



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

***SPECIAL Meeting of the Audit and Finance Committee of the
Peninsula Clean Energy Authority (PCEA)
AGENDA***

Tuesday, May 16, 2023

10:00 a.m.

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/88100966124>
Meeting ID: 881-0096-6124 **Passcode:** 2075 **Phone:** +1(669) 444-9171

This meeting of the Peninsula Clean Energy Audit and Finance 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). 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/Audit and Finance-committee](https://www.peninsulacleanenergy.com/Audit%20and%20Finance-committee) following the meeting.

Public Participation

The PCEA Audit and Finance Committee meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/88100966124>. The meeting ID is: 881-0096-6124 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 881-0096-6124, 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.

Written public comments may be emailed to PCEA Board Clerk, Nelly Wogberg (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). 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 Audit and Finance 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 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 Minutes for the November 7, 2022 and February 13, 2023 Audit & Finance Committee Meetings

SPECIAL AGENDA

2. Chair Report (Discussion)
3. Staff Report (Discussion)
4. Appointment of Audit and Finance Committee Chair (Action)
5. Review Financial Reports and Investment Summary for Third Quarter Fiscal Year (FY) 2022-2023 (Discussion)
6. Review Fiscal Year 2023-2024 Draft Budget (Discussion)
7. Committee Members' Reports (Discussion)

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's 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

- 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

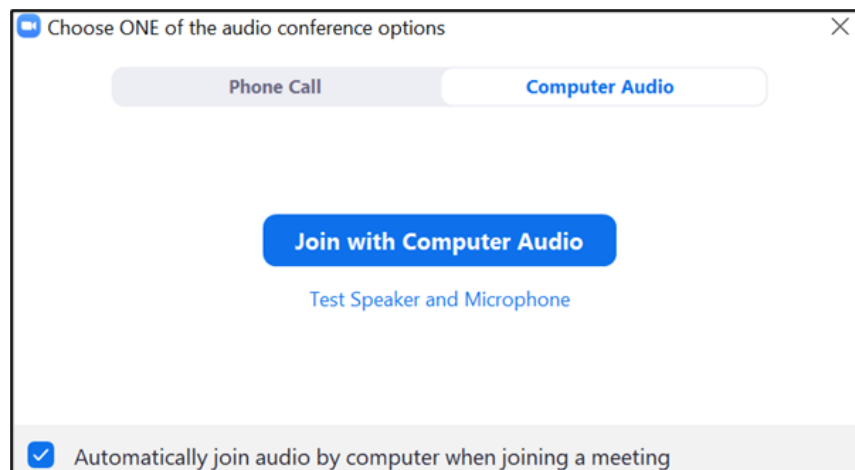
Videoconference Options:

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/82172572134>
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/82172572134>
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 Phone Call option at the top of the pop-up screen.

Phone Call	Computer Audio - Connected
Country/Region	United States
Dial	+1 253 215 8782
	+1 346 248 7799
	+1 720 707 2699
	+1 301 715 8592
	+1 312 626 6799
Meeting ID	821 7257 2134
Participant ID	
Passcode	2075

4. Please dial +1 (253) 215-8782.
5. You will be instructed to enter the meeting ID: **821-7257-2134 followed by #.**
6. 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.
7. After a few seconds, your phone audio should be connected to the Zoom application on your computer.
8. 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:

1. Dial +1 (253) 215-8782.
2. You will be instructed to enter the meeting ID: **821-7257-2134 followed by #.**
3. 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.
4. You will be instructed to enter the meeting passcode **2075 followed by #.**

**Regular Meeting of the Audit and Finance Committee of the
Peninsula Clean Energy Authority (PCEA)
Minutes**

Monday, November 7, 2022
8:30 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 8:37 a.m. in virtual teleconference.

ROLL CALL

Participating Remotely:

- Carlos Romero, East Palo Alto
- Laurence May, Hillsborough, *Chair*
- Jeff Aalfs, Portola Valley
- Marty Medina, San Bruno, arrived at 8:42 a.m.

- John Keener, Director Emeritus
- Pradeep Gupta, Director Emeritus

Absent: Donna Colson, Burlingame

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

MOTION: Director Aalfs moved, seconded by Director Romero to set the Agenda and approve Agenda Item Numbers 1-3.

1. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings
2. Approval of the Minutes for the October 12, 2022 Audit & Finance Committee Meeting
3. Approval of 2023 Audit & Finance Committee Schedule of Meetings

MOTION PASSED: 3-0 (Absent: Burlingame, San Bruno)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
Burlingame	Director Colson				X
East Palo Alto	Director Romero	X			

Hillsborough	Director May	X			
Portola Valley	Director Aalfs	X			
San Bruno	Director Medina				X
	Totals	3			2

REGULAR AGENDA

4. Chair Report

None

5. Staff Report

None

6. Chair May announced that Agenda Item Number 7 would be heard before Agenda Item Number

7. Update on Inflation Reduction Act (Discussion)

Rafael Reyes, Director of Energy Programs, gave a high-level overview of the Inflation Reduction Act (IRA) including areas of interest to Peninsula Clean Energy and other Community Choice Aggregators (CCA's), the three priority funding buckets for CCA's, and renewable generation tax credits.

Jan Pepper, Chief Executive Officer, added that a new component is allowing the Production Tax Credit (PTC) for solar, and that the PTC will extend to 2032.

Rafael continued the presentation with programs for building decarbonization.

Director Emeritus Gupta asked if Peninsula Clean Energy could start planning for rebates despite that benefits would be flowing in 2024. Rafael explained that these rebates are targeted at residential installations and thus too early to be talking to customers about them as information on the full requirements is not yet available.

Director Aalfs asked if energy modeling would be required to show a year of energy savings. Rafael explained that not much is known about the details, but that Recurve was materially involved in developing the provisions and expects that this would become a meter-based rebate program.

Rafael continued the presentation with programs for environmental justice and priority direct opportunities.

Director Aalfs noted that there may be sites for Solar + Storage on Public Buildings where there is not a good net metering option, but that there may be opportunities to reimburse a different way.

Rafael continued the presentation with additional opportunities and timing.

Director Emeritus Gupta asked if CalCCA was in contact with the California Energy Commission to ensure that the role played by CCA's is not minimized. Rafael shared that he was not aware of

conversations at that level at this time. Jan Pepper added that currently most discussions have occurred at the staff level, and it is unclear what CalCCA's role would be at this point.

Director Romero asked if we would slow the Solar + Storage on Public Buildings program to see how the implementation through the IRA unfolds.

Jan Pepper explained that Peninsula Clean Energy will own the solar facilities and the way the direct pay provision is written, the owner can get the tax credits directly. Jan added that Peninsula Clean Energy is working with a tax attorney and County Council to make sure the definitions are correct and that Peninsula Clean Energy will be eligible for direct pay.

6. Review of FY 2022-2023 Q1 Financials (Discussion)

Kristina Cordero, Chief Financial Officer, gave a presentation on the first quarter financial report for Fiscal Year (FY) 2022-2023 including actual versus budget load performance, the monthly trend in revenue and cost of energy, quarter one actual versus budget financial performance, and the quarterly trend of cash and investments.

Director Aalfs asked if the \$9 million variance was due solely to the heat event. Kristina explained that the market was extraordinary during that timeframe. Director Aalfs noted that procuring more storage becomes a hedge against price shocks in the market during a heat event.

Director Romero asked why Peninsula Clean Energy is anticipating catching up on revenues. Kristina explained that the negative trend in revenues was partially due to the rebill that will show up in September.

8. Discussion on Negative Power Charge Indifference Adjustment (PCIA) Rates and Impact on Rate Model (Discussion)

Kristina Cordero, Chief Financial Officer, explained that PG&E made a rate filing in October suggesting the Power Charge Indifference Adjustment (PCIA) would be negative in January 2023 and that this could provide Peninsula Clean Energy with additional revenues in comparison to budgeted expectations.

Director Emeritus Gupta asked for clarification on what made the PCIA go negative. He stated that the assets that PG&E have to sell are selling for more than what they cost, causing the PCIA to be negative. Jan Pepper, Chief Executive Officer, added that the PCIA is based on the above market costs and that because prices have gone up so much, in part due to the war in Ukraine, the whole energy picture has changed.

Director Aalfs asked if Peninsula Clean Energy is facing the same situation in the wholesale market and what could be a revenue windfall? Jan Pepper explained the high energy prices in September were due to that, but that everything evens out as Peninsula Clean Energy has hedges which lock in a price. Jan added that when we contract for renewables we are not subject to the volatility of the market.

Director Romero asked how far out is Peninsula Clean Energy hedged? Jan explained that Peninsula Clean Energy is 100% hedged 3-6 months out, based on forecast load. Jan added that while PG&E is projecting negative PCIA in 2023, this could very well flip in 2024.

Director Aalfs asked if the current proposal for the restructuring of PG&E's assets is related to the price fluctuations. Jan explained that at this point, there isn't an answer to that question.

Director Romero suggested when bringing this item to the Board of Directors to present both the market context and the regulatory context.

9. Committee Members' Reports

None

ADJOURNMENT

Meeting was adjourned at 9:41 a.m.

**Regular Meeting of the Audit and Finance Committee of the
Peninsula Clean Energy Authority (PCEA)
Minutes**

Monday, February 13, 2023
8:30 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 8:35 a.m. in virtual teleconference.

ROLL CALL

Participating Remotely:

Donna Colson, Burlingame, Vice Chair
Carlos Romero, East Palo Alto
Jeff Aalfs, Portola Valley
Marty Medina, San Bruno

John Keener, Director Emeritus

Absent: Pradeep Gupta, Director Emeritus

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

MOTION: Director Medina moved, seconded by Director Aalfs to set the Agenda and approve Agenda Item Number 1.

1. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings

MOTION PASSED: 4-0 (Absent: none)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
Burlingame	Director Colson	X			
East Palo Alto	Director Romero	X			
Portola Valley	Director Aalfs	X			
San Bruno	Director Medina	X			
	Totals	4			

REGULAR AGENDA

2. Chair Report

None

3. Staff Report

None

4. Review of Financial Reports and Investment Summary for 2nd Quarter Fiscal Year (FY) 2022-2023 (Discussion)

Kristina Cordero, Chief Financial Officer, gave a presentation including year-to-date actual versus budgeted load performance for Fiscal Year (FY) 2022-2023, year-to-date actual vs. budget & monthly trend for revenue and cost of energy, Quarter Two financial performance, change in net position, and cash position.

Vice Chair Colson asked if there was consumer price sensitivity going on due to the high cost of electricity. Kristina responded that we could do some research to explore whether this is happening, but we do not know if this is the case right now.

Director Aalfs added the weather trend affecting this may be the lack of a massive heat wave that has occurred in past years. Director Aalfs added that he finds winter heating loads to be larger and less variable than summer cooling loads.

Director Emeritus Keener noted more than double the revenue from December 2021 to December 2022.

5. Discussion on Mid-Year Review and Impact on Rates

Kristina Cordero, Chief Financial Officer, gave a presentation of the Projected Impact of the February 1, 2023 Peninsula Clean Energy Rate Change on Fiscal Year 2022-2023 Performance.

Director Romero asked what drives the \$23.5 million variance in cost of energy given that Peninsula Clean Energy has power purchase agreements. Kristina explained that while Peninsula Clean Energy has a good sense of contractual costs, there is exposure to the market price of energy based on the amount needed to purchase and secure. Director Romero asked if the bulk of this variance comes from energy that we don't have under contract. Jan Pepper, Chief Executive Officer, explained that Peninsula Clean Energy (PCE) hedges, but that PCE pays a Default Load Aggregation Point (DLAP) price and gets credited for inputting electricity into the grid. These two prices are tracked similarly. The price PCE has had to pay for hedges has gone up more than expected, which increased our cost of energy. Market energy prices are around \$47 now, but in December, were about \$200 and we predict high prices remaining throughout the remainder of the Fiscal Year.

6. Discussion on Budget Variances from Fiscal Year 2023

Kristina Cordero, Chief Financial Officer, gave a presentation on budget variances from Fiscal Year 2023 including a framework to discuss the budget variances, timing, the nature of the variances, and tools to address variances framework.

Director Aalfs noted that the biggest risk to Peninsula Clean Energy is volatility in demand of price and that these variances are both structural and one-time. Jeff added that this conversation is also about Peninsula Clean Energy's long-term strategy to shelter from market volatility, and that as a 24/7 time-coincident greenhouse gas free load serving entity we are insulating ourselves from that. Kristina added that Peninsula Clean Energy has tools to address variances but should find tolerable levels of quantifiable risk and ensure we have sufficient cushion for rare events.

Director Romero suggested looking at reserves and how strong they should be to address sharp increases, and considered increasing them from 180 days.

Vice Chair Colson added that risk management is a primary fiduciary responsibility of the Audit and Finance Committee and the Board, but noted it is a fine line to walk between risk management and providing cost-effective services to our customers.

Director Medina asked if there is any insight into what other Community Choice Aggregators (CCA's) are experiencing. Kristina explained that this comparison would occur on a look-back basis but that comparison with these organizations is possible. Kristina added that there are limited resources, and it comes down to strategic priorities, which may vary between CCAs.

Jan Pepper, Chief Executive Officer, added that Peninsula Clean Energy has not changed policy as far as rate discount and has maintained a 5% discount for customers on generation. This results in our financials reflecting a loss while other CCAs may opt to reduce the discount to offset a loss.

Shawn Marshall, Chief Operating Officer, added that the rate stabilization has been a practice of some CCAs that Peninsula Clean Energy may want to look at, and that it is important to dig into managing structural risk.

Director Aalfs noted that the 24/7 time-coincident greenhouse gas free strategy makes us more immune to risk in a way that other CCAs might not be doing. This puts us in a unique position where other CCAs may look at us in terms of how to manage grid risks.

Jan added that the data shows going to a 99% time-coincident strategy puts us at lower risk than our current strategy.

Shawn added that 24/7 implementation along with the cost-of-service study will be very illuminating, but that one concern is the technological readiness of battery storage and long-duration battery storage.

Director Aalfs noted that many are optimistic in the long-term battery supplies as the bottleneck is manufacturing, which is being influenced by the market, but takes time. Director Aalfs also noted that demand management is important and is interested in virtual power plants.

Director Keener asked if there was any news on Peninsula Clean Energy's bond rating. Kristina explained that Peninsula Clean Energy is currently rated BAA2 category with Moody's and BBB+ with Fitch.

7. Committee Members' Reports

Vice Chair Colson noted that there is an open position on the Audit and Finance Committee and to ask colleagues for interest in joining.

ADJOURNMENT

The meeting was adjourned at 9:41 a.m.

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
March 31, 2023
(\$000s)

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
March 31, 2023
(\$000s)

<u>Net Position Balance</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	(\$1,044)
June 30, 2017	Audited	\$21,711
June 30, 2018	Audited	\$85,365
June 30, 2019	Audited	\$140,139
June 30, 2020	Audited	\$189,072
June 30, 2021	Audited	\$180,717
June 30, 2022	Audited	\$167,671
March 31, 2023	Unaudited Actual	\$265,805
June 30, 2023	Budget	\$248,165

<u>Unrestricted Cash/Investments Balance</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	\$3,833
June 30, 2017	Audited	\$18,882
June 30, 2018	Audited	\$64,689
June 30, 2019	Audited	\$114,069
June 30, 2020	Audited	\$177,629
June 30, 2021	Audited	\$165,652
June 30, 2022	Audited	\$135,090
March 31, 2023	Unaudited Actual	\$222,127
June 30, 2023	Budget	\$232,830

<u>Change in Net Position</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	(\$1,044)
FY2016-2017	Audited	\$22,755
FY2017-2018	Audited	\$63,655
FY2018-2019	Audited	\$54,774
FY2019-2020	Audited	\$48,933
FY2020-2021	Audited	(\$8,355)
FY2021-2022	Audited	(\$13,046)
March 31, 2023	Unaudited Actual	\$98,134
FY2022-2023	Budget	\$73,954

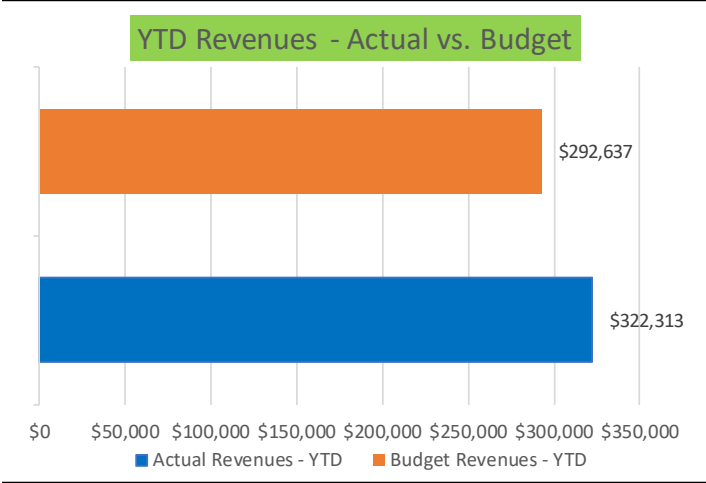
<u>Cost of Electricity</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
June 30, 2016	Audited	\$0
June 30, 2017	Audited	\$64,501
June 30, 2018	Audited	\$170,135
June 30, 2019	Audited	\$194,035
June 30, 2020	Audited	\$216,066
June 30, 2021	Audited	\$213,834
June 30, 2022	Audited	\$226,678
March 31, 2023	Unaudited Actual	\$207,764
June 30, 2023	Budget	\$264,208

<u>Revenues</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$0
FY2016-2017	Audited	\$93,129
FY2017-2018	Audited	\$244,738
FY2018-2019	Audited	\$259,782
FY2019-2020	Audited	\$278,093
FY2020-2021	Audited	\$228,101
FY2021-2022	Audited	\$237,899
March 31, 2023	Unaudited Actual	\$322,313
FY2022-2023	Budget	\$367,784

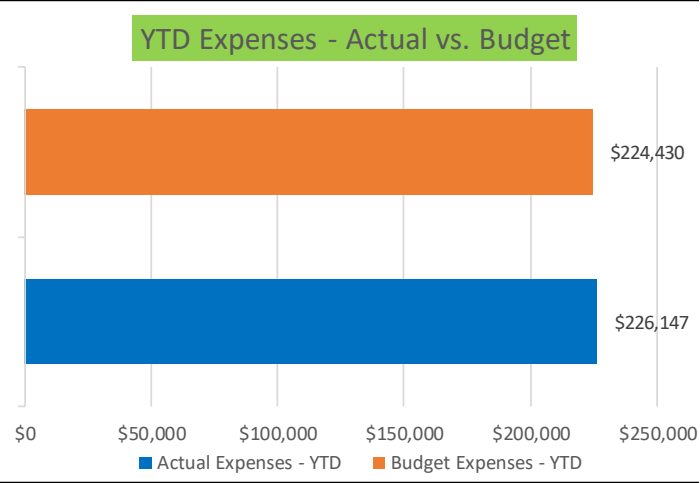
<u>Total Operating Expenses</u>		
<u>Fiscal Year</u>	<u>Actual/Budget</u>	<u>Amount</u>
FY2015-2016	Audited	\$1,041
FY2016-2017	Audited	\$70,104
FY2017-2018	Audited	\$180,970
FY2018-2019	Audited	\$206,912
FY2019-2020	Audited	\$231,337
FY2020-2021	Audited	\$236,303
FY2021-2022	Audited	\$246,539
March 31, 2023	Unaudited Actual	\$226,147
FY2022-2023	Budget	\$294,429

Peninsula Clean Energy
Performance at a Glance
Results for the Fiscal Quarter Ended
March 31, 2023
 (\$000s)

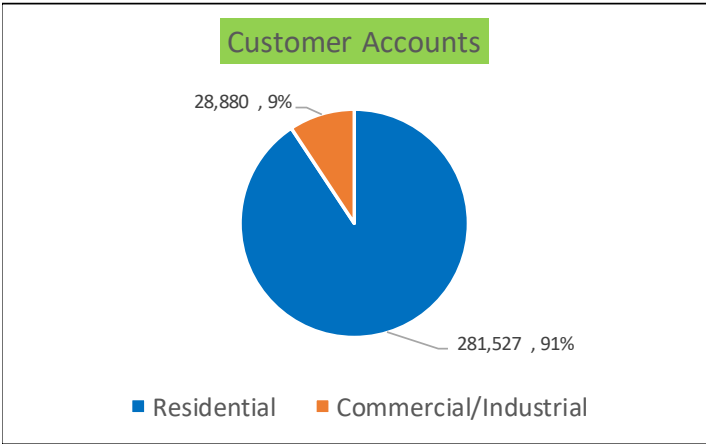
YTD Revenues



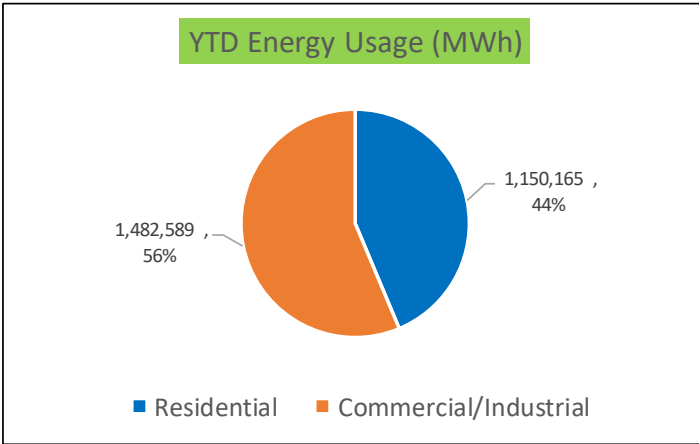
YTD Expenses



Customer Accounts



Energy Used





ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Peninsula Clean Energy Authority

Management is responsible for the accompanying financial statements of Peninsula Clean Energy Authority (PCE), a California Joint Powers Authority, which comprise the statement of net position as of March 31, 2023, and the statement of revenues, expenses, and changes in net position, and the statement of cash flows for the period then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the accompanying statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all of the note disclosures required by accounting principles generally accepted in the United States of America in these interim financial statements. PCE's annual audited financial statements will include the note disclosures omitted from these interim statements. If the omitted disclosures were included in these financial statements, they might influence the user's conclusions about the Authority's financial position, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

We are not independent with respect to PCE because we performed certain accounting services that impaired our independence.

Maher Accountancy

San Rafael, CA
May 1, 2023

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of March 31, 2023

ASSETS

Current assets

Cash and cash equivalents	\$ 97,451,486
Accounts receivable, net of allowance	38,557,529
Accrued revenue	19,438,322
Investments	15,374,662
Other receivables	4,255,698
Prepaid expenses	1,242,165
Deposits	14,952,379
Total current assets	<u>191,272,241</u>

Noncurrent assets

Investments	108,708,955
Deposits and other assets	187,878
Lease asset, net of amortization	1,724,512
Capital assets, net of depreciation	228,649
Total noncurrent assets	<u>110,849,994</u>

Total assets	<u>302,122,235</u>
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LIABILITIES

Current liabilities

Accrued cost of electricity	20,697,252
Accounts payable	2,669,291
Other accrued liabilities	832,738
Deferred revenue	4,798,063
User taxes and energy surcharges due to other governments	1,383,698
Deposits - energy suppliers	2,404,117
Lease liability	492,009
Total current liabilities	<u>33,277,168</u>

Noncurrent liabilities

Deposits - energy suppliers	1,653,433
Lease liability	1,386,837
Total noncurrent liabilities	<u>3,040,270</u>

Total liabilities	<u>36,317,438</u>
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NET POSITION

Net investment in capital assets	74,315
Unrestricted	265,730,482
Total net position	<u>\$ 265,804,797</u>

PENINSULA CLEAN ENERGY AUTHORITY

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

Nine Months Ended March 31, 2023

OPERATING REVENUES

Electricity sales, net	\$ 318,453,253
Green electricity premium	2,296,814
Liquidated damages revenue	191,993
Grant revenue	773,595
Total operating revenues	<u>321,715,655</u>

OPERATING EXPENSES

Cost of electricity	207,764,061
Contract services	8,177,438
Staff compensation	5,792,782
Other operating expenses	3,937,730
Depreciation and amortization	426,305
Total operating expenses	<u>226,098,316</u>
Operating income (loss)	<u>95,617,339</u>

NONOPERATING REVENUES (EXPENSES)

Grant revenue	789,539
Interest and investment income (loss)	1,775,418
Finance costs	(48,233)
Nonoperating revenues (expenses), net	<u>2,516,724</u>

CHANGE IN NET POSITION

Net position at beginning of period	<u>167,670,734</u>
Net position at end of period	<u>\$ 265,804,797</u>

PENINSULA CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS Nine Months Ended March 31, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 321,268,450
Receipts from grantors	5,452,158
Receipts from supplier security deposits	1,373,798
Payments to suppliers for electricity	(212,718,910)
Payments for other goods and services	(10,964,185)
Payments for staff compensation	(5,792,551)
Payments of taxes and surcharges to other governments	(4,429,014)
Net cash provided (used) by operating activities	<u>94,189,746</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Grant revenue	789,539
Deposits and collateral received	14,000,000
Deposits and collateral paid	<u>(23,493,356)</u>
Net cash provided (used) by non-capital financing activities	<u>(8,703,817)</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Payments of lease liability	(454,994)
Payments to acquire capital assets	<u>(23,641)</u>
Net cash provided (used) by capital financing activities	<u>(478,635)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from investment sales	28,271,753
Investment income received	1,803,649
Purchase of investments	<u>(27,408,662)</u>
Net cash provided (used) by investing activities	<u>2,666,740</u>

Net change in cash and cash equivalents	87,674,034
Cash and cash equivalents at beginning of period	<u>9,777,452</u>
Cash and cash equivalents at end of period	<u><u>\$ 97,451,486</u></u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENT OF CASH FLOWS (continued)
Nine Months Ended March 31, 2023

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 95,617,339
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation and amortization expense	426,305
Provision for uncollectible accounts	1,634,265
(Increase) decrease in:	
Accounts receivable	(7,322,415)
Accrued revenue	1,283,659
Other receivables	(930,757)
Prepaid expenses	3,734,406
Increase (decrease) in:	
Accrued cost of electricity	(6,441,667)
Accounts payable	1,497,488
Deferred revenue	4,524,563
Other accrued liabilities	84,666
User taxes and energy surcharges due to other governments	301,867
Supplier security deposits	(219,973)
Net cash provided (used) by operating activities	<u>\$ 94,189,746</u>

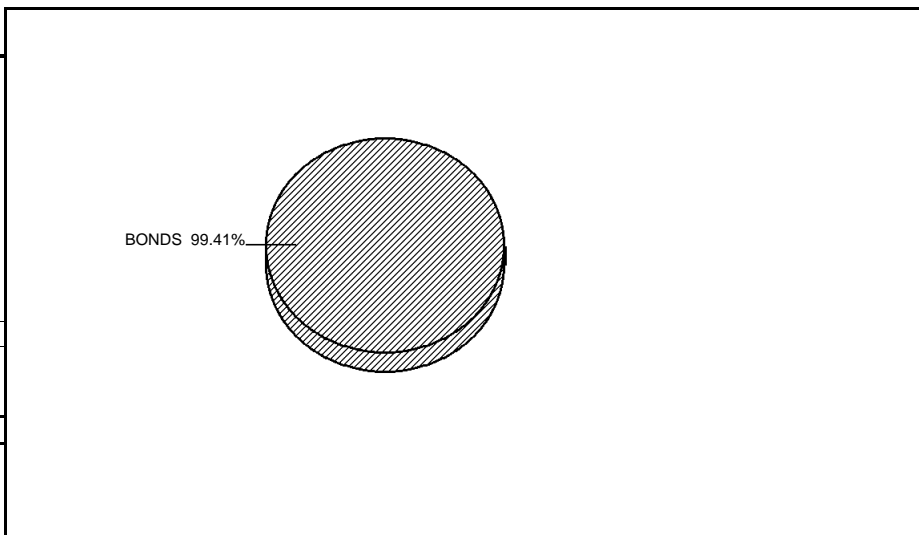


MARKET VALUE RECONCILIATION

	CURRENT PERIOD 01/01/2023 TO 03/31/2023	YEAR TO DATE 07/01/2022 TO 03/31/2023
Beginning Market Value	63,572,592.76	64,271,543.36
Disbursements		
Benefit Payments	.00	- 16,855.73
Total Disbursements	.00	- 16,855.73
Asset Activity		
Taxable Interest	294,720.20	711,597.73
Realized Gain/Loss	- 351,047.92	- 825,662.76
Change In Unrealized Gain/Loss	1,231,194.24	544,251.98
Change In Accrued Income	- 27,029.17	35,555.53
Total Asset Activity	1,147,837.35	465,742.48
Net Change In Market Value	1,147,837.35	448,886.75
Ending Market Value	64,720,430.11	64,720,430.11

ASSET SUMMARY

ASSETS	03/31/2023 MARKET VALUE	% OF MARKET
Cash And Equivalents	114,948.71	0.18
U.S. Government Issues	41,305,792.16	63.81
Corporate Issues	16,191,385.13	25.02
Foreign Issues	484,400.00	0.75
Municipal Issues	6,359,077.70	9.83
Total Assets	64,455,603.70	99.59
Accrued Income	264,826.41	0.41
Grand Total	64,720,430.11	100.00





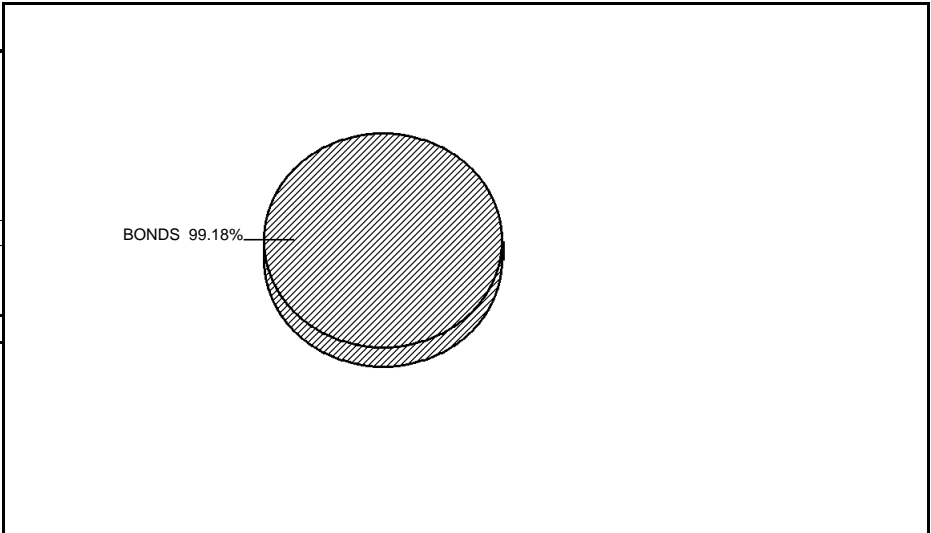
MARKET VALUE RECONCILIATION

	CURRENT PERIOD 01/01/2023 TO 03/31/2023	YEAR TO DATE 07/01/2022 TO 03/31/2023
Beginning Market Value	59,329,267.23	61,644,156.86
Disbursements		
Cash Disbursements	- 17,811.24	- 2,053,929.20
Total Disbursements	- 17,811.24	- 2,053,929.20
Asset Activity		
Taxable Interest	133,943.09	599,082.91
Realized Gain/Loss	.00	- 769,902.50
Change In Unrealized Gain/Loss	678,189.48	685,021.20
Change In Accrued Income	116,647.67	135,806.96
Total Asset Activity	928,780.24	650,008.57
Net Change In Market Value	910,969.00	- 1,403,920.63
Ending Market Value	60,240,236.23	60,240,236.23



ASSET SUMMARY

ASSETS	03/31/2023 MARKET VALUE	% OF MARKET
Cash And Equivalents	169,723.69	0.28
U.S. Government Issues	41,977,868.20	69.69
Corporate Issues	17,765,093.43	29.49
Total Assets	59,912,685.32	99.46
Accrued Income	327,550.91	0.54
Grand Total	60,240,236.23	100.00



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: May 10, 2023
COMMITTEE MEETING DATE: May 16, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Audit & Finance
Committee

FROM: Andy Stern, Interim Chief Financial Officer, Peninsula Clean Energy
Authority

SUBJECT: Review Fiscal Year 2023-2024 Draft Budget (Discussion)

DISCUSSION:

Staff will present a preliminary look at the Fiscal Year 2023-2024 budget.