



Peninsula Clean Energy Board of Directors Regular Meeting

December 21, 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 Report Items

1. November Board Retreat Follow Up & 2024 Workplan
2. Energy Programs Ad Hoc Subcommittee
3. Delay in Launch of PG&E Solar Billing Plan
4. Used EV Rebate Program Changes
5. Legislative Update
6. Promotions, New Hires and Job Postings
7. Upcoming Meetings

CEO Report

1. CEO will be providing an update on Board retreat action items and overview of PCE's 2024 workplan at the January Board meeting.
2. An Energy Programs ad hoc subcommittee will be forming in early 2024; please reach out to Rick or me by mid-January if you would like to participate.
3. PG&E's Solar Billing Plan launch originally scheduled for December 15, 2023 has been moved to April 15, 2024; no other program changes anticipated.

PCE Used EV Rebate Changes in 2024

Program changes to align with Federal programs (reducing customer confusion and expanding low income access) and to reflect used EV market trends.

1. PCE rebate reduced to \$2,000 and stackable with federal tax credit (\$4,000) at point of sale with dealerships. Post purchase rebate is also available.
2. Income eligibility raised to \$75K/\$150K for individual/joint filers; aligns with federal credit, more customers qualify. Low-income only.
3. Pre-approval process eliminated to align with federal program rules; PCE to conduct audits.
4. Of note, used EV prices are down, but still higher than gas cars.

Related EV item on Consent Agenda tonight.

Legislative Update

- Assemblymember Cottie Petrie-Norris (D-Irvine) named Chair of the Assembly Committee on Utilities and Energy
- Sen. Mike McGuire (D-Healdsburg) will become Pro Tem on February 5
- State budget deficit for 2023-24 projected by LAO as reaching \$68 billion



Staffing Update

- Promotion of Rafael Reyes to Senior Director of Energy Programs!



- Welcome Viri Renteria our Senior Specialist for Community Relations in Los Banos!

Currently Posted Positions

Please help us spread the word!

- Associate Programs Manager, Energy Programs



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

January Meetings

- Executive Committee:
 - Monday, January 8 at 10:00 a.m.
- Citizens Advisory Committee:
 - Thursday, January 11 at 6:30 p.m.
- Board of Directors:
 - Thursday, January 25 at 6:30 pm
- Audit and Finance Committee:
 - Next meeting on February 12 at 8:30 a.m.



CAC Report (Discussion)



FY 2024 Surplus Funds Recommendations

Board of Directors Meeting
December 21, 2023

Recommendation

Approval of the FYE 2024 Surplus Funds Committee allocations and related recommendations:

- a) Approve slate of 8 funding allocations totaling \$68,000,000;
- b) Establish an annual reserve target of 250 adjusted days cash on hand, above which the Board would consider a surplus fund allocation(s);
- c) Modify PCE's Policy 18, "Financial Reserves Policy" to state that if the Operating Reserve is projected to be below 180 days over the next 12 months, PCE will implement plans, such as increasing rates/reducing PCE's discount, to return Operating Reserves to the level of 180 days within two fiscal years; and,
- d) 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	Additional 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 and storage 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.



Delinquent Accounts and Bad Debt Collections Policy Update

(Board Policy 13)

Leslie Brown

Board of Directors

December 21, 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.

Creation of Peninsula Clean Energy Climate Champion Award

Marc Hershman

Board of Directors Meeting

December 21, 2023



What is the Climate Champion Award?

- The Peninsula Clean Energy Executive Committee, at its December 11 meeting, voted to recommend the creation of a Climate Champion Award.
- 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.

Contract with ID Lab for Brand and Marketing Services (Action)

Gwen Rose

Board of Directors Meeting

December 21, 2023



Brand and Marketing Services: Request

Request: Delegate authority to the CEO to sign a brand and marketing services contract with ID Lab Global

Amount: \$300,000 through December 31, 2024

Background on brand evolution



Marketing RFP process

- RFP released in September
- Shared with a diverse list of agencies (CPUC Supplier Clearinghouse)
- Evaluated 30 proposals in November
- Selected ID Lab Global and subcontractor Villain

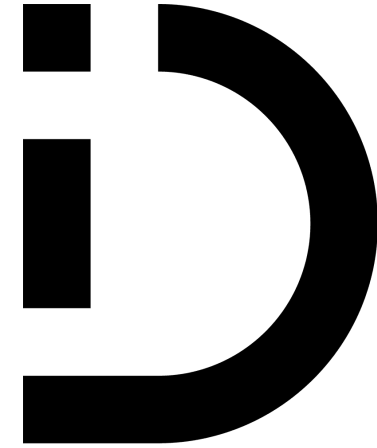
RFP objectives:

1. Increase awareness from 40% to more than 60%
2. Build a brand that our customers can relate to and trust
3. Generate leads and help customers take advantage of our programs
4. Retain customers

Brand and marketing strategy deliverables

Engagement deliverables include:

- Updated brand strategy
- Updated brand identity
- Update positioning and message platform
- Provide training and materials to enable PCE employees to use the new brand
- Go-To-Market (GTM) strategy



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Timeline

Tasks	Start Date	End Date
Team Kickoff	01/03/24	01/03/24
Discovery	01/03/24	01/18/24
Brand Strategy	01/19/24	02/22/24
Brand Identity	02/23/24	04/19/24
Messaging Platform	02/14/24	02/29/24
Brand Rollout, Enablement, & Training	04/08/24	05/01/24
GTM Strategy	02/23/24	04/04/24

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2024 PCE Customer Energy Rate Update

Leslie Brown

Board of Directors

December 21, 2023

Background

- PG&E will be updating electric rates effective January 1, 2024
- Increases will be coming for both T&D and Generation Rates
- PCIA is expected to be either close to \$0 or negative in relevant PCE Vintage years (2016, 2021, 2022)
- Based off preliminary filings, generation rates are looking like they will be increasing by ~10%+ system wide
- Actual PG&E rates are expected to be published late next week (12/28-12/29) before they become effective January 1, 2024.

2024 PCE Rate Update Plan

- PCE has historically followed PG&E rate changes with new rates implemented 1 month following PG&E
- Instead of immediately pushing forward with a rate change on Feb 1 pegged to PG&E with a net 5% discount staff is planning to hold off on a proposed rate change until at least March 1, 2024.
- PG&E rates are increasing more than initially anticipated and staff would like to spend some additional time analyzing these new rates alongside an updated budget forecast before bringing forth a rate change proposal
- We plan to bring forth a couple of options for the Board to consider at the January Board meeting along with our normal 5% discount

Impact of Holding off on Immediate Rate Change

- PCE rates would remain unchanged and net discount from comparable PG&E rates would increase
 - Customer bills will still increase because of T&D increases, but PCE customers will have less of an increase
- PCE revenues will deviate slightly from budget projections (<1% Jan rate increase was included in budget)
 - Financial reserves are sufficient to manage this slight deviation
- Allow time for a more deliberate evaluation of PCE financial needs with an updated load forecast and energy costs relative to rates.

Questions?

Adjournment