



2075 Woodside Road | Redwood City, CA 94061  
(650) 260-0005 | peninsulacleanenergy.com

## Regular Meeting of the Citizens Advisory Committee of the Peninsula Clean Energy Authority (PCEA)

Thursday, June 8, 2023  
6:30pm

**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 Locations:

PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**  
UC Merced, **Sustainability Research and Engineering (SRE) 458, 5200 North Lake Rd., Merced, CA 95340**

Zoom, **Virtual Meeting Link:** <https://pencleanenergy.zoom.us/j/86953524805>  
**Meeting ID:** 869-5352-4805 **Passcode:** 2075 **Phone:** +1 (669-444-9171)

This meeting of the Peninsula Clean Energy Citizens Advisory Committee will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and UC Merced, Sustainability Research and Engineering (SRE) 458, 5200 North Lake Road, Merced, CA 95340 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.

### **Public Participation**

The PCEA Citizens Advisory Committee meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/86953524805>. The meeting ID is: 869-5352-4805 and the passcode is 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 869-5352-4805, then press #. (Find your local number: <https://pencleanenergy.zoom.us/u/kTIH1Ocod>). 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 or **UC Merced**, Sustainability Research and Engineering (SRE) 458, 5200 North Lake Road, Merced, CA 95340.

Written public comments may be emailed to Vanessa Shin ([vshin@pencleanenergy.com](mailto:vshin@pencleanenergy.com)) and such written comments should indicate the specific agenda item on which the member of the public is commenting.

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's Website at: <https://www.peninsulacleanenergy.com>.

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 Vanessa Shin by 10:00 a.m. on the day before the meeting at ([vshin@peninsulacleanenergy.com](mailto:vshin@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 Citizens Advisory Committee 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 Citizens Advisory Committee Member 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 Minutes for the May 11, 2023 Regular Meeting

### **REGULAR AGENDA**

2. Chair Report (Discussion, est. 5 minutes)
3. Member Introductions (Discussion, est. 5 minutes)
4. Budget Report and Update (Action, est. 40 minutes)
5. Net Energy Metering 3.0 Update (Discussion, est. 15 minutes)
6. Marketing and Community Liaison Update (Discussion, est. 5 minutes)
7. Upcoming Topics for Discussion (Discussion, est. 5 minutes)



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8. Committee Members' Reports (Discussion, est. 5 minutes)

## **ADJOURNMENT**

## 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

- A. Videoconference with Computer Audio – see Option 1 below
- B. Videoconference with Phone Call Audio – see Option 2 below
- C. Calling in via Telephone/Landline – see Option 3 below

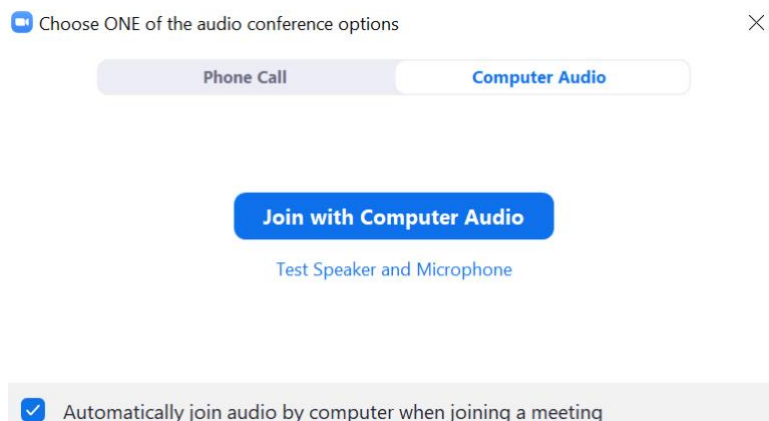
### Videoconference Options:

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:

1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: <https://pencleanenergy.zoom.us/j/86953524805?pwd=aktkbTFOeSs3R2VYb0VyOWM4QVpKZz09>
2. The Zoom application will open on its own or you will be instructed to open Zoom.
3. 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.

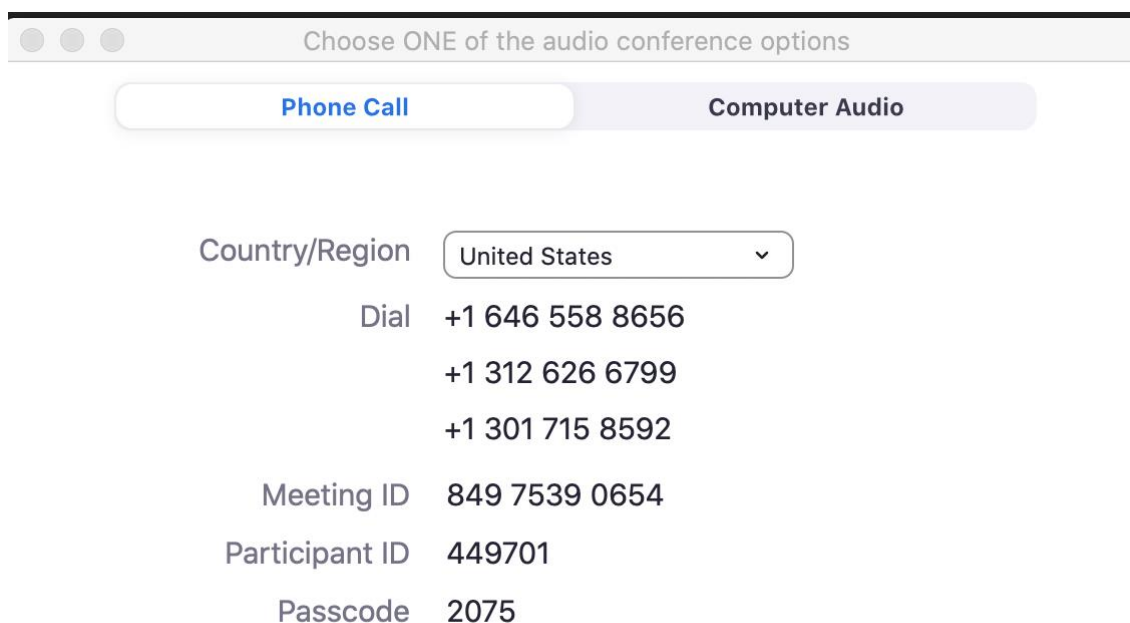


4. Click the blue, "Join with Computer Audio" button

5. 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:**

1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: <https://pencleanenergy.zoom.us/j/86953524805pwd=aktkbTFOeSs3R2VYb0VyOWM4QVpKZz09>
2. The Zoom Application will open on its own or you will be instructed to Open Zoom.
3. After the application opens, the pop-up screen below will appear asking you to choose ONE of the audioconference options. Click on the Phone Call option at the top of the pop-up screen.



1. Please dial +1 (669)-444-9171
2. You will be instructed to enter the meeting ID: **869-5352-4805 followed by #**
3. 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.
4. After a few seconds, your phone audio should be connected to the Zoom application on your computer.
5. 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:**

Dial +1 (669)-444-9171

You will be instructed to enter the meeting ID: **869-5352-4805**

**followed by #** You will be instructed to enter the meeting passcode

**2075 followed by #**

**REGULAR MEETING of the Citizens Advisory Committee  
of the Peninsula Clean Energy Authority (PCEA)  
Thursday, May 11, 2023  
MINUTES**

In-Person, Video Conference, and Teleconference  
6:30 p.m.

**CALL TO ORDER**

Meeting was called to order at 6:32 p.m.

**ROLL CALL**

**Present:**

*PCEA Lobby, 2075 Woodside Road, Redwood City, CA 94061*

Diane Bailey, Belmont  
Steven Booker, Half Moon Bay  
Michael Closson, Menlo Park  
Michael Garvey, San Carlos  
Kathleen Goforth, San Carlos  
Katie Green, San Mateo  
Margaret Li, South San Francisco *arrived at 6:45 p.m.*  
Jason Mendelson, Redwood City, *Vice Chair*  
Cheryl Schaff, Menlo Park, *Chair*  
Desiree Thayer, Burlingame

**Absent:**

Daniel Baerwaldt, Los Banos  
Brandon Chan, South San Francisco

**An in-person quorum was established.**

**PUBLIC COMMENT**

No public comment

**ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA**

**1. Approval of the Minutes for the April 13, 2023, Regular Meeting**

Motion Made / Seconded: Garvey / Closson

**Motion passed 9-0 (Absent: Baerwaldt, Chan, Li)**

**REGULAR AGENDA**

## 2. Chair Report (Discussion)

No Chair Report

## 3. Member Introductions (Discussion)

Cheryl Schaff, *Chair*, invited each member of the Committee to introduce themselves and answer the following questions: *There is a goal to reduce global greenhouse gas emissions by 50% by 2030. In one word, tell us how you feel about this goal. In another word, tell us why.*

## 4. Citizens Advisory Committee Work Plan Approval (Action)

Kirsten Andrews-Schwind, *Senior Manager of Community Relations*, reviewed the proposed Citizens Advisory Committee (CAC) working groups for 2023. Noting that United States citizenship is not a prerequisite to serving on the CAC (which may be implied by the current name “Citizens Advisory Committee”), Kirsten encouraged the Committee members to consider changing the name of the Committee to increase inclusivity.

Michael Closson, *Committee Member*, suggested changing the name of the “Residential Solar + Storage Programs” Working Group to “Local Solar + Storage Programs” Working Group to include local, non-residential solar + storage opportunities.

Diane Bailey, *Committee Member*, expressed support for renaming the Committee from the “Citizens Advisory Committee” to the “Community Advisory Committee.”

Jason Mendelson, *Vice Chair*, made a motion to recommend the proposed 2023 CAC Work Plan, with the following edits:

- Rename the “Residential Solar + Storage Programs” Working Group to “Local Solar + Storage Programs” Working Group.
- Change the name of the Committee from the “Citizens Advisory Committee” to the “Community Advisory Committee.”

Motion Made / Seconded: Mendelson / Bailey

**Motion passed 10-0 (Absent: Baerwaldt, Chan)**

## 5. Discussion on Managed EV Charging (Discussion)

Phillip Kobernick, *Transportation Programs Manager*, provided an overview of the Managed Electric Vehicle (EV) Charging Program, including the role of EV load shifting in achieving Peninsula Clean Energy’s goals. Phillip discussed the objectives, timeline, and experimental design of the large-scale pilot planned in 2023.



Committee members asked questions about the eligibility requirements for the pilot, pilot recruitment process, features of the managed charging app, and how the pilot incentives will be communicated on the PG&E bill.

Diane Bailey asked whether the Managed EV Charging Program is expected to save Peninsula Clean Energy money on energy costs through reduction of peak loads and load smoothing. Steven Booker, *Committee Member*, asked whether the Managed EV Charging Program will include participation from municipalities and businesses. Jason Mendelson asked whether other agencies are pursuing similar programs. Jason also expressed interest in supporting the development of surveys for the pilot participants.

#### PUBLIC COMMENT

Hambir Chavan asked whether the pilot is available to customers with solar panels.

John McKenna asked whether pilot participants can override the charging schedule set in the app.

Rahul Bahadur asked whether the presence of a home battery impacts the type of data received through the pilot.

### **6. Discussion on Local Government Electrification Program (Action)**

Blake Herrschaft, *Buildings Program Manager*, introduced the proposed program for supporting local governments with electrifying municipal buildings and facilities. Committee members evaluated the recommended incentive structure, project prioritization criteria, and possible timeline.

Diane Bailey expressed support for the proposed program and prioritization criteria. Noting that some municipalities have aging infrastructure that will need to be replaced before the proposed program timeline, Diane recommended offering funding earlier in the form of pilot grants for urgent needs. Michael Closson asked if the proposed program would assist municipalities with accessing funding from other sources.

Kathleen Goforth, *Committee Member*, motioned to make the following recommendation to the Peninsula Clean Energy Board of Directors:

*The CAC recommends to the Board to support the Local Government Electrification Program, including the incentives structure as written by staff, and explore expanding the scope of the funding if feasible. The CAC requests that Peninsula Clean Energy accept early applications from cities for projects that are urgent, such as projects for which electrification would not be a viable option if the funding would be delayed until next year. The CAC recommends that an equity lens be applied to selection and prioritization of projects.*

#### PUBLIC COMMENT

Rebecca Lucky, *Sustainability Manager at the City of Menlo Park*, described the high cost of electrifying the City of Menlo Park's aging equipment, including electric pool heating and EV charging for the municipal fleet. Rebecca supported the idea of

expediting the program timeline or providing funding earlier for jurisdictions to serve as model or pilot. Rebecca noted that funding 40% of the total project costs would help the City continue to make progress on municipal electrification.

Rahul Bahadur asked Blake to clarify the meaning of “shovel-ready” projects.

Adrienne Etherton, *Sustainability Manager at the City of Brisbane*, discussed the high cost of electrifying the City of Brisbane’s community pool. Adrienne noted that an incentive structure that funds half of the electrical upgrade cost with a smaller per-therm (\$12/therm) incentive would allow the project to be completed.

John McKenna expressed support for the program concept, including prioritizing high-impact and aging equipment. He also encouraged the consideration of equity and environmental justice when prioritizing projects.

Jeff Chen submitted the following comment by email: “I’m a resident of Menlo Park and I’m writing to support the proposal for the Local Government Electrification Program. I believe it’s critical for local governments to pilot electrification programs within their jurisdiction to understand the benefits, costs and risks of electrification. To do so, local governments need some financial help to invest in these programs and experiment. I urge Peninsula Clean Energy to provide zero-interest loans and/or grant programs to local governments to fund these initiatives this year similar to the programs offered to 9 cities and school districts. I think this would be an important step to expand the breadth and diversity of participating municipalities to learn more about what it’ll take to scale electrification programs. Thanks for your consideration.”

Gary Trott submitted the following comment by email: “I am a resident of the City and County of San Mateo who supports a swift and equitable transition from gas-powered appliances to electric appliances in all existing buildings within the PCE territory. I am writing regarding Item 6, Local Government Electrification Program, on the Agenda for your May 11 meeting. I write in strong support of PCE moving forward with its proposed “Local Government Electrification Program.” Many cities in the county need some seed funding to support urgently needed electrification projects right now. One example for such a program has been set by SVCE, which just announced more funding for city electrification demonstration projects: SVCE Announcement. Thank you for all you do for the climate and the health of our community.”

Nicole Kemeny submitted the following comment by email: “I’m writing in strong support of the Local Government Electrification Program. My city, Menlo Park, must replace old gas-powered equipment with clean electric alternatives as quickly as possible, and needs seed funding to do it. We should be taking a page out of SVCE’s book with their grants to cities for demonstration projects. These projects serve the purpose of speeding up public acceptance of electrification, which is of paramount importance, while also reducing our carbon footprint, an urgent task. As you well know, time is passing quickly, and action is sorely needed. Please help us get on a path to quick electrification.”

Michelle Hudson submitted the following comment by email: “I am a resident of the City and County of San Mateo who supports a swift and equitable transition from

gas-powered appliances to electric appliances in all existing buildings within the PCE territory. I am writing regarding Item 6, Local Government Electrification Program, on the Agenda for your May 11 meeting. I write in strong support of PCE moving forward with its proposed “Local Government Electrification Program.” Many cities in the county need some seed funding to support urgently needed electrification projects right now. One example for such a program has been set by SVCE, which just announced more funding for city electrification demonstration projects: SVCE Announcement. Thank you for all you do for the climate and the health of our community.”

Linh Dan Do submitted the following comment by email: “I’m writing to show my support for local government electrification programs. Many cities, such as Menlo Park, have gas infrastructure that is near the end of its life and are in urgent need of support for electrification projects, in the form of seed funding, zero interest loans, and grants. Silicon Valley Clean Energy’s \$3.6m grants to 9 cities and a school district are a fantastic example for addressing the climate crisis, improving public health, and educating residents on electrification. This needs to happen this year - we can’t wait. Thanks so much!”

Teri Whitehair submitted the following comment by email: “As a customer and an advocate, I am writing in support of Peninsula Clean Energy providing funding to local governments for electrification. Thank you for your consideration”

Motion Made / Seconded: Goforth / Bailey

**Motion passed 10-0 (Absent: Baerwaldt, Chan)**

## **7. Marketing and Community Liaison Update (Discussion)**

Kirsten Andrews-Schwind shared that the E-Bikes for Everyone program will launch in June. Highlighting that a record number of residents have applied to serve on the CAC, Kirsten also invited Committee members to share ideas for how Peninsula Clean Energy engage applicants that do not receive appointment to the CAC.

Katie Green expressed enthusiasm for the idea to train applicants as volunteers and invite them to support outreach with Peninsula Clean Energy at events. Desiree Thayer suggested hosting quarterly Peninsula Clean Energy trainings or sharing existing training materials. Desiree also suggested encouraging applicants to participate in Peninsula Clean Energy public meetings as members of the public. Cheryl suggested referring to these volunteers as “ambassadors.”

Jason Mendelson suggested leveraging the experience of volunteers who have undergone the process of home electrification or participated in one of Peninsula Clean Energy’s energy programs. Jason mentioned that designating clear actions or roles for volunteers is helpful.

Michael Garvey and Michael Closson inquired whether it is possible to invite members of the public to participate in CAC working group meetings. Michael Closson noted that it may be most effective to connect interested volunteers with existing initiatives.

## **8. Upcoming Topics for Discussion (Discussion)**

Kirsten Andrews-Schwind previewed topics for the upcoming meeting of the Peninsula Clean Energy Board of Directors, including a review of Peninsula Clean Energy's budget for the next fiscal year. Kirsten also highlighted topics proposed by Committee members during previous meetings, including the Net Energy Metering 3.0 policy.

Kathleen Goforth recommended an overview of the Inflation Reduction Act, including provisions and funding opportunities that may benefit Peninsula Clean Energy's programs. Michael Closson suggested a discussion of California Senate Bill 49, which would support solar canopies on parking lots, and how it might relate to Peninsula Clean Energy's efforts. Michael also proposed a regulatory update on the California Public Utilities Commission.

## **9. Committee Members' Reports (Discussion)**

Katie Green announced that her current term on the CAC concludes at the end of May 2023. Committee members expressed their appreciation for Katie's contributions to the CAC. Desiree Thayer announced that the Youth Climate Ambassadors graduation is on May 13, 2023. Cheryl Schaff thanked Committee members for their participation in the Love Our Earth Festival on April 22, 2023.

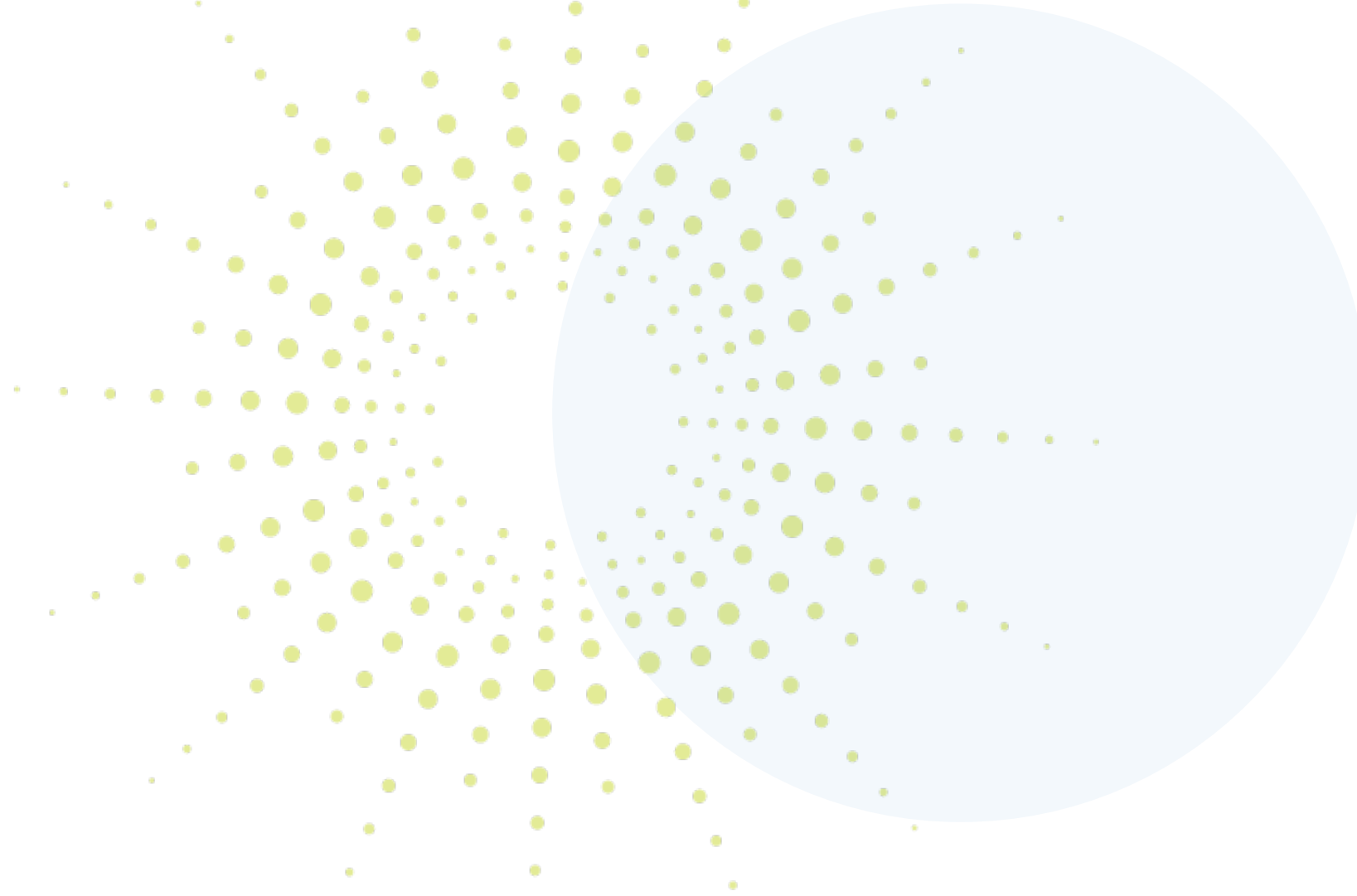
## **ADJOURNMENT**

Meeting was adjourned at 8:55.

**FY 2023-2024**  
(July 1, 2023 – June 30, 2024)

**Budget Review**

*Initial Draft*



# Schedule – Budget Review and Approval

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- May 16, 2023 – Review Initial Draft Budget with Audit & Finance Committee
- May 25, 2023 – Review Initial Draft Budget with Board of Directors
- June 12, 2023 – Review Revised Draft Budget with Audit & Finance Committee
- June 12, 2023 – Review Revised Draft Budget with Executive Committee
- June 22, 2023 – Approve Final Budget by Board of Directors

# Draft Budget FY2023-2024 – Key Assumptions

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PG&E Generation Rates – Slight decline in rates for next 4 years

- January 1, 2024 – Increase 1%

PCIA Rates – Continuing decrease in rates as of January 1, 2024

- January 1, 2024
  - San Mateo – Drop to \$0.00 from already low rate
  - Los Banos – Drop to \$0.00 from already low rate
- After 2024
  - Significant increases for next 4 years, near to rates of 2022, but still not approaching rates of 2021

Customer Rates to PCE – Relatively flat for next 3 years, then lower in 2027 and 2028 (but still well above low year of 2021)

Cost of Energy –

- Budgeted at \$311 million - Increase of \$39 million (14%) over FY23 forecast
- Resource Adequacy cost projection accounts for nearly \$31 million of the increase
- Overall budget includes 2 conservatism contingencies
  - Energy Cost Volatility = \$15 million/year
  - 99% of 24x7 Hourly Renewable Project Delays = \$56 million over 5 years; \$770K in FY24
    - To achieve this by 2027, requires signing of 15 projects on detailed planned timeline – delays would result in additional REC and RA costs and more market volatility exposure
- Total cost is 9% higher than FY23 forecast without conservatism adders

# Revenue Assumptions

PG&E Generation Rate Assumptions								
	Calendar Year							
	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Example Residential Rate: PG&amp;E E-1 Rate</b>								
<b>San Mateo County</b>	0.11314	0.15152	0.15614	0.15737	0.16119	0.15934	0.14490	0.13533
YoY % Change		<b>33.93%</b>	<b>3.05%</b>	<b>0.79%</b>	<b>2.42%</b>	<b>-1.15%</b>	<b>-9.06%</b>	<b>-6.61%</b>
<b>Los Banos</b>		0.15152	0.15614	0.15737	0.16119	0.15934	0.14490	0.13533
YoY % Change			<b>3.05%</b>	<b>0.79%</b>	<b>2.42%</b>	<b>-1.15%</b>	<b>-9.06%</b>	<b>-6.61%</b>
<b>Example Business Rate: PG&amp;E B10-S Summer Off-Peak</b>								
<b>San Mateo County</b>	0.10299	0.13999	0.14359	0.14472	0.14823	0.14653	0.13325	0.12445
YoY % Change		<b>35.93%</b>	<b>2.57%</b>	<b>0.79%</b>	<b>2.42%</b>	<b>-1.15%</b>	<b>-9.06%</b>	<b>-6.61%</b>
<b>Los Banos</b>		0.13999	0.14359	0.14472	0.14823	0.14653	0.13325	0.12445
YoY % Change			<b>2.57%</b>	<b>0.79%</b>	<b>2.42%</b>	<b>-1.15%</b>	<b>-9.06%</b>	<b>-6.61%</b>



# Revenue Assumptions

<b>PG&amp;E PCIA Assumptions</b>								
	Calendar Year							
	2021	2022	2023	2024	2025	2026	2027	2028
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
<b>Example Residential Rate: PG&amp;E E-1 Rate</b>								
<b>San Mateo County</b>	0.04579	0.02010	0.00335	0.00000	0.00463	0.00932	0.01767	0.02331
YoY % Change		-56.10%	-83.33%	-100.00%	n/a	101.44%	89.52%	31.96%
				*				
<b>Los Banos</b>		0.02572	0.00335	0.00000	0.00463	0.00316	0.01168	0.01800
YoY % Change			-86.98%	-100.00%	n/a	-31.72%	269.65%	54.09%
				*				
<b>Example Business Rate: PG&amp;E B10-S Summer Off-Peak</b>								
<b>San Mateo County</b>	0.04764	0.02054	0.00338	0.00000	0.00467	0.00941	0.01783	0.02352
YoY % Change		-56.88%	-83.54%	-100.00%	n/a	101.44%	89.52%	31.96%
				*				
<b>Los Banos</b>		0.02594	0.00338	0.00000	0.00467	0.00319	0.01179	0.01816
YoY % Change			-86.97%	-100.00%	n/a	-31.72%	269.65%	54.09%
				*				
* Note - PCIA is expected to be negative. We have assumed zero.								

# Revenue Assumptions

PCE Customer Generation Rate Assumptions								
	Calendar Year							
	2021	2022	2023	2024	2025	2026	2027	2028
	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Example Residential Rate: PG&amp;E E-1 Rate</b>								
<b>San Mateo County</b>	0.06120	0.12057	0.14388	0.14841	0.14740	0.14095	0.11889	0.10415
YoY % Change		<b>97.02%</b>	<b>19.34%</b>	<b>3.15%</b>	<b>-0.68%</b>	<b>-4.38%</b>	<b>-15.65%</b>	<b>-12.40%</b>
				*				
<b>Los Banos</b>		0.11752	0.14388	0.14841	0.14740	0.14711	0.12488	0.10946
YoY % Change			<b>22.43%</b>	<b>3.15%</b>	<b>-0.68%</b>	<b>-0.20%</b>	<b>-15.11%</b>	<b>-12.35%</b>
				*				
<b>Example Business Rate: PG&amp;E B10-S Summer Off-Peak</b>								
<b>San Mateo County</b>	0.04970	0.10895	0.13191	0.13637	0.13503	0.12867	0.10764	0.09359
YoY % Change		<b>119.23%</b>	<b>21.08%</b>	<b>3.38%</b>	<b>-0.98%</b>	<b>-4.71%</b>	<b>-16.34%</b>	<b>-13.06%</b>
				*				
<b>Los Banos</b>		0.10544	0.13191	0.13637	0.13503	0.13489	0.11368	0.09895
YoY % Change			<b>25.10%</b>	<b>3.38%</b>	<b>-0.98%</b>	<b>-0.10%</b>	<b>-15.72%</b>	<b>-12.96%</b>

# Cost of Energy Assumptions

- 100% Renewable Power by end of CY2025
- 99% Renewable Power on an Hourly Basis by end of CY2027
- Forward Price Curve from third-party provider based on March 22, 2023 pricing – details by nodes for each PPA and hedge contract
- RA purchases at market prices in all months for each calendar year
- EV Adoption rates add ~50 to 100GWh/year (1% to 3% of load)

<b>Load Assumptions (MWh)</b>					
	Calendar Year				
	2024	2025	2026	2027	2028
	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>	<u>Forecast</u>
<b>Loss Adjusted Load</b>	3,721,576,759	3,775,401,772	3,857,638,693	3,993,193,610	4,154,575,319

# Staffing Assumptions

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- Current 38 Positions
- FY24 Budget assumes adding:
  - Account Services - Account Services Specialist (replacement)
  - Account Services - Rates Manager/Finance
  - Reg - Leg - Junior Regulatory Analyst
  - Marketing - Community Relations Specialist
  - Programs - Associate Program Manager
  - Data and Technology - Data Analyst
  - Data and Technology - IT Analyst/Specialist
  - Power Resource Specialist/ Analyst
  - Senior Manager Local Generation
  - HR Admin Assistance

# Other Budgeting Assumptions

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- Solar and Storage on Public Buildings
  - Capital Outlay
    - PV1 - \$7.4 million in FY24
    - PV2 - \$43.0 million in FY25
  - Investment Tax Credit – 30-35%
    - PV1 - \$2.2 million in FY26
    - PV2 - \$15.0 million in FY27
  - Repayment based on usage over 20-year period

# Draft Budget FY24 – Summary



	Fiscal Year			Fiscal Year
	2023 Budget	2023 Forecast	2023 Variance - Fav/(Unf)	2024 Draft Budget
<b>OPERATING REVENUES</b>				
Electricity Sales, net	364,961,141	428,282,058	63,320,918	471,670,872
Green electricity premium	2,822,550	2,972,923	150,373	2,953,162
<b>Operating Revenues</b>	<b>367,783,691</b>	<b>431,254,981</b>	<b>63,471,290</b>	<b>474,624,034</b>
<b>OPERATING EXPENSES</b>				
Cost of energy	264,208,440	269,342,688	(5,134,249)	311,261,389
Staff compensation	8,583,221	7,373,531	1,209,691	10,922,801
Data Manager	3,600,000	3,574,069	25,931	3,871,152
Service Fees - PG&E	1,350,000	1,305,818	44,182	1,400,000
Consultants & Professional Services	1,431,813	1,044,479	387,334	1,788,491
Legal	1,474,000	1,383,211	90,789	1,574,558
Communications and Noticing	2,686,208	1,524,403	1,161,805	2,850,940
General and Administrative	2,359,806	2,233,614	126,192	4,027,236
Community Energy Programs	8,640,000	5,542,963	3,097,037	11,726,000
Depreciation	96,000	80,765	15,235	234,750
<b>Total Operating Expenses</b>	<b>294,429,488</b>	<b>293,405,542</b>	<b>1,023,946</b>	<b>349,657,317</b>
<b>Operating Income (Loss)</b>	<b>73,354,203</b>	<b>137,849,439</b>	<b>64,495,237</b>	<b>124,966,717</b>
<b>NON-OPERATING REVENUES (EXP.)</b>				
<b>Total Nonoperating Income/(Expense)</b>	600,000	2,192,412	1,592,412	645,192
<b>CHANGE IN NET POSITION</b>	<b>73,954,203</b>	<b>140,041,851</b>	<b>66,087,648</b>	<b>125,611,909</b>
Net Position at the beginning of period	174,211,272	167,670,734	(6,540,538)	300,430,872
<b>Net Position at the end of period</b>	<b>248,165,475</b>	<b>307,712,585</b>	<b>59,547,110</b>	<b>426,042,781</b>
<b>Total Cash &amp; Cash Equivalents</b>		<b>244,006,205</b>		<b>379,902,700</b>
<b>Unrestricted Cash Days on Hand</b>		<b>304</b>		<b>397</b>

# Draft Budget FY2023-2028 – Budget Summary & 5-year Plan

	Fiscal Year		Fiscal Year				
	2023	2024	2025	2026	2027	2028	
	Forecast	Draft Budget	Projection	Projection	Projection	Projection	
<b>OPERATING REVENUES</b>							
Electricity Sales, net	428,282,058	471,670,872	484,233,036	482,737,236	452,054,000	402,863,671	
Green electricity premium	2,972,923	2,953,162	2,961,637	2,978,004	2,994,557	3,019,185	
<b>Operating Revenues</b>	<b>431,254,981</b>	<b>474,624,034</b>	<b>487,194,674</b>	<b>485,715,240</b>	<b>455,048,558</b>	<b>405,882,856</b>	
<b>OPERATING EXPENSES</b>							
Cost of energy	269,342,688	311,261,389	383,611,464	382,474,223	344,299,885	329,946,422	
Staff compensation	7,373,531	10,922,801	11,578,169	12,272,859	13,009,231	13,789,784	
Data Manager	3,574,069	3,871,152	4,103,421	4,349,626	4,610,604	4,887,240	
Service Fees - PG&E	1,305,818	1,400,000	1,484,000	1,573,040	1,667,422	1,767,468	
Consultants & Professional Services	1,044,479	1,788,491	1,091,949	1,119,665	1,168,642	1,199,674	
Legal	1,383,211	1,574,558	1,633,099	1,707,767	1,786,843	1,870,626	
Communications and Noticing	1,524,403	2,850,940	2,964,912	3,048,580	3,134,757	3,223,520	
General and Administrative	2,233,614	4,027,236	3,748,298	3,929,634	4,121,293	4,336,551	
Community Energy Programs	5,542,963	11,726,000	20,630,000	25,781,000	30,355,000	32,935,000	
Depreciation	80,765	234,750	1,062,250	2,466,694	2,616,000	2,616,000	
<b>Total Operating Expenses</b>	<b>293,405,542</b>	<b>349,657,317</b>	<b>431,907,562</b>	<b>438,723,088</b>	<b>406,769,676</b>	<b>396,572,285</b>	
<b>Operating Income (Loss)</b>	<b>137,849,439</b>	<b>124,966,717</b>	<b>55,287,112</b>	<b>46,992,152</b>	<b>48,278,882</b>	<b>9,310,571</b>	
<b>NON-OPERATING REVENUES (EXP.)</b>							
<b>Total Nonoperating Income/(Expense)</b>	<b>2,192,412</b>	<b>645,192</b>	<b>673,580</b>	<b>703,218</b>	<b>734,160</b>	<b>766,463</b>	
<b>CHANGE IN NET POSITION</b>	<b>140,041,851</b>	<b>125,611,909</b>	<b>55,960,692</b>	<b>47,695,370</b>	<b>49,013,041</b>	<b>10,077,033</b>	
Net Position at the beginning of period	167,670,734	300,430,872	426,132,781	482,188,873	529,985,368	579,105,600	
<b>Net Position at the end of period</b>	<b>307,712,585</b>	<b>426,042,781</b>	<b>482,093,473</b>	<b>529,884,244</b>	<b>578,998,409</b>	<b>589,182,634</b>	
<b>Total Cash &amp; Cash Equivalents</b>	<b>244,006,205</b>	<b>379,902,700</b>	<b>433,325,042</b>	<b>484,752,203</b>	<b>533,919,686</b>	<b>544,157,425</b>	
<b>Unrestricted Cash Days on Hand</b>	<b>304</b>	<b>397</b>	<b>367</b>	<b>406</b>	<b>482</b>	<b>504</b>	

# Context for Discussion of Excess Funds

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- Rates and Energy Prices have been very volatile for past 2-3 years
- DCOH is projected to be 397 as of June 2024
  - If the PCIA on January 2024 is the same as January 2022 (January 2021 was the highest), revenues would be approximately \$30 million lower for 6-month period - \$60 million for full 12-month period – DCOH for FY24 would end 31 days lower
  - If energy costs are \$15 million higher than budgeted, DCOH would be approx. 360
- Increase Discount
  - Each additional 1% discount reduces total revenue by approx. \$5 million/year
  - Residential – approximately 40% of benefit applied to 282,000 customers
    - Each 1% reduces the average Residential bill by approx. \$8/year
    - Wide range of bills. Reduction benefit is skewed to large houses and big users
  - Commercial – approximately 60% of benefit applied to 30,000 customers
    - Each 1% reduces the average Commercial bill by approx. \$100/year
    - Top 1,500 customers (rate class B19) would save an average of \$300/year



# Alternatives for Excess Funds

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## 1. “Extra” Reserve

- Set aside extra reserves –
  - Would have no accounting impact, but would enable identification of specific reserves for specific purposes
  - Would be separate “restricted” reserve reducing standard DCOH calculation
- Implement GASB 62
  - “Moves” revenues from one period to another – effect of smoothing net position
  - Used by Utility companies that set rates based on net position
  - Also used to smooth income to satisfy bond covenants

## 2. \$500 Refund to CARE/FERA Customers

- CARE – Total 41,044: San Mateo (35,206), Los Banos (5,838)
- FERA – Total 1,526: San Mateo (1,301), Los Banos (225)
- Total cost of approx. \$21,285,000
- Would reduce projected DCOH to approx. 375 on June 30, 2024

# Next Steps

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- Some additional internal discussions to firm up specific Program budgeting and strategies
- Update to year-end FY24 forecast to reflect April 2023 financial results if available in time for June AF meeting