



## Regular Meeting of the Board of Directors of the Peninsula Clean Energy Authority (PCEA) Minutes

Thursday, February 22, 2024  
6:30 p.m.

Zoom Video Conference and Teleconference

### **CALL TO ORDER**

Meeting was called to order at 6:35 p.m. in virtual teleconference, in the Peninsula Clean Energy Authority lobby and in the Los Banos City Hall conference room A.

### **SWEARING IN OF NEW BOARD MEMBER**

David Silberman, General Counsel, presided over the swearing-in ceremony of new Board Member, Tom McCune from Belmont.

### **ROLL CALL**

#### **Participating:**

Dave Pine, San Mateo County  
Rick DeGolia, Atherton, *Chair*  
Tom McCune, Belmont  
Coleen Mackin, Brisbane  
Ken Gonzalez, Colma  
Roderick Daus-Magbual, Daly City  
Carlos Romero, East Palo Alto  
Sam Hindi, Foster City  
Harvey Rarback, Half Moon Bay  
Leslie Ragsdale, Hillsborough  
Betsy Nash, Menlo Park  
Anders Fung, Millbrae, arrived at 7:16 p.m.  
Tygarjas Bigstycck, Pacifica  
Craig Taylor, Portola Valley  
Elmer Martinez Saballos, Redwood City  
Marty Medina, San Bruno  
John Dugan, San Carlos  
Adam Loraine, San Mateo  
James Coleman, South San Francisco

#### **Absent:**

Ray Mueller, San Mateo County  
Donna Colson, Burlingame, *Vice Chair*  
Paul Llanez, Los Banos  
Ned Fluet, Woodside

**A quorum was established.**

**PUBLIC COMMENT**

None

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

Chair DeGolia announced some confusion with the timing of Agenda Item Number 8 and requested that the item be pulled from the Agenda until the March 28, 2024 Board meeting.

Nelly Wogberg, Board Clerk, announced that only the minutes from the January 25, 2024 Board meeting need to be approved and the other two were added inadvertently.

**MOTION:** Director Rarback moved, seconded by Director Hindi to set the Agenda, and approve Agenda Item Numbers 1-2.

1. Approval of Minutes from the May 25, 2023, June 22, 2023, and January 25, 2024 Board Meetings.
2. Joint Powers Authority Agreement Weighted Voting Shares Allocation.

**MOTION PASSED:** 18-0 (Absent: San Mateo County, Burlingame, Los Banos, Millbrae, South San Francisco)

<b>JURISDICTION</b>	<b>BOARD MEMBER</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director McCune	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson				X
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung				X
Pacifica	Director Bigstyk	X			
Portola Valley	Director Taylor	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman	X			
Woodside	Director Fluet				X
	Total	18			5

## **REGULAR AGENDA**

### 3. Chair Report

None

### 4. CEO Report

Shawn Marshall, Chief Executive Officer, gave a presentation including feedback on the Peninsula Clean Energy rate freeze, an update on meeting minutes, upcoming points of interest, a recap of the CalCCA Lobby Day on February 21, 2023, and a staffing update.

Director Daus-Magbual suggested including Senator Scott Wiener and Assemblymember Phil Ting in future meetings as they represent parts of San Mateo County.

Marc Hershman, Director of Government Affairs, provided a legislative update.

Director Hindi asked if there was any feedback on rate increases from legislators. Shawn shared that plans of how to deal with rates was not shared.

Director Dugan asked about Peninsula Clean Energy's relationship with the California Public Utilities Commission (CPUS). Shawn explained that we have a good relationship with the CPUC. Chair DeGolia added that we meet with Commissioners annually and touch base throughout the year on shifting issues.

### 5. Community Advisory Committee Report

Cheryl Schaff, Community Advisory Committee (CAC) Chair, gave a report on the February 8, 2024 CAC meeting.

### 6. Three-year Contract with Franklin Energy in an Amount Not-to-Exceed \$26,000,000 for the Implementation of a Turnkey Electrification Installation Service for Single-family Homes (Action)

Alejandra Posada, Programs Manager for Building Electrification Programs, gave a presentation including background on building electrification goals and progress, a timeline for Building Electrification V2, details on the Request for Proposals (RFP) for turnkey installation services, details on Franklin Energy and Team, and budget details.

Director Nash asked for clarification on what is counted. Alejandra explained that these are projects that Peninsula Clean Energy has supported.

Director Romero asked to confirm that all dryers installed are Heat Pump. Alejandra explained that electric resistance dryers are being installed as well. Director Romero noted that there is an energy savings with heat pump dryers that could make sense with savings on the bill side.

Director Taylor asked when the whole house would be scaled considering the backlog of single appliances. Alejandra explained that it would happen immediately. Director Taylor asked if the funds would run out before completing whole homes. Alejandra explained that the program is structured to

support at a minimum 575 whole homes. Director Taylor asked if the concierge is broad enough to include batteries at the customer's house? Alejandra confirmed.

Director Dugan asked if the sliding scale is on a cost share basis or fully free and if this would be for low-income households? Alejandra explained that it would be offered completely free to residents and that it would be for home-owners with less than 80% of the average median income for homeowners. Director Dugan asked if a sliding scale was considered. Alejandra explained that this was considered but noted that as this program scales, creating a more sliding scale would be considered. Shawn Marshall, Chief Executive Officer, added that the only piece that is entirely on Peninsula Clean Energy is the lower income customer as other income levels would be on a sliding scale.

Director Dugan asked if the waitlist would be prioritized on income levels? Alejandra explained that the waitlist has not yet been income qualified, noting that in the past, the programs have been first come, first serve.

Director Dugan asked if anyone would be allowed to do market rate purchases. Alejandra confirmed that market rate purchases, but that as a function of budget, 2000 homes wouldn't be possible. Rafael Reyes, Director of Energy Programs, added that there will still be 2 options: someone who wants to DIY and wants the rebate or on-bill financing and someone who wants to be guided through the whole process. He noted that in the long-run, scaling the project and tiering the program across all the segments that are served will be needed.

Director Dugan suggested a top tier that is cost-neutral for Peninsula Clean Energy but provides a high level of service. Rafael explained there have been discussion of offering on-bill finance, but not rebates, and that the team would be returning to the Board with other concepts. Shawn added that revenue diversification strategies, such as a congressional earmark, could assist in covering that.

Director Gonzalez asked where building permits come in with concierge service. Alejandra explained that this is part of the scope with Franklin; contractors doing the installation would handle plans, permits, and compliance.

Director Taylor asked if the cost is lowest to go through Franklin than through a random contractor. Alejandra explained that the program will pay prevailing wage and may not be the lowest cost and that there will be fixed pricing, minus rebates. Director Taylor asked if there would be volume discounts on the equipment. Alejandra explained that Franklin will work with a distributor and that discounts are factored into the program, adding that the contract could be amended in the future if better pricing opportunities are available.

Director Bigstyk asked if Franklin would register with the Department of Industrial Relations (DIR) with a prevailing wage projects number. Alejandra explained Franklin doesn't intend to do prevailing wage verification through DIR, but that the contractors are the ones who are enrolled and doing the installation work and being paid prevailing wage.

Director Taylor asked what services are assumed for whole-home electrification. Alejandra explained that the \$26 million breakdown includes \$2 million in funds from Menlo Park due to a grant they received from the California Energy Commission and will be focused on low-income qualified installs, and added that the budget assumes every home gets every single electric appliance upgrade, which will likely not be the case in practice.

Director Mackin asked for clarification on light energy efficiency repairs. Alejandra explained that window replacements are not part of this, but added installation, air ceilings, LED lightbulbs and smart thermostats would be included. Rafael Reyes added there is an analysis of the service territory and believe that the majority of homes in the service territory are 100 or 200 amp panels, and that there will be a cost threshold, so older homes with knob and tube may not be able to be served.

Director Taylor for clarification on the number of market-rate installs. Alejandra explained that 175 are estimated, but if more are needed, the team would return to the Board with an amendment

Director Taylor asked if there is any cost to them to get them to do the site assessment and some of the work? Alejandra explained there is no cost for the site assessment, noting that before installation occurs, they would need to sign a binding agreement.

Director Loraine asked about the increase in reach throughout the member agency with this program. Rafael explained that there is no estimate of how many customers will want to use the turnkey service, noting that some contractors are doing direct to customer marketing and as a consequence, anticipate that the volume may be modest. Noting that a scaling goal would be an easy pathway for customers and that if many contracts are doing this, that will make it as easy for customers.

Director Mackin suggested offering the assessment at cost as a comfort benefit to customers.

Director Nash asked if the contact center would be available to everyone and if support would be available in multiple languages. Alejandra confirmed, and explained that the major languages in the county will be included. Director Nash asked about trust within the community. Alejandra explained that Peninsula Clean Energy intends to engage directly with our Community Based Organizations which are already doing underground work on enrolling homes into programs like these.

Director Nash asked about a contract with the homeowner requiring they don't sell the home within a certain period of time. Alejandra explained the participation agreement will be developed once the contract is signed.

Director Ragsdale asked about the types of homes that can be included. Alejandra explained that the contract will cover up to 4 dwelling units.

Director Taylor asked if the CEO has any ability to switch funding amounts between categories. Alejandra explained that yes, there is the ability to move funds between budget lines.

Director McCune asked if an assessment of operating costs will be used to provide accuracy. Alejandra explained that Xero-Home is an energy modeling software that Franklin will use during the site assessments for each individual home. Rafael shared that information has been published but hasn't been presented to the Board, Blake Herschaft and members of the SVCE team, spent a lot of time on operating costs. The determination was that generally under the E-ELEC rate there are modest savings with electrification.

Director Mackin asked if renters have been considered. Alejandra explained that this would cover rental occupied units and tenant occupied units. The income qualified piece is not planned to support renters as the long-term benefit supports the property owners.

Public Comment: None

**MOTION:** Director Nash moved, seconded by Director Romero to Delegate authority to the CEO to execute a 3-year contract with Franklin Energy for the implementation of the turnkey electrification installation service for single-family homes.

**MOTION PASSED:** 19-0 (Absent: San Mateo County, Burlingame, Los Banos, South San Francisco)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director McCune	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson				X
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Taylor	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman	X			
Woodside	Director Fluet				X
	Total	19			4

## 7. Study Session on Project Ownership (Discussion)

Roy Xu, Director of Power Resources, gave a presentation including utility ownership through large centralized projects and local/distributed projects, Peninsula Clean Energy ownership considerations, pros and cons to ownership, a comparison to ownership versus long-term contracts, and some ownership cases.

Director Fung asked how many megawatts long-duration storage would produce. Roy explained around 70-80 megawatts. Director Fung asked what that is in terms of load. Roy explained that our Peak load is 700 megawatts, with too much excess solar in our portfolio right now, noting the need for batteries.

Director Loraine asked if this conversation was had at the formation of Peninsula Clean Energy and what may have changed to bring this conversation back. Chair DeGolia explained that this conversation did not occur because Peninsula Clean Energy did not have any money, and that the

financial situation has changed, noting credit possibilities that didn't exist before. Roy added that the Inflation Reduction Act benefit is also a game-changer.

Director Pine asked if other CCAs have moved in the area of ownership. Roy explained that MCE has MCE Solar 1 that has a PPA option which has not been executed yet.

Director Dugan asked how durable our purchases would be. Roy explained that it varies; a solar project would need replacement in 20-25 years whereas a large hydro project can run for many years.

Director Mackin asked for clarification on joint ownership. Roy explained that this would be a joint ownership with buyers such as Investor-Owned Utilities (IOUs), other Community Choice Aggregators (CCAs). Roy explained that if everyone commits to the project, through economies of scale a larger project could be purchased.

Director Dugan asked how the extended value gets calculated. Roy explained that the large-scale projects have large-scale residual extended value, but for solar and wind a degradation calculation can be done to determine the extended value. Director Dugan clarified land in proximity to grid could become a scarce resource. Roy explained that site control and land costs is a piece of energy project development, and that if we purchased land that could become an investment, but noted we would have to think if we are in the business of buying land.

Chair DeGolia asked about virtual power plants. Rafael Reyes, Director of Energy Programs, explained that the residential solar and storage program with SunRun does continue to provide virtual power plants dispatch and that as the government solar program moves toward storage, dispatch in a coordinated manner will be looked at as well.

Director Mackin asked if Case #4 could be a partnership with different buildings and utilizing their sites to set up a similar program to GovPV with property owners. Rafael explained that in the near-term there is a plan to return with a distributed energy resources plan for residential solar and storage, Gov PV, and other residential assets, including virtual power plant control over thermostats. Rafael added that there are complexities into moving into the commercial sector.

Public Comment: None

#### 8. Selection of Board of Directors Chair and Vice Chair to be Effective March 2024 (Action)

This item was continued to March 28, 2024.

#### 9. Board Members' Reports

Chair DeGolia shared that Atherton approved a fee structure that stated that all permits, if they are identified as green, would not have a cost.

### **ADJOURNMENT**

Meeting was adjourned at 9:11 p.m.