



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, December 11, 2023  
10:00 am**

**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/83252507093>  
**Meeting ID: 832-5250-7093 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](mailto: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/83252507093>. The meeting ID is: 832-5250-7093 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 832-5250-7093, then press #. (Find your local number: <https://pencleanenergy.zoom.us/j/83252507093>). 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](mailto: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](mailto: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 Board 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**

1. [Approval of the 2024 Executive Committee Schedule of Meetings](#)

## **REGULAR AGENDA**

2. Chair Report (Discussion)
3. CEO Report (Discussion)
4. [Recommend Approval to the Board of Directors of the Fiscal Year End 2024 Surplus Funds Committee Recommendations](#)
5. [2024 Rate Update Discussion](#)
6. [Recommend Approval to the Board of Directors for Creation of Climate Champion Award](#)
7. [Recommend Approval to the Board of Directors a Delinquent Accounts and Bad Debt Collections Policy Update](#)

## **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 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

- Videoconference with Computer Audio - see Option 1 below
- Videoconference with Phone Call Audio - see Option 2 below
- Calling in via Telephone/Landline - see Option 3 below

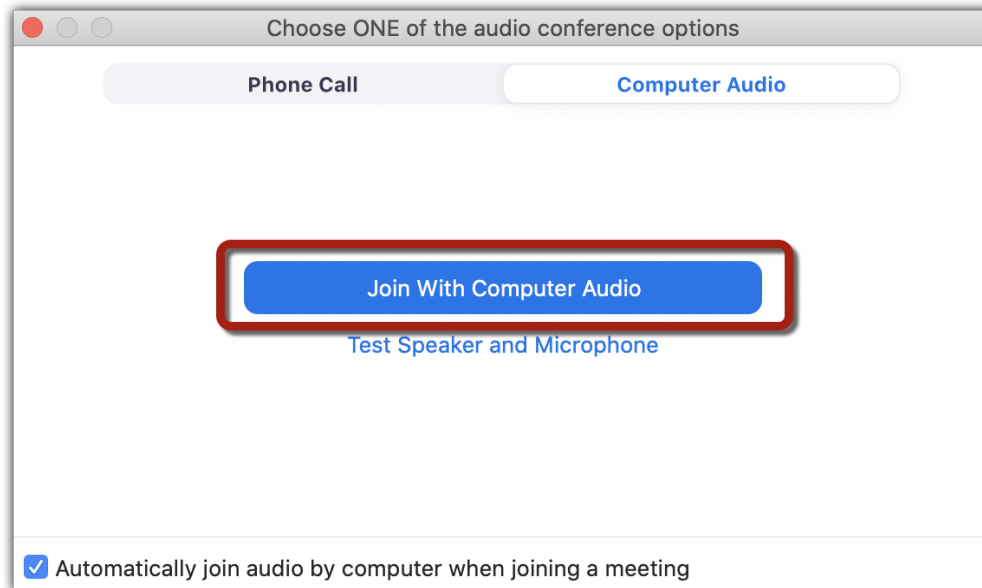
### Videoconference Options:

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:

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/83252507093>
- The Zoom application will open on its own or you will be instructed to open Zoom.
- 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.



- Click the blue, "Join with Computer Audio" button.
- 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

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/83252507093>
- The Zoom Application will open on its own or you will be instructed to Open Zoom.

- 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.

Choose ONE of the audio conference options

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Meeting ID 857 8570 3368

Participant ID

Passcode 2075

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **832-5250-7093 followed by #.**
- 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.
- After a few seconds, your phone audio should be connected to the Zoom application on your computer.
- 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:

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **832-5250-7093 followed by #.**
- 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.
- You will be instructed to enter the meeting passcode **2075 followed by #.**



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** December 11, 2023  
**MEETING DATE:** December 11, 2023  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee  
**FROM:** Nelly Wogberg, Board Clerk  
**SUBJECT:** Approval of the 2024 Executive Committee Schedule of Meetings

**RECOMMENDATION**

Approve the 2024 Executive Committee Schedule of Meetings.

**BACKGROUND**

Every year, the Peninsula Clean Energy Authority Executive Committee approves a schedule of regular meetings for the upcoming year. Generally, the PCE Executive Committee meets on the second Monday of each month at 10:00 a.m., but due to holidays there are sometimes exceptions to this meeting schedule. The schedule of meetings presented creates a regular meeting schedule with those adjustments noted. Please note, this schedule does not preclude any Special meetings that may be needed throughout the year.

**DISCUSSION**

In the 2024 Schedule of Meetings the exceptions from the general meeting date on the second Monday of the month are as follows:

- October 15, 2024 is a meeting on the second Tuesday due to the Columbus Day holiday
- November 12, 2024 is a meeting on the second Tuesday due to the Veteran's Day holiday

**ATTACHMENTS:**

[2024 EC Schedule of Meetings.pdf](#)

## 2024 Executive Committee Meeting Schedule

Location: Video/Teleconference/PCEA Lobby/Check Agenda

Meeting Date:	Time:	Location:
January 8, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
February 12, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
March 11, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
April 8, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
May 13, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
June 10, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
July 8, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
August 12, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
September 9, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
October 15, 2024 (Tuesday)	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
November 12, 2024 (Tuesday)	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda
December 9, 2024	10:00 am	Video/Teleconference/PCEA Lobby/Check Agenda



**PENINSULA CLEAN ENERGY AUTHORITY**  
**JPA Board Correspondence**

**DATE:** December 11, 2023  
**MEETING DATE:** December 11, 2023  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Shawn Marshall, Chief Executive Officer

**SUBJECT:** Recommend Approval to the Board of Directors of the Fiscal Year End 2024 Surplus Funds Committee Recommendations

**RECOMMENDATION**

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 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**

In July 2023, Peninsula Clean Energy (PCE) formed a staff-led, ad-hoc committee comprised of Board, staff, and Community Advisory Committee (CAC) members focused on the allocation of fiscal year-end 2024 budget surplus funds, hereafter referred to as the Surplus Funds Committee.

The Surplus Funds Committee met six times between the months of August and November 2023 to establish evaluative criteria and discuss ideas and opportunities to reallocate approximately \$68 million in surplus revenues in support of PCE customers, its member communities, and enhanced energy programs. The Committee is also recommending an updated cash reserve target and an annual power resources budget contingency that accompanies the funding recommendations.

The Committee discussed funding options and levels within four general categories, which served as a framework for thoughtful discussion and decision-making. These categories were:

1. Days Cash on Hand/PCE Reserve Policy and Targets
2. Customer Rebates/Rate Discounts
3. Energy Programs (customer and municipal)

#### 4. Funding for Local Power Projects

The Committee also considered the following evaluative criteria and ranked each option high, medium, and low for impact within these categories:

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

Finally, while many suggestions and ideas were considered, not every idea was included within the \$68 million allocation. Staff and committee members will be on-hand to provide additional insights as needed.

### **DISCUSSION**

Following the funding categories and evaluation criteria indicated above, the Surplus Funds Committee first generated a lengthy list of funding ideas and then ranked each according to its potential customer, community and PCE impact. After six meetings totaling over 10 hours of committee discussion and evaluation, the following is the proposed slate of funding allocations totaling \$68,000,000 from the Fiscal Year End (FYE) 2024 budget. Please note that the \$12M allocated for the one-time CARE/FERA rebate was approved by the Board at its last meeting on November 16, 2023. Staff will be on hand to provide additional programmatic detail for the funding recommendations below.

CATEGORY	ITEM	FUNDING	% OF TOTAL
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 M	17%
Local Power Projects	Funding for local power projects; microgrid or other advanced energy	\$15 M	22%
TOTAL		\$68 M	100%

### **Related Recommendations and Additional Detail**

#### **1) Target for Adjusted Days Cash on Hand**

PCE's current reserve policy requires a minimum of 180 days cash on hand (DCOH). The Surplus Funds Committee discussed this policy in light of recent feedback from credit rating agencies and determined that the 180 day policy remains sufficient for PCE. However,



opportunities to maintain and increase PCE's credit rating would be enhanced by establishing a *target* of 250 adjusted days cash on hand, above which the Board could consider a surplus fund allocation. Adjusted DCOH would be calculated as the expected DCOH less any Board-approved, capital-spending allocations or programs (e.g. revolving loan funds, Gov PV programs, etc.).

Conversely, if DCOH falls below the minimum reserve level of 180 days or is expected to fall below the minimum level in the following 6-month period, the Board will consider raising rates and/or reducing the current 5% discount on generation rates. The Committee is recommending these text modifications to PCE's reserve policy to clarify possible Board actions on both the upper and lower limits of Agency reserves.

## **2) Power Resources Budget Contingency**

The Surplus Funds Committee discussed at length the volatility in the energy markets and unforeseen budget impacts that can result. In the past four months, for example, the FYE 2024 surplus funds were reduced by \$30,000,000 to account for significant budget overages associated with skyrocketing resource adequacy (RA) pricing and the requirement to maintain RA compliance. To mitigate the impacts of similar market or regulatory volatility going forward, the Surplus Funds Committee is recommending that staff include a standard 10% contingency over the annual budgeted cost of energy to absorb some or all of the price volatility that can have significant negative impacts on PCE's budget and cash reserves.

## **3) Member Agency Energy Grants**

As noted earlier in this memo, the Surplus Funds Committee considered a large number of funding ideas, some of which were unique to or advanced by an individual member agency. Thus, the idea to provide \$11.5 M in "member agency energy grants" was suggested as a way to help fund local agency energy/sustainability projects according to local needs, as long as those projects align with PCE's mission and goals. Staff created the following funding guidelines for this program, which were reviewed and approved by General Counsel.

- 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.

## **Next Steps**

If the Executive Committee recommends approval of the FYE 2024 Surplus Funds Committee allocations, the matter will be advanced to the full Board on December 21, 2023 for authorization. Thereafter, staff will return to the Executive Committee for input and direction on future surplus fund procedures.

**FISCAL IMPACT**

Approximately \$68,000,000 will be expended and/or reallocated as outlined above from the approved FYE 2024 budget.



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** December 11, 2023  
**MEETING DATE:** December 11, 2023  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee  
**FROM:** Leslie Brown Director of Account Services  
**SUBJECT:** 2024 Rate Update Discussion

**RECOMMENDATION**

Discuss upcoming updates to PG&E rates expected for January 1, 2024 as well as analysis and timing for subsequent Peninsula Clean Energy rate changes in 2024.

**BACKGROUND**

Since starting service in 2016, PCE has followed a process of adjusting rates immediately following changes to PG&E generation rates with new PCE rates taking effect one month following a PG&E adjustment. Staff is proposing to deviate from that process slightly to allow time for a more in-depth financial analysis of our rate-setting response to the projected PG&E rate increase in January 2024.

**DISCUSSION**

Based off the rate information that was available earlier this year, PCE's current operating budget forecasts a 0.79% rate change to follow PG&E's rate change in January 2024. While we are still waiting for final decisions from the CPUC and updates from PG&E on the individual rate updates effective January 1, 2024, we do know that system-wide those increases are expected to be significantly more than the <1% that was projected during PCE's budget process. With that in mind staff is proposing that PCE hold off on making any decisions about rate changes in 2024 until we have the detailed rate tables from PG&E, we know what the PCIA will be for various vintage years, and we are able to do additional in-depth financial analysis of our various rate options.

Staff is proposing to analyze of the impact of our standard rate change policy (net 5% discount from PG&E) along with other scenarios offering a greater than 5% discount or possibly no rate increase at all for at least the first half of 2024. However, to do this analysis properly we need to incorporate updated energy costs and load forecasts which the power resources team expects to have available at the beginning of January -- around the same time we will have the final January 1, 2024 PG&E and rates and PCIA charges. Allowing for this additional time means that we would not move forward with a rate change effective February 1, 2024 as is our normal practice. Rather, we would bring this matter to the Executive Committee and Board at

its January meetings, and any adopted rate change would take effect no later than March 1, 2024.

### **FISCAL IMPACT**

Our initial budget anticipated a 0.79% rate change to follow PG&E rates in January 2024. Delaying our rate change action by a month will result in a small deviation from our initial budget forecast; however, PCE has sufficient cash on hand reserves to manage a delay in rate change action by one month to allow for further financial analysis.



**PENINSULA CLEAN ENERGY AUTHORITY**  
**JPA Board Correspondence**

**DATE:** December 11, 2023  
**MEETING DATE:** December 11, 2023  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Marc Hershman, Director of Government Affairs

**SUBJECT:** Recommend Approval to the Board of Directors for Creation of Climate Champion Award

**RECOMMENDATION**

Authorize the establishment of a Climate Champion Award to be selected annually beginning in 2024.

**BACKGROUND**

Staff recognizes there are many regulators, legislators, other policymakers, organizations, and stakeholder partners who have worked with Peninsula Clean Energy over the years to advance our mission, policies and energy goals for the benefit of our communities and our planet. This is an opportunity for Peninsula Clean Energy to provide annual recognition to those deserving of special recognition.

For reference, MCE Clean Energy annually presents a Climate Action Leadership Award. More information on their award can be found here: <https://www.mcecleanenergy.org/mce-news/california-assemblymember-damon-connelly-receives-mces-2023-climate-action-leadership-award>

**DISCUSSION**

Staff recommends the creation of an annual Peninsula Clean Energy Climate Champion Award, beginning in 2024, to recognize regulators, legislators, other policymakers, organizations, and stakeholder partners that have worked with Peninsula Clean Energy to advance its mission, goals and policies.

Staff proposes forming the Climate Champion Award with the following criteria:

- An individual or organization that has made a significant contribution toward Peninsula Clean Energy's mission, goals, policies, customers and communities will be nominated annually by staff in consultation with the Chair and Vice Chair of the Board of Directors;
- The nomination will be presented to the Peninsula Clean Energy Executive Committee in

the late Summer or Fall of each year for consideration and approval;

- Peninsula Clean Energy Climate Champion awardees would be recognized at a Board meeting or other Peninsula Clean Energy event and publicized through Peninsula Clean Energy media outreach;
- Recognition could also include an award presented to the Champion and/or a plaque bearing the name of the award and the annual Champions to be hung at Peninsula Clean Energy's offices.

### **FISCAL IMPACT**

Nominal cost of annual award trophy and/or plaque.



**PENINSULA CLEAN ENERGY AUTHORITY**  
**JPA Board Correspondence**

**DATE:** December 11, 2023  
**MEETING DATE:** December 11, 2023  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Executive Committee

**FROM:** Leslie Brown, Director of Account Services  
 Connor Prince, Senior Analyst Account Services

**SUBJECT:** Recommend Approval to the Board of Directors a Delinquent Accounts and Bad Debt Collections Policy Update

**RECOMMENDATION**

Recommend approval of Policy 13, "Delinquent Accounts and Bad Debt Collections" policy updates to the Board of Directors.

**BACKGROUND**

When a customer's account is closed for any reason and there is an unpaid balance pending payment, PG&E acts as the collecting agent on Peninsula Clean Energy's behalf for up to two months after the account's closing date. If that period expires and the customer has not made payment to PG&E, PG&E reverses the balance amount due to PCE via Calpine Energy Solutions, our back end data manager for billing operations. The original PCE policy on this matter featured two treatment cases: 1) customers with an owed balance greater than \$50.00 were sent to collections processed by a third party, and 2) customers with a balance under \$50.00 had their balance written off. Returned debts to PCE from closed accounts vary year to year but have historically averaged \$500,000 annually. Assuming a successful collections rate of approximately 10%, which is in line with our previous efforts, we can expect to recover an additional \$35,000 per year after factoring in partner fees.

Former customers with a balance greater than \$50 have not been sent to collections since late 2019. At that time, PCE was under contract with Granite Creditors Service, a local collections agency located in Pacifica. Collection efforts were initially suspended at the end of 2019 to reassess the process, but due to the COVID-19 pandemic that occurred shortly thereafter, the collections suspension was upheld indefinitely. Write-offs for unpaid balances under \$50 have continued to be processed without interruption.

**DISCUSSION**

Now that the COVID-19 pandemic has settled down and PG&E's moratorium on delinquent bill collections has been lifted, it is the recommendation of the Account Services team that PCE's collections process be restored with a new third-party collections vendor.

To start this process anew, account services and finance staff approved the write-off of all pre-existing debts up until the end of the 2023 fiscal year, in accordance with existing policies for debts deemed uncollectable. Under the proposed updated policy, PCE would like to give customers the option to pay PCE directly via third-party platform, Square, to avoid being sent to collections. This addition of a 'pre-collections' effort and direct pay option to PCE is the substantive change we are proposing to the existing policy.

Square is a reputable payment platform used across various industries for payment transactions and provides brand recognition that gives customers reassurance when making their past-due payments. It also provides payment flexibility through the use of debit or credit cards. Customers will have 30 days to make payment via Square, or remit a check, after which they would be sent through to collections via Optio Solutions.

Optio Solutions is a collections agency based in Petaluma, CA that has significant experience in the electric utility industry. They utilize several different strategies (calls, letters, email, text etc.) and only collect payment on successful collections transactions. They have worked as collectors for Sonoma Clean Power for a couple of years with good success. The small balance write-off and collections monetary thresholds will be carried over from the previous policy. That is, amounts under \$50 will be written off as uncollectible revenue and amounts over \$50 will be payable directly to PCE through pre-collections (Square) followed by regular collections performed by Optio Solutions.

## **FISCAL IMPACT**

Reinstatement of this policy will result in added costs/fees for both the pre-collections portion and collections portion of the effort. However, all fees are based on successful payment and collection transactions. Square does not require a contract nor a regular fee but withholds 2.9% as well as a \$0.30 denomination from the payment amount for each transaction processed. Optio Solutions holds a contingency fee of 30% per successful payment, with no regular fee. There are no additional fees associated with the backend data management portion of this process with Calpine Energy Solutions. As noted previously returned debts from closed accounts vary year to year but have historically averaged \$500,000 per year. Assuming a successful collections rate of approximately 10%, which is in line with our previous efforts, we can expect to recover an additional \$35,000 per year after factoring in partner fees.

## **ATTACHMENTS:**

[Policy 13 - Delinquent Accounts and Bad Debt Policy - Dec 2023 - Clean.pdf](#)

[Policy 13 - Delinquent Accounts and Bad Debt Policy - Edits Dec 2023 - Redlined.pdf](#)



## **Delinquent Accounts and Bad Debt Collections Policy**

### **Overview and Purpose**

This policy sets forth Peninsula Clean Energy's (PCE) principal procedures regarding late payment noticing and the collection of overdue balances. All or segments of this policy may be suspended or modified.

**Territory:** The entire Peninsula Clean Energy service area of San Mateo County and the City of Los Banos.

### **Definitions:**

- a) "Non-Payment" is defined as the absence of a PCE Customers effort to submit payment for PCE charges owed despite direct notice of unpaid debts.
- b) "Overdue balance" is defined as any unpaid dollar amount owed to PCE by a PCE Customer for PCE electric generation service consumed by the customer.
- c) "Collections" is defined as extensive efforts made by a third party on PCE's behalf to collect payment for overdue and unpaid account balance owed by a former PCE customer.
- d) "CARE" or "FERA" is defined as a customer or former customer's enrollment in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs.

### **1) Delinquent Accounts:**

#### **a) Residential Accounts:**

- i) Customer will be sent a Late Payment Notice via U.S. Mail if the account has a PCE balance exceeding \$250 in charges that are overdue for more than 90 days.
- ii) Customer will be provided with 60 days to pay or make payment arrangements.

#### **b) Non-Residential Accounts:**

- i) Customers will be sent a Late Payment Notice if the account has a PCE balance exceeding \$500 in charges overdue for more than 60 days.
- ii) The customer will be provided 30 days to pay or make payment arrangements.

- c) If the Customer discussed in 1.a or 1.b is enrolled in a payment plan with PG&E and is current on all payments, no PCE Late Payment Notice will be sent.

d) **Return to PG&E for Non-Payment:**

- i) If a Customer has not made payment(s) for their outstanding PCE balance or the terms of an activated payment plan are not fulfilled after receiving two consecutive PCE Late Payment Notices, the customer may be transferred from PCE service back to PG&E's fully bundled service upon receipt of a third and final PCE Late Payment Notice.
- ii) Customers returned to PG&E will be charged the applicable PCE opt-out fee and are subject to the applicable terms and conditions provided in PG&E Electric Rule 23.
- iii) Customers on CARE or FERA financial assistance programs will not be returned to fully bundled PG&E service because of nonpayment.
- iv) All Customers are required to pay all outstanding PCE charges for the period in which they accepted service from PCE. Opting out of PCE service, transfer back to PG&E service under section 1.d.i above, or account closure does not negate owed PCE charges.

2) **Bad Debt Collections Policy**

- a) **Applicability:** Customers that have an unpaid PCE balance due at the time of their account closure are required to make full payment to PG&E for past-due charges. If payment is not made within 60 days of the account closure date, PG&E will no longer accept payment and the overdue balances are returned to PCE for processing.

b) **Pre-Collections Notice**

- i) Customers who have not made payment within the 60 days after account closure and have a PCE balance of \$50.00 or more will be sent one Pre-Collection Notice with final instructions to make payment directly to PCE.
- ii) A Customer shall have 30 calendar days from the date of the Pre-Collections Notice to pay their overdue PCE balance. Failure to make payment may result in a referral to the collection agency appointed by PCE.
- iii) Customers enrolled in the CARE or FERA financial assistance programs will not be referred to a collection agent. They will instead receive additional Pre-Collections notices.

c) **Bad Debt Collections Policy**

i) **Customers Sent to Collections:**

- (1) Closed accounts with an overdue PCE balance of \$50.00 or more may be sent to a collection agent for resolution.
- (2) Once sent to the collection agency, PCE will no longer collect direct payment on the account and the customer must make payment to the collection agency for resolution of the charges owed.

ii) **Customer Balance Write-Offs:**

- (1) Balances of less than \$50 may be deemed uncollectible and written off upon the review and approval of the CEO or their designee.

## Delinquent Accounts and Bad Debt Collections Policy

### Overview and Purpose

This policy sets forth Peninsula Clean Energy's (PCE) principal procedures regarding late payment noticing and the collection of overdue balances. All or segments of this policy may be suspended or modified.

### ~~DELINQUENT ACCOUNTS~~

~~Residential: Peninsula Clean Energy customer accounts exceeding \$250 in charges overdue for more than 90 days will be sent a late payment notification by PCE. The customer will be provided 60 days to pay or make payment arrangements. If payment in full is not received within 60 days, or the terms of an activated payment arrangement are not fulfilled, the PCE customer account will be closed and returned to PG&E bundled generation service on the next account meter read date. Residential customers returned to PG&E will be charged the applicable PCE opt-out fee and are subject to the applicable terms and conditions provided in PG&E Electric Rule 23.~~

~~Non-residential: Non-residential customer accounts exceeding \$500 in aggregate in unpaid charges for 60 days or more will be sent a late payment notification by PCE. The customer will be provided 30 days to pay or make payment arrangements. If payment in full is not received within 30 days, or the terms of an activated payment arrangement are not fulfilled, the PCE customer account will be closed and returned to PG&E bundled generation service on the next account meter read date. Non-residential customers returned to PG&E will be charged the applicable PCE opt-out fee and are subject to the applicable terms and conditions provided in PG&E Electric Rule 23.~~

### ~~BAD DEBT AND COLLECTIONS~~

~~Closed Peninsula Clean Energy accounts with overdue amounts greater than \$50 may be referred to a collection agent. Amounts of \$50 or less may be written off.~~

**Territory:** The entire Peninsula Clean Energy service area of San Mateo County and the City of Los Banos.

**Definitions:**

- a) “Non-Payment” is defined as the absence of a PCE Customers effort to submit payment for PCE charges owed despite direct notice of unpaid debts.
  - b) “Overdue balance” is defined as any unpaid dollar amount owed to PCE by a PCE Customer for PCE electric generation service consumed by the customer.
  - c) “Collections” is defined as extensive efforts made by a third party on PCE’s behalf to collect payment for overdue and unpaid account balance owed by a former PCE customer.
  - d) “CARE” or “FERA” is defined as a customer or former customer’s enrollment in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs.
- ~~—“Non-Payment” is defined as the absence of effort to submit payment for PCE charges owed despite direct notice of unpaid debts.~~
- ~~—“Overdue balance” is defined as any unpaid dollar amount owed for PCE electric generation service consumed by the customer.~~
- ~~—“Collections” is defined as extensive efforts made by a third party on PCE’s behalf to collect payment for overdue and unpaid account balance owed by the customer.~~
- ~~—“CARE” or “FERA” is defined as a customer’s enrollment in the California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) programs.~~

**1) Delinquent Accounts:**

**a) Residential Accounts:**

- i) Customer will be sent a Late Payment Notice via U.S. Mail if the account has a PCE balance exceeding \$250 in charges that are overdue for more than 90 days.
  - ii) Customer will be provided with 60 days to pay or make payment arrangements.
- ~~—Customers will be sent a Late Payment Notice if the account has a PCE balance exceeding \$250 in charges overdue for more than 90 days.~~
- ~~—The customer will be provided with 60 days to pay or make payment arrangements.~~

**b) Non-Residential Accounts:**

- i) Customers will be sent a Late Payment Notice if the account has a PCE balance exceeding \$500 in charges overdue for more than 60 days.
- ii) The customer will be provided 30 days to pay or make payment arrangements.

- c) If the Customer discussed in 1.a or 1.b is enrolled in a payment plan with PG&E and is current on all payments, no PCE Late Payment Notice will be sent.

~~—If the customer outlined in 1.a or 1.b is enrolled in a payment plan with PG&E and is current on all payments, no PCE Late Payment Notice will be sent.~~

**d) Return to PG&E for Non-Payment:**

- ~~i) If a Customer has not made payment(s) for their outstanding PCE balance or the terms of an activated payment plan are not fulfilled after receiving two consecutive PCE Late Payment Notices, the customer may be transferred from PCE service back to PG&E's fully bundled service upon receipt of a third and final PCE Late Payment Notice.~~
- ~~ii) Customers returned to PG&E will be charged the applicable PCE opt-out fee and are subject to the applicable terms and conditions provided in PG&E Electric Rule 23.~~
- ~~iii) Customers on CARE or FERA financial assistance programs will not be returned to fully bundled PG&E service because of nonpayment.~~
- ~~iv) All Customers are required to pay all outstanding PCE charges for the period in which they accepted service from PCE. Opting out of PCE service, transfer back to PG&E service under section 1.d.i above, or account closure does not negate owed PCE charges.~~

~~—If a customer has not made payment for their outstanding PCE balance or the terms of an activated payment arrangement are not fulfilled after receiving two consecutive PCE Late Payment Notices, the customer may be transferred from PCE service back to PG&E's fully bundled service upon receipt of a third and final PCE Late Payment Notice.~~

~~—Customers returned to PG&E will be charged the applicable PCE opt-out fee and are subject to the applicable terms and conditions provided in PG&E Electric Rule 23.~~

~~—Customers on CARE or FERA financial assistance programs will not be returned to fully bundled PG&E service for nonpayment.~~

~~—All customers are required to pay all outstanding PCE charges for a period in which they took service from PCE. Opting out of PCE service, being transferred back to PG&E service under section 1.d.i above, or account closure under any circumstances does not negate owed PCE charges.~~

**2) Bad Debt Collections Policy**

- ~~a) **Applicability:** Customers that have an unpaid PCE balance due at the time of their account closure are required to make full payment to PG&E for past-due charges. If payment is not made within 60 days of the account closure date, PG&E will no longer accept payment and the overdue balances are returned to PCE for processing. Customers that have an unpaid PCE balance due at the time of their account closure are required to make full payment to PG&E for their owed charges. If payment is not~~

~~made within 60 days of the account closure date, PG&E will no longer accept payment and the overdue balances are returned to PCE for processing.~~

**b) Pre-Collections Notice**

- ~~i) Customers who have not made payment within the 60 days after account closure and have a PCE balance of \$50.00 or more will be sent one Pre-Collection Notice with final instructions to make payment directly to PCE.~~
  - ~~ii) A Customer shall have 30 calendar days from the date of the Pre-Collections Notice to pay their overdue PCE balance. Failure to make payment may result in a referral to the collection agency appointed by PCE.~~
  - ~~iii) Customers enrolled in the CARE or FERA financial assistance programs will not be referred to a collection agent. They will instead receive additional Pre-Collections notices.~~
- ~~—Customers that have not made payment within the 60 days after account closure and have a PCE balance of \$50.00 or more will be sent one Pre-Collection Notice with final instructions to make payment directly to PCE.~~
- ~~—A customer has 30 calendar days from the date of the Pre-Collections Notice to pay their overdue PCE balance. Failure to make payment may result in a referral to the collection agency appointed by PCE.~~
- ~~—Customers enrolled in the CARE or FERA financial assistance programs will not be referred to a collection agent. They will instead receive additional Pre-Collections notices.~~

**c) Bad Debt Collections Policy**

**i) Customers Sent to Collections:**

- ~~(1) Closed accounts with an overdue PCE balance of \$50.00 or more may be sent to a collection agent for resolution.~~
- ~~(2) Once sent to the collection agency, PCE will no longer collect direct payment on the account and the customer must make payment to the collection agency for resolution of the charges owed.~~

- ~~—Closed accounts with an overdue PCE balance of \$50.00 or more may be sent to a collection agent for resolution.~~
- ~~—Once sent to the collection agency, PCE will no longer collect direct payment on the account and the customer must make payment to the collection agency for resolution of the charges owed.~~

**ii) Customer Balance Write-Offs:**

- ~~i)(1) Balances of less than \$50 may be deemed uncollectible and written off upon the review and approval of the CEO or their designee. Balances less than \$50 may be deemed uncollectible and written off.~~