



Executive Committee Meeting

December 11, 2023



Agenda

- Call to Order / Roll Call
- Public Comment (for items not on the Agenda)
- Action to set the Agenda and Approve Consent Item 1
 - Public Comment
- Regular Agenda
- Committee Members Reports
- Adjourn



FY 2024 Surplus Funds Recommendations

Shawn Marshall
Executive Committee
December 11, 2023

Recommendations

Recommend approval to the Board of Directors of the FYE 2024 Surplus Funds Committee allocations and related recommendations:

1. Approve slate of 8 funding allocations totaling \$68,000,000;
2. Establish an annual reserve *target* of 250 adjusted days cash on hand, above which the Board would consider a surplus fund allocation(s);
3. Modify PCE's established minimum 180 day reserve policy to include the possibility of rate increases if DCOH falls below 180 days; and,
4. Include a standard 10% cost of energy contingency in PCE's annual power supply budget

Background & Context

Staff led ad-hoc committee launched in July to discuss and recommend uses/reallocation of excess revenue anticipated in FYE 2024 budget cycle

Established 4 funding categories:

1. PCE Reserves/Days Cash on Hand
2. Customer Rates – Rebates/Discounts
3. Energy Programs (municipal and residential)
4. Local Energy Development

Established evaluative criteria:

1. GHG Reduction/Resilience Impact
2. Customer Impact
3. PCE Awareness/Reputational Benefit
4. New or Existing Program
5. Staff Level of Effort

Allocation Recommendations

Committee recommended allocations across 4 funding categories for a total of \$68M

Customer rebates/discounts	One-time \$300 rebate to ~41,200 CARE/FERA customers	\$12 M	18%
Energy Programs	Financing for residential storage and outages	\$10 M	15%
Energy Programs	Addtl loan funds for local govt electrification program	\$4.5 M	7%
Energy Programs	Energy storage for public buildings	\$5 M	7%
Energy Programs	School electrification incentives	\$5 M	7%
Energy Programs	Emergency water heater replacement	\$5 M	7%
Energy Programs	Member agency energy grants (see detail below)	\$11.5	17%
Local Power Projects	Funding for local power projects; microgrid or other advanced energy	\$15 M	22%
TOTAL		\$68 M	100%

New: \$11.5M for Member Agency Energy Grants

Program Guidelines

- Project-based grants awarded on a one-time basis from anticipated FYE 24 surplus funds;
- Funding must be used for purposes consistent with PCE's mission, such as efforts to reduce local greenhouse gas emissions, support energy efficiency and/or community electrification projects;
- \$11.5 M in total surplus funds to be disbursed based on project costs, up to a maximum member-agency allocation based on January 2024 load share/customer count in that jurisdiction;
- Funding may be used for one or more projects and would need to be spent within 24 months of allocation;
- Project application including a detailed description of anticipated use of funds and a post expenditure completion report to PCE; and
- PCE led post-project completion audit to ensure the appropriate and responsible use of grant funds.

Additional Budget Recommendations

1. Establish an annual reserve *target* of 250 adjusted days cash on hand, above which the Board would consider a surplus fund allocation(s);
2. Modify PCE's 180 day reserve policy to include the possibility of rate increases if DCOH falls below established minimum reserve of 180 days; and,
3. Include a standard 10% cost of energy contingency in PCE's annual power supply budget to absorb price volatility and budget variances



2024 Rate Update Discussion

Executive Committee

December 11, 2023





Creation of Peninsula Clean Energy Climate Champion Award

Executive Committee Meeting

What is the Climate Champion Award?

Staff recommends the creation of this special recognition.

The Peninsula Clean Energy Climate Champion award would be presented annually to leaders in the fight against climate change whose good works have significantly contributed to the advancement of Peninsula Clean Energy's mission and policy goals.

The recognition would be open to all manner of policy leaders and influencers including individuals and organizations.

How would it work?

If approved, the award would be made annually.

Peninsula Clean Energy staff, in consultation with the board's Chair and Vice Chair, would recommend a Climate Champion to the Executive Committee for review and approval.

The honoree would be presented with the award at a meeting of the Peninsula Clean Energy Board of Directors or another appropriate event.

The honoree would receive recognition and/or be named on a plaque to be hung at Peninsula Clean Energy offices.



Delinquent Accounts and Bad Debt Collections Policy Update

(Board Policy 13)

Leslie Brown

Executive Committee

December 11, 2023

Background

- Policy 13 applies specifically to customers who owe PCE for electricity generation charges after their accounts have closed.
 - The policy outlines the process for PCE to collect payment from these customers.
 - Once their account closes for any reason, customers have 60 days to make payment for any overdue PCE charges to PG&E. After that PG&E sends the debt to PCE, and policy 13 takes affect to settle the amount.
 - Policy update adds additional 'pre-collections' step for former customers to make direct payment to PCE. Other elements of the policy remain unchanged

Update to Bad Debt Collections Policy

- Current Policy

- Has been suspended since late 2019.
- Bad debts older than 7/1/23 have been written off, as most debt accrual occurred during the COVID-19 pandemic.

- Updated Policy: Pre-Collections Option

- Closed accounts with a balance eligible for collections will have the option to pay PCE directly before being sent to collections.
 - A pre-collections notice will be sent to the customer, and they have 30 days to reply and receive payment instructions.
 - Payment can be accepted online via Square or through a physical check.

Update to Bad Debt Collections Policy

- Collections

- Customers that do not respond to the pre-collections notice within the 30 days will be sent to a collection agent, Optio Solutions.
 - Optio Solutions is based in Petaluma, CA and has significant experience collecting in the electric utility industry. Sonoma Clean Power is also a client.
 - CARE and FERA customers will not be sent to collections.

- Balance Write-Offs

- Closed accounts with an unpaid balance that is ineligible for collections will be written-off, as is current practice under the existing policy.

Adjournment

