff positions and 7 interns since Sept 2022; and 7 new Board members and 15 new alternates in January 2023.

Upcoming Priorities

- Revamped Board Retreat and on-going strategic discussions
- Build out of C-Suite and 10 approved new staff positions
- Enterprise Risk Management, including new protocols for customer data security
- Organizational development initiative to help inform/guide the maturation of our organization
- Evolution of a more customer-focused electrification approach, which could result in bringing call center customer service function in house.
- Continued enhancement of our remote first work environment to aid in productivity, accountability and overall work enjoyment

Regulatory Update Pending 2024 Rate Changes

Jeremy Waen

Senior Director of Regulatory Policy

Overview

- PG&E 2024 Energy Resource Recovery Account (ERRA) Forecast & outlook for 2024 rates and headroom
- PG&E 2023 General Rate Case (GRC) Phase 1
- State Consideration of Income-Graduated Fixed Charges (IGFC)
- Timing of Possible Commission Action

PG&E 2024 ERRA Forecast – Overview

- Case began in May 2023, updated in October 2023
- Forecasts Power Charge Indifference Adjustment (PCIA) and PG&E Bundled customer generation rates for 2024 (effective Jan. 1, 2024)
- Often depends on resolution of other rate-related proceedings
 - *e.g.* Pending GRCs and ERRA Trigger filings for over/under-collections

PG&E 2024 ERRA Forecast – Outlook

- Pending 2023 Phase 1 GRC and ERRA Trigger will impact rates
- Headroom = PG&E Generation Rates – Applicable PCIA Rates

PCE Customer Vintage	With 2020 GRC		With 2023 GRC	
	Headroom (Jan-June)	Headroom (July-Dec)	Headroom (Jan-June)	Headroom (July-Dec)
2016	5.59%	-7.87%	5.46%	-7.99%
2021	11.57%	-1.27%	11.46%	-1.38%
2022	21.19%	6.82%	21.11%	6.74%

- Note:
 - Based on PG&E's customer class distribution, not Peninsula Clean Energy's customers
 - 2023 GRC numbers assume PD is adopted before January 1, 2024
 - Does not reflect PCE's specific rate design such as 5% discount

PG&E 2023 GRC Phase 1 – Overview

- June 2021: PG&E Initially requested \$15.46B total revenue requirement for 2023 (a \$3.56B increase over 2022)
- September 2023: Commission issued a Proposed Decision (PD) drafted by the Administrative Law Judge and an Alternate Proposed Decision (APD) drafted by the Commissioner
 - PD authorizes \$1.6 billion increase (\$28/mo. for typical res. customer)
 - APD authorizes \$1.1 billion increase (\$24/mo. for typical res. customer)
 - Differs over treatment of Wildfire System Hardening and Escalation
- October 2023: Oral Arguments and All-Party Meeting

Consideration of IGFC – Overview (1 of 3)

- June 2022: Newsom approved Assembly Bill (AB) 205 requiring:
 - CPUC to “authorize a fixed charge for default residential rates” by July 1, 2024
 - Fixed charge to be “established on an income-graduated basis with no fewer than three income thresholds so that a low-income ratepayer in each baseline territory would realize a lower average monthly bill without making any changes in usage”
 - Approval of fixed charges for any residential rates
- June 2023: Commission issued ruling seeking comments on IGFC implementation pathway

Consideration of IGFC – Overview (2 of 3)

- July-August 2023: Parties commented on IGFC implementation

Proposals	Fixed Charge Range (\$/month)				
	Tier 1	Tier 2	Tier 3	Tier 4	Ave.
PG&E	\$15	\$30	\$51	\$92	\$53
SCE	\$15	\$20	\$51	\$85	\$49
SDG&E	\$24	\$34	\$73	\$128	\$74

- Proposed Tiers: 1st CARE/FERA under 100% Federal Poverty Level (FPL), 2nd Other CARE/FERA, 3rd Non-CARE/FERA under 650% FPL, & 4th Non-CARE/FERA above 650% FPL

Consideration of IGFC – Overview (3 of 3)

- Only for non-generation rate components
- Parties differ on use of federal, state-wide and/or area median income measurements to define tiers
- Parties differ on whether non-bypassable charges can be collected through fixed charges

Consideration of IGFC – Next Steps

- Assuming no further delays:

Track A Event	Date
Joint motion to receive exhibits into evidence (Exhibits Motion)	September 8, 2023
Responses to Exhibits Motion	September 15, 2023
Replies to responses to Exhibits Motion	September 21, 2023
Opening briefs	October 6, 2023
Reply briefs	November 3, 2023
Proposed decision	March or April 2024
Final decision	At least 30 days after the proposed decision

- “I expect that the earliest that the first version of IGFCs could be implemented in rates is the end of 2026.” – ALJ Stephanie Wang, June 19, 2023 Ruling

Timing of Commission Action

- Four More Voting Meetings in 2023
 - November 2nd, 16th, & 30th
 - December 12th
- Late December: Revised Annual Electric True-Up (AET)

Adjournment