



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

**Regular Meeting of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
AGENDA**

**Thursday, March 28, 2024
6:30 pm**

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**
Los Banos City Hall, Conference Room A, **520 J Street, Los Banos, CA 93635**
Hotel at Oberlin, Lobby, **10 East College Street, Oberlin, OH 44074**

Zoom, Virtual Meeting Link: <https://pencleanenergy.zoom.us/j/87496649657>
Meeting ID: 874-9664-9657 **Passcode:** 2075 **Phone:** +1 (669) 444-9171

Introduction

This meeting of the Board of Directors will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and Los Banos City Hall, Conference Room A, 520 J Street, Los Banos, CA 93635 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 Board 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/board-of-directors> following the meeting.

Public Participation

The PCEA Board meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/87496649657>. The webinar ID is: 874-9664-9657 and the passcode is 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 874-9664-9657, 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 **Los Banos City Hall**, Conference Room A, 520 J Street, Los Banos, CA 93635.

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.

Please note that Peninsula Clean Energy Board of Directors meetings are a limited public forum, and all public comment must relate to something that is within the subject matter jurisdiction of the Board. If comments do not relate to the subject matter jurisdiction of the Board, we will stop the comment and move on to the next speaker. General Counsel will assist in identifying comments that are not related to the subject matter jurisdiction of the Board.

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 Board meetings. While watching the video broadcast in Zoom, please enable captioning.

CALL TO ORDER / ROLL CALL / APPROVE TELECONFERENCE PARTICIPATION UNDER AB 2449

This item is reserved to approve teleconference participation request for this meeting by Director pursuant to Brown Act revisions of AB 2449 due to an emergency circumstance to be briefly described.

PUBLIC COMMENT

This item is reserved for persons wishing to address the Board 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 Board Chair may increase or decrease the time allotted to each speaker.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

1. [Authorization of Peninsula Clean Energy's General Counsel to Execute with the Law Firm of Clean Energy Counsel, an Engagement Agreement Allowing for a Term from March 1, 2024 Through February 28, 2026 in an Amount Not-to-Exceed \\$500,000](#)
2. [Authorization of Peninsula Clean Energy's General Counsel to Execute with the Law Firm of Sheppard, Mullin, Richter & Hampton LLP, an Engagement Agreement Allowing for a Term from January 1, 2024 Through December 31, 2025 in an Amount Not-to-Exceed \\$1,700,000](#)
3. [Approval of One EV Ready Program Fund Reservation Agreement, Providing Approximately \\$100,000 in Customer Incentives to San Mateo Union High School District](#)
4. [Approval of Contract Amendment with Optony for the GovEV Program for an increase of \\$410,000 to a total of \\$800,000 and 16-Month Extension to a Total Contract Term of Approximately 4-years](#)
5. [Approval of Minutes from the July 27, August 24, and September 28, 2023 Board Meetings](#)

REGULAR AGENDA

6. Chair Report (Discussion)
7. CEO Report (Discussion)
8. CAC Report (Discussion)
9. Selection of Board of Directors Chair and Vice Chair (Action)
10. Approval of Revisions to the Net Energy Metering (NEM) Annual Cash Out Policy (Action)
11. Approval of Hybrid Approach Rate Setting Methodology (Action)
12. Discussion of Draft Load Management Standard (LMS) Plan for submission to California Energy Commission (CEC) (Discussion)
13. Approval of Revisions to Peninsula Clean Energy's Organizational Priority Number 1 of the Strategic Plan from "Delivering 100% Renewable Energy Annually by 2025" to "Delivering 100% Renewable Energy Annually by 2030 Through Strategic Procurement of Resources to Maximize Peninsula Clean Energy's 24/7 Hourly Renewable Matching Goal" (Action)

INFORMATIONAL REPORTS

14. Data and Technology Department Quarterly Report
15. Update on Legislative Activities
16. Account Services Quarterly Update
17. Report on California Community Power (CCP) Joint Powers Authority

ADJOURNMENT

Public records that relate to any item on the open session agenda are available for public inspection. The records are available at the Peninsula Clean Energy offices or on PCEA Website at: <https://www.peninsulacleanenergy.com>.

Instructions for Joining a Zoom Meeting via Computer or Phone

Best Practices:

- Please mute your microphone when you are not speaking to minimize audio feedback
- If possible, utilize headphones or ear buds to minimize audio feedback
- If participating via videoconference, audio quality is often better if you use the dial-in option (option 2 below) rather than your computer audio

Options for Joining

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

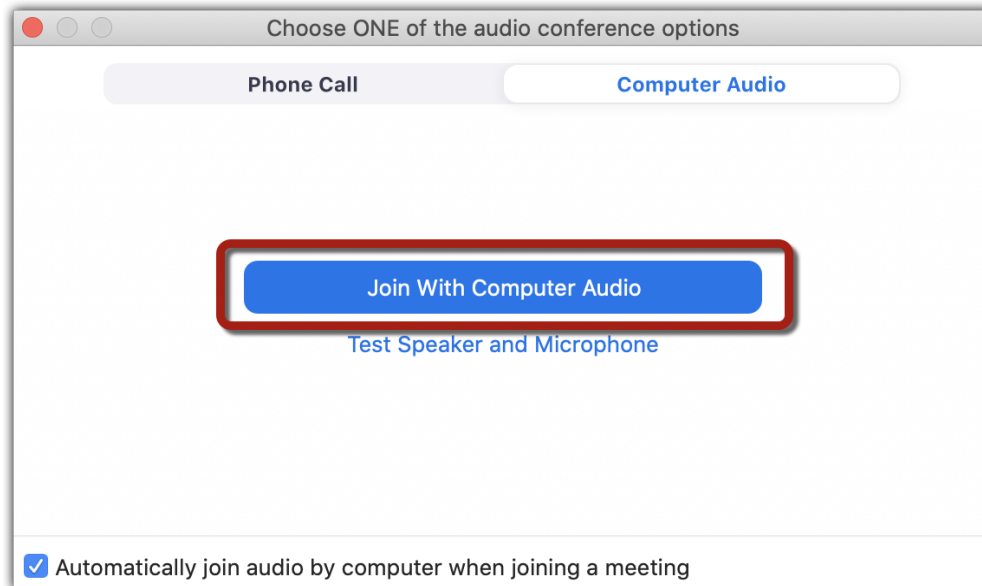
Videoconference Options:

Prior to the meeting, we recommend that you install the Zoom Meetings application on your computer by clicking here <https://zoom.us/download>.

If you want full capabilities for videoconferencing (audio, video, screensharing) you must download the Zoom application.

Option 1 Videoconference with Computer Audio:

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/87496649657>
- The Zoom application will open on its own or you will be instructed to open Zoom.
- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.



- Click the blue, "Join with Computer Audio" button.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Option 2 Videoconference with Phone Call Audio

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/87496649657>
- The Zoom Application will open on its own or you will be instructed to Open Zoom.

- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Phone Call option at the top of the pop-up screen.

Choose ONE of the audio conference options

Phone Call Computer Audio - Connected

Country/Region United States

Dial +1 669 444 9171
+1 719 359 4580
+1 720 707 2699
+1 253 205 0468
+1 253 215 8782

Meeting ID 827 7284 3517

Participant ID

Passcode 2075

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **874-9664-9657 followed by #.**
- You will be instructed to enter in your participant ID. Your participant ID is unique to you and is what connects your phone number to your Zoom account.
- After a few seconds, your phone audio should be connected to the Zoom application on your computer.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Audio Only Options:

Please note that if you call in/use the audio only option, you will not be able to see the speakers or any presentation materials in real time.

Option 3: Calling in via Telephone/Landline:

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **874-9664-9657 followed by #.**
- You will be instructed to enter your **Participant ID** followed by #. If you do not have a participant ID or do not know it, you can press # to stay on the line.
- You will be instructed to enter the meeting passcode **2075 followed by #.**



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 9, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: David A. Silberman, General Counsel
Jennifer Stalzer, Associate General Counsel

SUBJECT: Authorization of Peninsula Clean Energy's General Counsel to Execute with the Law Firm of Clean Energy Counsel, an Engagement Agreement Allowing for a Term from March 1, 2024 Through February 28, 2026 in an Amount Not-to-Exceed \$500,000

RECOMMENDATION

Adopt Resolution Authorizing Peninsula Clean Energy's General Counsel to execute with the law firm of Clean Energy Counsel, an engagement agreement allowing for a term from March 1, 2024 through February 28, 2026 in an amount not to exceed \$500,000.

BACKGROUND

The San Mateo County Attorney's Office provides legal services to the Peninsula Clean Energy Authority pursuant to a contract approved by the Board on March 24, 2016 and subsequently amended to extend the term and increase the amount.

Pursuant to that agreement, the County Attorney serves as General Counsel to the Board and has authority to retain services of outside counsel in an amount not to exceed \$25,000.

Certain projects important to Peninsula Clean Energy can benefit from time-to-time by the assistance of lawyers who focus primarily on those areas of law, including the litigation of complicated regulatory proceedings before the California Public Utilities Commission ("CPUC") and negotiation of complex power purchase agreements.

Peninsula Clean Energy's first outside counsel for power purchase agreements was Steve Hall, then of Troutman Sanders. Mr. Hall had worked with Marin Clean Energy and Sonoma Clean Power on their launches.

Subsequently, Winston & Strawn has been providing Peninsula Clean Energy with significant assistance in negotiating almost all of its Power Purchase Agreements since approval by the Board to retain its services on October 27, 2016. We have been very satisfied with that assistance to date.

However, it is beneficial to have the support of multiple law firms to address potential legal conflicts, because it has the potential to manage costs and allows Peninsula Clean Energy to explore different legal perspectives.

DISCUSSION

General Counsel and the CEO believe that Peninsula Clean Energy benefits from having the flexibility to work with multiple firms for PPA negotiations. Each firm has the potential to bring slightly different strengths to the table at varying costs. Further, the General Counsel and CEO believe that expanding the landscape of firms doing work for CCAs will benefit the community as a whole. In addition, it is possible that each firm could have potential conflicts that would prevent them from working with Peninsula Clean Energy on particular matters and/or be unavailable to provide services.

There is a relatively limited number of lawyers specializing in the negotiation of power purchase agreements. The transactions being negotiated are very complex and collectively worth many hundreds of millions of dollars and require a very high level of assistance from specialized lawyers. In 2021 the General Counsel, CEO and Director of Power Resources identified firms that might be able to supplement our current legal support.

We identified Clean Energy Counsel as well-qualified to assist Peninsula Clean Energy. We also interviewed two lawyers from the firm and checked references with CCAs that have had prior experience working with the firm. In 2021, Peninsula Clean Energy executed an engagement letter with Clean Energy Counsel to provide legal services for a term of one year. On May 27, 2022, Peninsula Clean Energy's general counsel signed the engagement letter to extend the term to February 2024. Staff has had a positive experience working with Clean Energy Counsel and recommends extending the engagement agreement for two years.

The retention agreements do not obligate Peninsula Clean Energy to expend any particular sum of money on legal services. It provides a framework to access to those services as they become necessary.

Accordingly, we are asking the Board to authorize the General Counsel to execute an engagement agreement, for a total expenditure not to exceed \$500,000 for the period from March 1, 2024 to February 28, 2026.

FISCAL IMPACT

The financial impact of this contract will not exceed \$500,000.

STRATEGIC PLAN

This contract supports staff's ability to meet the following objectives in Peninsula Clean Energy's strategic plan:

- Priority 1: Design a power portfolio that is sourced by 100% renewable energy by 2025 that aligns supply and consumer demand on a 24/7 basis
- Objective B: Procure power resources to meet regulatory mandates and internal priorities at an affordable cost

ATTACHMENTS:

[Clean Energy Counsel Peninsula Clean Energy Engagement Letter 2024_Execution.docx](#)

RESOLUTION NO. _____

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF
CALIFORNIA**

**AUTHORIZATION OF PENINSULA CLEAN ENERGY'S GENERAL COUNSEL TO
EXECUTE WITH THE LAW FIRM OF CLEAN ENERGY COUNSEL, AN ENGAGEMENT
AGREEMENT ALLOWING FOR A TERM FROM MARCH 1, 2024 THROUGH FEBRUARY
28, 2026 IN AN AMOUNT NOT-TO-EXCEED \$500,000**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, the Peninsula Clean Energy Authority ("Peninsula Clean Energy") was formed on February 29, 2016; and

WHEREAS, the JPA Agreement forming Peninsula Clean Energy delegates to the Board the power to hire a General Counsel pursuant to Paragraph 3.3.2; and

WHEREAS, the San Mateo County Counsel's Office has been appointed General Counsel and has been delegated authority to retain outside legal services in amounts not to exceed \$25,000; and

WHEREAS, the General Counsel has determined it was necessary to seek outside legal services related to negotiation of Power Purchase Agreements.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the General Counsel is authorized to execute with the law firm of Clean Energy Counsel an engagement agreement for a term from March 2024 through February 2026 in an amount not to exceed \$500,000.

March 29, 2024

Via Email (dsilberman@smcgov.org.)

David Silberman
General Counsel
Peninsula Clean Energy

Re: Engagement for Legal Services

Dear David,

This letter sets forth the terms of the agreement (this "Agreement") under which Clean Energy Counsel, LLP ("CEC" or "we") will provide legal services to Peninsula Clean Energy ("Client" or "you").

1. **SCOPE OF REPRESENTATION.** Client engages CEC to provide legal advice, counseling and other legal services in connection with Power Purchase Agreement negotiations. We will provide legal services reasonably required to represent you. We will take reasonable steps to keep you informed of progress, and to respond to your inquiries. This Agreement does not cover litigation services of any kind, whether in court, arbitration, administrative hearings, or government agency hearings. Separate arrangements must be agreed to for those services. Services that you may request in the future with respect to this or any other matter will be performed pursuant to the terms of this Agreement.

2. **LEGAL FEES AND BILLING PRACTICES.** I will have primary responsibility for this representation and will utilize other attorneys and paralegals as may be appropriate on the initial matter. Unless otherwise agreed in writing for any matter, you agree to pay by the hour at our prevailing rates for all time spent on your matter by our legal personnel. My current hourly rate is \$630. Our current rates for other attorneys range from \$390 to \$710 per hour depending on experience and expertise, and our paralegal rate is \$270 per hour. Some of our attorneys work as independent contractors. We will include our charges for contract attorneys at their applicable hourly rates on our invoice to you, and we will be responsible for compensating them under a separate agreement.

Our hourly rates are subject to change in the future and do not require an amendment to this agreement, but we will provide you with prior written or email notice 30 days in advance of making any rate change. The time charged will include the time CEC spends on telephone calls relating to your matters, including calls with you and other parties and attorneys. The legal personnel assigned to your matters may confer among themselves, as required or appropriate and may charge for the time expended, as long as the work done is reasonably necessary and not duplicative. Likewise, if more than one of the legal personnel attends a meeting or other proceeding, each will charge for the time spent.

However, we understand that you are a public entity and expenditures must be approved by your Board. Further we understand that the authority you have to obtain legal services from us is currently limited to an amount not to exceed \$500,000 for the period from March 1, 2024 to February 28, 2026. Accordingly,

David Silberman
Peninsula Clean Energy
March 29, 2024

we will not charge you for legal services beyond that amount absent a written amendment to this agreement. Further we will notify you when we exceed a total of \$450,000 in billables.

3. COSTS AND OTHER CHARGES.

(a) Cost reimbursement generally. We may incur various costs and expenses in performing legal services under this Agreement. You agree to pay for those costs, disbursements and expenses that we reasonably incur upon your request or authorization in addition to the hourly fees. Such costs and expenses may include fees assessed by public agencies, long distance telephone charges, messenger and other delivery fees, postage, photocopying and other reproduction costs, local travel costs (such as parking and mileage) and other similar items.

(b) Out-of-town travel. You agree to pay for reasonable and economical transportation, meals, lodging and all other costs of any necessary, pre-approved out-of-town travel by our personnel. We shall obtain written Client approval prior to incurring or seeking reimbursement for any airline travel other than coach or economy classes, and lodging costs of more than double the amount of the Continental United States (CONUS) current rate as set forth in the Code of Federal Regulations.

(c) Consultants and Advisors. If we believe it is necessary to hire consultants or other advisors to assist with the matters covered by this Agreement, we will seek your approval before hiring them, and if you approve, you agree to pay their fees and charges.

4. BILLING STATEMENTS. We will send you periodic statements (normally on a monthly basis) for fees and costs incurred. Billing statements shall be itemized by task and contain sufficient detail, including: an explanation of the task performed and service provided; the amount of time spent on the task performed, billed in increments of one-tenth (1/10) of an hour; identification of the responsible attorneys and legal assistants; the matter name and number; the date of each task performed; and the billing rate for each timekeeper.

Each statement will be payable upon receipt, and we may charge you interest at the rate of 10% per year (0.833% per month) on any invoice that is not paid within 30 days of receipt if we have provided you notice of your failure to pay and you do not cure within 5 business days. Upon your reasonable request, we will provide an informational statement or up-to-date billing report through the date of the request.

5. RETAINER. We do not require a retainer at this time. However, we may require a retainer at a later time if invoices are not being paid in a timely manner.

6. TERM OF ENGAGEMENT. Either of us may terminate this Agreement and our engagement hereunder at any time for any reason by written notice, subject on our part to applicable rules of professional conduct. If we terminate the engagement prior to its conclusion, we will take reasonable steps to protect your interest in any matters as to which we are then representing you.

7. DISCLAIMER OF GUARANTEE AND ESTIMATES. Nothing in this Agreement and nothing in CEC's statements to Client will be construed as a promise or guarantee about the outcome of any matter. CEC makes no such promises or guarantees. CEC's comments about the outcome of any matter are expressions of opinion only. Unless otherwise specified, any estimate of fees given by CEC is not a guarantee. Actual fees may vary from estimates given.

David Silberman
Peninsula Clean Energy
March 29, 2024

8. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties. No other agreement, statement, or promise made on or before the effective date of this Agreement will be binding on the parties.

9. SEVERABILITY IN EVENT OF PARTIAL INVALIDITY. If any provision of this Agreement is held in whole or in part to be unenforceable for any reason, the remainder of that provision and of the entire Agreement will be severable and remain in effect.

10. MODIFICATION IN WRITING. Any amendment or modification of, or consent or waiver in respect of, this Agreement must be in writing and signed or acknowledged electronically by both parties (or in a case of a consent or waiver, by the party consenting or waiving the claim or right) or an oral agreement only to the extent that the parties carry it out. For purposes of this Agreement, "writing" includes a communication transmitted by email by one party and acknowledged and agreed by the other party in a return email. So, any subsequent agreements, consents or waivers (including informed consents to and waivers of conflicts of interest), may be acknowledged and approved in emails exchanged by our respective authorized representative(s).

11. CONSENT TO REPRESENTATION OF OTHER CLIENTS. The firm represents many other companies and individuals. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you, even if the interests of such clients in those other matters may be directly or indirectly adverse to you. In addition, we often are asked by clients to advise on nondisclosure or confidentiality agreements ("NDAs") where another client is the counterparty. You agree, and by signing below provide your informed consent to (i) our advising you on an NDA where another CEC client is your counterparty under that NDA, and (ii) our advising another client on an NDA where you are a counterparty under that NDA, provided, however, that we will not advise both you and the other client as counterparties to the same NDA. We also agree that the prospective consent to conflicting representation contained in this paragraph shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. You should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to preserve our ability to represent you.

12. LIMITED LIABILITY PARTNERSHIP. CEC is a limited liability partnership ("LLP"). Similar to the corporate form of business organization, the LLP form generally limits the liability of the individual partners of CEC to the capital they have invested in CEC for claims arising from services performed by CEC. Our form of organization as an LLP will not diminish the ability to recover damages from CEC or from any individuals who directly caused the loss.

13. PUBLIC IDENTIFICATION OF CLIENT. CEC sometimes identifies clients in presentation to prospective clients or in various public communications, including press releases, our website, and other publications used to describe our firm, our lawyers and our capabilities. In connection with and as a part of such communications, we sometimes describe in generic terms the nature of work done for particular clients. If you do not wish us to refer to you or your representation in this fashion, please notify us upon receipt

David Silberman
Peninsula Clean Energy
March 29, 2024

of this letter. Otherwise, we will treat your retention of us as consent to reveal your name and, in generic terms, the nature of our work for you, as described above.

14. EFFECTIVE DATE; COUNTERPARTS; ELECTRONIC SIGNATURES. This Agreement will govern all legal services performed by CEC on behalf of Client. The date at the beginning of this Agreement is for reference only. Each party agrees that its electronically delivered signature shall be legally binding and enforceable.

We appreciate the opportunity to assist you.

Very truly yours,

Clean Energy Counsel, LLP

By: _____
Todd A. Larsen, Attorney

David Silberman
Peninsula Clean Energy
March 29, 2024

Client has read and understands the foregoing terms and agrees to them as of the date CEC first provided services. IF MORE THAN ONE CLIENT SIGNS BELOW, EACH AGREES TO BE LIABLE, JOINTLY AND SEVERALLY, FOR ALL OBLIGATIONS UNDER THIS AGREEMENT.

By signing this letter, Client acknowledges that it has been afforded the full opportunity to review it and seek the advice of independent counsel and has in fact consulted with independent counsel or chosen not to do so.

BY SIGNING THIS LETTER, CLIENT ACKNOWLEDGES THAT ANY ISSUE ARISING OUT OF OR RELATING TO CEC'S SERVICES (INCLUDING ANY CLAIM FOR PROFESSIONAL LIABILITY) MUST BE DECIDED IN ARBITRATION AS SPECIFIED IN SECTION 12 ABOVE AND THAT IT IS GIVING UP ITS RIGHT TO A JURY OR COURT TRIAL.

ACKNOWLEDGED and AGREED to

Dated: March 29, 2024

Peninsula Clean Energy

By: _____
Name: David Silberman
Title: General Counsel

David Silberman
Peninsula Clean Energy
March 29, 2024

RETAINER PAYMENT INSTRUCTIONS

ACH TRANSFER INSTRUCTIONS – CEC TRUST ACCOUNT:

JPMorgan Chase Bank NA
San Francisco California
ABA Routing Number: 322 271 627
Acct: 626 392 893

WIRE INSTRUCTIONS – CEC TRUST ACCOUNT:

ONLY USE THIS IF REQUESTING YOUR BANK TO SEND A FEDERAL WIRE

JPMorgan Chase Bank NA
270 Park Avenue
New York, NY 10017
Routing number: 021 000 021
Acct: 626 392 893



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 9, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: David A. Silberman, General Counsel Jennifer Stalzer, Associate General Counsel

SUBJECT: Authorization of Peninsula Clean Energy's General Counsel to Execute with the Law Firm of Sheppard, Mullin, Richter & Hampton LLP, an Engagement Agreement Allowing for a Term from January 1, 2024 Through December 31, 2025 in an Amount Not-to-Exceed \$1,700,000

RECOMMENDATION

Adopt Resolution Authorizing Peninsula Clean Energy's General Counsel to execute with the law firm of Sheppard, Mullin, Richter & Hampton LLP, an engagement agreement allowing for a term from January 1, 2024 through December 31, 2025 in an amount not-to-exceed \$1,700,000.

BACKGROUND

The San Mateo County Attorney's Office provides legal services to the Peninsula Clean Energy Authority pursuant to a contract approved by the Board on March 24, 2016, and subsequently amended to extend the term and increase the amount.

Pursuant to that agreement, the County Attorney serves as General Counsel to the Board and has authority to retain services of outside counsel in an amount not to exceed \$25,000.

Certain projects important to Peninsula Clean Energy can benefit from time-to-time by the assistance of lawyers who focus primarily on those areas of law, including the litigation of complicated regulatory proceedings before the California Public Utilities Commission ("CPUC") and negotiation of complex power purchase agreements.

Peninsula Clean Energy's first outside counsel for power purchase agreements was Steve Hall, then of Troutman Sanders. Mr. Hall had worked with Marin Clean Energy and Sonoma Clean Power on their launches.

Subsequently, Winston & Strawn has been providing Peninsula Clean Energy with significant assistance in negotiating almost all of its Power Purchase Agreements since approval by the Board to retain its services on October 27, 2016. We have been very satisfied with that

assistance to date. In April 2022, the attorneys that we've worked with at Winston & Strawn moved to a new law firm, Sheppard, Mullin, Richter & Hampton LLP. Based on the productive working relationship between Peninsula Clean Energy staff, Peninsula Clean Energy general counsel and the lawyers at Winston & Strawn, staff recommended executing a new engagement letter with the firm of Sheppard Mullin, to which the Winston & Strawn attorneys have moved.

On May 27, 2022, Peninsula Clean Energy general counsel renewed the Engagement Letter with Sheppard, Mullin, Richter & Hampton LLP, for a term between April 2022 to December 2023.

DISCUSSION

General Counsel and the CEO believe that Peninsula Clean Energy benefits from having the flexibility to work with multiple firms for PPA negotiations. Each firm has the potential to bring slightly different strengths to the table at varying costs. Further, the General Counsel and CEO believe that expanding the landscape of firms doing work for CCAs will benefit the community as a whole. In addition, it is possible that each firm could have potential conflicts that would prevent them from working with Peninsula Clean Energy on particular matters and/or be unavailable to provide services.

There is a relatively limited number of lawyers specializing in the negotiation of power purchase agreements. The transactions being negotiated are very complex and collectively worth many hundreds of millions of dollars and require a very high level of assistance from specialized lawyers. Therefore, it is important for staff and Peninsula Clean Energy general counsel to have a positive and productive working relationship with the lawyers representing Peninsula Clean Energy in these matters.

The retention agreements do not obligate Peninsula Clean Energy to expend any particular sum of money on legal services. It provides a framework to access to those services as they become necessary.

Accordingly, we are asking the Board to authorize the General Counsel to execute an engagement agreement, for a total expenditure not to exceed \$1,700,000 for the period from January 1, 2024 through December 31, 2025.

FISCAL IMPACT

The financial impact of this contract will not exceed \$1,700,000.

STRATEGIC PLAN

This contract supports staff's ability to meet the following objectives in Peninsula Clean Energy's strategic plan:

- Priority 1: Design a power portfolio that is sourced by 100% renewable energy by 2025 that aligns supply and consumer demand on a 24/7 basis
- Objective B: Procure power resources to meet regulatory mandates and internal priorities at an affordable cost

ATTACHMENTS:

[Sheppard Mullin Peninsula Clean Energy Engagement Letter 2024.pdf](#)

RESOLUTION NO. _____

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF
CALIFORNIA**

**AUTHORIZATION OF PENINSULA CLEAN ENERGY'S GENERAL COUNSEL TO
EXECUTE WITH THE LAW FIRM OF SHEPPARD, MULLIN, RICHTER & HAMPTON LLP,
AN ENGAGEMENT AGREEMENT ALLOWING FOR A TERM FROM JANUARY 1, 2024
THROUGH DECEMBER 31, 2025 IN AN AMOUNT NOT-TO-EXCEED \$1,700,000**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, the Peninsula Clean Energy Authority ("Peninsula Clean Energy") was formed on February 29, 2016; and

WHEREAS, the JPA Agreement forming Peninsula Clean Energy delegates to the Board the power to hire a General Counsel pursuant to Paragraph 3.3.2; and

WHEREAS, the San Mateo County Counsel's Office has been appointed General Counsel and has been delegated authority to retain outside legal services in amounts not to exceed \$25,000; and

WHEREAS, the General Counsel has determined it was necessary to seek outside legal services related to negotiation of Power Purchase Agreements.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the General Counsel is authorized to execute with the law firm of Sheppard, Mullin, Richter & Hampton LLP an engagement agreement for a term from January 2024 through December 2025 in an amount not to exceed \$1,700,000.

March 29, 2024

VIA EMAIL

David Silberman
Peninsula Clean Energy Authority
2075 Woodside Rd
Redwood City, CA 94061

Re: Engagement of Sheppard, Mullin, Richter & Hampton LLP

Dear David:

The purpose of this letter is to confirm our engagement by Peninsula Clean Energy Authority (the "Company") to represent it in connection with energy transactions (the "Matter"). We appreciate your confidence and thank you for selecting us as counsel.

1. Scope of Representation. Except as we may agree otherwise in writing, we will be representing only the Company and will not be representing any parent, subsidiary or other affiliated entity nor any shareholder, partner, member, director, officer, employee, agent or insurer of the Company. Except as we may otherwise agree, the terms of this letter apply to other engagements for the Company that we may undertake.

2. Fees and Charges. We regularly review our billing rates for adjustment effective on January 1 of each year and will provide you with 30 days advance notice in the event of any such change. The hourly rates at this time are \$1,450 for me, \$1,470 for Lisa Cottle and \$750 for Samantha Zurcher; however, we will provide a 10% discount off my rate and the rates of other attorneys expected to work on your matters. Our scheduled hourly rates for other attorneys range from \$605 to \$1,920. All of the above mentioned rates are subject to change in 2025. At this time, the Company is authorizing the incurrence of an amount of fees and costs not to exceed \$1,700,000 in the aggregate during calendar years 2024 and 2025. When we become aware of a reasonable likelihood that fees and/or costs under this agreement will exceed \$1,700,000, we will notify you at least 30 days before we incur fees and costs in excess of \$1,700,000. We will not charge you for legal services in excess of \$1,700,000 during calendar years 2024 and 2025 absent a written amendment to this agreement. In addition to fees, the Company is responsible for costs associated with our representation (collectively "Charges"). Charges include but are not limited to copy costs at \$.10 and \$.25 per page (B&W/color), legal and business research databases charged at retail less 10%, fees of governmental agencies and disbursements and/or charges for third parties, travel, postage delivery and other costs. Our standard practice is to have certain charges for outside retained services such as process service, court and deposition reporting and transcription services, expert witnesses, and investigation services invoiced to the Company directly. This letter constitutes the Company's agreement to pay all such invoices prior to delinquency and to hold us harmless from its failure to do so. Of course, to the extent such third party charges are paid directly by us they will be included in our statements.

Statements are submitted monthly and are due and payable upon receipt. Billing statements shall be itemized by task and contain sufficient detail, including: an explanation of the task performed and service provided; the amount of time spent on the task performed, billed in increments of one-tenth (1/10) of an hour; identification of the responsible attorneys and legal assistants; the matter name and number; the date of each task performed; and the billing rate for each timekeeper. The Company agrees to notify us promptly in writing if you dispute any entry for legal services or charges on any statement. In the absence of any written objection thereto within thirty (30) days of the Company's receipt of an invoice, the Company will be deemed to have accepted and acknowledged the invoice as correct through the period covered by the invoice. Pursuant to the Rules of Professional Conduct, we will withdraw from the representation if invoices are not paid per the terms of this agreement. Also, interest is charged at 10% per annum from date of statement for amounts outstanding more than sixty (60) days.

Unless we otherwise expressly agree in writing, any estimates we may provide from time to time and any deposits, retainers, or advances against costs we may require are not a limitation on our fees and other charges.

3. Advance Waiver of Conflicts of Interest. We undertake this engagement on the condition that the Company consents to our representation of existing clients or new clients in business negotiations, bankruptcy proceedings as co-creditors or in preference actions, transactions, discovery requests and related disputes we make on behalf of another Firm client, administrative proceedings, regulatory applications or other legal advice matters, even if the interests of the clients in those other matters are directly adverse to the Company's interests, provided that the matters are not substantially related to the current engagement for the Company and we do not have material confidential information. The Company agrees that we may represent other clients adverse to the Company in these matters so long as they are not substantially related to the legal matter(s) on which we represent the Company. Except as to third party discovery requests and related disputes, this waiver does not extend to litigation or any matter where we have material and relevant confidential information of the Company.

In particular, by signing this letter, the Company consents in advance to our representing a party in another matter that is adverse or becomes adverse to the Company in this matter, while at the same time we continue to represent the Company, provided that the other matter (1) is not substantially related to any matter we have handled or are handling for the Company and (2) does not involve the Company as a party. The Company agrees, however, that, in the event the Company or one of its affiliates is a bidder or potential purchaser of an asset, we may simultaneously represent other bidders or purchasers in that bidding process with the understanding that we will have separate lawyers represent each client. When relying on these advance waivers, we will notify the Company in advance of our intent to do so, to the extent permitted by the applicable rules of professional conduct.

In addition, an ethical wall will be established preventing all attorneys not involved in the representation of the Company from accessing the Company's files.

When clients are asked to waive a conflict of interest, they typically consider whether they are concerned that their lawyer will be less zealous by virtue of the conflict. In addition, clients typically consider whether there is a risk that their confidential information will be accessed and

either disclosed or used against them as a result of the conflicted representation. Because this waiver does not apply to litigations, arbitrations or other forms of alternative dispute resolution (except as to discovery proceedings), and because an ethical wall will be established preventing all attorneys not involved in the representation of the Company from accessing the Company's files or other confidential information, we believe this risk is minimal. This, however, is something that the Company needs to decide for itself. By consenting to this arrangement, the Company is waiving a portion of our obligation of loyalty to it so long as we maintain confidentiality and adhere to the foregoing limitations. We encourage the Company to consult other counsel concerning this waiver. By signing this letter, the Company acknowledges that it has had an opportunity to consult with other counsel. If you need additional time to do so, please let us know.

4. In-Firm Privilege. We may have occasion to seek legal advice about our own rights and responsibilities regarding our engagement by the Company. We may seek such advice from attorneys in our internal Office of the General Counsel who do not do work for the Company or from outside attorneys at our own expense. The Company agrees that any such communications and advice are protected by our own attorney-client privilege and neither the fact of any communication nor their substance is subject to disclosure to the Company.

5. Termination of Representation. The Company has the right to terminate our representation at any time. Subject to our ethical obligation to give the Company reasonable notice to arrange for alternate representation, we may terminate our representation at any time. Our work for the Company and our attorney-client relationship on any matter for which we are engaged will end upon the earliest of: our completion of our work on the matter; the passage of six (6) months without fees being billed on the matter (unless the matter remains active but we are waiting on a court, other tribunal, or administrative body to rule or act on a pending pleading, motion, request, or other submission); our sending the Company written notice that our representation has ended; or sending our final bill for services rendered. Upon the occurrence of any one of the foregoing, the Company will be deemed a former client on such matter for conflict purposes. That will be the case whether or not, as is not uncommon, we are designated to receive copies or courtesy copies of notices under one or more transaction documents. If you ask us to represent the Company on another matter, we may agree or decline to do so in our discretion.

6. Disclosures and Public Announcements. We will be permitted to disclose to third parties the fact that we represented the Company in transactions we complete on its behalf, and to describe in general terms our role, the services we performed, and the nature of the transaction. These disclosures may be made to current or prospective clients or to others, and may consist of announcements and advertisements placed at our own expense in legal, business, financial and other periodicals and publications.

7. Our Document Retention. It is our policy and practice to destroy our files seven (7) years after the file is first closed unless the client requests a shorter or longer retention period in writing. Files are generally closed at the conclusion of a lawsuit or completion of a transaction. In addition, the Company agrees that our work product including our internal emails, internal drafts, notes and mental impressions belong to us as lawyers and are not part of your client file.

8. Arbitration, Choice of Law and Forum. Arbitration has the potential to provide a more timely, more economic and more confidential resolution of any dispute between us. Any dispute between us concerning our fees or charges shall, if you so elect, be submitted to arbitration under the rules of the State Bar of California ("the Rules"), and shall be binding if (i) each of us so agrees after any such dispute arises, or (ii) such arbitration becomes binding under the Rules. Any dispute between us concerning our fees or charges not so submitted to binding arbitration under the Rules, or that remains unresolved after non-binding arbitration under the Rules and any other dispute between or among the Company and us or any of our attorneys and agents, including but not limited to claims of malpractice, errors or omissions, the scope or applicability of this agreement to arbitrate or any other claim of any kind regardless of the facts or the legal theories, shall be finally settled by mandatory binding arbitration in San Francisco with each party to bear its own costs and attorneys' fees and disbursements. The Arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures, except that notwithstanding anything to the contrary in the JAMS rules, full discovery shall be permitted as allowed by California Code of Civil Procedure section 1283.05. The arbitration shall commence when any party serves a demand for arbitration on the other party. Any arbitration hereunder, and all submissions, testimony, transcripts, evidence, etc., related to such arbitration, shall be kept confidential by all parties. Such arbitration shall be conducted before a single arbitrator, except in matters involving a dispute greater than One Million Dollars (\$1,000,000), which shall be conducted before a three-arbitrator panel. The Arbitrator(s) shall be appointed according to the JAMS rules. All arbitrators shall serve as neutral, independent and impartial arbitrators and must act in conformity with the rules of evidence and law. Judgment on a binding arbitration award may be entered in any court of competent jurisdiction. *We mutually acknowledge that, by this agreement to arbitrate, each of us irrevocably waives our rights to court or jury trial. The Company has the right to consult separate legal counsel at any time as to any matter, including whether to enter into this engagement letter and consent to the foregoing agreement to arbitrate.* The Company agrees that this agreement will be governed by the laws of California without regard to its conflict rules provided that nothing herein shall limit the full applicability of the Federal Arbitration Act. The foregoing arbitration provision shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. Subject in all cases to the arbitration provision set forth herein, the Company agrees that (i) with regard to the courts, exclusive jurisdiction and exclusive venue for any dispute between us shall lie solely with the California Superior Court for the county named above as the site for arbitration and the corresponding U.S. District Court and (ii) consents to service of process pursuant to the applicable California state statutes and federal rules.

If these terms are acceptable, please sign and return. If you have any questions or concerns, please call me or seek the advice of an independent counsel of your choice.

Once again, thank you for selecting us to represent the Company.

Sincerely,



Joseph M. Karp

for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

The undersigned has read and understands this engagement letter and agrees that it correctly sets forth the terms upon which Sheppard, Mullin, Richter & Hampton LLP has been engaged by the undersigned in connection with the representation described herein and has waived any conflict of interest on the part of this Firm arising out of the representation described above.

Peninsula Clean Energy

By: _____
David Silberman

Its:



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 20, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Phillip Kobernick, Senior Programs Manager, Transportation

SUBJECT: Approval of One EV Ready Program Fund Reservation Agreement, Providing Approximately \$100,000 in Customer Incentives to San Mateo Union High School District

RECOMMENDATION

Approval of one Fund Reservation Agreement, which will provide an expected total of approximately \$100,000 in customer incentives to install EV charging infrastructure for the San Mateo Union High School District, as part of the EV Ready Program.

BACKGROUND

In December 2018, the Board approved PCE's EV charging infrastructure program intended to accelerate EV adoption in San Mateo County. The program, later named the "EV Ready Program," provides incentives and no-cost technical assistance to eligible property types, which include: 1) Affordable Housing, 2) Multi-Unit Dwellings (such as apartments and condominiums), 3) Employee Charging, including fleet, and 4) All Publicly Accessible, Non-Residential Locations. The program provides incentives for several different EV charging types as part of the program's "right-speeding" strategy to install cost-effective charging options, depending on the use case. These incentivized charging options include: 1) Level 1 or Level 2 outlets, 2) Level 2 EV charging stations, 3) Make-Ready parking spaces, to encourage future-proofing, and 4) panel updates for multi-family property sites. These incentives range from \$1,000 to \$5,500 per charger, depending on property type, retrofit vs new build projects, and charging type.

Customers apply for EV Ready incentives online, which is reviewed and approved by Peninsula Clean Energy staff. Once approved, a Fund Reservation Agreement, which outlines the EV Ready Program standards and requirements, is distributed via DocuSign and executed by the customer and the Peninsula Clean Energy CEO. Fund Reservation Agreements are presented to the Board of Directors prior to execution by the Peninsula Clean Energy CEO when individual Agreements are valued at \$100,000 or more.

DISCUSSION

In the prior month, Peninsula Clean Energy received one EV Ready application in which the Fund Reservation Agreement is expected to exceed \$100,000 in incentives and is presented to the Board of Directors for approval.

Following approval by the Board of Directors, this project's Fund Reservation Agreement will be executed by the Peninsula Clean Energy CEO and the customer will proceed to install their EV charging infrastructure and file for reimbursement from Peninsula Clean Energy upon completion in the future, subject to the EV Ready Programs Standards and Requirements.

Details of the Fund Reservation Agreement is included below. This incentive application is being submitted by the San Mateo Union High School District to support their efforts to transition to an EV fleet. The Peninsula Clean Energy funding is one of several funding sources for a project to install approximately 30 total chargers at this location.

| Property Type | Total Expected Reserved Funds | Total Charge Ports Expected | City |
|------------------------------------|-------------------------------|-----------------------------|-----------|
| Employee Parking (Including Fleet) | \$100,000 | 30 | San Mateo |

FISCAL IMPACT

Funding for this project is included in the Board-approved EV Ready Program.

STRATEGIC PLAN

Goal 3 – Community Energy Programs:

- Objective A: Develop market momentum for electric transportation
 - Key Tactic 1: Drive personal electrified transportation to majority adoption
- Objective B: Deliver tangible benefits throughout our diverse communities
 - Key Tactic: Expand charging access and equity to low income communities

ATTACHMENTS:

[EV Ready Incentive - Funds Reservation Agmt SMUHSD.pdf](#)

RESOLUTION NO. _____

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF
CALIFORNIA**

**APPROVAL OF ONE EV READY PROGRAM FUND RESERVATION AGREEMENT,
PROVIDING APPROXIMATELY \$100,000 IN CUSTOMER INCENTIVES TO SAN MATEO
UNION HIGH SCHOOL DISTRICT**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, Peninsula Clean Energy was formed on February 29, 2016; and

WHEREAS, expanding access to charging increases adoption of electric vehicles to reduce greenhouse gasses and is part of Peninsula Clean Energy's program roadmap approved by the Board; and

WHEREAS, in December 2018, the Peninsula Clean Energy Board of Directors approved the EV charging infrastructure program, which came to be called the "EV Ready" program; and

WHEREAS, eligible applicants are approved for EV Ready program incentives, subject to the EV Ready Program Standards & Requirements; and

WHEREAS, approved applicants in the EV Ready program are required to execute a Fund Reservation Agreement to secure their financial incentives; and

WHEREAS, per Peninsula Clean Energy policy, Agreements valued at or above \$100,000 require approval by the Peninsula Clean Energy Board of Directors; and

WHEREAS, one EV Ready incentive application to San Mateo Union High School District, whose Fund Reservation Agreement is expected to be valued at or above \$100,000 in value was received by Peninsula Clean Energy in the prior month; and

WHEREAS, the Board wishes to delegate to the Chief Executive Officer authority to finalize and execute the Fund Reservation Agreement in the EV Ready program to provide incentives.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to execute a customer Fund Reservation Agreement in the EV Ready program to provide incentives for an expected total of approximately \$100,000 to the San Mateo Union High School District in a form approved by the General Counsel.



**Peninsula Clean Energy
Electric Vehicle Ready Program
Fund Reservation Agreement**

| | |
|-----------------------|-----------------------------|
| Applicant First Name | Kelly |
| Applicant Last Name | Hubbard |
| Title | Transportation Director |
| Organization | San Mateo Union High School |
| Email | |
| Phone Number | |
| Proposed Site Address | 991 E Poplar Ave |
| City | San Mateo |
| Zip Code | 94401 |
| Service Agreement ID | |
| Project ID | |

EV Charging Infrastructure Project Description:

| | |
|--------------|--|
| Project Type | Existing, Employee Parking (including Fleet) |
|--------------|--|

| | Level 1 Outlets | Level 2 Outlets | Level 2 Charge Ports | Make Ready Ports |
|-------------------|-----------------|-----------------|----------------------|------------------|
| Submitted # Ports | | | 16 | 10 |
| Reserved Funds | \$ | \$ | \$ 80,000 | \$ 20,000 |

| | |
|---------------|----|
| Panel Upgrade | \$ |
|---------------|----|

Total Reserved Funds

\$100,000

Notes

Total project is appx. 30 charge ports and includes other funding sources

Peninsula Clean Energy Authority ("PCEA") cannot guarantee rebate funds beyond what was reserved nor can rebate funds exceed 100% of the total project costs. Final projects with less ports than projected will only receive rebates for installed ports, up to the amount reserved.

By signing below, the site owner ("Site Owner") or, if the property is owned by a commercial or corporate entity, the representative of the ownership entity ("Owner Representative") agrees to the "Electric Vehicle (EV) Ready Program" ("Program") Terms & Conditions. If neither Site Owner nor Owner Representative executes the Agreement, the applicant ("Applicant") certifies that a

Designated Applicant Assignment form was completed and submitted to PCEA to verify that the Site Owner or Owner Representative has designated the applicant ("Designated Applicant") authority to represent the Site Owner in the Program and execute all legal agreements as required by the Program.

The undersigned here is the: ☐ Site Owner or Owner Representative OR ☐ Designated Applicant

[DocuSign]

Applicant Signature

Date

Peninsula Clean Energy Representative Signature Title

Date

Peninsula Clean Energy EV Ready Program Terms and Conditions

1. **ELIGIBILITY:** Peninsula Clean Energy Authority offers a rebate to eligible PCEA customers or their designees (Applicant) installing EV Charging Infrastructure through the EV Ready Program. Applicants eligible to receive rebates under the Program must (1) abide by the terms and conditions listed herein; (2) have the EV charging port(s) metered through a PCEA account number; (3) comply with Program Standards and Requirements ("Program Requirements") in Appendix A; (4) provide PCEA with Required Installation Verification Documents as specified in the Program Requirements upon completion of the project.
2. **REBATE RESERVATION TERM AND AMOUNT:** The amounts of the rebates for which qualifying projects are eligible are outlined in Program Requirements. Rebate funds are reserved upon execution of this Agreement up to the maximum amount identified in the Program Requirements based on the "EV Charging Infrastructure Project Description" (hereinafter, the Project, see page 1 above). The funds are reserved according to the Fund Reservation Period timelines outlined in the Program Requirements and any modifications to the timelines are at the discretion of PCEA. Rebates will be paid to eligible Rebate Recipient once installation is verified as complete by PCEA. The final amount of the rebates will be the actual eligible costs of verified EV Charging Infrastructure installed or the maximum amount reserved, whichever is less.
3. **DISCRETION ON VERIFICATION:** Determinations regarding verification pursuant to paragraph (1) and paragraph (2) of these Terms and Conditions, shall be determined at PCEA's complete and exclusive discretion.
4. **REBATE RECIPIENT:** The Applicant may direct the rebate funds to any Rebate Recipient, who is a single vendor or service provider incurring costs for the Project up to the amount of documented costs incurred by that Rebate Recipient. The Rebate Recipient shall be identified in the Installation Verification Form submitted upon project completion to request disbursement of the rebate.
5. **NO GUARANTEES:** PCEA makes no guarantee, representations or warranties, expressed or implied, regarding the implementation or use of EV Charging Infrastructure and equipment purchased or installed pursuant to this PCEA Program. Customer is solely responsible for any liability, legal or otherwise, arising from the installation, operation, and maintenance of its selected EV Charging Infrastructure.
6. **EVSE PACKAGE:** Upon approval of the Funds Reservation Agreement by PCEA, for Level 2 EV Charging Ports, as defined in Appendix A, Program Requirements, the Customer shall select and procure EV Supply Equipment (EVSE), software, and network services as required and in compliance with the Equipment Requirements outlined in the Program Requirements. Customer shall install, operate and maintain the number and type of the EVSE unit(s) (defined in Program Requirements), associated equipment, and signage as selected by Customer and approved by PCEA. Customer acknowledges that:
 - a. For all Level 2 EV charging port(s) included in the project, the Customer agrees to purchase a) a minimum 2-year software and networking service agreement and b) a maintenance contract or a 3-year warranty with the Electric

Vehicle Servicer Provider (EVSP) or Original Equipment Manufacturer (OEM) providing the EVSE to the Customer.

7. **ADDITIONAL SERVICES FROM ELECTRIC VEHICLE SERVICE PROVIDER (EVSP):** Separate and apart from the Funds Reservation Agreement and PCEA's obligations under the Program, the EVSP may offer and contract directly with the Customer to provide any additional or complementary services, as long as these services do not interfere with the objectives of the Program. PCEA is not responsible for the costs of additional EVSP services or any cost related to operations and maintenance of any additional EVSP services.
8. **INSTALLATION OF EV CHARGING INFRASTRUCTURE:** Customer is responsible for covering all upfront costs of the installation of the EV Charging Infrastructure. Upon completion of installation of the EV Charging Infrastructure, Site Owner understands it is responsible for the operation and maintenance of the EV charging port(s) installed.
9. **CONTRACTOR REQUIREMENTS:** All work performed on projects under this agreement shall be done by contractors who hold a valid California C-10 license. PCEA reserves the right to amend and change contractor requirements at any point during the program.
10. **EV DRIVERS RIGHT TO ACCESS:** Customer may limit the availability of the EV Charging Infrastructure to its employees or tenants. Under the Program, Customer may elect to make the EV Charging Infrastructure available for use by the general public. Customer shall not restrict access to use of the EV Charging Infrastructure for reasons including, but not limited to, race, color, religion, age, sex, national origin, ancestry, physical or mental disability, or any basis prohibited by applicable law.
11. **APPLICABLE LAWS:** Customer is solely responsible for ensuring that the EV Charging Infrastructure is installed and operated in compliance with all applicable local, state, and federal laws.
12. **EV CHARGING PORT(S) OPERATION AND MAINTENANCE:** Customer will pay all ongoing costs associated with the EV Charging Infrastructure. Customer shall maintain a consistent uptime for the EV Charging Port(s) installed. Customer shall maintain the common area immediately surrounding the EV Charging Infrastructure in good condition, ordinary wear and tear accepted, and will promptly notify PCEA of any problems it is aware of related to the EV Charging Infrastructure. Such maintenance by Customer of the immediately surrounding common areas shall include, but not be limited to, pavement maintenance. Customer shall promptly notify PCEA if Customer will no longer maintain the installed EV Charging Infrastructure and/or the installed EV Charging Infrastructure is being removed from Customer's site. Uninterrupted service is not guaranteed, and Pacific Gas & Electric (PG&E) may interrupt service and access to the EV Charging Infrastructure when necessary to ensure safety or to perform maintenance as dictated by utility easement agreements and requirements.
13. **PERMISSION TO USE DATA:** For all EV Charging Infrastructure installed that are capable of collecting and reporting usage and utilization data, Site Owner agrees to allow PCEA and its authorized Contractors to access, collect, use, and report EV Charging Infrastructure usage and utilization data gathered as a part of the Program for use in regulatory reporting, ordinary business use, industry forums, case studies, or other similar activities, in accordance with applicable laws and regulations. PCEA and its authorized Contractors shall have access to the EV Charging Infrastructure usage and utilization data indefinitely and in accordance with all applicable laws, including but not limited to PCEA privacy guidelines and relevant regulatory decisions.
14. **DEMAND RESPONSE and LOAD SHAPING PROGRAMS:** Customer agrees that PCEA may, at its discretion enroll all networked EV charging port(s) units installed under the Program in any future demand response, grid optimization, and/or load shaping programs implemented by PCEA. Future load shaping program will, by design, not incur any additional costs or expenses to Customer. The load shaping program will aim to curtail energy usage for each charging port during a predefined period established by PCEA. These curtailments will be designed to minimally impact EV drivers that are charging during these times whenever possible. Customers will be provided an appropriate mechanism to opt-out before the program is implemented.
15. **TAX LIABILITY and CREDITS:** PCEA is not responsible for any taxes which may be imposed on Customer as a result of the rebates provided within the Program. Site Owners receiving incentives from either the Program and/or other regional organizations, including, but not limited to, the Bay Area Air Quality Management District, that have been facilitated through assistance from PCEA are required to designate their Low Carbon Fuel Standard (LCFS) credits to PCEA. Customer attests they are releasing their rights to report and claim credits in the LCFS and are designating credits in the LCFS to PCEA

(FEIN 81-2708786) on an ongoing basis. Customer will inform third-party entities when necessary, including CARB, that the LCFS credits generated by their installed EVSE are designated to PCEA on an ongoing basis. Customer will provide the EVSE usage and electricity data to PCEA for LCFS reporting pursuant to CARB sections 95483.2(b)(8), 95491 and 95491.1. Customer will provide PCEA with ongoing access to EV charging data through the use of a login to the online account and/or an application program interface (API), a dashboard with exportable data files, or other means to access the charging data.

16. **DISPUTES:** Except where otherwise limited by law, PCEA reserves the right, at its sole discretion, to make final determinations regarding any disputed issues about the Program, including but not limited to eligibility and rebate amounts. In the event of a dispute that cannot be remedied by the parties, any court filings and/or proceedings shall be venued in San Mateo County, California. PCEA shall in no case be responsible for the legal costs of Site Owner and/or Designated Applicant.
17. **PROGRAM CHANGES:** PCEA reserves the right to change, modify, or terminate the Program at any time without any liability except as expressly stated herein. PCEA will honor all written commitments made in the Funds Reservation Agreement provided to Customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the timeframe specified within the Program Requirements.
18. **PROGRAM EXPIRATION:** The Program will expire upon the earliest to occur: (i) December 31st, 2024, (ii) when funds are depleted, or (iii) when the program is terminated by PCEA.
19. **INDEMNIFICATION:** Applicant agrees to indemnify, defend, and hold PCEA, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Customer's negligence, recklessness or willful misconduct while participating in the PCEA Program.
20. **ACKNOWLEDGEMENTS:** Customer shall acknowledge PCEA as a funding source of the installed EV Charging Infrastructure each time Customer's activities related to the EV Charging Infrastructure are published in any news media, press release, brochures, or other type of public communication or promotional material. The acknowledgement of PCEA's support as a funding source, whether in whole or in part, shall include language such as: "Funding for [Customer Site Name]'s charging station(s) provided by Peninsula Clean Energy." If Customer is receiving funding from multiple organizations, Customer may use one statement conforming to the format listed above and include all organizations from which funding is received. PCEA also reserves the right to install stickers, signage, or other advertisement mechanism on the EV charging port(s) funded or facilitated by PCEA.
21. **CUSTOMER DISCLOSURE AUTHORIZATION:** By signing the Funds Reservation Agreement, Applicant confirms they are the authorized representative for the electric account holder identified in the Funds Reservation Agreement and authorized PCEA to disclose Customer's account status and participation in the PCEA Program. If Applicant is not the authorized representative for the electric account holder identified in the Funds Reservation Agreement, the Applicant certifies that they have submitted a Third Party Designated Applicant Assignment Form to verify that the Site Owner has delegated authority to the Applicant to represent the Site Owner and execute the Funds Reservation Agreement.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 20, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Phillip Kobernick, Senior Programs Manager, Transportation

SUBJECT: Approval of Contract Amendment with Optony for the GovEV Program for an increase of \$410,000 to a total of \$800,000 and 16-Month Extension to a Total Contract Term of Approximately 4-years

RECOMMENDATION

Delegate authority to the CEO to sign the agreement with Optony for an increase of \$410,000 to a total of \$800,000 and 16-month extension to a total contract term of approximately four years.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in its service territory and aims to support this mission through investment in local community programs. In support of this effort, the Board approved the Peninsula Clean Energy Program Roadmap in September 2018, which identifies programs for 2019 and beyond to include transportation electrification measures, such as new and used vehicle purchase incentives, a multi-year electric vehicle (EV) infrastructure program, fleets, e-bikes, and shared mobility.

Transportation emissions remain a significant challenge to deep decarbonization in San Mateo County, accounting for roughly half of direct emissions within the County. Approximately 40% of transportation emissions are from local commercial, rental, and government fleets that range from light-duty passenger vehicles to heavy-duty trucks.

In November 2020, the Peninsula Clean Energy Board of Directors approved a proposal to develop a Local Government Fleets Program, later called the "GovEV" program including technical assistance to public fleets, incentives, and a vehicle-to-building bidirectional charging demonstration project. And in August 2022, the Board of Directors approved a contract with Optony to provide technical assistance to municipal fleets as part of the GovEV program.

DISCUSSION

The GovEV program is designed to accelerate public agency fleet transition to EVs through actionable technical assistance and incentives. The technical assistance in the GovEV

program is providing public fleet managers with the tools they need to prepare for a fleet-wide transition to electric vehicles and construction design assistance to plan and execute a project to install EV charging stations at a fleet facility. This assistance is particularly valuable to public agencies as the California Air Resources Board's Advanced Clean Fleets Regulation, requiring that at least half of fleet purchases to be electric, is now in effect as of the start of 2024.

The full technical assistance package available to public fleet managers is outlined below:

1. **Fleet Replacement Plan and Charging Needs Assessment** . An analysis of the fleet and vehicle uses and replacement plan that identifies electric vehicle alternatives and their total cost of ownership and cost benefit through electrification. The replacement plan also estimates the types and quantities of chargers needed to fuel the EV fleet, by each fleet location.
2. **Charging Infrastructure Plan**. An assessment of a public fleet facility, chosen by the agency, and project plans for the installation of EV charging stations.
3. **Construction engineering**. Stamped electrical drawings and other site designs to expedite project planning and permitting, if requested by the fleet manager.
4. **Funding plan**. Recommended rebate and funding opportunities appropriate for the project.
5. **Charge Optimization Plan**. An analysis of unmanaged and managed charging costs to provide the fleet manager a complete understanding of EV fleet operating costs.

Fleets also have the option to utilize an Energy Management System to minimize ongoing costs through charge management. Peninsula Clean Energy is covering the upfront costs and a year of subscription costs.

The GovEV program was originally intended to assist 6-9 fleets over three years. However, due to demand from local public agencies, 10 fleets have already enrolled, outlined below. The contract amendment, for approval by the Board of Directors, will add an additional \$410,000, allowing the program to serve at least 15 fleets.

Fleets Currently Enrolled in the GovEV Program:

1. Brisbane
2. Burlingame
3. Daly City
4. East Palo Alto
5. Foster City
6. Menlo Park
7. Millbrae
8. San Carlos
9. San Mateo
10. South San Francisco

FISCAL IMPACT

Up to \$800,000 over approximately 4 years for the GovEV program, as approved in the Programs budget.

STRATEGIC PLAN

Goal 3 – Community Energy Programs

Objective A: Decarbonization Programs: Develop market momentum for electric transportation and initiate the transition to clean energy buildings

- Key Tactic 2: Bolster electrification of fleets and shared transportation
- Key Tactic 5: Support local government initiatives to advance decarbonization

Objective C: Innovation and Scale: Leverage leadership, innovation, and regulatory action for scaled impact

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization

ATTACHMENTS:

[GovEV Optony Amendment 1](#)

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

APPROVAL OF CONTRACT AMENDMENT WITH OPTONY FOR THE GOVEV PROGRAM FOR AN INCREASE OF \$410,000 TO A TOTAL OF \$800,000 AND 16-MONTH EXTENSION TO A TOTAL CONTRACT TERM OF APPROXIMATELY 4-YEARS

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, Peninsula Clean Energy was formed on February 29, 2016; and

WHEREAS, Peninsula Clean Energy has as a strategic objective supporting the decarbonization of San Mateo County; and

WHEREAS, local government fleets are a source of greenhouse gasses and significant source of exposure to vehicles; and

WHEREAS, local governments have an interest in electrifying their fleets to implement climate action plan measures; and

WHEREAS, local governments face significant challenges purchasing electric vehicles and implementing associated charging systems; and

WHEREAS, electrifying all powered modes of transportation to reduce greenhouse gasses is part of PCE's program roadmap as approved by this Board; and

WHEREAS, in November 2020, the Peninsula Clean Energy Board approved a Local Government Fleet Program, later named the "GovEV" program, to provide incentives and

technical assistance to local public fleets; and

WHEREAS, in August 2022, the Peninsula Clean Energy Board awarded a contract to Optony in the amount of \$390,000, to assist in implementation of the GovEV Program.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to finalize and execute the contract amendment in the GovEV program with Optony for a 16-month extension and to increase the contact amount by \$410,000 for a total of \$800,000 in a form approved by the General Counsel.

AMENDMENT NO. 1 TO AGREEMENT BETWEEN PENINSULA CLEAN ENERGY AUTHORITY AND OPTONY

THIS AMENDMENT TO THE AGREEMENT, entered into this 1st day of March, 2024 by and between PENINSULA CLEAN ENERGY AUTHORITY, a California joint powers authority, hereinafter called "PCE," and Optony hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, the parties entered into an Agreement on August 26, 2022, for the purpose of Contractor's Public Fleet electrification technical assistance and energy management ("Agreement"); and

WHEREAS, the parties wish to amend the Agreement to increase the maximum amount by \$410,000 to an amount not to exceed \$800,000.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

- 1. The text of "Section 4 Term" shall be replaced in its entirety with the following:**

Subject to compliance with all terms and conditions, the term of this Agreement shall be from September 1, 2022 through December 31, 2026.

- 2. The text of "Section 3 Payments" shall be replaced in its entirety with the following:**

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed is unacceptable. In no event shall PCEA's total fiscal obligation under this Agreement exceed eight hundred thousand (\$800,000) dollars. In the event that the PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

- 3. The text of "Exhibit B" shall be replaced in its entirety with the attached Exhibit B (revised March 15, 2024).**

- 4. Except as expressly amended herein, all other provisions of the Agreement shall remain in full force and effect.**

5. This Amendment No. 1 shall take effect upon the date of execution by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as set forth below.

Peninsula Clean Energy Authority

By: _____
Shawn E. Marshall, CEO

Dated: _____

By: _____

Name: _____

Title: _____

Dated: _____

Exhibit B

Revised March 15, 2024

In consideration of the services provided by Contractor described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Contractor based on the following fee schedule and terms:

1. Payments will not exceed the contact total of \$800,000, further outlined below.
 - a. Project Deliverables Budget: \$525,750
 - b. Project Administration: \$90,000
 - c. The Mobility House Energy Services: \$104,805
 - d. Contingency: \$79,445
 - e. Total not to exceed: \$800,000
2. Contractor will invoice Peninsula Clean Energy on a monthly basis according to the fixed fees on a milestone (or percentage completed of each milestone) basis in the Project Deliverables Budget Summary table below.
3. Contractor will invoice Peninsula Clean Energy for Administrative expenses, not to exceed \$90,000, on a monthly basis, based on the rates below.
4. Payment terms shall on a net-30 basis.

Project Deliverables Budget Summary:

| Fleet Size (Vehicles) | Fleet Replacement Plan & Energy Needs Assessment | Charging Infrastructure Plan | Site Designs | Charging Schedule and Optimization Plan | Total |
|---------------------------|--|------------------------------|--------------|---|---------------------------------------|
| Small: 1-199 | \$10,000 | \$8,000 | \$7,750 | \$6,000 | \$31,750 per fleet |
| Medium: 200-400 | \$14,000 | \$10,000 | \$10,000 | \$6,000 | \$40,000 per fleet |
| Total Deliverables Budget | | | | | \$525,750 for approximately 15 fleets |

The Mobility House Energy Services Summary:

| ChargePilot Starter kits & hardware* | | Qty | MSRP | Discount | Discounted Price/Site | Total |
|--|-----------------------------------|------------|------------|--------------------|-----------------------|-------------------|
| One-time | ChargePilot AC/DC Starter Kit | 1 per site | \$4,900.00 | 15.00% | \$4,165 | \$4,165 |
| One-time | Dynamic add-on package | 1 per site | \$1,950.00 | 15.00% | \$1,657 | \$1,657 |
| Commissioning* | | Qty | MSRP | Discount | Discounted Price/Port | Total |
| One-time | Charge port commissioning 0-50 kW | 5 ports | \$275.00 | 15.00% | \$233 | \$1,165 |
| Software | | Qty | MSRP | Discount | Your Price | Total |
| One year of ChargePilot Fleet Charging & Energy Management | | 1 yr | \$600.00 | 100.00% | \$- | \$- |
| *Assumes an average first phase charger deployment of 5 charge ports under 50 kW | | | | Total per fleet | | \$6,987 per fleet |
| | | | | Total for 15 sites | | \$104,805 |

Annual Renewal Costs for Fleets (starting after year 1, if a fleet chooses to renew):

| Subscription Level | Annual Cost per Charge Port |
|--------------------------------------|-----------------------------|
| Primary Charging & Energy Management | \$408 |
| Dynamic Charging & Energy Management | \$510 |
| Fleet Charging & Energy Management | \$612 |

The Mobility House Energy Services includes:

1. ChargePilot Starter Kit
2. ChargePilot Dynamic Add-on Kit
3. Commissioning, including training on the ChargePilot system made available to the fleet
4. 1 year of Fleet Charging and Energy Management

Hourly Administrative Budget Summary:

| Company | Position | | | | |
|---------|-----------|----------|-----------------|----------|----------------------------|
| | Principal | Director | Senior Engineer | Engineer | Analyst or Project Manager |
| Optony | \$325 | \$225 | \$225 | \$185 | \$185 |



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 16, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Nelly Wogberg, Board Clerk
SUBJECT: Approval of Minutes from the July 27, August 24, and September 28, 2023 Board Meetings

RECOMMENDATION

Approve Minutes from the July 27, August 24, and September 28, 2023 Board Meetings

ATTACHMENTS:

[07-27-2023 BOD Final Draft Minutes.docx](#)
[08-24-2023 BOD Final Draft Minutes.docx](#)
[09-28-2023 BOD Final Draft Minutes.docx](#)



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

Thursday, July 27, 2023
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 6:34 p.m. in virtual teleconference, in the Peninsula Clean Energy Authority lobby and in the Los Banos City Hall Conference Room A.

ROLL CALL

Participating:

Ray Mueller, San Mateo County, arrived at 6:40 p.m.
Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*, arrived at 6:58 p.m.
Carlos Romero, East Palo Alto
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough
Betsy Nash, Menlo Park
Anders Fung, Millbrae
Tygarjas Bigstyk, Pacifica
Craig Taylor, Portola Valley, arrived at 7:15 p.m.
Elmer Martinez Saballos, Redwood City, participating remotely under AB 2449's "just cause" exemption
Marty Medina, San Bruno
Amourence Lee, San Mateo, participating remotely under AB 2449's "just cause" exemption
James Coleman, South San Francisco
Jennifer Wall, Woodside

Absent:

Dave Pine, San Mateo County
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Sam Hindi, Foster City
Paul Llanez Faria, Los Banos
John Dugan, San Carlos

A quorum was established.

PUBLIC COMMENT

David Mauro

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

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

1. Approval of the Minutes for the June 22, 2023 Board of Directors Meeting
2. Approval of Contract Renewal Between Peninsula Clean Energy and Maher Accountancy for the Period of July 1, 2023 Through June 30, 2024 in an Amount Not-to-Exceed \$258,150
3. Approval of the Revised Employee Handbook, Version 5

MOTION PASSED: 15-0 (Absent: San Mateo County, Burlingame, Colma, Daly City, Foster City, Los Banos, Portola Valley, San Carlos)

| 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 Mates | 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 Aalfs | | | | X |
| Redwood City | Director Martinez Saballos | X | | | |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Lee | X | | | |
| South San Francisco | Director Coleman | X | | | |
| Woodside | Director Wall | X | | | |
| Total: | | 15 | | | 8 |

REGULAR AGENDA

4. Chair Report

Chair DeGolia stated this is Peninsula Clean Energy's first meeting with its second Chief Executive Officer, Shawn Marshall, and the transition has been remarkably easy.

5. CEO Report

Shawn Marshall, Chief Executive Officer, thanked Chair DeGolia. She reported on her attendance to a CalCCA study session focused on PG&E rate forecast and Power Charge Indifference Adjustment (PCIA) update. Peninsula Clean Energy's 5-year forecast remains on track with its assumptions.

Jeremy Waen, Director of Regulatory Policy, gave an update on the Power Charge Indifference Adjustment (PCIA) and Rates Forecast Study Session.

Shawn continued the presentation with staffing updates on promotions, new Staff members, managed growth and planned redundancy, career planning/succession, addition of two job classifications, elevation of data and technology to its own department, current recruitments, the Surplus Funds Committee held on July 18th, deepening of customer engagement and offerings, the opening of demand flex market, the Marketing Subcommittee's brand audit, upcoming meeting dates, office hours available to Directors, and a Director survey.

6. Citizens Advisory Committee Report

Jason Mendelson, Citizens Advisory Committee (CAC) Vice Chair, gave a report recapping the July 13, 2023 CAC meeting.

7. Review of 2022-23 Citizens Advisory Committee Work Plan Deliverables (Discussion)

Kirsten Andrews-Schwind, Senior Manager, Community Relations, gave a presentation including a recap of the 2022-2023 Citizens Advisory Committee (CAC) working groups.

Director Mackin asked if the 24/7 decarbonization working group is going to meet next year. Kirsten said there is variation on it.

Director Mackin referred to the last sentence in the report, "encouraging Peninsula Clean Energy opportunities to work with commercial customers" and suggested reaching out to business that operate overnight to find out how Peninsula Clean Energy can help them reduce energy consumption. Regarding the survey, Director Mackin asked for clarification on micro-bonds from page 208/209 of the Agenda Packet. Kristen explained that was something that Pioneer Clean Energy was working on.

Chair DeGolia added that the Community Choice Aggregation (CCA) Finance Authority is doing bonds and Pioneer Energy has participated. He noted this was presented at the CalCCA conference in May 2023 and Peninsula Clean Energy had a presentation from the CFO at Marin Clean Energy. Shawn added this is also known as pre-pay power purchase agreements.

Public Comments: None

8. Approval of 2023-24 Citizens Advisory Committee Work Plan, Objectives, and New Committee Name (Action)

Kirsten Andrews-Schwind, Senior Manager, Community Relations, gave a presentation covering a proposed name change from the Citizens Advisory Committee (CAC) to Community Advisory Committee, updates to the CAC roles and responsibilities, the 2023-2024 Citizens Advisory Committee Work Plan and guiding principles, 5 proposed working groups.

Director Medina asked if Peninsula Clean Energy Staff would be able to handle the additional workload. Shawn Marshall, Chief Executive Officer, confirmed that Staff was consulted.

Vice Chair Colson asked for an example of “advise on high-level legislative and regulatory direction of the organization”. Kirsten shared that Marc Hershman explained at the study session that these are high level objectives.

Vice Chair Colson asked if CAC members would be able to share ideas and not just advise but to advise and advocate. Kirsten said this is what the language used to be. Shawn explained that they look at the role of Staff versus the Committee and in these situations the preference is for Staff to represent the organization. Vice Chair Colson asked and confirmed they could ask a CAC member to speak, under Item 2; engage and advocate.

Public Comment: Eduardo Pelegri-Llopart

Kirsten shared that the CAC can reach out to Staff on issues that are brought up at the CAC and make sure that they take that feedback into account, which helps shape their work. Director Romero, suggested a filtered approach where Staff look at issues and table ideas because they does not intersect well with strategic priorities.

Director Medina noted that a committee appointed by the BOD, if a member felt that they were not in agreement, they can approach Board members and provide input and ideas during public comment. Director Mackin added reaching out to CAC liaisons if their emphasis is not being heard.

Chair DeGolia referred to, “provide a forum for community discussions on a wide variety of strategies to reduce carbon emissions in conjunction with Staff and the Board”. This is specifically focusing on reduction of carbon emissions. He recommended making it more open by changing it to, “Provide a forum for communication discussions on a wide variety of strategies in conjunction with Staff and the Board”.

Chair DeGolia noted there are different relationships with other Community Choice Aggregations (CCA) and their CAC. Peninsula Clean Energy takes their CAC very seriously, noting that the CAC is an integral part of Peninsula Clean Energy.

Chair DeGolia referred to the first bullet point, “advise on substantial public-facing program initiatives before they are presented to the Board for approval, as practical given Staff and CAC capacity”. He thinks there can be things that come up with “urgency” that the BOD needs to deal with and he would

not want to be locked in by policy. He suggested, “as practical, given urgency, Staff and CAC capacity”. Vice Chair Colson suggested amending it to read, “as practical given timeliness”. Chair DeGolia agreed with this, given it is a timeliness issue.

Public Comment: Jason Mendelson

MOTION: Chair DeGolia moved, seconded by Director Bigstyk to Approve the 2023-2024 Citizens Advisory Committee Work Plan, Objectives, and New Committee Name with 2 changes:

Add the word “timeliness” to the first point to read “as practical given timeliness, Staff and CAC capacity”, and to change the fourth bullet point to remove “reduce carbon emissions”.

Director Ragsdale referred to education initiatives, especially in the City of Los Banos. She asked if this is because this has already been done in the other communities. Kirsten explained, yes; that there have been initiatives that have been funded in San Mateo County with good momentum, and Peninsula Clean Energy is still exploring what the interests and programs are for Los Banos.

MOTION PASSED: 16-0 (Absent: San Mateo County, San Mateo County, Colma, Daly City, Foster City, Los Banos, San Carlos)

| 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 Mates | 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 Lee | X | | | |
| South San Francisco | Director Coleman | X | | | |
| Woodside | Director Wall | X | | | |
| | Total: | 16 | | | 7 |

9. Approval of a Resolution to Delegate Authority to the Chief Executive Officer to Finalize and Execute a Contract with the San Mateo County Office of Education to Support Schools in Implementing Clean Energy Literacy and Decarbonization of Facilities for an Amount Not-to-Exceed \$205,000 in 2023-2024.

Vanessa Shin, Community Outreach Specialist, gave a presentation of solutions which will make it easier for educators to teach students, providing curriculum, resources, incentives, support for teachers to teach about energy, options to participate in a year-long fellowship which is a professional development opportunity which will teach them to design their own curriculum in the classroom. For those not able to make that time commitment, Peninsula Clean Energy will offer workshops to be trained on specific lesson plans and set of curricula. She then highlighted other items Staff is working towards further developing programs for students in the school district, San Mateo County Community College District, and school investments in the Los Banos School District.

Director Mackin asked if there are any plans for Peninsula Clean Energy to reach out to school districts because often times the districts may not take the initiative, but a phone call could generate responses. Vanessa explained this would be a good idea, and noted that historically the County Office of Education does have a good partnership with the school districts.

Vice Chair Colson said she thinks the number one way that schools decarbonize are through school facility bonds. She asked to keep an eye out for districts and making sure that climate readiness is part of the ballot language that is allowed. She added that Peninsula Clean Energy should help generate “boiler plate language” to help them partner and leverage those bonds, adding that the Board could endorse those types of school facility bonds.

Vanessa shared that teachers who focus on clean energy receive a stipend of \$1,000 without specifying what they must use it for, but that it is to compensate them for the time they are teaching. Vice Chair Colson suggested awards for innovative curriculum like science teachers.

Director Taylor asked if there are any metrics defined to measure success. Vanessa explained that there are metrics on the number of students participating, tracked by school district. She added that much of it is the number of participants, and they also track specific deliverables for the content Peninsula Clean Energy wants them to teach and invite Peninsula Clean Energy to share through their partnership.

Director Taylor asked if metrics of actual impact can be measured such as what kind of difference did spending the \$1,000 have on the school. Vanessa said she was referring to the literacy programs, but for the decarbonization facility efforts, they are asking for reports on what the school district can do, what can be done with appliances identified in schools, and she confirmed they have goals they track for achievement.

Public Comment: David Mauro, Kathleen Goforth

Director Mueller asked about the impact for the expansion of the overall budget and suggested surveying what the schools’ knowledge was before and after because it may not be the best

investment if students already had a good knowledge base. Vanessa explained that the programs are available to all school districts and for facility-based ones, the approach has been in the past for the County Office of Education to conduct outreach to individual districts and those able or most ready to act will take up Peninsula Clean Energy on its offer.

Director Medina shared that it is important to find ways to support purchasing school supplies and some teachers put together Go Fund pages for her school. He suggested ways to fill in the gaps with teaching materials, paper, becoming a larger sponsor during Earth Day week, and to provide schwag for students to tie in education about clean energy.

Director Mackin referred to energy literacy suggested putting together videos that are downloadable for everyone, using it in the classroom for broad age groups on how Peninsula Clean Energy sources energy.

Director Mates suggested finding out what the educator's baseline knowledge is, having a place for people to go to access new curricula and information, and suggested going out to the districts and the foundations and share there are these resources for them.

Director Nash added it should be something that is educational and not necessarily promotional.

Director Romero added that there is a tremendous amount of fossil fuel that gets spent on busses or cars driving to school, and the County Office of Education has Safe Routes to School program which is underfunded. They promote active transportation among children to walk and bike to school. It is a cultural and lane geometry issue so to the extent Peninsula Clean Energy can think about supporting an existing program that indirectly decarbonizes, it would be important as well as to see if reductions occur as a result.

Chair DeGolia noted that in every program Peninsula Clean Energy needs to measure the success and the challenges, and it would be helpful to give the Board a detailed update on what the money spent has done.

Director Ragsdale asked if the emphasis on going through the County Office of Education. She asked if it is okay to contact school districts directly. Kirsten Andrews-Schwind, Senior Manager, Community Relations, confirmed and said she appreciates the work of Board members to facilitate introductions.

MOTION: Director Romero moved, seconded by Director Medina to adopt a resolution to delegate authority to the Chief Executive Officer to finalize and execute a contract with the San Mateo County Office of Education for an amount not to exceed \$205,000 in Fiscal Year 2023-2024.

MOTION PASSED: 17-0 (Absent: San Mateo County, Colma, Daly City, Foster City, Los Banos, San Carlos)

| 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 Mates | 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 Lee | X | | | |
| South San Francisco | Director Coleman | X | | | |
| Woodside | Director Wall | X | | | |
| | Total: | 17 | | | 6 |

10. Regionalization Study Session (Discussion) (Continued from June 22, 2023 Board of Directors Meeting)

Jeremy Waen, Director of Regulatory Policy, gave a presentation on regionalization. Marc Hershman, Director of Government Affairs continued the presentation regarding AB 538.

Director Mackin asked if Staff knows which states are part of the Southwest Power Pool. Jeremy displayed a graphic with color coding of services being provided over a number of different states.

Director Mueller asked how this impacts Peninsula Clean Energy's current and future contracts with out of state providers. Jeremy explained that the resource would have a transmission line developed to a point of interconnection with the California Independent System Operators (CAISO). It enables it to be plugged directly into the California grid. With the regionalization effort, there would not have to be that same level of transmission built all the way back to the California grid.

Director Mueller said they need to access capacity outside the state, noting the question of what infrastructure is needed to do so. Jeremy explained there will be a lot of transmission needed, but it may be more of an ad-hoc project by project or a regional holistic plan, noting that this is the discussion for a more coordinated transmission buildout.

Shawn Marshall, Chief Executive Officer, added that there is some islanding with the state of California. Marc added that if California were islanded and on its own, the ability to tap resources outside the state might be more limited depending on whether those states are part of the pool.

Chair DeGolia asked if there is any change to PCE's large hydro access and the ability to get that on an hourly basis plan versus the way it currently is. Jeremy explained this would not have any impacts for in-state hydro.

Director Fung noted that California has an ambitious climate goal and more than double. He asked if it is a fair statement to say that they are in need of greater capacity and it is not something that can be fulfilled within California. Jeremy explained there are ways to get there in state but the resource mix would be very different.

Director Mackin asked if they are using present day resources to evaluate what they need to import. She asked if they are thinking into the future about geothermal new technology, offshore wind, and industrial parks with rooftops that can have solar with battery storage. Shawn explained that CAISO and the California Energy Commission (CEC) both do this on an annual basis.

Director Nash asked for the environmental issues that are splitting organizations. Jeremy explained that part of it is whether this expanded market is really creating the demand for new generation or whether it is finding better connecting demand with existing generation. There is the governance structure where California has a one vote on, so governments may be less open to decarbonize as much as they might want to, so there may be potential to prioritize this over other agenda items so there are concerns this might not be as green as some are arguing they could be.

Marc added that one of California's central concerns by environmental groups is whether they would be able to export their goals to other states, or whether their priorities would overtake ours in terms of influence, which creates a tension.

Chair DeGolia asked why Peninsula Clean Energy is worried about Wyoming being on the Board with us. Shawn explained that some members of CAISO leadership believe that Southwest Power Pool is making significant in-roads into the western region and CAISO continues to argue about governance and some other legitimate issues while Southwest Power Pool continues to pick up areas through some of their programs, and the potential end result is islanding, making this a competitive issue.

Director Taylor asked for clarification on the competitive landscape. Jeremy explained that in the last few years, the CPUC reformed the rules that import Resource Adequacy (RA) to be able to provide for outside generation provider in California, and that they must meet contractual agreements with those counter parties, making it more challenging and costly. There has been a record steep drop in import capacity. If the western RA program has simpler rules to play by, they may not get quite the same prices they are getting in the California market.

Director Mueller asked if Peninsula Clean Energy has access to this transmission now. Jeremy explained that through the CAISO's balance market they do have access to out of state resources. Director Mueller asked if Peninsula Clean Energy will lose access to those. Jeremy explained that

yes, the rules in California are onerous and motivating markets to ignore California and find other topics of demand to provide their energy services too.

Director Mueller asked if this would stop the provider from out of state or someone from in state from purchasing something from out of state. Jeremy explained if Peninsula Clean Energy wanted to procure capacity out of state for their RA requirements, the list of generators would shrink as more of them enroll into the Southwest Power Pool's RA program.

Director Mueller asked if California became an island what stops them from joining. Jeremy explained that if California decided to not regionalize now and the Southwest Power Pool (SPP) continues to thrive, California could choose to participate in SPP but would have to play by their governance structure and not be at the table setting up the structure.

Director Mueller asked and confirmed with Jeremy that if states join SPP, they are precluded from providing their energy and capacity to California's markets.

Director Romero said he is trying to understand what percentage of transmission planning is driving this. Jeremy explained the block graphic tries to illustrate it is kind of a menu of options. It could be transmission planning at a regional level or energy markets at a regional level. Currently, CAISO transmission planning is just within their balancing authority.

Shawn Marshall noted that CalCCA sponsored a study session 3 months ago with the Executive Director of CAISO stressing the urgency of this matter.

Chair DeGolia said in terms of advice and what is important for Peninsula Clean Energy, his perspective is to be able to maintain or increase their access to northwest hydro power.

Vice Chair Colson asked if Peninsula Clean Energy knows where our legislators stand on this. Marc explained that Peninsula Clean Energy has not conveyed a position or engaged legislators on a position at this point. Vice Chair Colson said she would be interested to hear what legislators have to say and whether they have a position.

Director Medina noted that California needs 86GW by 2045 and he asked what Peninsula Clean Energy needs for their customers to achieve their goals. Roy Xu, Director of Power Resources, replied that they have a load forecast for 5-10 years and the load is currently 36 GWh per year. The question is whether out of state resources are cheaper than in-state resources. From a generation standpoint, it is cheaper to build out of state.

Director Taylor asked if Peninsula Clean Energy wants to start lobbying for regionalization and wonders if they have a choice to not pursue regionalization. Shawn said they would continue to pay escalating prices.

Roy said if they do not go to regionalization and SPP is able to pool all resources into their region and we do not have access to capacity out of state, RA costs would increase. They are already in a constrained RA environment. If they lose imports, it will add to Peninsula Clean Energy's capacity

costs to meet RA compliance, but this is assuming SPP is able to absorb all generators and everyone wants to join them.

Public Comment: David Mauro

Director Mackin asked how many resources are being developed and asked if Peninsula Clean Energy would have access across the border such as in Canada and in Mexico. Jeremy said there is one additional landmass in the map presented, and eastward, there is tremendous amount of hydro generation in Canada and it all comes back to transmission and interconnectedness.

Public Comment: Gail

11. Board Members' Reports

Vice Chair Colson reported a ribbon-cutting ceremony is taking place in Burlingame for a 12-acre property with 4.5 million square feet of life sciences. They specifically called out Peninsula Clean Energy and their Reach codes and how they were very enthusiastically supporting them and building all-electric on the site.

Director Nash commented that she is noticing in many developments is people bidding a lot of diesel generators. She wondered if there is any opportunity to require all-electric.

Chair DeGolia added that there was a meeting this week between Peninsula Clean Energy Staff and Bellows.

Director Fung shared that PG&E will begin charging a fixed rate on grid maintenance starting in 2025, with the cost being income-dependent for residential customers only. Chair DeGolia noted this is still under a proposal, and Jeremy added that there is an active case at the Commission which Peninsula Clean Energy is tracking.

ADJOURNMENT

Meeting was adjourned at 9:31 p.m.

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

Thursday, August 24, 2023
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 6:32 p.m. in virtual teleconference, in the Peninsula Clean Energy Authority lobby, in the Los Banos City Hall conference room A, and in Unit 2405 at the Ritz Residence Club.

ROLL CALL

Participating:

Dave Pine, San Mateo County
Ray Mueller, San Mateo County
Rick DeGolia, Atherton, *Chair (via Zoom)*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Carlos Romero, East Palo Alto
Sam Hindi, Foster City
Harvey Rarback, Half Moon Bay
Paul Llanez Faria, Los Banos
Betsy Nash, Menlo Park
Tygarjas Bigstych, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
Marty Medina, San Bruno
Amourence Lee, San Mateo
James Coleman, South San Francisco
Kevin Bryant, Woodside

Absent:

Leslie Ragsdale, Hillsborough
Anders Fung, Millbrae
John Dugan, San Carlos

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

Nelly Wogberg, Board Clerk, made an announcement that an attachment for Agenda Item Number 4, "Approval of Revised Employee Handbook, Version 6" was distributed to Board Members and the Public at the meeting, and is also available online.

MOTION: Director Romero moved, seconded by Director Coleman to set the Agenda, and approve Agenda Item Numbers 1-5.

1. Approval of an Update to Policy 14, Delegation of Authority Policy
2. Approval of an Update to Policy 17, Disbursement and Invoice Payment Policy
3. Approval of Revised Board of Directors Schedule of Meetings for 2023
4. Approval of Revised Employee Handbook, Version 6
5. Delegate authority to the Chief Executive Officer to finalize and execute an agreement with the San Mateo County Community Colleges District (SMCCCD) for up to \$175,000 to expand clean energy education and student engagement in 2023-2024

MOTION PASSED: 20-0 (Absent: Hillsborough, Millbrae, San Carlos)

| 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 Mates | 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 Aalfs | X | | | |
| Redwood City | Director Martinez Saballos | X | | | |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Lee | X | | | |
| South San Francisco | Director Coleman | X | | | |

| | | | | | |
|----------|---------------|----|--|--|---|
| Woodside | Director Wall | X | | | |
| | Total | 20 | | | 3 |

REGULAR AGENDA

6. Chair Report

None

7. CEO Report

Shawn Marshall, Chief Executive Officer, gave a report including audio/visual upgrades in the Board Room, results of the Board Survey, an update on the Surplus Funds Committee, and an update on the Solar on Public Buildings Program.

8. Community Advisory Committee Report

Kathleen Goforth, Community Advisory Committee (CAC) Member, read and gave a report of the August 10, 2023 Community Advisory Committee meeting.

Public Comment: Mark Roest

9. Approval of the Local Government Building Electrification Program (Action)

Blake Herrschaft, Programs Manager, Building Electrification, gave a presentation on the Local Government Building Electrification Program including background on government emissions and the PCE program, Climate Action Plan goals to decarbonize government buildings, Bay Area Air Quality Management District (BAAQMD) ruling and the impact on government buildings, the proposed program component, incentives, information on the loan fund, and proposed program and loan terms.

Director Romero asked if the loan is fully amortized over 7 years, about the payment structure, and who will be servicing the loans. Rafael Reyes, Director of Energy Programs, explained that they are setting up the capacity to handle payments by virtue of the GovPV program. It would be fully electronic on a monthly basis, and the 1% on the loan is to cover some administrative costs but they are not envisioning anything additional.

Director Romero asked if the 1% is a loan origination fee. Rafael said no, it would be fully amortized. Director Romero noted this is essentially \$100,000.

Director Mackin asked what would happen if someone applied every year and notated the need for a mechanism for fairness. She suggested a deadline for everyone to submit so Staff can evaluate them all and determine whether the same communities over and over are getting the funding. Rafael explained there would be a specific deadline on the notice of funding.

Director Mueller asked for the comparison of what the terms are of heat pump water heaters now. Rafael explained it is 10 years. Rafael explained they are looking to reducing it to 5 years.

Director Lee asked about prioritization for equity priority areas of significant environmental health burdens. Vice Chair Colson said she thinks this would comply with the Diversity, Equity, Accessibility, and Inclusion (DEAI) policy.

Director Gonzales asked about the shovel readiness which is dependent upon the cities' plans and specifications and asked if Peninsula Clean Energy handles origination or sizing information. Blake explained that cities would come to us with this information and a plan. City projects can often take over a year so the plans will need to be shovel ready.

Chair DeGolia asked about gas-heated swimming pools and understands that the operating costs were \$60,000/year and for the electrical replacement would be \$34,000/year, so it would be a \$26,000 operating cost savings/year. Blake confirmed and explained that pool heat pumps are the most effective and commercial rates are lower than residential rates, and he further explained the cost savings. Chair DeGolia noted that he thinks there will be a significant number of municipal pools that will exchange gas heaters for the heat pump heaters under this program.

Director Lee asked about prioritizing projects that are more labor-friendly and asked if this structure would give preferential consideration for projects with a Project Labor Agreement (PLA). Rafael explained that Peninsula Clean Energy is not dictating the contracting structure and said they would follow cities' contracts and rules, most of which are under PLA already. Rafael Reyes explained that Peninsula Clean Energy will not own the construction projects.

Vice Chair Colson added that many of these projects will be smaller, noting that she would encourage Board Members to press their own cities to use PLAs.

Director Colson asked where the \$390,000 incentive comes from. Blake explained that there is already a budget for this program of \$1 million per year. Director Romero asked if \$1 million per year will be enough. Rafael explained that there is a chance that many projects will be submitted, and this is something the Board may wish to consider in the future.

Director Romero asked if the incentive is after installation or once it has gone through the Peninsula Clean Energy process of loan approval. Rafael explained that the funds would be in advance and there may be some sort of gate they may want the City to have reached before funds are dispersed, but this is to be determined.

Director Rarback asked if this program applies to schools, and Blake explained that it is designed to start with member agencies but it could include schools sometime in the future.

Public Comment: Mark Roest, David Mauro

Chair DeGolia voiced support for approval, and believes the \$10 million is the right recommendation.

MOTION: Director Mates moved, seconded by Director Mueller to Approve Local Government Building Electrification Program, including new \$10 million revolving loan fund, and existing budgeted incentive funding to support electrification projects at local government facilities.

MOTION PASSED: 20-0 (Absent: Hillsborough, Millbrae, San Carlos)

| 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 Mates | 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 Aalfs | X | | | |
| Redwood City | Director Martinez Saballos | X | | | |
| San Bruno | Director Medina | X | | | |
| San Carlos | Director Dugan | | | | X |
| San Mateo | Director Lee | X | | | |
| South San Francisco | Director Coleman | X | | | |
| Woodside | Director Wall | X | | | |
| | Total | 20 | | | 3 |

10. Update on Net Billing Tariff (Discussion)

Leslie Brown, Director of Account Services, gave a presentation with an update on the Net Billing Tariff (NBT) including background, the Net Energy Metering (NEM) evolution and California Public Utilities Commission (CPUC) policy objectives, the NBT program versus the NEM program, examples of the export values in PG&E Territories, information on what other Community Choice Aggregators are planning and Peninsula Clean Energy policy considerations.

Director Romero asked if Leslie had any solar incentives in mind. Leslie said they have been looking into launching some programs. Rafael Reyes, Director of Energy Programs, explained that the residential solar storage program has wound down, and that something will come to the Board in 2 to 3 months to potentially include battery storage coupled with financing incentives.

Director Romero asked and confirmed with Rafael that the incentives would likely be on installation.

Director Gonzales asked about the discouragement of midday solar production and if the higher rates would be charged for transmission. Leslie explained that when energy is pushed back out to the grid it would result in a smaller credit because the CPUC devalues that export and there is almost no transmission value and then there is a little bit of generation value.

Public Comment: Mark Roest

11. Review and Implications of Customer Research on Brand Awareness and Attitudes About Energy, Climate, And Electrification (Discussion)

Gwen Rose, Director of Marketing and Community Relations, gave a presentation on the review and implications of customer research on brand awareness and attitudes about energy, climate, and electrification including customer verbatims, and the results of the annual perception survey.

Director Mackin commented that there has been a lot of push by the oil companies trying to instill fear for anyone considering EV purchases about charging stations, and she thinks these statistics show that. Gwen explained they asked about new Electric Vehicle (EV) barriers and concerns about charging stations has dropped as one of the primary concerns.

Director Mueller asked if there was a perception on the concerns around costs to operate EVs. Gwen explained statistics that have gone up from 2020 to 2023 around electrification and described statistics with awareness, familiarity, and said there is work Peninsula Clean Energy can do to bring up lower metrics up around electrification, such as the one-stop shop.

Director Aalfs asked about the 24% of people said they currently use Peninsula Clean Energy. He asked if the number should be closer to 98%. He asked if people still do not know who Peninsula Clean Energy is, and Gwen confirmed, 75% are unsure. Director Mates noted that this has been a consistent issue including factors such as PG&E and the bill.

Vice Chair Colson asked if there was data that compares other Community Choice Aggregators (CCAs) on brand metrics. Gwen noted Sonoma Clean Power has an awareness of 71%. Vice Chair Colson asked why other CCAs have higher brand awareness than Peninsula Clean Energy and asked what they can do.

Director Lee asked if Peninsula Clean Energy is oversubscribed in terms of programs and in high demand, and asked how this fits strategically in what they are trying to accomplish. Gwen noted that strategic goals are 60% brand awareness and motivate programs. She added there is a lot to do to change behavior and help customers take control, even if not participating in a program.

Director Mueller noted that there are assumptions made in terms of advances in the consumer market. If Peninsula Clean Energy does not raise awareness here, manufacturers will look at this exact same data and there is no payoff. Director Mates agreed and said they talk about wanting to be a resource.

Vice Chair Colson noted that some programs are very high in demand and targeted for income-level driven and focused, and may not be driving brand awareness, noting that Peninsula Clean Energy can grow these programs. Shawn Marshall, Chief Executive Officer, added that 25% of the programs are segmented and not hard to brand.

Director Aalfs shared that there are many people who barely look at their bills and Peninsula Clean Energy is always going to struggle to reach them because they do not read their bills. Shawn Marshall added that discussions have begun for a more customer-centric approach as they evaluate programs and design new programs. Peninsula Clean Energy has positioned themselves as subject matter experts with dense technical information, but there is a sense that we do not reach the emotion of the human perspective and customers and what they want and need. So, this is the new overlay for the marketing department to determine how they shift to be inclusive of the human element and more focused on the customer as opposed to the industry and how they are performing industry-wide, which is just a different messaging.

Director Mackin noted that PG&E is shareholder-focused, and that Peninsula Clean Energy is customer-focused, and Peninsula Clean Energy has a good reputation in the energy sector.

Public Comment: Mark Roest

Director Romero said the original mailing was a random sampling mailing. He asked if the randomness get skewed by those willing to respond and asked about the confidence of the results. Gwen explained that incentives are offered, but that these numbers are very similar. They typically do not see a greater than 5% increase.

Director Bigstyk said he is inundated with PG&E's symbol whether it is on the envelope or whenever he receives mail or even email. He asked if Peninsula Clean Energy can inundate others with the its logo and suggested perhaps on the envelope with the bills. Gwen explained that this is probably not possible, but she agreed some work is needed to see what would resonate and communicate that out in a big way. Director Bigstyk commented that he sees PG&E emails but does not see Peninsula Clean Energy emails as often.

12. Board Members' Reports

Director Tygarjas shared that Pacifica's Art Fest will be held the 23rd and 24th of September.

Director Hindi shared that Foster City will hold a 24th Annual event on September 9th event in the park.

Director Coleman shared the South San Francisco Library Parks and Recreation opening on October 28th with all-electric.

ADJOURNMENT

Meeting was adjourned at 8:34 p.m.



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

Thursday, September 28, 2023
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 6:34 p.m. in virtual teleconference, in the Peninsula Clean Energy Authority lobby, in the Los Banos City Hall conference room A.

ROLL CALL

Participating:

Dave Pine, San Mateo County
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Ken Gonzalez, Colma
Carlos Romero, East Palo Alto
Sam Hindi, Foster City
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough
Paul Llanez Faria, Los Banos
Betsy Nash, Menlo Park
Anders Fung, Millbrae (*arrived 6:44 p.m.*)
Tygarjas Bigstych, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
Marty Medina, San Bruno
John Dugan, San Carlos
Amourence Lee, San Mateo
Jennifer Wall, Woodside

Absent:

Ray Mueller, San Mateo County
Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Roderick Daus-Magbual, Daly City
James Coleman, South San Francisco

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

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

1. Approval of Peninsula Clean Energy's 2022 Power Source Disclosure Annual Reports and Power Content Label

MOTION PASSED: 17-0 (Absent: San Mateo County, Atherton, Belmont, Daly City, Millbrae, 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 Mates | | | | 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 Venkatesh | X | | | |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Wall | X | | | |
| Total | | 17 | | | 6 |

REGULAR AGENDA

2. Chair Report

Vice Chair Colson reported that she is standing in for Chair DeGolia and thanked the Surplus Funds Committee and Staff for their diligence.

3. CEO Report

Shawn Marshall, Chief Executive Officer, gave a presentation including a status update on the two Surplus Funds Committee meetings, a recap on the 2023 Summer Intern program, a recap of the

2023 Staff Retreat, a recap of the 2023 CalCCA Board Retreat, and acknowledged their organizational development team of Blake, Justin, Brianna, Gwen, and Nelly for putting together a great retreat.

Director Hindi asked if Peninsula Clean Energy interns were compensated. Shawn explained that undergrads received \$25 per hour for 10 weeks, and graduates received \$35 per hour for different scopes of work.

Vice Chair Colson noted that the Peninsula Clean Energy Board has a few upcoming field trips in the works for next year: Merced/Los Banos; Sonoma Clean Power; and CAISO.

Shawn added that the Clean Air Coalition is hosting events to commemorate Clean Air Day which coincides with the completion of the Mission Blue Center Gov PV project in Brisbane, and that a ribbon-cutting event will be held and a press conference to celebrate the new project.

4. Community Advisory Committee Report

Cheryl Schaff, Community Advisory Committee (CAC) Chair, provided a report recapping the September 14, 2023 CAC meeting, citing member comments which were read into the record.

Director Rarback shared that the electrification workshop at the Senior Center in Half Moon Bay was very successful and well-attended.

5. Approval of \$524,500 Contract Extension with CLEAResult to Provide Technical Assistance Services in the EV Ready Program

Phillip Kobernick, Senior Transportation Programs Manager, Electric Vehicles, gave a presentation, including the EV-Ready program, updates and metrics, and a contract extension for CLEAResult to provide technical assistance services in the EV Ready Program.

Director Mackin asked how the owners of the multi-unit buildings are finding out about the availability of the technical assistance. Phillip explained that there has been outreach from Peninsula Clean Energy and CLEAResult, and that demand has increased for housing with EV chargers. Director Mackin asked about the contract extension and whether there are adequate funds to address response. Phillip explained that the contract extension will help more than double the volume of incoming customers.

Director Taylor asked if there was any utilization statistics on the chargers and Phillip explained that they will since as a condition for funding, they will be providing data for EV charges and they are setting up backend systems, working with the EV charging companies themselves versus the customer to minimize the level of effort they would need to be involved in.

Director Taylor asked about goals for utilization. Phillip explained that for a lot of these sites, they are putting in much more charging than there is currently demand for, so they can do a “once and done” approach, knowing it will take several years for those chargers to be fully utilized. Last year, more than one-third of new vehicle purchases were electric, so he suspects they will be used soon.

Director Loraine asked for insight as to what was causing the cancellations with the CALeVIP program. Phillip explained they did a first come, first served, and it was immediately sold out when they did the first round. Many of those projects never materialized and seemed to be projects more aspirational than a reality. In their program, they follow-up with customers and they try to determine

when projects possibly may be more of a sales pitch than a real project, so these are the reasons there are cancellations. Phillip explained the program also launched in December 2020 which was early in the pandemic and many were at work sites and public access sites, which were not used.

Director Loraine asked for clarification about the difference between a charging evaluation and offering technical assistance to customers. Phillip explained that a charging evaluation is the deliverable but they receive a lot more than just that. They are also getting a load study on their site, a virtual site walk, an array of different options that factor in what they ask for, and it is a more aspirational request for them to shoot for and consider that brings down project costs. He noted that the charging evaluation is the PDF which contains all the findings and includes one thing they can take and discuss to figure out what project they will move forward with.

Director Ragsdale asked if the individual person pays for the chargers, or she asked if the building itself pays for all those charging on them. Phillip explained that in every case that they have helped people install charging at their properties, property managers have opted for smart charging or smart outlets that have billing systems as a part of the charging system. Drivers would be paying a fee to use the system as set by the property to recoup costs.

Director Romero asked about the ration of Level 1 to Level 2 chargers. Phillip shared it was close to even, with slightly more to Level 2.

Director Romero asked if the charging evaluations help people understand the trade-offs with power management. Phillip said yes, as far as technical assistance, they do a lot of education with property owners to demonstrate how cost-effective strategies and low power strategies can scale up. Director Romero commented he is feeling much more comfortable with the charging evaluation pricing, given the product being delivered is understood through technical assistance.

Director Pine asked about the installation goal of 3,500 installations. Phillip explained that the momentum has really picked up with an upcoming project with 63 chargers in one site, with a goal of 200 chargers installed per month.

Vice Chair Colson asked if there were sites in Los Banos. Phillip explained there is 1 worksite in Los Banos and 1 worksite in place.

Vice Chair Colson asked about the comprehensive packaging of electrification rebates which is complicated and shared that she is trying to figure out how to accomplish an outreach of Burlingame's program that the city can prototype so all other Directors can take it to their cities and figure out how to outreach to their cities. Phillip agreed to follow-up.

Director Fung asked for more detail as to the outreach efforts look like in Los Banos. Phillip explained that Los Banos outreach was focused with the assistance of previous Los Banos staff, with more face-to-face meetings expected with the hire of a new outreach associate. In San Mateo County, email campaigns were done, mailers were sent to around 950 properties with more outreach and marketing is planned in the next year.

Director Mackin added that cities may have outreach opportunities to commercial sites and this might be an easy way to identify potential sites.

Public Comments: None

MOTION: Director Bigstyk moved, seconded by Director Romero to Approve \$524,500 Contract Extension with CLEAResult to Provide Technical Assistance Services in the EV Ready Program.

MOTION PASSED: 18-0 (Absent: San Mateo County, Atherton, Belmont, Daly City, 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 Mates | | | | 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 Venkatesh | X | | | |
| San Mateo | Director Loraine | X | | | |
| South San Francisco | Director Coleman | | | | X |
| Woodside | Director Wall | X | | | |
| Total | | 18 | | | 5 |

6. Update on Peninsula Clean Energy's Activities in the 2023-2024 Legislative Session (Discussion)

Marc Hershman, Director of Government Affairs, introduced Mark Fenstermaker from Pacific Policy Group who gave a presentation with an update on the California State Legislature. He reviewed the many changes this year with a 25% turnover due to redistricting, return to in-person meetings, new rules for term length, volatile budget cycles and surpluses, proposals for climate proposals, energy, school, housing, and other bonds, needs to build new legislative relationships, a big push for initiatives, budget volatility, described AB 1373 (Garcia) provisions and SB 537 (Becker).

Director Fung asked about the opposition to SB 537. Mark explained that the opposition was concern over a fundamental erosion of the Brown Act.

Shawn Marshall, CEO, noted there were 200 bills for housing and many competing overlays and she appreciates the work of Staff and those testifying.

Shawn asked for clarification on the states involved in the regional grid. Mark explained that they are California, Washington, Oregon, Arizona, and New Mexico, and Nevada might be in it as well.

Director Taylor asked if there are restrictions on the power being generated. Mark explained that the initiative is to set up a non-profit independent body, and then it may be that they do not create a regional transmission operator, but it may be a new marketplace.

Public Comments: None

7. Board Members' Reports

Vice Chair Colson shared that the San Mateo Daily Journal hosted a Senior Day at the Burlingame Senior Center as part of a series throughout the county for senior outreach and suggested Peninsula Clean Energy purchase a table. Shawn said the marketing team could look into this.

ADJOURNMENT

Meeting was adjourned at 8:07 p.m.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 15, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Shawn Marshall, Chief Executive Officer
SUBJECT: CEO Report (Discussion)

BACKGROUND

This report is provided monthly to the Board of Directors and is informational only.

DISCUSSION

During the Board meeting, Shawn Marshall, CEO will provide an update on a variety of PCE topics including but not limited to:

Programs Update

Department of Housing and Community Development (HCD) Code Amendment Request

State agencies are currently developing details for the next state building code to go into effect in January 2026. PCE has led an effort to ensure "right-sized" charging options like Level 1 charging remain an option for existing apartments. Level 1 charging is a major part of our program with hundreds of ports installed, at a fraction of the cost of higher power. Other state and regional programs are following our lead. However, code proposals from Housing and Community Development would eliminate retrofits of Level 1. PCE mobilized CalCCA and a number of legislators including Senator Becker and Assemblymember Berman to request an exception allowing Level 1. Our proposal was approved by HCD's Advisory Committee and HCD is reviewing. See attached for the joint letter that was prepared by our PCE team and submitted through CalCCA.

SVCE Approves Partnership with PCE for Turnkey Electrification Service

SVCE is joining PCE on the Turnkey Electrification Service. This month the SVCE Board has approved a \$14M contract with Franklin Energy for a joint program with PCE that will invest a combined \$40M in single-family income-qualified no-cost and market-rate low-cost electrification and an emergency water heater replacement service across both service territories. The services are expected to be phased in with the no-cost income-qualified piece launching in late Spring, and the others following in the late Summer/early Fall.

Regulatory Update

DAC-GT Proposed Decision - More Customers Will Benefit

As a result of a recent proposed decision (PD) from the CPUC, Peninsula Clean Energy's DAC-GT program enrollment will increase from 1,400 to 2,200 residential customers. These low-income customers will receive 100% solar energy as well as a discount of 20% applied to the entire electric portion of their monthly bill. The Program, which provides Peninsula Clean Energy with cost recovery from the CPUC, will now also allow us to procure solar+storage projects, boosting the grid value of the resources we contract with to serve these low-income customers. The PD is a result of a lengthy and wide-ranging proceeding and these positive changes are thanks to active and diligent engagement from various PCE staff from several departments and a strong coalition of CCAs that worked tirelessly to advocate for our shared priorities. The final decision is likely to be adopted in mid-April.

Impact of CPUC Proposed Decision on Financial Security Requirement

The Commission recently issued a proposed decision in the Provider of Last Resort (POLR) proceeding which will make a number of changes in the Financial Security Requirement (FSR) calculation for each CCA. Staff will provide additional detail at the Board meeting, but the upshot is the FSR will largely reflect the administrative fees associated with return of customers, which in PG&E territory is \$4.20/customer. Thus, it appears that PCE's FSR will increase to more than \$1.3 million going forward. This is a one-time payment that acts as a financial backstop in the event that PCE ever had to return customers to PG&E's bundled service.

CalCCA will be hosting a call for CCA CFOs next week to go over the calculation changes and to discuss other issues with the proposed decision. While CCA's won on several items, there were several we lost on including the FSR increase. At this time, Cal-CCA is not optimistic that any further changes will be made to the proposed decision.

Environmental Protection Agency (EPA) Green Power Program Update

The EPA Green Power Program is a voluntary program that recognizes voluntary green power usage above state mandated requirements. Peninsula Clean Energy helped enroll our member agencies in the program in 2018 and has submitted annual energy reports to the EPA to maintain our member agencies' participation. Cities and the County were given Green Power Community road signs upon enrollment.

The EPA recently communicated new program requirements to us that impact our member agencies' eligibility for the program. Due to these updates, most of our member agencies are ineligible to remain in the program, and the remainder will be ineligible in the near future. Peninsula Clean Energy will be ending participation in the program for all of our member agencies this year and considering a replacement program; to be determined. Peninsula Clean Energy staff will be following up with each member agency in the coming weeks to provide additional information.

Federal Strategy

As part of PCE's strategy to diversify funding sources, scale customer programs, and enhance PCE/CCA awareness within the Department of Energy and among federal legislators, our team has prepared PCE's first ever "Community Project Funding Request" (commonly known as an earmark request) of \$2 million. This funding, if approved, will facilitate the completion of approximately 200 additional home retrofits under our Low Income Home Upgrade and

Electrification Program. Please refer to the enclosed project information sheet distributed to Senators Butler and Padilla, and Representatives Mullin, Duarte, and Eshoo. Furthermore, in support of our requests, PCE has secured letters of endorsement from local agencies and representatives, including one from Senator Becker, which is included for your reference.

In addition, CEO Shawn Marshall and Government Affairs Director, Marc Hershman, participated in joint CCA Lobby Days on March 20-21 in Washington DC. While there, they met with the Washington staff of the aforementioned Federal legislators, staff of the House Committee on Energy & Commerce, Senate Committee on Energy and Natural Resources subcommittee majority staff, City and State representatives from the Department of Energy, and the Director of the House Sustainable Energy and Environment Coalition made up of 96 members of Congress. The meetings were robust and useful and represent the next chapter of CCA leadership in California and across the country. Please see the attached joint CCA letter that outlines some of the key issues that were discussed along with showcasing CCA programs and impact on renewable portfolio standards and GHG reductions.

PCE Awards

2024 Sustainability Award Winner: Youth Climate Ambassadors

A youth program supported by Peninsula Clean Energy will be recognized at the annual Sustainable San Mateo County awards night on April 10! The Youth Climate Ambassadors Leadership Program (YCA) is a first-of-its-kind development program in California, training 9-12th grade students in the county to become the climate leaders of the future. Over the past five years, 273 students have participated in the rigorous seven-month program, completing 113 Community Impact Projects. Peninsula Clean Energy provides stipends for students to participate, as well as training on clean energy for the students and instructors.

For more information see: https://sustainablesanmateo.org/2024/02/14/2024awards_yca

PCE in the Community

'Tis the season of community events and earth day celebrations. PCE has and will be tabling at the following events in March and April (partial list). Thanks to our great team members who support our community education and outreach efforts!

- 3/1/2024 Arbor Day Los Banos
- 3/6/2024 Pachecho High School Career Fair Los Banos
- 3/7/2024 Woodside High Green Academy Woodside
- 3/15/2024 Los Banos High Career Fair Los Banos
- 3/15/2024 St. Patricks Event Los Banos
- 3/27/2024 Workshop on E-Bikes San Mateo County
- 3/30/2024 Los Banos Egg Hunt Los Banos
- 4/2/2024 Home Electrification Workshop in San Mateo San Mateo
- 4/10/2024 SSMC Green Building Awards San Mateo County
- 4/13/2024 Love the Earth Festival East Palo Alto
- 4/14/2024 South San Francisco Earth Day South San Francisco
- 4/18/2024 Gilead Earth Day Event Foster City
- 4/20/2024 Pacific Beach Coalition EcoFest Pacifica
- 4/20/2024 Belmont Earth Day Belmont
- 4/20/2024 Los Banos Spring Street Faire Los Banos
- 4/20/2024 San Mateo County Progress Seminar
- 4/21/2024 Atherton Earth Day Atherton
- 4/27/2024 Foster City Earth Day Foster City

- 4/27/2024 Children's Day, Dia del Nino San Bruno
- 4/27/2024 Youth Climate Ambassadors Presentation San Mateo County
- 4/30/2024 SMCOE Sustainable Schools Summit San Mateo County
- 5/8/2024 Burlingame Library Electrification Workshop Burlingame

Sustainable San Mateo County 25th Annual Awards

Sustainable San Mateo County is celebrating its 25th Annual Awards event and YOU are invited. The event will take place at the Embassy Suites in Burlingame from 5:30 to 8:30 p.m. on April 10 and features a hosted reception; a delicious dinner with a choice of three entrees; a captivating live auction led by David Louie, formerly of KGO-TV; and an exciting program that will inspire you.

Upcoming Council Briefings

- Brisbane February 15
- Los Banos March 6
- Hillsborough March 11
- Burlingame April 1
- Pacifica April 8
- San Bruno April 23
- Menlo Park May 7
- San Carlos May 13
- Atherton May 15
- East Palo Alto June 4
- County of San Mateo August 27
- Millbrae September 10
- Portola Valley September 25

PCE Staffing Update

Please welcome to our team:

- Jana Kopyciok-Lande, Associate Director of Innovation Strategy, who started on March 1st
- Ross Fisher, Associate Program Manager for Distributed Energy Resources, who started on March 18th
- Lilly Meek, Community Outreach Specialist, who started on March 18th
- Kelly Lew-Quintal, Risk Manager, will be starting on April 16th

Posted Positions - PCE is hiring! Please help us spread the word.

[Analyst/Senior Analyst, Building Electrification Support](#)
[Associate Manager, EV Charging \(Energy Programs\)](#)
[Summer Intern, Building Decarb Analytics](#)
[Summer Intern, Transportation & Distributed Resources \(DER\)](#)

ATTACHMENTS:

[Joint CCA Letter to CAC re 2025 CALGreen Code - Sign On Letter.pdf](#)
[PCE Buildings Program - Information Sheet.pdf](#)

PCE Low Income Home Upgrades - Becker.pdf
Joint CCA 2024 Federal Priorities Letter - Senate.pdf



March 4, 2024

Re: CalCCA Comments on Major Impact of Proposed CALGreen Code on EV Charging Retrofit Projects at Multi-Family Housing

Members of the Green Building Code Advisory Committee,

On behalf of CalCCA and the member agencies listed here, we submit our comments on proposed changes to the 2025 CALGreen code. Our members are successfully and reliably serving upwards of 14 million customers in more than 200 cities and counties in California. In addition, Community Choice Aggregators (CCAs), are deeply invested in helping our communities eliminate transportation emissions by providing robust and innovative programs to facilitate the ubiquitous EV charging network needed to accelerate EV adoption, including technical assistance and incentives to help customers, including multi-family property owners, install EV charging, and local code enhancements ("Reach Codes").

We respectfully submit the following letter to call attention to a critical issue in the 2025 proposed CALGreen code that, if enacted as is, will have a major adverse effect on the cost of EV charging and equitable access across the state.

Specifically, **the proposed code will eliminate the ability for multi-family properties to add Level 1 charging at existing multi-family properties**, which has become a vital strategy to expanding access to EV charging for this historically underserved population and is a widely used charging strategy currently employed across various state and local incentive programs.

This letter outlines the importance of existing Level 1 charging efforts, including its role in an equitable transition to transportation decarbonization, how the 2025 proposed CALGreen code undermines these efforts, and proposes a remedy, including:

1. What is Level 1 charging and why it's working now
2. How Level 1 charging improves equity for underserved communities
3. Existing state and local EV programs that would be harmed
4. Misconceptions about charging level benefits
5. How the proposed 2025 CALGreen will impact existing programs
6. Proposed solution

What is Level 1 charging and why it's working now

Level 1 charging is a common and successfully proven strategy to address long-dwell parking such as overnight at multi-family housing. Research¹ shows that access to a 1.9 kW charging receptacle (Level 1 charging on a dedicated 120V/20A circuit) is sufficient for 94% of drivers' daily needs when they plug in every night. Level 1 charging is also substantially more affordable and scalable as a solution compared to higher power alternatives. Furthermore, by staying within the building's electrical capacity, Level 1 charging helps property owners avoid lengthy utility service upgrades, which often take well over a year to complete.

One program in which Level 1 charging is in widespread use at existing multi-family properties is Peninsula Clean Energy's (PCE) EV Ready program². In this program, over 200 Level 1 outlets have been installed with an additional 1,000 outlets in progress. Further, the program has 15 Affordable Housing EV charging projects in progress, including 74 Level 1 outlets at a Mercy Housing project in Redwood City. The use of Level 1 charging in the EV Ready program is currently empowering multi-family property operators to voluntarily install more charging – typically triple the amount - than they were initially planning, a critical and necessary component of achieving ubiquitous access to charging for apartment residents.

Demonstrating the scalability of Level 1 charging, the average cost to install a low power outlet is less than \$2,500 each in the PCE EV Ready program, compared to over \$17,000³ per Level 2 charger in PG&E's EV Charge Network Program. At one property in the EV Ready program, a rental apartment property manager was able to install EV charging outlets with no out of pocket cost through the use of PCE incentives⁴.



*19 smart Level 1 outlets
installed at Redwood City
apartment property*

¹ <https://www.peninsulacleanenergy.com/wp-content/uploads/2021/09/Determining-the-Appropriate-Level-of-Power-Sharing-for-EV-Charging-in-Multifamily-Properties.pdf>

² <https://www.peninsulacleanenergy.com/ev-ready/>

³ https://www.pge.com/pge_global/common/pdfs/solar-and-vehicles/your-options/clean-vehicles/charging-stations/program-participants/EV-Charge-Network-2022-Q1-Report.pdf

⁴ https://www.peninsulacleanenergy.com/wp-content/uploads/2023/07/PCE124_SuccessStory_Tyrone_v1B_bm.pdf

The use of Level 1 charging for these types of retrofit projects was recently featured by Canary Media, “Access to slow chargers could speed up EV adoption among renters”⁵ and included first-hand accounts from two multi-family property operators with very positive experience with Level 1 charging.

How Level 1 charging improved equity for underserved communities

The current trend of EV adoption is highly inequitable, with significant disparities between residents of multi-family housing and single-family homes, renters and homeowners, and people of color⁶. The lack of a reliable place to plug in at home is a major driver leading to these disparities. And to date, state programs have previously done a poor job at addressing these issues through expanded access to charging for multi-family residents. For instance, only 15% of all the chargers installed through PG&E’s EV Charge Network program were at existing multi-family properties.

The transition to EVs needs to include everyone. An important component of this inclusive transition is for everyone to have a reliable place to plug in where they live. Solutions, such as Level 1 charging at as many assigned parking spaces as possible at existing multi-family properties, help to serve this goal by providing charging to high numbers of residents, well ahead of when they are ready to purchase an EV. This type of ubiquitous access to charging also ensures that everyone has access, instead of a fewer number of EV chargers being assigned to early EV adopters, leaving none for residents who are later to purchase an EV.

Finally, Level 1 provides for an upgrade path for potential future upgrade if and when the distribution grid and service capacities allow, by providing necessary conduits and slots that can be reused should the need arise.

Existing state and local EV programs that would be harmed

Several established EV programs are already utilizing Level 1 charging as a key strategy to add EV charging at existing multi-family housing properties, including:

1. The California Energy Commission’s Reliable, Equitable, an Accessible Charging for Multi-family Housing 2.0 (REACH 2.0)⁷, most notably Ecology Action and GoPowerEV’s applications.
2. PG&E’s Multifamily Housing and Small Business EV Charger Program⁸
3. Bay Area Air Quality Management District’s *Charge!* Program⁹
4. San Francisco Public Utility Commission’s EV Charge SF program¹⁰
5. SMUD’s Multifamily EV incentives¹¹
6. Silicon Valley Clean Energy’s FutureFit Assist Program¹²
7. Peninsula Clean Energy’s EV Ready Program¹³

⁵ <https://www.canarymedia.com/articles/ev-charging/access-to-slow-ev-chargers-could-speed-up-ev-adoption-among-renters>

⁶ <https://www.sciencedirect.com/science/article/pii/S0967070X20309021>

⁷ <https://www.energy.ca.gov/solicitations/2023-04/gfo-22-614-reliable-equitable-and-accessible-charging-multi-family-housing-20>

⁸ <https://www.pge.com/en/clean-energy/electric-vehicles/ev-charge-program/multifamily-housing-and-small-business-ev-charger-program.html>

⁹ <https://www.baaqmd.gov/funding-and-incentives/businesses-and-fleets/charge>

¹⁰ <https://sfpuc.org/programs/clean-energy/ev-charge-sf>

¹¹ <https://www.smud.org/en/Business-Solutions-and-Rebates/Business-Rebates/Multi-Family-go-electric-incentives>

¹² <https://svccleanenergy.org/ev-charging-assist/>

¹³ <https://www.peninsulacleanenergy.com/ev-ready/>

If the 2025 CALGreen code were to be enacted as written, it would eliminate a core component of these well-established state and local programs.

Misconceptions about charging level benefits

Level 1 charging is an important strategy that is already in use to address disparities in access to charging. However, there are several misconceptions and misunderstandings of Level 1 charging, further addressed here.

1. **Level 1 charging satisfies EV drivers.** PCE's research, as well as others¹⁴, have shown that drivers use less of their range than many may think. A typical California driver travels less than 30 miles per day and a Level 1 charge can provide more than double that range when plugged in overnight. Occasional high-energy needs, such as long trips, may be supplemented by public fast chargers. Approximately 30% of drivers today are successfully using Level 1 charging for their daily needs.
2. **Level 2 charging total costs are far higher and projects are frequently much slower.** While behind the meter costs to the customer may be similar when adding Level 1 or Level 2 outlets, this ignores the significant upstream costs to upgrade panels and front of the meter assets by the distribution utility that results from widespread use of higher power EV charging at scale. Through CPUC Rule 29, these upstream costs are born by the ratepayers. Lower power charging helps to reduce these costs and the resulting pressure on ratepayers. Service upgrades also delay projects by 12 to 18 months or more.
3. **Level 1 provides "natural" load shaping.** Level 1 charging, which charges at a maximum of 1.9 kW, compared to Level 2 charging, which can charge as high as 19 kW is inherently more beneficial to the grid by smoothing EV load curves over several hours. Furthermore, PCE's research indicates that typical EV drivers only need to charge for ~6 hours per night on a Level 1 charge, indicating that even these loads can be successfully shifted out of on-peak time of use windows and fully recharge an EV driver's daily usage. HCD's proposal establishes a minimum 3.3 kW at peak for every charger and any additional load shift is dependent on expensive, hard to enroll load shifting programs.
4. **Level 1 and Level 2 charging have similar efficiency.** A single 2014 study¹⁵ found that Level 1 charging provides a power transfer efficiency of 84% compared to Level 2 charging at 89%. Notably, this study is over a decade old and reviewed a limited selection of first-generation EVs, making these findings less relevant in today's environment since large battery sizes create substantial buffers for driver needs. Further, power-managed Level 2 charging could yield similar results as Level 1. Finally, the minor differential in efficiency is outweighed by the significant benefits of widespread access to EV charging that can be provided through lower power charging.

How the proposed 2025 CALGreen code will impact existing programs

The proposed code, copied below, is an inefficient attempt to expand access to EV charging at existing multi-family properties, when property owners are adding or altering existing parking. As written, if a property owner wants to add Level 1 charging at their existing parking spaces the code would treat this as an "alteration" and instead require low power Level 2 charging

¹⁴ <https://insideeivs.com/news/709425/recurrent-ev-driving-distance-america/>

¹⁵ <https://ieeexplore.ieee.org/document/7046253>

receptables or Level 2 chargers instead. These charging types are much more likely to trigger lengthy and expensive utility service upgrades or increase the cost of the project substantially compared to Level 1 charging. This will lead to downsized or cancelled projects at a time when the state needs to accelerate its deployment of EV charging access for multi-family residents.

4.106.4.3 Electric vehicle charging for additions and alterations of parking facilities serving existing multifamily buildings, hotels, and motels.

When existing parking facilities are altered or new parking spaces are added to existing parking facilities, and the work requires a building permit, each parking space added or altered shall have access to either a low power Level 2 EV charging receptacle or Level 2 EV charger, unless determined as infeasible by the project builder or designer and subject to concurrence of the local enforcing agency.

Exception: Where minor work requiring a permit is being performed such as installation of a single 120-volt electrical receptacle for level 1 EV charging with a permit valuation of one thousand dollars (\$1000) or less, level 2 EV charging is not required to be installed.

Proposed Solution

Unfortunately, the exception, most recently added by HCD staff on March 1 does not exempt any Level 1 charging from real-world projects. A key benefit of Level 1 charging is the ability to add dozens or even 100+ outlets at a multi-family property, though the code only exempts projects installing a single Level 1 outlet. Further, while Level 1 charging is significantly less expensive than other charging options, even Level 1 costs more than \$1,000 per charger installed, exceeding the arbitrary cost threshold proposed by HCD.

To address this issue, HCD staff should exempt **all** Level 1 charging as an exception to section 4.106.4.3 so that property owners installing Level 1 chargers clearly won't be considered an alteration of existing parking spaces. Exempting Level 1 charging for existing buildings from this code section will preserve an important tool that agencies are using to expand EV charging access to apartments and condo residents at a vital time in the state's journey to 100% new EV sales by 2035.

Our suggested revision to section 4.106.4.3 is in strikethrough below:

Exception: Where ~~minor work requiring a permit is being performed such as for the~~ installation of ~~a single~~ 120-volt electrical receptacle(s) for level 1 EV charging ~~with a permit valuation of one thousand dollars (\$1000) or less,~~ level 2 EV charging is not required to be installed.

We appreciate your attention to this important matter as we all work together to meet the state's urgent and aggressive decarbonization goals.

Respectfully submitted,

Beth Vaughan
CEO, California Community Choice Association

Greg Wade,
CEO, Clean Energy Alliance

Ted Bardacke

CEO, Clean Power Alliance

Barbara Hale
Assistant General Manager
CleanPowerSF

Dawn Weisz
CEO, MCE

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Matthew Marshall
Executive Director
Redwood Coast Energy Authority

Karin Burns
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San Diego Community Power

Lori Mitchell
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San Jose Clean Energy

Girish Balachandran
CEO, Silicon Valley Clean Energy

Geof Syphers
CEO, Sonoma Clean Power



Project Name: Low-Income Home Upgrades

Funding: \$2 million requested. 100% match with existing PCE funds.

Program Overview

This initiative will provide home electrification upgrade direct-installation services for eligible low-income customers living in single-family residences. This service will expand on Peninsula Clean Energy's (PCE) existing program for electrification and minor home repair at no cost to the resident. Residents will benefit through better quality equipment, reduced bills, and improved air quality.

Features of the program include:

1. Neighborhood level community-based organizations to contact and enroll participants
2. Professional assessment of homes to produce a custom upgrade plan
3. Prevailing-wage contractors implementing the customer approved plan
4. Replacement of most or all of methane gas systems with efficient electric
5. Low-cost extreme heat readiness such as shades and fans
6. Ensuring EV readiness with a ready-to-use outlet
7. Minor home repairs such as unsafe entry stairs or non-functioning doors
8. Integration of home systems into virtual power-plant controls to support grid needs

The federal and match funding (\$4 million) is projected to serve 125 to 200 homes (customers may opt for more or less comprehensive upgrades, affecting the final number served.)

Innovation & National Significance

The target for the funding is part of an integrated strategy developed by PCE to advance aggressive decarbonization by 2035. The plan includes a detailed analysis of market conditions, technology and building stock, resources available, and scaling approach. These programs are complemented with in-depth engineering design strategy to reduce the costs of electrification, building characterization including gas and electric usage, pilots on whole-home electrification and advanced technologies, and robust support for local government codes supporting electrification.

The program will be further complemented by a concierge "hot-line" for customer technical assistance and planning, and a "one-stop shop" set of online and offline support.

Specific innovations and scaling elements include:

1. Alignment of supply chain
 - a. Guidelines and training of dedicated contractors in advanced techniques to reduce costs, including use of new technology and methods to avoid costly service upgrades
 - b. Negotiated preferential pricing on equipment such as heat pump water heaters
 - c. Engagement of building officials to standardize permitting approaches on novel methods and technologies
2. Advanced analytics
 - a. Before and after analytics on gas and electric energy use including load shapes and bill impacts to assess outcomes and refine methods
3. Methods and technology integration

- Creation of detailed guidelines across scenarios
- Use of cost-reducing technologies including 120 volt heat pump water heaters, combo space & water heaters, circuit splitters/pausers, and smart panels
- Integration into virtual power plant systems
- Possible additions include “V2B” readiness, solar and storage readiness, and “right-sized” resilience for power outages

The innovations will be leveraged for impact beyond the program by bringing best-practices to peer and state agencies, practitioners, and policy makers through case studies, conferences, and other forums. PCE is already an established leader in emerging electrification best-practices.

Partners

- Community Engagement: Climate Resilient Communities, Cultiva La Salud, El Concilio, HealthWays, Nuestra Casa, and others
- Program Administration: Franklin Energy Services
- Technical Support: XeroHome
- Contractors: Fuse Service, Enso Building Solutions
- Local Governments including but not limited to: Daly City, East Palo Alto, Menlo Park, Redwood City, San Bruno, San Mateo, and South San Francisco.

Budget

Below is the approximate allocation of federal funds for the project work. All federal funds would be allocated solely for direct installation costs. Other program costs including outreach, customer management, and program management would be borne by Peninsula Clean Energy.

| Measure | Labor | Materials | Unit Cost | Total Homes | Total Cost |
|--------------------------|------------------|------------------|------------------|--------------------|--------------------|
| Heat pump water heater | \$4,191 | \$2,159 | \$6,350 | 60 | \$381,000 |
| Heat pump HVAC | \$8,118 | \$4,182 | \$12,300 | 60 | \$738,000 |
| Electric induction range | \$1,617 | \$833 | \$2,450 | 60 | \$147,000 |
| Electric clothes dryer | \$1,320 | \$680 | \$2,000 | 60 | \$120,000 |
| Level 1 EV-ready circuit | \$ 792 | \$408 | \$1,200 | 60 | \$72,000 |
| 4 Circuits | \$3,168 | \$1,632 | \$ 4,800 | 60 | \$288,000 |
| Sub-panel (if needed) | \$1,056 | \$544 | \$ 1,600 | 30 | \$48,000 |
| Permits & HERs test | \$ 660 | \$340 | \$ 1,000 | 60 | \$60,000 |
| Minor home repairs | \$1,650 | \$850 | \$ 2,500 | 60 | \$150,000 |
| Total | \$ 22,572 | \$ 11,628 | \$ 34,200 | 60 | \$2,004,000 |

Eligibility

Eligibility for the program will be based on homeowner income set at 80% of Area Median Income utilizing income guidelines based on CA Department of Housing and Community Development’s State Income Limits. Eligibility may be demonstrated with tax returns or paystubs or participation in any of the following programs:

- Residency in Affordable Housing, Public Housing, or Housing Choice Vouchers (Section 8), or Below Market Rate Housing
- Bureau of Indian Affairs General Assistance Head Start Income Eligible (Tribal Only)
- California Unemployment Insurance (UI), Pandemic Emergency Unemployment Compensation (PEUC), or Pandemic Unemployment Assistance (PUA)
- CalFresh/SNAP (Food Stamps)
- Women, Infants, and Children (WIC)
- CalWORKs (TANF) or Tribal (TANF)
- Supplemental Security Income (SSI)
- Free or Reduced National School Lunch Program (NSLP)
- Low Income Home Energy Assistance Program (LIHEAP)
- Energy Savings Assistance Program (ESA)

About Peninsula Clean Energy

PCE is a Community Choice Aggregation (CCA) agency and the official electricity provider for San Mateo County and for the City of Los Banos in California. Founded in 2016 with a mission to expand access to sustainable and affordable energy solutions, the agency serves a population of 810,000 by providing more than 3,600 gigawatt hours annually of electricity that is 50 percent renewable, 100 percent clean and provided at lower cost than our area's investor-owned utility, Pacific Gas and Electric. The agency has earned investment grade credit ratings from both Moody's and S&P and since inception in 2016, PCE customers have saved over \$100 million in electricity costs.

As a community-led, not-for-profit joint powers agency comprised of 22 municipal governments, PCE makes significant investments in its communities to expand access to sustainable and affordable energy solutions. This includes major investments in building and transportation electrification, as well as distributed energy resources. Our programs include commercial-scale solar and storage (~16 MW in-progress), incentives and finance for residential building decarbonization (over 2,000 measures in 2023), targeted low-income/disadvantaged community home upgrades, and EV charging installation in apartments (nearly 1,000 ports installed). These programs are complemented by advanced engineering designs and program models which build community trust, lower costs and provide scalability by recycling funds through innovative financial models.

California State Senate

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STANDING COMMITTEES
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BUSINESS, PROFESSIONS &
ECONOMIC DEVELOPMENT
ENERGY, UTILITIES & COMMUNICATIONS
TRANSPORTATION

SUBCOMMITTEE
BUDGET & FISCAL REVIEW
SUBCOMMITTEE #2 ON
RESOURCES, ENVIRONMENTAL
PROTECTION, AND ENERGY
CHAIR

SELECT COMMITTEES
NON-PROFIT SECTOR

JOINT COMMITTEE
LEGISLATIVE BUDGET

February 29, 2024

The Honorable Alex Padilla
331 Hart Senate Office Building
Washington, DC 20510

The Honorable Laphonza Butler
112 Hart Senate Office Building
Washington, DC 20510

The Honorable Kevin Mullin
1404 Longworth House Office Building
Washington, DC 20515

The Honorable Anna Eshoo
272 Cannon House Office Building
Washington, DC 20515

The Honorable John Duarte
1535 Longworth House Office Building
Washington, DC 20515

Dear Senators Padilla and Butler, and Representatives Eshoo, Mullin and Duarte:

I write today to support Peninsula Clean Energy's (PCE) congressionally directed spending request for Low-Income Home Upgrades in San Mateo County and Los Banos.

This initiative will provide home electrification upgrade direct-installation services for eligible low-income customers living in single-family residences. This service will expand on PCE's existing program for electrification and minor home repair at no cost to the resident. Residents will benefit through better quality equipment, reduced bills, and improved air quality. Features of the program include replacement of most or all of methane gas systems with efficient electric, low-cost extreme heat readiness such as shades and fans, ensuring EV readiness with a ready-to-use outlet, and integration of home systems into virtual power-plant controls to support grid needs.

The Federal funding request and PCE match funding (\$4 million in total) is projected to serve 125 to 200 homes. The target for the funding is part of an integrated strategy developed by PCE to advance aggressive decarbonization by 2035. PCE's programs are complemented with in-depth engineering design strategy to reduce the costs of electrification, building characterization including gas and electric usage, pilots on whole-home electrification and advanced technologies, and robust support for local government codes supporting electrification. The program will be further complemented by a concierge "hot-line" for customer technical assistance and planning, and a "one-stop shop" set of online and offline support.

The innovations will be leveraged for impact beyond the program by bringing best-practices to peer and state agencies, practitioners, and policy makers through case studies, conferences, and other forums. PCE is already an established leader in emerging electrification best-practices.

Sincerely,

Josh Becker
California State Senator, District 13

March 12, 2024

The Honorable Alex Padilla
United States Senate
331 Hart Senate Office
Building Washington, DC
20510

The Honorable Laphonza Butler
United States Senate
112 Hart Senate Office
Building Washington, DC
20510

Re: Continuing Clean Energy Investments Are Necessary to Affordably Reduce Greenhouse Gas Emissions

Dear Senators Padilla and Butler:

We are thankful for the congressional leadership in passing the Inflation Reduction Act (IRA) in 2022 and the Infrastructure Investment and Jobs Act (IIJA) in 2021. As you discuss future federal packages, we wanted to offer comments for your consideration.

We write on behalf of Ava Community Energy, Clean Power Alliance, MCE, Peninsula Clean Energy, Redwood Coast Energy Authority, San Diego Community Power, Orange County Power Authority, Sonoma Clean Power, San José Clean Energy, Silicon Valley Clean Energy, and Valley Clean Energy. Together, California Community Choice Aggregators (CCAs) provide electricity to over 14 million Californians and have invested billions of dollars to build over 14,000 megawatts (MW) of renewable energy development throughout the West.

Transmission is Critical to Power the West with Clean Energy

CCAs have ambitious plans to provide affordable 100% carbon free energy to our communities. Aligned with California's aggressive climate policies, our success relies on our ability to contract for cost effective renewable energy projects. The California Independent System Operator (CAISO) estimates that at least \$30.5 billion in new high voltage transmission lines are needed to meet the state's clean energy goals, and many upgrades are also needed to sub-high voltage transmission lines, which are those below 200 Kv.

It is important that legal and regulatory processes support the timely and cost-effective development of transmission needed to power our communities with affordable renewable and clean energy. Coordinated and efficient transmission planning and permitting, mechanisms to offset costs and reduce pressure on ratepayer bills, and methods that ensure the economic flow of power across regions will enable our organizations to deliver on our renewable and clean energy goals in a cost-effective, reliable manner.

IRA and IIJA Funding Must Be Fully Deployed to Ensure Affordable Emissions Reductions

The IRA and IIJA are critical down payments in the fight against climate change. In particular, the

extension of the Investment Tax Credit and Production Tax Credit will continue to drive affordable clean energy development throughout California and the country. We have started to see the benefits of the tax credits in new power contracts for solar, wind, and energy storage projects that we are signing.

CCAs were excited to see the significant investments in clean energy technologies, home weatherization, and EV infrastructure through the IRA and IIJA. CCAs are eager partners in these programs and have been actively pursuing federal funding to equitably support their communities with clean, reliable energy and transportation. We support efforts to protect the vital IRA and IIJA funding and programs and defend against attempts to undermine either statute.

Further Investments are Needed in Electric Vehicles and Building Decarbonization to Ensure a Green Transition for All

According to the United States Environmental Protection Agency, in 2021 the transportation sector represented 28 percent of overall greenhouse gas emissions, and commercial/residential buildings represented 13 percent of overall emissions.¹

The scale of the challenge in these two sectors argues for the need for additional robust federal investment. For lower income families especially, the upfront cost of electric vehicles remains a significant barrier. We support electric vehicle purchase incentives at the point of sale, including tax credits for light-duty battery electric vehicles and zero-emission commercial vehicles, to immediately bring down the upfront cost of the vehicle.

On building decarbonization efforts, any new federal funds should concentrate on retrofitting existing homes. We support the expansion of existing home energy and efficiency tax credits, as well as new consumer rebate programs for the purchase and installation of devices that enhance home electrification including heat pump water heaters and induction cooktops. In California, the Governor is proposing funds for direct installations of building decarbonization projects. Complementary federal programs to expand the reach of this funding are critical to scale these efforts.

Thank you for considering our comments. We look forward to continuing to work closely with you as conversations in DC progress.

Sincerely,

Nick Chaset
CEO
Ava Community Energy

Ted Bardacke
CEO
Clean Power Alliance of Southern

California
Dawn Weisz
CEO
MCE

Shawn Marshall
CEO
Peninsula Clean Energy

¹ <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

Karin Burns

CEO

San Diego Community Power

Silicon Valley Clean Energy

Lori Mitchell

Director

San José Clean Energy

Geof Syphers

CEO

Sonoma Clean Power

Joe Mosca

Interim CEO

Orange County Power Authority

Mitch Sears

Executive Officer

Valley Clean Energy

Eileen Verbeck

Acting Executive Director

Redwood Coast Energy Authority

Girish Balachandran

CEO

cc: Congressional Delegation for Ava Community Energy, Clean Power Alliance, MCE, Peninsula Clean Energy, Redwood Coast Energy Authority, San Diego Community Power, Orange County Power Authority, Sonoma Clean Power, San José Clean Energy, Silicon Valley Clean Energy, and Valley Clean Energy



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 21, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Director Aalfs, Director Mackin, Director Fung, Nominating Committee
SUBJECT: Selection of Board of Directors Chair and Vice Chair (Action)

RECOMMENDATION

Nominations for Peninsula Clean Energy's Board of Directors Chair and Vice Chair

BACKGROUND

Honorable Colleagues,

The nominating committee, appointed by the Board, solicited and has received several nominations and expressions of interest, and spoken with several Board members. After these conversations, we are pleased to nominate Directors Donna Colson for Board Chair, and Marty Medina for Vice Chair.

Director Colson has been deeply involved with PCE since its inception, serving on the Executive Committee and leading the Audit and Finance Committee. She has participated in many conversations with PCE's Auditors and Investment Managers, as well as energy suppliers. She has spent the past three years as Vice Chair of the Board and we are honored to recommend her to succeed the Chair of the Board.

Director Medina has been involved with PCE for several years. He currently serves on the Executive Committee and the Audit and Finance Committee, and has participated in many community conversations; in particular, he has been very helpful in building PCE's relationships with local labor organizations. Marty is excited to continue his service to PCE and we believe he will be a credit to the organization in the role of Vice Chair.

We spoke to several other Board members about their potential involvement, and are excited to report that there are many well-qualified members with an interest in serving. This is important for the continuity of the Board, and for preserving institutional knowledge. We thank everyone who has expressed interest and contributed to our deliberations, we encourage all of you to continue to learn about PCE's work and mission, and we are honored to recommend Director Colson and Director Medina to serve in the capacities of Chair and Vice Chair, respectively.

Nominating Committee:

Jeff Aalfs, Portola Valley
Coleen Mackin, Brisbane
Anders Fung, Millbrae



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: March 20, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: Approval of Revisions to the Net Energy Metering (NEM) Annual Cash Out Policy (Action)

RECOMMENDATION

Approval of staff recommended changes to the Net Energy Metering (NEM) Annual Cash Out policy (Exhibit A).

BACKGROUND

Peninsula Clean Energy customers who have a behind-the-meter solar system and are enrolled in PG&E's NEM 1.0 or 2.0 programs are able to earn credits for excess generation to offset their energy consumption throughout the year. PCE currently credits these customers at the retail rate, the same rate that customers would otherwise be charged by PCE, plus a bonus \$0.01 per kWh. Over the solar year that runs from May to April, credits from excess generation are carried forward monthly for customers to use in months where their solar systems may not generate more energy than they use. After the April billing cycle each year, PCE NEM customers who have accrued solar credits are reconciled in the form of an annual cash out. To date, PCE has sent a check to any customer with a solar credit balance greater than \$100. Customers with a solar credit under \$100 have their credits rolled over into the next year's cycle.

There was no limit on the maximum amount of credit that would be dispersed via check during PCE's first two years of operating the NEM program. Larger businesses, some school districts, and municipalities with large solar systems were presented with checks up to \$33,000 for over-generation that occurred throughout the year, with little usage consumption to offset it. In 2020, a cash out cap of \$20,000 was put into effect, resulting in NEM credit balances over this amount being forfeited by the customer.

DISCUSSION

PCE's annual cash out program remains one of the most generous of all CCAs. Most others have turned to a Net Surplus Compensation (NSC) model, where customers are credited 20%-50% less than our retail rate structure. The NSC rate has fluctuated between \$0.04 and

\$0.08 over the last two years, while retail rates have gone up to double and even triple that range in the same timeframe.

Looking to the future, PCE staff recommends lowering the existing \$20,000 cash out cap to \$10,000 starting in April 2025 to reduce overpayment. As mentioned above, customers earning this level of credit are typically municipal, school districts, and large commercial accounts, and are not residential customers trying to pay off their home systems. This particular group of customers have received large cash outs from PCE for multiple years, and staff believes this adjustment is an appropriate step for PCE to take at this time as we realign incentives with an eye towards more equitable distribution for all customers. The number of customers impacted by this new cap would vary slightly year to year, depending on how their individual systems perform and how energy use may fluctuate at their facilities. But as an example, of the estimated 9,500 accounts that will be part of the 2024 annual cash out, only 4 accounts would currently be affected by a lower cash-out cap of \$10,000.

Alongside the payout cap adjustment, staff is also recommending a change in how payments are distributed to customers on the lower end of the spectrum starting with this years' cash-out cycle (April 2024). Staff initially proposed to transition to on-bill credits for customers who have \$300 or less in solar credits at the time of the annual cash-out while customers with over \$300 in credits will still receive a check from PCE. Staff also analyzed the impact of a \$500 credit threshold in response to discussion from PCE's Executive Committee. After analyzing multiple threshold options and incorporating feedback from both the Executive Committee and Community Advisory Committee, we are now proposing an on-bill cash-out threshold of \$500. NEM customers with credit balances up to \$500 would receive their cash-out in the form of an on-bill credit while customers with larger balances will still receive a check from PCE. Significantly reducing the number of checks issued and eliminating the \$100 minimum cash out threshold will lower processing costs and time while simultaneously ensuring that more customers will immediately receive the benefit of their earned solar credits via direct credit on their bill. While checks can be considered a physical representation of PCE in customer hands, a significant number of them are lost and often not deposited. In those cases, the reissuing process requires tedious operational coordination between three outside parties (PG&E, Calpine, and Maher Accountancy) and takes up to a week or more for resolution. In the last two years alone there have been 358 requests to have checks reissued, and in all about 2% of our customers have never deposited their checks that averaged \$260 each. This has resulted in close to \$55,000 not reaching our solar customers to date. By reducing the number of checks we send out, we'll lessen operational inefficiencies and have a greater impact with the solar credits we are providing.

A comprehensive email and physical mail notification campaign would accompany these changes, including personalized outreach to customers likely to be affected by the new cap. This would begin in April and reach customers in tandem with their 2024 annual cash out, at the start of the new solar year (May 2024-April 2025).

The PCE Community Advisory Committee was briefed on this proposal at their regular March 14th meeting and passed the following recommendation: "The PCE Community Advisory Committee supports the staff recommendation regarding changes to the NEM annual cash out policy and asks PCE to encourage the excessive solar generators to fully electrify their facilities, add battery storage, and/or explore the potential for microgrids."

FISCAL IMPACT

The financial impact of the suggested changes is variable due to the variance in credits generated by customers and timing, but as of February 2024 the April 2024 annual cash out would include an additional \$130,000 in credits given to customers who would otherwise have their credits (<\$100) rolled forward into the next solar cash-out cycle. Regarding the number of checks posted, we would see a reduction of about 80% and reflected operational cost savings of about \$8,500. This is based on the \$500 check threshold taking effect in 2024 and 8,223 customers receiving roughly \$1.5M in bill credits applied directly to their accounts.

Using 2024 data and projecting that forward to 2025, with a \$10,000 cap in place PCE would save approximately \$32,000 from the 4 accounts who would have previously been eligible for a \$20,000 payout.

ATTACHMENTS:

[NEM Annual Cash Out Policy_Revised 2024.pdf](#)

RESOLUTION NO. _____

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF
CALIFORNIA**

**APPROVAL OF REVISIONS TO THE NET ENERGY METERING (NEM) ANNUAL CASH
OUT POLICY (ACTION)**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California ("Peninsula Clean Energy" or "PCE"), that

WHEREAS, Peninsula Clean Energy was formed on February 29, 2016 as a Community Choice Aggregation program ("CCA"); and

WHEREAS, on October 1, 2016 Peninsula Clean Energy began offering service to residents and businesses throughout San Mateo County; and

WHEREAS, on April 1, 2022 Peninsula Clean Energy began offering service to residents and businesses in the City of Los Banos; and

WHEREAS, Peninsula Clean Energy compensates Net Energy Metering customers for excess generation at the retail price of electric generation rates; and

WHEREAS, Net Energy Metering customers have their escrowed credit balance cashed out each year after the April billing cycle; and

WHEREAS, Net Energy Metering customers with a credit balance of one hundred dollars or more are sent a check for their credit balance, and the cash out amount is capped at twenty thousand dollars; and

WHEREAS, it is Peninsula Clean Energy's fiscal responsibility to maintain reasonable

limitation on excess payments and ensure customers receive their excess credits; and

WHEREAS, a new credit balance threshold of five hundred dollars or more to receive a check and a lowered cash out cap of ten thousand dollars will reduce operational constraints while retaining credit value for the customer; and

WHEREAS, credit balances under the five hundred dollar threshold will be issued to customers as an on bill credit;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board authorizes the Chief Executive Officer to implement the attached updates to the Net Energy Metering Annual Cash Out policy for Peninsula Clean Energy customers to be effective April 1, 2024 for eligible customers.



Net Energy Metering Service – NEM 1.0 and 2.0

APPLICABILITY: This net energy metering (NEM) schedule is applicable to a customer who uses an eligible Renewable Electrical Generation Facility, as defined in PG&E’s Electric Schedule NEM (<http://www.pge.com/tariffs/ERS.SHTML#ERS>), within the capacity limits described in PG&E’s Electric Schedule NEM that is located on the customer’s owned, leased, or rented premises, is interconnected and operates in parallel with PG&E’s transmission and distribution systems, and is intended primarily to offset part or all of the customer’s own electrical requirements (hereinafter “eligible customer-generator” or “customer”).

This rate schedule is only available to customers that had their solar applications approved before April 14, 2023, and are still within the system’s 20-year NEM legacy period. This NEM schedule also applies to customers served under NEMV (Virtual Net Energy Metering), NEMVMASH (Virtual Net Energy Metering for Multifamily Affordable Housing), NEMA (NEM Aggregation) and Multiple Tariff facilities as described by PG&E Electric Schedule NEM. New solar customers who apply to interconnect their solar system to the electric grid after April 14, 2023, will be enrolled on the Solar Billing Plan <https://www.peninsulacleanenergy.com/solar-billing-plan/>.

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

RATES: All rates charged under this NEM schedule will be in accordance with the eligible customer-generator’s otherwise-applicable Peninsula Clean Energy rate schedule (OAS). An eligible customer-generator served under this schedule is responsible for all charges from its OAS including monthly minimum charges, customer charges, meter charges, facilities charges, demand charges and surcharges, and all other charges owed to Peninsula Clean Energy or PG&E – any applicable PG&E charges will be addressed in a corresponding tariff (<http://www.pge.com/tariffs/ERS.SHTML#ERS>). Charges for energy (kWh) supplied by Peninsula Clean Energy will be based on net metered usage in accordance with this NEM schedule.

BILLING: Customers with NEM service will be billed by Peninsula Clean Energy as follows:

1. **For a customer with Non-Time of Use (TOU) Rates:** The cost/(credit) associated with any net usage/(production) during the customer’s normal billing cycle shall be determined as follows: If the eligible customer-generator is a “Net Consumer,” as determined by usage exceeding production during a discrete billing cycle, the eligible customer-generator will be billed in accordance with the eligible customer-generator’s OAS. If the eligible customer-generator is a “Net Generator,” as determined by production exceeding usage during a



discrete billing cycle, the net energy production shall be valued at the OAS plus a NEM production premium of \$0.01/kWh. The value of all net energy production during the billing cycle shall be credited to PCE customers as described in Section (3).

2. **For a customer with TOU Rates:** If the eligible customer-generator is a Net Consumer (as defined above) during any discrete TOU period, the net kWh consumed during such period shall be billed in accordance with the eligible customer-generator's OAS. If the eligible customer-generator is a Net Generator (as defined above) during any discrete TOU period, net energy production during each TOU period shall be valued in consideration of the eligible customer-generator's OAS plus a NEM production premium of \$0.01/kWh, applying OAS rates to the quantity of energy produced within each TOU period. The value of all net energy production during the billing cycle shall be credited to Peninsula Clean Energy customers as described in Section (3).
3. **Monthly Settlement of Peninsula Clean Energy Charges/Credits:** NEM customers will receive a statement in their monthly PG&E bills indicating any accrued charges for their usage during the billing cycle. Customers who have accrued credits during previous billing cycles will see these credits applied against current charges. Any remaining balance will be due and must be paid in consideration of the due date and remittance advice reflected on each PG&E bill. When a customer's net energy production results in a net bill credit during any billing cycle, the value of any net energy production during the billing cycle shall be noted on the customer's bill and carried over as a bill credit for use in subsequent billing period(s).
4. **Peninsula Clean Energy Annual Cash-Out:** After the April billing cycle of each year, all current PCE NEM customers with a credit balance of more than \$500 will receive a check from Peninsula Clean Energy as compensation for the accrued escrow credit balance. Annual cash outs are capped at \$20,000 through April 2024, and any escrow credit balance over that threshold is forfeited and retained by PCE. Effective the 2024-2025 NEM year, the new annual cash out cap will be set to \$10,000. Customers will have an equivalent credit removed from their NEM account balance at the time of check issuance. Customers who have a credit balance of less than \$500 will have their credits applied as a bill credit on the following billing period. Customers who close their electric account through PG&E or move outside of the Peninsula Clean Energy service area prior to the April billing cycle of each year will have their NEM credit balance settled 60 days after their account closure.
5. **Return to PG&E Bundled Service:** Peninsula Clean Energy customers with NEM service may opt out and return to PG&E bundled service at any time. Customers should be advised that PG&E will perform a true-up of their account at the time such customers return to PG&E bundled service. As described in PG&E Electric Rule 23 (<http://www.pge.com/tariffs/ER.SHTML#ER>), certain PCE customers returning to PG&E service may receive Transitional Bundled Service (TBCC) for a limited period of time; TBCC



will expose such customers to various market price risks – please review PG&E’s applicable electric rules and tariffs for additional information.

6. **PG&E NEM Services:** Peninsula Clean Energy NEM customers are subject to PG&E’s terms, conditions and billing procedures for any non-generation services, as described in PG&E’s Electric Schedule NEM and related PG&E tariff options addressing NEM service. Customers should be advised that while Peninsula Clean Energy reconciles payment/credit balances for generation on a monthly basis, PG&E will continue to assess charges for delivery, transmission and other services. Most NEM customers will receive an annual true-up from PG&E for these non-generation services.

Customers are encouraged to review PG&E’s most up-to-date NEM tariffs, which are available on PG&E’s website: <http://www.pge.com/tariffs/ERS.SHTML#ERS>.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 20, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Nicholas Bijur, Chief Financial Officer
SUBJECT: Approval of Hybrid Approach Rate Setting Methodology (Action)

RECOMMENDATION

Adopt a resolution approving a Peninsula Clean Energy (PCE) hybrid approach rate setting methodology that includes elements of the current “PG&E minus 5%” and cost of service ratemaking methodologies.

BACKGROUND

Since PCE’s formation in 2016, PCE has set rates at a 5% discount to PG&E generation rates for all ECOplus customers, net of the Power Charge Indifference Adjustment (PCIA). PCE’s rates are typically approved by the Board of Directors (Board) in February after Pacific Gas and Electric Company (PG&E) sets its generation rates at the beginning of each year.

In February 2024, for the first time, the PCE Board elected not to adjust rates per the standard net 5% discount from PG&E generation rates. PCE’s rates were maintained at 2023 levels through at least July 1, resulting in a net discount to PG&E rates significantly greater than 5% for almost all customers. The analysis, recommendation, and subsequent approval by the Board for this rate freeze was based in part on the recently approved 250 days cash on hand (DCOH) upper-end financial reserve target, which provided an important indicator for the level of discount PCE could provide customers while maintaining healthy financial reserves to absorb potential negative financial impacts such as those incurred during the COVID pandemic.

In 2023, PCE engaged NewGen Strategies and Solutions (NewGen), a well-known utility rate design firm, to help staff analyze cost of service ratemaking, which is how most regulated utilities, including PG&E, set their rates. NewGen worked with staff to develop a financial model that calculated the cost of providing service and contribution margins by customer class based on indicative 2024 and 2025 “test years”.

The analysis required significant subjectivity to unbundle, classify, and then allocate costs among multiple customer classes. The result of the study indicated that, based on the test

years and certain cost allocation assumptions, PCE rates at our standard net 5% discount are forecasted to exceed costs across many customer classes, and the contribution margin varies widely by customer class.

DISCUSSION

Staff recommends adjusting PCE's rate setting methodology to maintain financial stability while also better reflecting our cost profile and maximizing the discount provided to customers. The net 5% discount from PG&E approach has served PCE and its customers well during PCE's start-up years when the Agency was building its operations and financial reserves; however, in this time of heightened cost sensitivity, staff wanted to consider other rate design options that have the potential to better reflect PCE's costs to serve customers and our desire to provide even deeper rate discounts as often as possible.

Below are discussions of three rate setting options.

Status Quo: PG&E minus 5%

PCE customers have appreciated and enjoyed the 5% savings relative to PG&E's generation rates, which is easily understandable by customers and stakeholders. The message is simple and consistent, as can be seen on PCE's website. In most years, the 5% discount has allowed PCE to cover its operational costs.

However, in certain years PCE rates have been insufficient to recover its costs, resulting in a negative change in net position and a requirement to use reserves, which is viewed unfavorably by the rating agencies and power supply counterparties that underwrite contracts based on PCE's financial position. In other years, such as fiscal 2023, rates were set at levels that resulted in the collection of funds in excess of PCE's financial reserve policy. The surplus funds were subsequently allocated to various customer programs and returned to customers in the form of rebates. While a 5% generation rate discount pegged to PG&E rates may be consistent and easy to communicate, the impact on our budget can vary widely and is not taking PCE's cost to serve into account in any meaningful way.

Cost of Service

Setting rates based solely on the cost of providing service will essentially "divorce" our ratemaking from PG&E. It could help PCE's financial planning, contribute to financial stability and allow for the maximum discount that can be justified, resulting in (possibly) increased savings for customers when compared to PG&E rates. However, cost of service ratemaking can also result in rates that are at times higher than PG&E's rates, which may not be favorably received by customers and could lead to increased opt-outs.

Another consideration is that allocating costs across customer classes, while theoretically equitable, involves a lot of subjectivity and assumptions, which can expose PCE to cost allocation debates and criticism by customers and stakeholders. As an example, Phase II of PG&E's General Rate Cases, which determines the share of costs each customer class is responsible for, is typically very contentious and time consuming. In addition, the resulting discount (or premium) to PG&E rates will vary by customer class and will be more difficult to succinctly communicate. Some customers may experience a significant discount, some a small discount, and others a premium to PG&E. This may not matter if the Board wishes to truly separate its ratemaking without any indexing to PG&E rates, but it potentially makes the

value proposition harder to compare and substantiate and much harder to communicate.

Hybrid Approach

An alternative/hybrid form of ratemaking, which has been implemented by several of PCE's peers, is to set rates based on the Agency's costs to serve but utilize the utility's (i.e., PG&E's) cost allocation methodology and rate schedules. This is essentially the methodology PCE used to determine its ability to temporarily freeze rates in January 2024.

In this approach, PCE would calculate the revenue required to cover its costs while maintaining its financial position at a minimum 180 DCOH and an upper target of 250 DCOH to determine the discount that can be provided to all customers and applied on a uniform basis. Because PCE would still use PG&E's customer cost allocation methodology as our benchmark, PCE would maintain the ability to set and communicate comparative rates and avoid the subjectivity and possible disagreement regarding independent customer class cost allocation.

The hybrid approach offers several benefits to PCE and its customers. It results in the maximum generation rate discount possible based on PCE's financial position, continues to ensure financial viability by covering PCE costs and reserve margins, is easier to communicate as a uniform discount, and avoids the possible contention of allocating costs and setting different discounts and premiums across customer classes.

In conclusion, while each rate setting methodology described above has various benefits and considerations, staff recommends adopting the hybrid approach that includes elements of the current "PG&E minus 5%" and cost of service ratemaking methodologies.

Next Steps

Staff will proceed with the annual budget process to forecast costs across the Agency, including continuing to support and invest in customer programs. Pending Board approval of the recommended rate setting methodology, staff will calculate the maximum discount possible based on cost and revenue forecasts while maintaining 180-250 DCOH over the forecast period. The draft budget will be presented to the Audit & Finance Committee in April and to the Board for approval in June. PG&E is scheduled to update its generation rates in July, and PCE rates may be adjusted on August 1, pending further financial analysis.

FISCAL IMPACT

Both cost of service ratemaking and a hybrid approach should result in less annual variability in change in net position as revenues and PCE rates will be set to approximate forecasted costs plus a financial reserve margin.

Implementing cost of service ratemaking by customer class would require PCE to engage NewGen for additional rate design and cost allocation support and likely additional internal resources. A hybrid approach, as recommended by staff, may require some incremental internal resources, which is within the proposed staffing plan to build out PCE's finance team.

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

APPROVAL OF HYBRID APPROACH RATE SETTING METHODOLOGY (ACTION)

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California (“Peninsula Clean Energy” or “PCE”), that

WHEREAS, the Peninsula Clean Energy Authority (“PCEA”) was formed on February 29, 2016, as a Community Choice Aggregation program (“CCA”); and

WHEREAS, the Board of Directors (“Board”) has established a set of strategic goals to guide PCE, including maintaining a cost-competitive electric-generation rate for residents and businesses; and

WHEREAS, since PCE’s formation, PCE has set electric-generation rates at a 5% discount to PG&E generation rates for all ECOplus customers, net of the Power Charge Indifference Adjustment (“PCIA”); and

WHEREAS, in January 2024 PCE elected not to adjust rates per the standard net 5% discount from PG&E generation rates and PCE’s rates were maintained at 2023 levels through at least July 1, resulting in a net discount to PG&E rates significantly greater than 5% for almost all customers; and

WHEREAS, in 2023 the Board directed staff to evaluate alternative rate setting methodologies; and

WHEREAS, staff engaged NewGen Strategies and Solutions, a well-known utility rate design firm, to help staff analyze cost of service ratemaking; and

WHEREAS, based on the results of staff’s analysis, as well as PCE’s strong financial position and PCE’s customers’ focus on costs, staff proposes that PCE update its rate setting methodology to incorporate cost of service ratemaking while also providing a uniform discount or premium from PG&E’s generation rates to all PCE customers;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves PCE’s updated rate setting methodology and authorizes the Chief Executive Officer to direct staff to calculate and implement new PCE ECOplus rates for customers effective on or around August 1, 2024, based on PCE’s forecasted fiscal year 2025 costs.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 15, 2024

MEETING DATE: March 28, 2024

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Jeremy Waen, Senior Director of Regulatory Policy;
Doug Karpa, Managing Counsel of Regulatory Policy

SUBJECT: Discussion of Draft Load Management Standard (LMS) Plan for submission to California Energy Commission (CEC) (Discussion)

BACKGROUND

Staff will provide an overview of a draft Load Management Standard (LMS) Plan that will require Board action for submission to the California Energy Commission (CEC) at the April Board meeting. The submission of the LMS Plan to the CEC will be Peninsula Clean Energy's first formal step in its ongoing compliance with this new requirement.

DISCUSSION

I. Summary

Peninsula Clean Energy staff have developed a plan to comply with the requirements of the LMS promulgated by the CEC. This standard requires large CCAs to evaluate marginal cost-based, real time priced rate offerings to mitigate electricity usage during peak conditions. In addition, large CCAs may also propose marginal cost responsive programs to further reduce peak loads and shift this electricity use to other, cheaper-to-serve hours.

The plan proposes to analyze the viability of participation in various CPUC-approved pilot programs implemented by Pacific Gas & Electric (PG&E) to satisfy PG&E's own obligations under the Load Management Standard. The plan does not propose for Peninsula Clean Energy to develop our own marginal cost-based rates as the costs of implementation and technical challenges are likely to render such rates infeasible. In addition, the plan would leverage Peninsula Clean Energy's existing and planned customer programs to promote load flexibility for our customers.

II. Regulatory Background

The California Energy Commission (CEC) established the Load Management Standard (LMS) regulation in April of 2023. The goals of the standard are: (1) to encourage energy

use at off-peak hours; (2) to encourage daily and seasonal peak load control to improve equity, efficiency, and reliability of the electric system; (3) to decrease or delay the need for new electrical capacity; and (4) to reduce greenhouse gas emissions and fossil fuel consumption. To ensure progress toward these goals, the CEC is requiring large Community Choice Aggregators (CCA) to submit an LMS Compliance Plan outlining how Peninsula Clean Energy will meet the LMS regulation requirements.

The LMS requires large CCAs to analyze an hourly marginal cost-based (MCB) rate for each customer class. The proposed rate should be evaluated based on five factors: (i) cost-effectiveness, (ii) equity, (iii) technical feasibility, (iv) benefits to the grid, and (v) benefits to customers. If adopted, the MCB rates must be available for customers to enroll in by July 1, 2027.

If the CCA concludes that the implementation of an MCB rate is not feasible based on one or more of the five factors listed above, then it must propose cost-effective marginal-cost responsive load flexibility programs for compliance and conduct an evaluation using the same five metrics. Compliance may be modified or delayed if the CCA can show that despite good faith effort, requiring timely compliance would result in reduced system efficiency or reliability, extreme hardship, technological infeasibility, or lack of cost-effectiveness to the CCA. If adopted, these programs must be available for customer enrollment by the same date of July 1, 2027.

III. Peninsula Clean Energy's proposed implementation of the Load Management Standard.

a. Rate Offerings

Peninsula Clean Energy Authority strongly supports the intent of the CEC's LMS regulation and is already making progress toward achieving load shifting among PCE's customers. Shifting load from high cost-to-serve hours to less costly hours is a key cost containment strategy for achieving a portfolio that delivers 100% renewable energy on a time-coincident basis. Although Peninsula Clean Energy has not developed a rate to achieve load shifting, Peninsula Clean Energy's suite of customer programs should deliver real load shifting benefits in alignment with the CEC's priorities set forth in the LMS.

Instead of developing its own marginal cost-based rates, Peninsula Clean Energy will explore participation in PG&E's Real-Time Pricing (RTP) rate pilots. However, our participation faces several preconditions that must be satisfied before participation will be feasible, including implementation of data access, billing requirements, and other requirements. Since the costs, benefits, and feasibility of participation in these pilots cannot be determined before the pilots are fully designed and implemented, Peninsula Clean Energy lays out its approach to assessing these pilots as information becomes available.

b. Customer Program Offering

In addition, Peninsula Clean Energy is modifying existing customer programs and developing new load flexibility programs in the coming years that can satisfy the CEC's goals. Peninsula Clean Energy anticipates using automated distributed energy resources to shift load in response to hourly signals, although significant

technical prerequisites exist. The programs include EV managed charging programs, solar and storage for public buildings, residential solar and storage, the FLEXmarket program, and residential electrification direct install programs. These programs will incorporate real time signals as the technology and regulatory structures to support this functionality become available.

These technical prerequisites that must be satisfied before these programs become fully feasible to satisfy the LMS include the availability of real-time transmission and distribution signals, integrating hourly and locational energy pricing, rules and processes for identifying and addressing dual enrollments, obtaining timely hourly billing quality data from PG&E, and other technical issues. Many of these requirements, and the markets that are required for automated distributed energy resources (DER) to significantly expand in the state, will depend on regulatory action by the CPUC and therefore have an uncertain timeline. Absent these prerequisites, PCE's programs will still be able to shift load in conformity with the goals of the LMS program, although perhaps not with the hourly specificity envisioned by the CEC.

Although technical hurdles remain to fully implement the CEC's vision, Peninsula Clean Energy has a clear strategy laid out in the attached LMS Plan for deployment of load management strategies to achieve the goals shared by Peninsula Clean Energy and the CEC.

FISCAL IMPACT

Presently, none.

There may be fiscal impacts for Peninsula Clean Energy at a later stage in the LMS process if we adopt rate(s) and/or program(s) that comply with this requirement. The fiscal impacts for those offerings will be considered when those matters are brought to the Board for review and approval.

ATTACHMENTS:

[LMS Compliance Plan.pdf](#)

Load Management Standard Compliance Plan

Peninsula Clean Energy Authority

Executive Summary

The California Energy Commission (CEC) established the Load Management Standard (LMS) regulation in April of 2023. The driving factors for the implementation of such standards are: (1) to encourage energy use at off-peak hours; (2) to encourage daily and seasonal peak load control to improve equity, efficiency, and reliability of the electric system; (3) to decrease or delay the need for new electrical capacity; and (4) to reduce greenhouse gas emissions and fossil fuel consumption. To ensure progress toward these goals, the CEC is requiring California's large Publicly Owned Utilities (POU), large Investor-Owned Utilities (IOU), and large Community Choice Aggregators (CCA) to submit an LMS Compliance Plan outlining how they will meet the LMS regulation requirements.

The LMS regulation requires each large utility or, as in this case, CCA to analyze an optional hourly marginal cost-based (MCB) rate for each customer class. The proposed rate should be evaluated based on five factors: (i) cost-effectiveness, (ii) equity, (iii) technical feasibility, (iv) benefits to the grid, and (v) benefits to customers. If adopted, the MCB rates must be available for customers to enroll in by July 1, 2027.

If the CCA deems the implementation of an MCB rate is not feasible based on one or more of the five factors listed above, then it must propose cost-effective marginal-cost responsive load flexibility programs for compliance and conduct an evaluation using the same five metrics. Compliance may be modified or delayed if the CCA can show that despite good faith effort, requiring timely compliance would result in reduced system efficiency or reliability, extreme hardship, technological infeasibility, or lack of cost-effectiveness to the CCA. If adopted these programs must be available for customer enrollment by the same date of July 1, 2027.

Peninsula Clean Energy Authority (PCE) supports the intent of the CEC's LMS regulation since load management is a key cost-containment strategy in achieving its goal of delivering 100% renewable energy on a high time-coincident basis in its 2020-2025 Strategic Plan. The load flexibility programs outlined in this LMS plan demonstrate how PCE's current efforts align with the CEC's priorities set forth via the LMS regulation.

Instead of developing its own MCB rates, PCE will explore participation in Pacific Gas and Electric Company's (PG&E) Real-Time Pricing (RTP) rate pilots. However, participation faces several preconditions that must be satisfied before participation will be feasible, including approval and implementation by the California Public Utilities Commission (CPUC), implementation of data access, billing requirements, and other requirements critical for CCA participation. Since the costs, benefits, and feasibility of participation in these pilots cannot be determined at this time, PCE lays out its approach to assessing these pilots as information becomes available.

In addition, PCE is also developing load flexibility programs in the coming years that can also serve to satisfy the CEC's goals. These programs include enhancements of existing

load modification programs as well as the implementation of new programs. PCE anticipates using automated distributed energy resources to shift load in response to hourly signals, although significant technical prerequisites exist. These prerequisites include the availability of real-time transmission and distribution signals, integrating hourly and locational energy pricing, rules and processes for identifying and addressing dual enrollments, obtaining timely hourly billing quality data from PG&E, and other technical issues. Many of these requirements, and the markets that are required for automated distributed energy resources (DER) to significantly expand in the state, will depend on regulatory action by the CPUC and therefore have an uncertain timeline. Absent these prerequisites, PCE's programs will still be able to shift load in conformity with the goals of the LMS program, although perhaps not with the hourly specificity envisioned by the CEC.

As developments in these areas proceed, PCE will be moving forward aggressively to implement one or more load management strategies to accomplish the goals of the regulation.

DRAFT

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1. Introduction

Peninsula Clean Energy Authority (PCE) supports the overall objectives of the Load Management Standard (LMS) since these strategies are important for PCE's goal of serving its customers 100% renewable energy on a high time-coincident basis in coming years. Since this requires the matching of load to the generation of PCE's contracted variable energy generation resources, load shifting is a critical strategy for PCE to achieve this goal. PCE looks forward to working with the California Energy Commission (CEC) in the coming years to develop cutting-edge and cost-effective approaches to achieving the overall goals of the standard.

1.1. About PCE

PCE, a community choice aggregator (CCA), provides electricity service to residents and businesses in San Mateo County and the City of Los Banos in Merced County. Formed in February 2016, PCE is a joint powers authority, consisting of the County of San Mateo, all twenty of its towns and cities, and the City of Los Banos in Merced County. Following a comprehensive feasibility study, consistent with Assembly Bill (AB) 32 voluntary action pathways, elected officials from each member jurisdiction unanimously agreed to form PCE to meet their local climate action goals and for the benefit of San Mateo County. In 2020, following another comprehensive feasibility study, elected officials from the City of Los Banos voted to join PCE.

PCE provides cleaner electricity, and at lower rates, than the incumbent investor-owned utility (IOU), Pacific Gas and Electric Company (PG&E). PCE plans for and secures commitments from a diverse portfolio of energy-generating resources to reliably serve the electric energy requirements of its customers over the near-, mid-, and long-term planning horizons. PCE was assigned an investment-grade credit rating from Moody's in May 2019 and S&P in June 2023, the second of the three CCAs in California to obtain investment-grade credit ratings. PCE's programs include advancing the adoption of electric transportation and transitioning building fossil fuel uses to low-carbon electricity.

As part of its mission-driven, collaborative, not-for-profit, locally focused roots, PCE is committed to two key organizational priorities:

- Deliver 100% renewable energy on an annual basis and align renewable energy supply with customer demand each and every hour of the day in the coming years.
- Contribute to San Mateo County reaching the state's goal to be 100% free of greenhouse gasses (GHG).

PCE is also committed to the following several strategic goals:

- Secure sufficient, low-cost, clean sources of electricity that achieve PCE's priorities while ensuring reliability and meeting regulatory mandates.

- Strongly advocate for public policies that support PCE’s organizational priorities.
- Implement robust energy programs that reduce GHG emissions, align energy supply and demand, and provide benefits to community stakeholder groups.
- Develop a strong brand reputation that drives participation in PCE’s programs while ensuring customer satisfaction.
- Employ sound fiscal strategies to promote long-term organizational sustainability.
- Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity.

The importance of these goals for the communities of San Mateo County is underscored by the 2019 declaration of a climate emergency by the Board of Supervisors calling on local agencies and jurisdictions to work “to achieve carbon neutrality throughout San Mateo County and to implement other actions to address climate change.”¹

1.2. The Role of PCE’s Board of Directors

PCE is governed by its Board of Directors (Board). Each member jurisdiction from San Mateo County, plus the city of Los Banos, has one seat on PCE’s Board (except for San Mateo County, which has two) for a total of 23 elected officials acting as board members. In addition, the Board has two board member director emeritus selected from former directors who participate in board activities as non-voting members.

The Board is responsible for setting the overall strategy for PCE, including rate setting and energy procurement decisions.² The decisions of the Board are binding requirements for PCE.

In addition to operating the CCA program, PCE also implements a range of customer programs to facilitate decarbonization and access to electrification, especially for disadvantaged customers. Generally, PCE does not receive cost recovery from the California Public Utilities Commission (CPUC) for these programs but funds them through rates or grants from outside sources.

1.3. The CEC LMS

In 1974, the California State Legislature passed the Warren-Alquist Act establishing the CEC. At its inception, the CEC was granted specific authority including but not limited to implementing load management standards.³ The CEC updated these standards in 2022 to

¹ County of San Mateo Board of Supervisors, Resolution No. 19-847: Adopt a resolution endorsing the declaration of a climate emergency in San Mateo County that demands accelerated actions on the climate crisis and calls on local jurisdictions and agencies to join together to address climate change (2019).

² Public Utilities Code § 366.2.

³ California Energy Commission, *2022 Load Management Standards Rulemaking Fact Sheet*, 1 (2022), https://www.energy.ca.gov/sites/default/files/2022-10/Load_Management_Fact_Sheet_ADA.pdf

enhance statewide demand flexibility, and the new amendments effective as of April 2023 are what this plan addresses.⁴

The CEC established its LMS regulation based on the definition of load management as “any utility program or activity that is intended to reshape deliberately a utility’s load duration curve.”⁵ The primary objectives of the regulation are to:

- Encourage energy use at off-peak hours.
- Encourage daily and seasonal peak load control to improve equity, efficiency, and reliability of the electric system.
- Decrease or delay the need for new electrical capacity.
- Reduce GHG emissions and fossil fuel consumption.

To ensure progress toward these goals, the CEC is requiring California’s large Publicly Owned Utilities (POU), large IOUs, and large CCAs to submit an LMS Compliance Plan outlining how they will meet the LMS regulation requirements.

The LMS regulation requires each large POU, IOU, and CCA to analyze an optional hourly marginal cost-based (MCB) rate for each customer class. The proposed rate should be evaluated based on five factors: (i) cost-effectiveness, (ii) equity, (iii) technical feasibility, (iv) benefits to the grid, and (v) benefits to customers. If the CCA deems the implementation of an MCB rate is not feasible based on one or more of the five factors, then it must propose cost-effective load flexibility programs for compliance and conduct an evaluation using the same five metrics. Compliance may be modified or delayed if the CCA can show that despite good faith effort, requiring timely compliance would result in reduced system efficiency or reliability, extreme hardship, technological infeasibility, or lack of cost-effectiveness to the CCA.

⁴ 20 Cal. Code Regs. §§ 1621-1625.

⁵ Public Resources Code § 25132.

Table 1 outlines the goals set forth in the LMS regulation, along with the expected completion date identified by the CEC and PCE's progress status toward meeting that deadline.

Table 1. Progress Toward LMS Goals

| LMS Section | Description | Deadline | PCE Status |
|--------------------|---|-------------------------|---------------------------------------|
| §1623.1(c) | Upload existing time-dependent rates to the Market Informed Demand Automation Server (MIDAS) database. | October 1, 2023 | Completed with ongoing updates |
| §1623(c) | Provide customers access to their Rate Identification Numbers (RIN) on billing statements and in online accounts using both text and quick-response (QR) code. | March 31, 2024 | Awaiting PG&E billing changes |
| §1623.1(a)(1) | Develop and submit to PCE's Board an LMS plan. | April 1, 2024 | Submitted to the Board March 22, 2024 |
| §1623.1(a)(3)(A) | Submit to the CEC the Board-approved LMS plan. | May 31, 2024 | |
| §1623(c) | Develop and submit to the CEC, in conjunction with the other obligated utilities, a single statewide RIN access tool. | Oct. 1, 2024 | Ongoing, through CalCCA participation |
| §1623.1(b)(3) | Submit to the CEC a list of load flexibility programs deemed cost effective by PCE. | Oct. 1, 2024 | |
| §1623.1(a)(3)(C) | Submit annual reports to the CEC demonstrating implementation of plan, as approved by the PCE Board. | Annually | |
| §1623.1(b)(2) | Submit to the PCE Board for approval at least one MCB rate for the customer class(es) for which it will materially reduce peak load | July 1, 2025 | |
| §1623.1(b)(2) | Offer customers voluntary participation in either an MCB rate, if approved by the Board, or a cost-effective load flexibility program. | July 1, 2027 | |
| §1623.1(b)(5) | Conduct a public information program to inform and educate affected customers why MCB rates or load flexibility programs and automation are needed, how they will be used, and how these rates and programs can save customers money. | Goal date not specified | Ongoing currently |
| §1623.1(a)(1)(C) | Review the plan at least once every 3 years after it is adopted and submit an update to the PCE Board if there is a material change. | Triennially | |

2. PCE LMS Plan

2.1. Overview

PCE does not view designing and implementing its own MCB rates as likely to be cost-effective or technically feasible as an approach to meeting the goals of the LMS, as discussed below. However, PCE is exploring participation in PG&E's Real-Time Pricing (RTP) rate pilots as a more effective approach to LMS-compliant rate offerings. PG&E filed its Expanded Pilots Proposal with the CPUC on September 25, 2023, requesting to make LMS-compliant modifications to the Agricultural Flexible Irrigation Technology (AgFIT) program. PCE is exploring participation in PG&E's Expanded Pilots, Business Electric Vehicle (BEV), and Vehicle to Grid Integration (VGI) RTP pilots to fully comply with the LMS. PCE will provide an update on the expansion of the pilots in its next LMS Compliance Plan report.

2.2. RTP Pilots

The status of PG&E's RTP pilots is in flux as the IOU is awaiting feedback from the CPUC regarding its expansion requests. PG&E details how the expanded pilots will comply with LMS in its LMS Compliance Plan submitted October 2, 2023.

Pilots are in progress and proposed for PG&E's service area, which have made (or will make) RTP rates available to customers in the next few years. These pilots will continue to provide important learnings to inform RTP rate design. The Valley Clean Energy (VCE) AgFIT agricultural water pumping pilot is available to agricultural customers in VCE's service area and includes both marginal generation and distribution cost components. Additionally, PG&E is in the process of implementing a Vehicle-to-Grid Integration RTP Pilot (VGI RTP Pilot) approved by CPUC Resolution E-5192 per directives in CPUC Decision (D.) D.20-12-029. The VGI RTP Pilot is targeted for rollout in 2024. In PG&E's 2020 General Rate Case (GRC) Phase II, RTP rate pilots were approved for Residential, Commercial, and Industrial customers. However, these pilots were designed to include only dynamic generation price components and would not meet the LMS requirements to include hourly distribution and transmission marginal cost signals. On September 25, 2023, PG&E filed a proposal – in support of the CPUC Energy Division Staff's proposal in Track B of the CPUC's DFOIR proceeding – to expand the VCE AgFIT Pilot (PG&E Expanded Pilots Proposal). With this proposed pilot expansion, all PG&E-customer classes – except Commercial Electric Vehicle (CEV) and Street Lighting – would be able to enroll in an RTP rate with dynamic generation and dynamic distribution cost components by June 2024. This implementation timing is dependent, however, on PG&E receiving CPUC approvals for these pilots by November 30, 2023. If the PG&E Expanded Pilots Proposal is adopted and implemented on the schedule proposed by the CPUC (June 2024), PG&E will meet the requirements of the LMS to have marginal cost-based hourly rates available to all customer classes (except for CEV)

for the generation and distribution components of the RTP rates well ahead of the Jan 2027 CEC target.

If PG&E's proposal for including other customer classes (in addition to Agricultural) – as described in the PG&E Expanded Pilots Proposal – is adopted in the DFOIR proceeding, PG&E will be working with PG&E's GRC II RTP Track settling parties to pause PG&E's GRC II RTP pilot rates for the E-ELEC (Residential), B-6 (Small to Medium Commercial) and B-20 (Large Commercial and Industrial) rates. This will allow PG&E to replace those pilots with an RTP rate structure that includes not only marginal generation, but also marginal distribution cost components.

PG&E will provide an update on the plans to provide an LMS-compliant RTP rate for CEV customers by January 2027 in its next annual LMS Compliance Plan report. Although the VGI Pilot Dynamic Rate includes dynamic generation and distribution, eligibility is limited – in order for CEV customers to enroll in phase 2 of that pilot, they must be interconnected under Rule 21. Interconnection under Rule 21 is required because the VGI Pilot's objective is to encourage export to the grid and testing of vehicle-to-grid use cases. The VGI Pilot is a short-term pilot and is unlikely to be open to customers all the way to 2027. However, eligibility and a timeframe for the VGI dynamic rates could potentially be expanded to non-Rule 21 CEV customers. Learnings from the Day-Ahead Real Time Pricing - Commercial Electric Vehicle (DAHRT-CEV) opt-in rate, the CEV non-NEM export pilot – planned to launch in February 2024 – and the VGI Pilots Dynamic Rate targeted for Q3 2024 would be used to inform the design of the LMS-compliant RTP rate for CEV customers.⁶

PCE has participated in the proceeding developing these pilots and has expressed interest in participating in PG&E's Expanded Pilots and BEV and VGI RTP pilots. Should PG&E receive approval from the CPUC to make the pilots LMS compliant, PCE will further evaluate engagement in the pilots as a means to achieve its own LMS goals, based on the details of the final implementation of these programs.

2.2.1. Rate Design

PG&E states the following regarding its plan for an LMS-compliant rate.

While still undergoing minor adjustments, PG&E's currently preferred rate design will likely be similar to the rate design of its VGI RTP Pilot and will satisfy all but one of the LMS requirements – hourly transmission costs. The VGI RTP Pilot rate design includes marginal energy costs, marginal generation capacity costs, and marginal distribution capacity costs, but does not include hourly transmission costs ... While

⁶ Pacific Gas and Electric Company, 2023 LMS Compliance Plan (2023).

the VGI RTP Pilot rate design does not include marginal transmission capacity costs, PG&E is developing a roadmap toward an LMS-compliant rate in 2027.⁷

PG&E has outlined the details of its RTP rate and proposed the following for inclusion.

- **Frequency.** Individual hourly prices updated on a day-ahead basis.
- **Marginal Capacity Costs.** Marginal generation capacity costs as approved in D.21-11-016 and allocation as specified in D.22-08-002.
- **Marginal Energy Costs.** Marginal energy costs as approved in D.21-11-016. These “are the CAISO energy prices at the PG&E Default Load Aggregation Point (DLAP), adjusted for line losses.”⁸
- **Marginal Transmission and Distribution Costs.** Dynamic distribution signal created “to recover the Primary Distribution Capacity Costs approved in CPUC D.21-11-016. The hourly prices will vary depending on the location of the customer and will utilize the scarcity pricing concept, with prices dependent on the forecasted load on a representative circuit with similar load characteristics to the customer’s circuit. As described in the Joint IOU WG 1 Proposal, hourly distribution prices will be set so that average prices are the same across all locations – prices on more constrained circuits will have more time differentiation, but annual average load-weighted prices will not vary geographically for equity reasons.”⁹
- **Fixed Costs.** Fixed cost collection subscription mechanism as outlined in the California Flexible Unified Signal for Energy (CalFUSE) proposal, with no scalars or adders to denote the collection.

As previously stated, PCE will explore whether to adopt similar rates if PG&E implements an RTP rate in the future.

2.3. Evaluation

2.3.1. Cost-Effectiveness

PCE’s strategy of participation in the CPUC-sponsored pilots is informed by some of the cost and feasibility considerations of designing and implementing its own separate MCB rates. The cost-effectiveness of any MCB rate offering depends on whether the value of any load shift to the customer and PCE exceeds the costs of implementation of the proposal. Since CCAs are excluded from cost recovery for expenditures in support of wider grid benefits, the analysis of cost-effectiveness is necessarily narrower than it would be for either IOUs or POUs.

⁷ *Id.*

⁸ *Id.*

⁹ *Id.*

The costs of implementing an MCB rate include a variety of fixed and per-customer costs. Fixed costs include, but are not limited to:

- Personnel costs for staff to design and maintain MCB rates.
- Management costs to obtain data from the California Independent System Operator (CAISO) and PG&E to calculate hourly costs.
- Software and system costs for design, maintenance, and operations.
- Contractor costs to implement MCB rates, including customer education and support.
- Software and upload costs associated with the MIDAS database interface.

In addition, per-customer costs include, but are not limited to:

- Data charges
- Vendor charges

At this time, the costs associated with the creation, implementation, and maintenance of the MCB rates are difficult to ascertain because many elements are still unknown. In addition to the implementation costs, it is unknown whether and how the CPUC will require PG&E to provide real-time billing quality customer data, the costs associated with obtaining these data, and any required technical or data handling costs. However, for comparison, the Sacramento Municipal Utility District (SMUD) anticipates these fixed costs would be larger than the value of the marginal improvement in load over existing time-of-use (TOU) rates.¹⁰ Since PCE would be spreading comparable fixed costs across a customer base that is approximately a fifth the size of SMUD's customer base, it is far less likely that the value of the marginal improvement in load shifting over PCE's existing TOU rates would be enough to justify these fixed costs. PCE's comparable fixed costs would be recovered from a smaller rate base, resulting in higher per-customer costs.

By the same token that the costs of implementation are difficult to determine, the value of any load shift that might result from an MCB rate is also difficult or impossible to assess at this time. The value of the load shift depends on participation rate, how much load is shifted, in what hours, and the value of that load shift. In principle, the amount of load shift could be determined for each hour if the elasticity of electricity demand in each hour were known; however, evaluating these elasticities would require considerable data for all hours and would have significant uncertainties. In addition, it would be necessary to know how the MCB rate values would differ from existing TOU rates in each of these hours.

Currently, several components of the marginal costs would be difficult to ascertain at this time. While hourly energy costs are currently generated in the CAISO market, the hourly

¹⁰ Sacramento Municipal Utility District, Sacramento Municipal Utility District Comments - SMUD's Load Management Standard (LMS) Compliance Plan (Attachment A) (2023).

capacity values are unclear. The resource adequacy (RA) program is shifting to a 24-hour slice-of-day framework, which would theoretically generate differential values of capacity in different hours. However, until the slice-of-day framework has been in place for some years, it will be impossible to assess what the capacity value of energy use in one hour might be relative to the energy use in a different hour. In addition, there are no currently accepted methodologies in use for the assessment of the hourly value of transmission and distribution costs. As discussed below in the context of technical feasibility, several components of hourly costs are not currently available, making the evaluation of the value of load shift difficult or meaningless to calculate.

Determining the net value of any load shift would also require offsetting the cost of serving new load in the hour to which electricity use is shifted. This in turn would require an understanding of whether reduced load in various hours would result in overall load reductions (load shed) or a shift to other hours (load shift), and if so, to which hours. Furthermore, the value of a given shift (e.g., from 8 p.m. to 11 p.m.) is likely to vary by day of the week. Even if only within-day shifts are assessed, this constitutes nearly 50,000 pairwise shifts between hours across the year, even assuming that a single week can be representative of all hours in the month. This calculation would require extremely large quantities of data that are not available at this time. Thus, a full cost-effectiveness assessment is currently difficult or infeasible.

Given the difficulties in evaluating the cost-effectiveness of an MCB rate today, PCE is interested in participating in CPUC-sponsored IOU pilots. Such pilot programs with robust participation from all customer classes could provide some data on the sensitivity of electricity use to MCB rates. This is one contributing factor to PCE's interest in participating in PG&E's rate pilots to generate such information.

2.3.2. Equity

Significant equity concerns are raised by MCB rates because any error from the true cost raises the prospect of unrecovered costs. If any kind of adder is required to cover these unrecovered costs, this is likely to represent a cost shift onto non-participating customers. PCE anticipates that participation in any MCB rate offering is likely to be primarily by wealthier and more sophisticated customers able to afford the technology required to truly take advantage of such a rate. Non-participating customers should not bear increased costs because of such rate structures. However, since the actual costs that would be realized are difficult to determine a priori, costs recovered through MCB rates are likely to be highly variable, as customers are almost guaranteed not to respond as forecast in every billing period. Thus, the MCB rates would need to incorporate conservative assumptions about cost recovered through these rates and err on recovering more costs from participating customers. However, if these rates are intentionally conservative to ensure adequate cost recovery in all billing periods, then the economic benefits of participating

would be blunted. As such, ensuring equity impacts are avoided likely limits the utility of MCB rates in the first place.

A second major point of concern is possible exposure of low-income customers to real-time market prices. Customers may elect to sign up for new rates without an understanding of the risks or, because most loads are inelastic, with limited ability to react. This can result in extreme customer costs during extreme weather or other significant events.

2.3.3. Technical Feasibility

MCB rates also face several technical prerequisites that would need to be satisfied before implementation of an MCB rate. PCE faces some of the similar challenges as PG&E, including the lack of transmission and distribution marginal costs currently called for in the regulation. Assessing the hourly and locational costs is difficult to ascertain with reliable methodologies. Consequently, there is no obvious data source to access hourly values to use as inputs to an MCB rate.

In addition, the hourly capacity costs are currently impossible to assess, because CPUC jurisdictional entities are transitioning to a new hourly capacity construct currently. The 24-hour slice-of-day framework will generate differential value of capacity in different hours. However, the CPUC has not finished implementing the slice-of-day methodology and several cost containment proposals remain unresolved. Over time, hourly capacity costs should be established by the market, but until Load Serving Entities develop expertise in trading hourly products over some years, it will be impossible to assess the capacity value in each hour.

In addition, since PCE is not its own billing agent, additional prerequisites exist and remain to be resolved including access to billing quality hourly data on a time basis. This likely requires CPUC action to order PG&E to provide such data to PCE.

PCE strongly supports the goals of load shifting as a key cost-containment strategy, but there are a significant number of prerequisites that remain to be implemented on a usable, statewide basis.

2.3.4. Benefits to the Grid

If the MCB rate is successful in shifting load to cheaper-to-serve times of day beyond what the TOU rates already achieve, this could provide marginal cost savings in the medium term.

However, the changing nature of the grid supply may mean that this value will diminish as California shifts to a fully decarbonized grid. Variable energy resources vary strongly not just by hour, but seasonally. In PCE's modeling of achieving a fully decarbonized energy supply that meets PCE's load on an hourly basis with 100% renewable energy, the most

important constraints on the grid are likely to shift from concerns about capacity during net peak load periods to daily energy constraints during seasons with the low solar over a 24-hour cycle. These constraints will arise in winter months, during which lower solar production to charge storage will drive constraints in the early morning hours. A portfolio that has both sufficient generation and storage to be capable of meeting overnight winter loads with diminished generation will have considerable excess energy to serve peak load with zero marginal cost energy at other times of the year. What this means is that if storage is capable of meeting load whenever it occurs, then load shifting from one hour to another will deliver few if any grid benefits. In contrast, shifting load from one season to another would be far more significant, but it is difficult to conceive of how this might be accomplished and whether an MCB rate would incentivize investments in such technologies.

In the medium term, the key analysis is the degree to which an MCB rate will shift load from expensive hours to cheaper ones. However, absent critical data on the hourly elasticity of electricity as described above, that analysis is currently not feasible to do.

2.3.5. Benefits to Customers

The benefits to participating customers depend on whether existing TOU rate differentials are greater or less than the hourly differences in marginal costs. In theory, if the difference between high-rate hours and low-rate hours is less than the hourly differences in marginal costs, then shifting to an MCB rate may save customers money if they can shift loads to relatively cheaper hours. Under a TOU rate, customers already save money by shifting load outside of the peak window. The benefit to customers then depends on whether customers would save even more money under an MCB rate, but that depends on the details of how the MCB and TOU rates compare in each hour and which hours customers shift usage from and to which hours. Thus, determining whether customers would or would not realize rate benefits will depend on the actual rates by hour relative to existing TOU rates. Since the MCB rates are not currently feasible to develop, it is not possible to analyze the degree of benefits to customers currently.

3. Rate Identification Number (RIN)

Since CCA bills are controlled and printed by the IOU billing agent (PG&E in this case), PCE has limited input on the design and placement of RINs on the customer billing statements. However, PCE is working with its third-party provider for data management and billing services, Calpine Energy Solutions (Calpine), and PG&E to comply with LMS requirements for RINs.

3.1. RINs and QR Codes on Customer Bills

PCE, Calpine, and PG&E have agreed to utilize the Electronic Data Interchange (EDI) 810 files to pass through RINs to PG&E for inclusion on the customer billing statements. The

RINs are expected to be available to customers via billing statements and online customer accounts by April 2024.

Per PG&E's LMS Compliance Plan, the IOU will include the RIN and QR code on the customer billing statement in the rate schedule code section of the electric service agreement details page. PG&E has stated that it does not plan to include a QR code that links to a webpage.

3.2. Statewide RIN Access Tool

PCE has participated in CEC-led workshops on the development of the Statewide RIN Access Tool and provided input on the process, when able. However, PCE's involvement in the development of the tool is limited, just like it is with the design and placement of the RINs on the customer billing statements. PCE and other stakeholders are currently waiting for PG&E to propose a timeline for the development of the Statewide RIN Access Tool.

4. Load Flexibility Programs

4.1. Overview

Load flexibility and grid reliability are key elements of PCE's decarbonization strategy. PCE has multiple offerings currently and is exploring a number of additional leading-edge options for its customers. Currently, these programs appear likely to play a central role in PCE's load-shifting strategy to meet the objective of the LMS, especially if participation in the RTP pilots proves unworkable.

PCE has established the following objectives for its distributed resources programs:

- Provide grid benefits, especially peak shaving to reduce wholesale costs and carbon intensity, aiding further penetration of renewables.
- Enable resilience.
- Lower operating costs for customers.
- Make electrification more economically beneficial.
- Create scalable deployment through sustainable models.

PCE's approach includes a focus on avoiding unnecessary capacity increases which can result in added costs and reliability challenges. This includes guidelines for residential electrification within 100-amp service,¹¹ use of low-power charging in multi-family

¹¹ Blake Herrschaft, *Design Guidelines for Home Electrification*, 7-12 (2023), <https://www.peninsulacleanenergy.com/wp-content/uploads/2023/04/Design-guidelines-for-home-electrification-v041223.pdf>

buildings, and fleet infrastructure planning.¹² In addition, PCE programs emphasize continuous load shaping, in contrast to event-driven curtailment, to maximize the benefits of load shaping for customers and the grid.

PCE has focused on developing a portfolio of flexible and effective load-shaping programs aimed at significantly reducing grid peak loads. PCE has also worked to innovate with technology and software providers to advance functionality that will allow for broad participation and help maximize potential resources, optimized for customer and grid needs. Multiple approaches are being continually assessed and PCE is learning from these initiatives to inform future program designs and the technology needed to scale adoption.

PCE currently offers a portfolio of load flexibility programs with a diversity of enabling technologies, and different tiers of engagement to provide options for customers. Following is a list of current and planned program offerings, including several pilots that are being tested for reliability, load reduction, and customer adoption.

4.1.1. Electric Vehicle Managed Charging

Overview: PCE territory has one of the state's fastest adoption rates for electric vehicles (EV) with over 45,000 EVs on the road today and EVs accounting for over one-third of new vehicle sales. Managing EV charging is a high priority for PCE with an emphasis on residential charging, where most evening charging is occurring, and shifting vehicle load daily out of the evening peak. In addition, minimizing the secondary midnight peak that can affect local distribution networks is also a priority. PCE has focused on leading-edge strategy by using vehicle telematics, which controls EV charging through the vehicle as opposed to charger-based load management. Because the installed base of smart chargers is very small and such chargers are expensive, the telematics approach holds greater promise because nearly all vehicles can participate without special equipment.

Status: PCE recently completed its second phase pilot of managed charging. The first phase was a proof of concept executed in 2020 with 7 vehicles. The proof of concept successfully demonstrated curtailment of charging at peak while ensuring drivers received the charging necessary for their daily needs. Following a competitive solicitation, PCE launched its second-phase pilot demonstrating scaled operation of EV-managed charging. PCE selected EV.energy as its partner and engaged researchers at UC Davis to develop an experimental design to evaluate incentive structures and assess outcomes. About 700 vehicles participated in the second-phase pilot. Data collection has been completed and analysis is underway. PCE anticipates finalizing its ongoing program design and ramping up its recruitment in the coming months. Incentives to sign up are offered to EV purchasers

¹² *San Carlos Case Study: EV chargers for your fleet, less is more*, Peninsula Clean Energy, <https://www.peninsulacleanenergy.com/san-carlos-case-study-ev-chargers-for-your-fleet-less-is-more/>; *Access to slow EV chargers could speed up EV adoption among renters*, Canary Media, <https://www.canarymedia.com/articles/ev-charging/access-to-slow-ev-chargers-could-speed-up-ev-adoption-among-renters>

through PCE's income-qualified used EV incentive in addition to direct marketing to customers.

4.1.2. Solar and Storage for Public Buildings

Overview: Public agencies have significant interest in the deployment of solar and storage systems to reduce costs and provide resilience for power outages and emergencies. In addition, the Inflation Reduction Act's "direct pay" provisions allow public agencies to access the Investment Tax Credit without an intermediary, improving the economics of distributed generation systems. PCE operates an aggregate solar and storage program aimed at improving the economics of distributed solar and storage for public agencies. This program operates in cohorts in which PCE assumes the role of developer, providing upfront project development services, procurement, and financing under a PCE-supplied power purchase agreement (PPA) for the local government agency. Systems are then deployed by a construction firm under contract with PCE. PCE owns the systems and provides ongoing operations and maintenance support with a performance guarantee. The storage systems will provide backup power for outages and dispatch for grid peak load reduction.

Status: This program was launched in 2020 with significant legal and site development work to establish the program. Initial 12 systems with 1.7 MW of solar are now completing construction.¹³ The second round of the program is in contracting. The initial installations are the solar portion, and storage is intended to be added to select sites. Additional solar and storage sites are in development with as much as 6 MW of storage. Dispatch may be administered directly through a PCE distributed energy resource management system (DERMS), battery management systems, or contractually specified with service providers.

4.1.3. Residential Solar and Storage

Overview: Residential storage systems, typically paired with solar, are growing in popularity. Currently in PCE territory, there are approximately 34,000 systems with a total of 71.6 MW of storage.¹⁴ With the state's adoption of the Net Billing Tariff, it is expected that residential solar and storage adoption will grow. PCE has had a residential solar and storage program since 2020. That program has provided outreach and incentives for customers to adopt solar and storage systems. The systems are installed by a competitively selected provider and the storage systems dispatch at the grid peak as specified under the contract between PCE and the provider.

Status: PCE's residential solar and storage program completed its enrollment phase between 2020 and 2023. Nearly 400 new system installations were completed, and an additional 200 existing systems were enrolled. Under the agreement with the provider, the

¹³ *US climate law introduces billion-dollar 'game-changer' for nonprofits*, Canary Media
<https://www.canarymedia.com/articles/climate-tech-finance/us-climate-law-introduces-billion-dollar-game-changer-for-nonprofits>

¹⁴ Q4 2023 PG&E Interconnection Data for Peninsula Clean Energy service territory

provider offers battery storage dispatch during the evening peak, and PCE purchases the rights to this capacity over a 10-year term. The dispatch capacity is factored into PCE's annual load forecast submitted to the CEC, and subsequently, the CEC reduces PCE's forecasted RA capacity as a result of a lower forecasted peak load. PCE is continually working with the provider to further optimize the dispatch schedule to maximize the grid value, such as by concentrating as much energy capacity into a narrower, 2-hour dispatch window. In addition, PCE anticipates developing a follow-on program that will again provide support to homeowners in deploying solar and storage systems, while also providing capacity services to the grid. Dispatch may be administered directly through a PCE DERMS or contractually specified with service providers.

4.1.4. FLEXmarket

Overview: PCE utilizes the innovative FLEXmarket program to provide incentives to project implementers based on the measured grid benefits. PCE is implementing this approach because most cost energy efficiency programs do not adequately target load-shaping benefits. In addition, incentives are not targeted based on grid benefits nor measure actual results. This program operates across all customer classes for permanent load shifting achieved by targeted energy efficiency and beneficial electrification. The program utilizes Normalized Metered Energy Consumption (NMEC) methodology to assess projects based on their actual performance weighed against grid benefits with the Avoided Cost Calculator (ACC). This is a CPUC-funded program.

Status: PCE launched its FLEXmarket program in 2023 for both the commercial and residential sectors and has successfully enrolled projects in the first iteration of the program. Initial program emphasis has been on attracting service providers and proving the general model of the program. PCE anticipates continuing the program subject to CPUC approval.

4.1.5. Residential Electrification Direct Install

Overview: PCE operates an income-qualified direct install program for electric appliances – replacing aging, polluting methane gas systems. This program has upgraded approximately 300 homes with heat pump water heaters or other efficient electric measures. Under the program, PCE has piloted whole-home electrification of 5 single-family homes to assess costs and demonstrate electrification that minimizes grid impacts by fully electrifying within 100 amps.¹⁵ Finally, PCE has also piloted an advanced load-

¹⁵ Yes, it's possible to electrify a home on just 100 amps, Canary Media, <https://www.canarymedia.com/articles/electrification/yes-its-possible-to-electrify-a-home-on-just-100-amps>

shaping technology in space and water heating combo systems which can shift load in both applications through the thermal storage and advanced system logic.¹⁶

Status: This program will be substantially expanded in 2024 to allow for whole-home electrification. Numerous innovations are envisioned to be incorporated into this program including electrification within 100 amps, as well as the potential use of advanced combo systems, and integration of load shaping for water heaters and thermostats, possibly through a PCE DERMS. Separate from this program, PCE currently provides incentives to customers for the installation of load-shaping combo systems.

4.1.6. Program Design to Meet LMS Goals

Each of these programs is envisioned to incorporate remote dispatch DERMS or comparable technologies, which will enable all of these programs to become automated MCB signal responsive programs, as envisioned in 20 Cal. Code Regs. § 1623.1(a)(1)(B). The timeline and feasibility of the rollout of these technologies will be evaluated in future development of these programs.

4.2. Evaluation

PCE closely evaluates all programs it executes and anticipates that load-shaping programs will be evaluated with the following criteria:

- Amount of grid peak load reduction
- Consistency and reliability of load reduction
- Customer participation rate
- Cost of recruitment and operation
- Customer benefits, impacts, and satisfaction

4.2.1. Cost-Effectiveness

The costs associated with implementing a new load flexibility program include the following:

- Program development. This includes the costs associated with program design and setup, including integrating such programs with internal and external systems.
- Program administration. This involves ongoing costs to administer the program, including marketing, customer recruitment, customer education, development, and maintenance of customer tools, and any upfront or ongoing incentive payments that are part of the design.
- Technology and implementation costs. Each new load flexibility program requires significant investments in new technology platforms. These include external

¹⁶ TRC / Rupam Singla, *Harvest Thermal Pilot: Measurement and Verification Report* (2023), <https://www.peninsulacleanenergy.com/wp-content/uploads/2024/02/PCE-Harvest-Pilot-MV-Final-Report.pdf>

software systems that must be procured to communicate with and dispatch devices, as well as internal systems that must be developed and configured to integrate the external software.

PCE, as a CCA, may derive certain avoided cost value streams such as reduced RA costs and extreme event energy market costs. However, aside from CPUC-funded programs such as FLEXmarket, PCE does not have access to other value streams such as avoided distribution grid costs. Quantification of cost benefits is challenging and of limited confidence due to the volatile nature of the energy market, as described in the analysis of MCB rates above.

4.2.2. Equity

PCE has a major focus on equity across its programs. PCE's primary method of delivering equity benefits is in keeping generation rates low. Since inception, PCE has provided generation rates at least 5% below PG&E for all customers resulting in over \$100 million in savings for the community since 2016. In 2024 PCE is currently keeping rates flat resulting in 10-15% savings for customers compared to PG&E for even greater savings. In addition, in December 2023 PCE provided customers in the income-qualified California Alternate Rates for Energy (CARE) / Family Electric Rate Assistance (FERA) programs each a rebate of \$300.

PCE has numerous programs targeted at delivering additional equity benefits. These programs include an EV charging incentive and technical assistance for apartment buildings, income-qualified incentives for e-bikes and EVs, and the above-mentioned home direct-install program.

PCE offerings are geared towards ensuring financial benefits for customers and ensuring access to additional benefits such as functional appliances, etc. Load shaping provides a potential additional tool for reducing customer costs, helping ensure shiftable load is occurring under the most favorable rates. However, most loads in low-income households have little or no shifting capacity. It is essential that households are not penalized for inflexible loads. In addition, while some customer segments are interested in technology it is important that participation not introduce undue complexity, especially in this segment. Therefore, any technologies introduced need high reliability and effective passive operation with as little resident intervention as possible.

4.2.3. Technical Feasibility

Load shaping measures as described above have been technically demonstrated by PCE or other parties. PCE currently engages in a "direct control" approach with EVs (a type of DERMS but only for EVs), contractually based load shaping for its residential storage, and a market-based "shaped" incentive structure in FLEXmarket.

However, real-time responsiveness introduces numerous added levels of complexity. Assets would need to be integrated through a DERMS as a management platform. However, the DERMS landscape is extremely fragmented. Currently, DERMS providers are only able to successfully dispatch a subset of deployed assets, even within an asset type (battery, vehicles, etc.). In addition, customers must retain override capabilities based on specific needs, particularly for batteries which may be needed for power outages in extreme weather, and vehicles for travel needs. Customers, service providers and manufacturers in many cases can have competing objectives (ex: backup vs. grid services) and interest in enrolling in competing programs. In principle, a portfolio approach could yield confidence that a predictable dispatch capacity can be achieved for an event-based program. However, PCE's approach of daily "permanent" load shift offers the advantage of high predictability for the customer and other parties.

Furthermore, for real-time programs, data integration for the price signals would need to be established reflecting real-time conditions and PG&E billing systems would need to be restructured to allow billing based on those prices. A price signal system must address common standards for calculation, availability of data on a real-time basis, high up-time platform for serving the data, mechanism for customer visibility and other complexities. PG&E's billing system would require major updates of a platform already strained by high complexity and billing information would need to be presented in a digestible manner for the customer with associated education and customer service support. Both of these areas are major barriers.

4.2.4. Benefits to the Grid

Load shaping provides several grid benefits including reducing costs, increasing reliability, and reducing emissions. Load shaping that is responsive to real-time conditions could potentially increase those benefits to the degree that responsive load shaping is able to provide additional load reductions, above that provided by permanent load shaping, at moments of grid strain.

However, different objectives would necessitate visibility to specific conditions. ISO-level load, transmission congestion, load aggregation points, and distribution circuit conditions each have distinct values that can contribute to the value of load shifting but are not necessarily easily evaluated in real-time by asset controllers, like PCE. Thus, PCE may be able to assess grid value at the level of generation costs but may have difficulty incorporating other grid benefits, except to the degree that data becomes available for other areas.

4.2.5. Benefits to Customers

Customer benefits of load shaping generally are assessed by PCE in relation to economic value. Specifically, cost reductions after considering customer installation costs and the change in operating costs. As noted above, PCE emphasizes permanent load shifting as a

means of maximizing the operating cost benefits. Reliability is also an important benefit though this is difficult to quantify.

5. Conclusions

PCE strongly supports the goals of the LMS and is already working diligently to implement leading programs and approaches to deliver load flexibility in a cost-effective and technically feasible manner. Although load-flexibility technologies have many technical and policy prerequisites that must be satisfied before such approaches can deliver the full potential benefits, PCE is committed to deepening its current approaches and exploring the feasibility of other approaches as they become available.

Load flexibility is a key tool for PCE's core objective to provide its customers with 100% renewable energy in all hours. Given PCE's goals, it anticipates working with the CEC to develop new approaches and to provide real-world, on-the-ground expertise from the lessons derived from this work going forward.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: March 22, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Shawn Marshall, Chief Executive Officer; Roy Xu, Director of Power Resources; Mehdi Shahriari, Manager of Planning and Analytics

SUBJECT: Approval of Revisions to Peninsula Clean Energy's Organizational Priority Number 1 of the Strategic Plan from "Delivering 100% Renewable Energy Annually by 2025" to "Delivering 100% Renewable Energy Annually by 2030 Through Strategic Procurement of Resources to Maximize Peninsula Clean Energy's 24/7 Hourly Renewable Matching Goal" (Action)

RECOMMENDATION

Approval of Revisions to Peninsula Clean Energy's Organizational Priority Number 1 of the Strategic Plan from "Delivering 100% Renewable Energy Annually by 2025" to "Delivering 100% Renewable Energy Annually by 2030 Through Strategic Procurement of Resources to Maximize Peninsula Clean Energy's 24/7 Hourly Renewable Matching Goal".

BACKGROUND

In 2016, Peninsula Clean Energy set an ambitious goal to deliver 100% renewable energy on an annual basis by 2025. For the interim years, Peninsula Clean Energy pursued an aggressive approach to completely remove natural gas emissions from its annual power content label, which was achieved beginning in 2020. Peninsula Clean Energy offered two products starting in 2016: ECO100, which is 100% renewable, and ECOPlus, which is designed to be at least 50% renewable, with the remainder fulfilled by carbon-free, large hydroelectric resources to achieve a 100% clean product.

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--------------------------------|--------|--------|--------|--------|--------|--------|------|--------|
| | Actual | Actual | Actual | Actual | Actual | Actual | Est. | Target |
| Renewable Content (%) | 53% | 51% | 52% | 52% | 49% | 52% | 53% | 50% |
| Carbon-Free Content (%) | 33% | 35% | 37% | 47% | 51% | 48% | 47% | 50% |
| Unspecified Content (%) | 15% | 14% | 10% | <1% | 0% | 0% | 0% | 0% |

Table 1: ECOplus power content, actual, estimates and targets

In 2017, Peninsula Clean Energy adopted an even more cutting-edge goal, to deliver 100%

renewable energy on an *hourly* basis by 2025, ensuring more robust emission reductions than a 100% annual renewable energy target. When the goal was adopted, however, there was no way to know that the world would be afflicted by a two+ year pandemic which led to massive supply chain and labor challenges, resultant project delays, and other significant economic impacts.

Thus, in June 2023, Peninsula Clean Energy updated Organizational Priority 1 of its Strategic Plan to bifurcate the goal so as to acknowledge the difference between delivering renewable energy on an annual basis vs. on an hourly time-coincident basis. The goal statement was updated to: Delivering 100% renewable energy annually by 2025 and on a 99% time-coincident basis by 2027.

Since 2017, Peninsula Clean Energy has procured renewable and storage resources that are contributing to both of its industry-leading renewable goals. PCE's current portfolio includes solar, wind, geothermal, small hydro, and energy storage resources. The annual renewable content fluctuates in future years due to the addition of new resources, the expiration of a few existing Power Purchase Agreements (PPAs), and increasing customer load.

| Year | PCE Portfolio Projected Renewable Content as of March 2024* |
|------|---|
| 2025 | 68% |
| 2026 | 78% |
| 2027 | 86% |
| 2028 | 80% |
| 2029 | 72% |
| 2030 | 69% |

Table 2: Renewable Content of Current Portfolio
** Includes currently signed contracts only. Some smaller contracts with uncertain COD are excluded. Content may fluctuate over time as load and generation estimates are updated.*

In the past year, market changes have affected the prices and availability of short-term and long-term renewable and carbon-free resources. These changes have had significant impacts on the cost of meeting Peninsula Clean Energy’s goals in the near-term. The cost of short-term renewable energy (Portfolio Content Category 1 Renewable Energy Credits, or PCC1 RECs) has increased roughly 105% (more than doubled) in the past year. The cost of short-term carbon free energy has increased 383% (more than quadrupled) in the past year. At the same time, fewer resources are available to procure via long-term Power Purchase Agreements (PPAs), due to delays in resource development, supply chain issues, and challenges associated with interconnecting to the CAISO electricity grid. Wind and geothermal projects are particularly difficult to find. With extended interconnection timelines, resources that were expected to be online by 2027 have seen delays of 2 to 3 years, and are now expected to be online in 2029 or 2030.

Due to the reduced availability of new long-term resources, Peninsula Clean Energy would need to rely more on short-term PCC1 RECs to meet its stated hourly renewable target, which would be extremely costly given the unprecedented high prices in the current market. In addition, short-term renewable and carbon-free contracts do not provide the same emissions benefits as long-term PPAs. Long-term contracts provide developers with the financial stability necessary to build new renewable resources. When new renewable resources are

added to the electricity grid, they help to displace fossil fuel resources with higher emissions, a concept known as additionality.

Staff analyzed the feasibility and cost of meeting PCE's 100% annual renewable goal in 2025 through the end of the decade. In doing so, staff found significant trade-offs between high renewable energy content, which would be partially supported by PCC1 RECs, and the exorbitant cost of these portfolios. Staff found that pursuing PCE's 100% renewable target under a more gradual and progressive approach over the next five years could result in significant cost savings to our customers while continuing to improve on GHG reduction and emissions benefits.

DISCUSSION

As a result of recent market changes and project delays, the cost of providing 100% renewable energy in calendar years 2025 and 2026 has significantly increased relative to the forecast provided to the Board as part of the FY 23-24 budget process finalized in June 2023. For CY 2025, the cost of providing 100% renewable energy relative to the budget forecast provided in June 2023 has increased by \$85 million. For CY 2026, the projected cost has increased by \$122 million. Pursuing significantly high, but lower than planned, renewable energy content in these years would keep PCE's power portfolio well above the State's renewable portfolio standard but would keep power costs in check resulting in lower costs for our customers.

| Scenario | Difference in CY 2025 Cost of Energy relative to Forecast from June 2023 (\$) | Difference in CY 2025 Cost of Energy relative to Forecast from June 2023 (\$/MWh) |
|--|--|--|
| 100% Renewable | \$85 Million | \$16.77 / MWh |
| 68% Renewable / 32% Carbon-Free | \$24 Million | \$ 1.43 / MWh |
| 50% Renewable / 50% Carbon-Free | (\$1 Million) | (\$4.97 / MWh) |

Table 3: Cost Changes for Calendar Year 2025

| Scenario | Difference in CY 2026 Cost of Energy relative to Forecast from June 2023 (\$) | Difference in CY 2026 Cost of Energy relative to Forecast from June 2023 (\$/MWh) |
|--|--|--|
| 100% Renewable | \$122 Million | \$26.92 / MWh |
| 78% Renewable / 22% Carbon-Free | \$76 Million | \$15.74 / MWh |
| 50% Renewable / 50% Carbon-Free | \$28 Million | \$ 3.75 / MWh |

Table 4: Cost Changes for Calendar Year 2026

The magnitude of change in Peninsula Clean Energy's annual Net Position would depend on its targeted renewable content. For CY 2025, for every 1% increase in renewable target, Change in Net Position will decrease by about \$1.7 million. For CY 2026, for every 1% increase in renewable target, Change in Net Position will decrease by about \$1.9 million.

Due to the significant financial impact of pursuing Peninsula Clean Energy's current 100% annual renewable target by 2025, staff has prepared other options for the Board's consideration:

- Low Cost Option
 - Higher of 50% annual renewable and the CA Renewable Portfolio Standard (RPS) minimum target, with the remainder fulfilled by carbon-free energy.
- Mid Cost Option
 - Drive to 100% renewable portfolio in 2030 by procuring resources that maximize Peninsula Clean Energy's 24/7 hourly renewable matching goal:
 - Annual renewable percentage between 2025 and 2029 will continue on an upward trajectory with a minimum of 62% but will remain flexible based on available renewable resources, ability to sign long-term PPAs that match our portfolio needs, and balance the need to keep customer costs in check;
 - Facilitate increase in renewable content through contracting new long-term resources based on best-fit to maximize PCE's 24/7 hourly renewable matching, and avoid procurement of short-term RECs;
- High Cost Option
 - Achieve 100% Renewable by 2025 (i.e. continue with the current target)
 - Necessitates the use of short term PCC1 RECs

In pursuing any of these options, Peninsula Clean Energy will procure a minimum level of renewable and carbon-free energy to continue offering a 100% clean portfolio, and will avoid unspecified purchases on our Power Content Label.

Table 5 illustrates the the renewable content (%) in each of the aforementioned Options, with numbers in the Mid Cost Option offered as examples only. Relative to the Low Cost Option, achieving 100% annual renewable starting in CY 2025, the High Cost Option is estimated to cost Peninsula Clean Energy \$432 million more for the period from CY 2025 to the end of CY 2030. The Mid Cost Option will result in variable cost impacts depending on the actual renewable percentage achieved for each year, but in any event, will be significantly lower than the High Cost Option.

| | High Cost Option Renewable Content | Low Cost Option Renewable Content | Mid Cost Option Renewable Content (illustrative only) |
|-------------|---------------------------------------|--------------------------------------|---|
| 2025 | 100% | 50% | 68% |
| 2026 | 100% | 50% | 72% |
| 2027 | 100% | 52% | 75% |
| 2028 | 100% | 54.7% | 78% |
| 2029 | 100% | 57.3% | 80% |
| 2030 | 100% | 60% | 100% |

Table 5: Renewable Content of the options provided; Mid-cost projections assume that current resources reach on time COD and perform to expectation.

With input from the Procurement Subcommittee on March 18, 2024, staff recommends pursuing the Mid Cost Option to reduce customer costs and maintain procurement flexibility, while continuing to drive towards 100% renewable energy and maximizing 24/7 hourly

renewable matching by 2030.

Staff will review and report progress toward this updated goal on an annual basis.

FISCAL IMPACT

There is no fiscal impact for FY 23-24. To properly prepare the FY 2024-2025 budget for cost of energy, staff needs direction from the Board on any revision to Organizational Priority 1. Staff's recommendation to pursue the Mid Cost Option will substantially reduce the potential cost of energy in FY 24-25 relative to the current 100% by 2025 target, and such cost reduction will be reflected in the FY 24-25 budget and an updated five year projection.

STRATEGIC PLAN

The Recommendation will modify the portion of Organizational Priority Number 1 in Peninsula Clean Energy's Strategic Plan with respect to the 100% annual renewable target. Approval of this Recommendation will revise the priority statement from "Delivering 100% Renewable Energy Annually by 2025" to "Delivering 100% Renewable Energy Annually by 2030 Through Strategic Procurement of Resources to Maximize Peninsula Clean Energy's 24/7 Hourly Renewable Matching Goal".

Staff anticipates bringing a revision to the remaining part of Organizational Priority Number 1 with respect to the time-coincident renewable matching target for Board consideration at its April 2024 Board meeting. Staff will reflect Board adopted revisions to Organizational Priority Number 1 from the March and April 2024 Board meetings, which will then be presented to the Executive Committee on May 13, 2024 as a part of the Strategic Plan mid-year review.

RESOLUTION NO. _____

**PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO, STATE OF
CALIFORNIA**

**APPROVAL OF REVISIONS TO PENINSULA CLEAN ENERGY'S ORGANIZATIONAL
PRIORITY NUMBER 1 OF THE STRATEGIC PLAN FROM "DELIVERING 100%
RENEWABLE ENERGY ANNUALLY BY 2025" TO "DELIVERING 100% RENEWABLE
ENERGY ANNUALLY BY 2030 THROUGH STRATEGIC PROCUREMENT OF
RESOURCES TO MAXIMIZE PENINSULA CLEAN ENERGY'S 24/7 HOURLY RENEWABLE
MATCHING GOAL" (ACTION)**

RESOLVED, by the Peninsula Clean Energy Authority of the County of San Mateo, State of California, that

WHEREAS, the Peninsula Clean Energy Authority ("Peninsula Clean Energy") was formed on February 29, 2016; and

WHEREAS, in 2016, Peninsula Clean Energy set an ambitious goal to deliver 100% renewable energy on an annual basis to its customers by 2025; and

WHEREAS, staff modeling and analysis of current available resources and current market conditions indicate that meeting a 100% renewable target on an annual basis by 2025 is cost prohibitive; and

WHEREAS, staff modeling and analysis indicate that driving to 100% renewable energy on an annual basis by 2030 by procuring resources to maximize hourly matching will reduce cost and optimize portfolio structure.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board adopts the staff's recommendation to revise Peninsula Clean Energy's Organizational Priority Number 1 of the Strategic Plan to: Delivering 100% Renewable Energy Annually by 2030 Through Strategic Procurement of Resources to Maximize Peninsula Clean Energy's 24/7 Hourly Renewable Matching.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 20, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Kim Le, Director of Data and Technology
SUBJECT: Data and Technology Department Quarterly Report

BACKGROUND

Data and Technology at Peninsula Clean Energy is responsible for storing and processing large amounts of data from various sources, such as customer load usage and energy market data, and ensuring accuracy and accessibility for analysis and decision-making. The other side of this department is in IT, which plays a key role in maintaining the software systems, and keeping the technology gremlins at bay.

Data and Technology continues to move forward on progress and developments within our department to support the overall business operations. Over the past quarter, significant strides have been made in enhancing our technological infrastructure, optimizing data management processes, and driving efficiency with automations and standardizing operating procedures.

We welcomed Chris Duarte, who joined in mid-January as the newest member of the team. He works alongside Cassius Gray to provide IT support to PCE staff in the areas of hardware deployment and application support. His focus is on infrastructure improvements, security enhancements, and other technology processes to better serve the organizational goals.

DISCUSSION

Current high-level priorities and initiatives for this department:

- a. Continuous refinement of analytical approaches to drive informed decision-making
- b. Enhancing our tech infrastructure and building internal standard operating procedures

The Data Projects Showcase

- Managed EV charging dashboard tool: This dashboard for the Programs team captures and analyzes the charging behavior of various EV drivers and their response to charge management scenarios. It also calculates incentive amounts based on the time of usage and load. We extract, transform, and load over ten different sources of data, and apply machine learning in the data processing.
- GovPV SolarEdge billing capture: This is a billing report that is calculated from pulling

site usage data from the SolarEdge API via in-house script living in our Google Cloud Platform cloud function. This report is sent out for external party billing and invoicing of the site customers.

- CAISO market data capture: Working closely with Moya on the Power Resources team, we refactored the code using the OASIS API to pull in DAM, RTM, RTPD data and store it in our data warehouse for load forecasting and analysis. We also scraped the historical data for retrospective analysis.
- Settlement data pull: Also with the Power Resources team, we pulled in historic and current settlement data for the purposes of internal quality and validation checks.
- Top200 dashboard 2.0: An overhaul of our current Top 200 commercial big customers for a comprehensive at-a-glance dashboard of the calendar and fiscal year metrics across our largest system loads.
- DAC-GT 2.0 automation tool: This scripting tool was improved in this new version for the Account Services team. It processes the DAC-GT enrollment list and generates an updated quarterly report based on eligibility criteria and status changes.
- EV detection 2.0: Teaching our current machine learning model with updated data sources. This experimental model takes known EV load shapes and analyzes the usage patterns for feature extraction and label indications, to predict potential EV users.
- Address matching algorithm 2.0: Improving on our address matching algorithm with fuzzy matching to gain further insights on usage characteristics and customer segmentation.
- Google Cloud Platform enhancements: This encompasses all internal script cloud function and scheduler improvements on scalability and efficiency of the running models. We have integrated some of our functions into the cloud run environment for better load stability.

The IT Projects Showcase

- Office cubicle hybrid workspace: Set up of each cubicle workspace to be a hybrid hot desking setup to provide a space for staff to sit at any chair and have their laptop work with a plug-and-play station. This was a great improvement from only a handful of desks having this ability and creates a more comfortable in-office environment.
- Security awareness training 2.0: Revamping our outdated training to be more aligned with current industry standards and in compliance with our triennial audits. Phishing and other cybersecurity attacks have gotten more sophisticated, and protecting and educating staff about how to look for and prevent it from happening is a top priority in IT.
- Streamlining IT onboarding: Working closely as a business operations team to connect IT // HR // Admin teams in making the pre-onboarding pieces more cohesive.
- IT service desk software: As we grow the team and as PCE grows, we need to build out a more robust helpdesk system to triage and prioritize support issues, track metrics, and create reports. This coupled with a built-in knowledge base will elevate self-help and the ability to process tickets better.
- Hybrid conference rooms 2.0: The hardware and software equipment in the various hybrid conference rooms is being more heavily utilized and is ready for the second phase. We're bringing a more stable build-out and standardizing some of the testing features of the ZoomRoom software.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 20, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Marc Hershman
SUBJECT: Update on Legislative Activities

DISCUSSION

Sacramento Summary

The current state legislative session convened on January 3, 2024. Two-year bills from 2023 that had not yet been voted out of their house of origin were on a tight timeframe and had to be moved to the second house by the end of January. None of the two-year bills we had been following that needed to be passed out of their house of origin were successfully moved forward in January.

The deadline for the introduction of new bills was February 16. We are tracking bills of interest through a matrix addendum to the monthly legislative update. Thank you for your feedback on the matrix.

There were 2,124 bills introduced by the February 16 deadline. 1,505 in the Assembly and 619 in the Senate. Of these, 674 bills, about one-third, are placeholder bills. This compares to 2,632 bills introduced in 2023 and follows historical tracking with more bills typically introduced in the first year of the two-year session.

The placeholder bills will need to be amended by the end of March. Policy and budget committee hearings have begun in earnest.

Noteworthy Changes in the Legislature

On February 5 the Senate leadership gavel passed from Pro Tem Toni Atkins (D-San Diego) to Senator Mike McGuire. Pro Tem McGuire (D-Santa Rosa) represents coastal California from Marin, through Sonoma to the Oregon border. His district includes 3 CCAs.

Shortly after he became Pro Tem, Senator McGuire announced some important changes to Senate leadership and committee organization, which were shared in our February report.

In the state Assembly, Speaker Robert Rivas (D-Salinas) recently expanded the size of the Committee on Utilities and Energy from 15 to 16 and named Assemblymember Rick Zbur (D-

Santa Monica) to fill that new slot.

The Speaker also added a 5th seat to the Assembly Budget Subcommittee on Climate Crisis, Resources, Energy, and Transportation and appointed Assemblymember Cottie Petrie-Norris (D-Irvine) to that position.

State Budget

In late February the Legislative Analyst Office estimated that the state budget deficit is approximately \$73 billion. That is \$15 billion greater than the number projected last year by the LAO and \$38 billion greater than the size of the deficit estimated by Governor Newsom when he released his initial budget in January. We will be watching closely, particularly as the budget implicates energy issues and a potential climate bond.

CalCCA Lobby Day 2024

On February 20-21, CEO Shawn Marshall, COO Shalini Swaroop, and Director of Government Affairs Marc Hershman traveled to Sacramento as a part of Peninsula Clean Energy's participation in the annual CalCCA Lobby Day. It was a terrific opportunity to share the many good works we are undertaking here at Peninsula Clean Energy. Our community investment was of particular interest to the legislators as they grapple with increasing frustration from constituents over rising utility rates.

We had very productive meetings with state legislators including Senate Pro Tem Mike McGuire, Senator Josh Becker (D-Menlo Park), Senator Brian Dahle (R-Redding), Assemblymember Esmerelda Soria (D-Los Banos) and Assemblymember Diane Papan (D-San Mateo).

We also had the opportunity to meet with staff from the offices of Senator Anna Caballero (D-Los Banos), Assemblymember Marc Berman (D-Palo Alto) and representatives of the Newsom administration.

This was the first time since the 2020 pandemic that CalCCA held a traditional lobby day where we moved from office to office for meetings.

California Department of Housing and Community Development

Every three years the California Department of Housing and Community Development (HCD) develops and adopts new building codes. Often these changes advance California's climate and energy policies. One proposed change this year caught the eye of Peninsula Clean Energy's Programs Team.

The proposed code, if enacted as drafted, would eliminate the opportunity for installation of Level 1 EV charging at apartment and condominium buildings across the state. The proposed code would require the installation of a Level 2 charger whenever existing parking facilities are altered and the work requires a building permit which includes the installation of a Level 1 charger.

Peninsula Clean Energy has been an advocate for the installation of Level 1 charging as a proven cost-effective solution for EV charging installation at existing multi-family properties. Level 1 charging is not only cost-effective, but it can be installed quickly and is not subject to delays experienced by projects facing lengthy connection timelines. Numerous programs, including many state programs, are emphasizing this solution.

Peninsula Clean Energy reached out to legislators, CCAs and non-governmental organizations to enlist their support of language that would allow the installation of Level 1 chargers in an existing multi-family building, regardless of quantity or scope.

We want to extend our sincere appreciation to all those who signed letters letting HCD know of their support for Level 1 charging in multi-family buildings.

Senator Josh Becker (D-Menlo Park), Senator Henry Stern (D-Simi Valley), Assemblymember Marc Berman (D-Palo Alto) and Assemblymember Chris Ward (D-San Diego) sent a strong letter of support to HCD, as did 11 CCAs through a letter submitted by CalCCA. The California Electrical Transportation Coalition (CalETC,) sent in a similarly supportive letter.

Federal Engagement

Peninsula Clean Energy has engaged Thorn Run Partners, a Washington, D.C. firm, to assist with our federal engagement on issues of importance and specifically to help us with \$2M in Federal earmark requests.

CEO Shawn Marshall and Director of Government Affairs Marc Hershman plan to travel to Washington, DC along with representatives of 5 other CCAs from California, during the week of March 18 to meet with legislators, legislative staff, and administration officials.

(Public Policy Objective B, Key Tactic 1)

ATTACHMENTS:

[3.18.24 Bill Matrix_MF.docx](#)

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

| Bill | Summary | Status | PCE Position | CalCCA Position | Comments |
|--|--|---|--------------|---------------------|--|
| AB 817 (Pacheco) Brown Act Exemption: Advisory Committees | This bill, until January 1, 2026, would authorize a subsidiary body, defined as one that serves exclusively in an advisory capacity and has no final decision-making authority, to use similar alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. To use teleconferencing pursuant to this act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter. | Passed Assembly. Awaiting referral to a Senate Policy Committee | None | Considering Support | This bill started last year and moved through the Assembly in January as a two-year bill. This bill's impact on Peninsula Clean Energy will be limited to the Community Advisory Committee |
| AB 1550 (Bennett) Green Hydrogen Standard | Would define green hydrogen as hydrogen produced utilizing non biogas/biomass renewable electricity to electrolyze water into hydrogen. Also defines renewable hydrogen as hydrogen produced utilizing renewable electricity, except for dairy biogas, to electrolyze water into hydrogen The bill would require all hydrogen used in transportation and energy sectors to be green or renewable by 2045. | Dead 2-year bill that failed to pass the Assembly by 1/31 deadline | None | None | |
| AB 1567 (Garcia) | Proposes a \$15.9 billion climate resilience bond to fund programs responding to drought/flood, | 2-year bill currently pending in Senate | None | None | Bond measures must be signed |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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|---|--|--|------|------|--|
| Climate Bond | wildfire, sea-level rise, etc. The bond proposes \$2 billion for energy resilience programs such as zero-emission vehicle infrastructure and clean energy transmission projects. | Committee on Natural Resources & Water | | | by the Governor by June 27 for placement on the November 5 ballot. |
| AB 1852 (Pacheco) Clean Power Alliance | Current law makes certain information presented to the joint powers agency in closed session confidential, and authorizes a member of the legislative body of a local agency member to disclose certain information obtained in a closed session to legal counsel of that member local agency or to other members of the legislative body of that local agency in a closed session. Current law further authorizes the Clean Power Alliance of Southern California to authorize a designated alternate member of its legislative body who is not a member of the legislative body of a local agency member to attend its closed sessions and to make similar disclosures described above. Current law repeals these provisions relating to the Clean Power Alliance of Southern California on January 1, 2025. This bill would extend that repeal date to January 1, 2030. | Set for March 20 hearing in Assembly Committee on Local Government | None | None | This bill is sponsored by the Clean Power Alliance |
| AB 1912 (Pacheco) | Would require, before holding a committee hearing on a bill that proposes a new or | Referred to Assembly | None | None | |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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| | modifies an existing requirement imposed on an IOU or proposes a new or modifies an existing program that would be paid for by IOU ratepayers, that a request be made to the University of California, Berkeley, to prepare a written analysis of the bill assessing impacts to rates, other potential funding sources, etc. | Committee on Appropriations Passed Assembly Committee on Utilities & Energy | | | |
| AB 1921 (Papan) Linear Generators | This bill would expand the definition of “renewable electrical generation facility”, for purposes of compliance with the Renewable Portfolio Standard, to include a facility that uses linear generators using renewable fuels and meets those other specified requirements. | Set for April 3 hearing in Committee on Utilities & Energy | None | None | This bill is sponsored by Mainspring, a company located in Menlo Park |
| AB 1999 (Irwin) Fixed Charges | The bill would permit the PUC to authorize fixed charges that, as of January 1, 2015, do not exceed \$5 per residential customer account per month for low-income customers enrolled in the California Alternate Rates for Energy (CARE) program and that do not exceed \$10 per residential customer account per month for customers not enrolled in the CARE program. The bill would authorize these maximum allowable fixed charges to be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year, beginning January 1, 2016. | Referred to Assembly Committee on Utilities & Energy | None | None | This bill is in response to the Income Graduated Fixed Charge proceeding at the CPUC as authorized by AB 205 (2022) |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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|--|--|--|------|------|--|
| AB 2037 (Papan) County Sealers: EV Chargers | This bill would grant county sealers jurisdiction over publicly operated electric vehicle (EV) chargers. Existing law requires county sealers to test all weighing and measuring devices used for commercial purposes in the counties in which they have jurisdiction. This includes privately-operated EV chargers. However, a 1977 Attorney General (AG) opinion limited the jurisdiction of county sealers by excluding publicly owned weighing and measuring devices. This did not present an issue until recently, when cities and counties began owning and operating many commercial EV chargers. | Referred to Assembly Committee on Appropriations Passed Assembly Committee on Privacy & Consumer Protection | None | None | |
| AB 2054 (Bauer-Kahan) PUC Commissioners | This bill would prohibit a member of the Energy Commission or the CPUC from being employed by an entity subject to regulation by the Energy Commission or CPUC for a period of 10 years after ceasing to be a member of the commission. | Referred to Assembly Committee on Utilities & Energy | None | None | |
| AB 2619 (Connolly) Net Energy Metering | This bill would require the CPUC to develop a new standard contract or tariff providing NEM for eligible customer-generators of IOUs. | Referred to Assembly Committee on Utilities & Energy | None | None | |
| AB 2815 (Petrie-Norris) EV Charging Repair Grants | Would require the Energy Commission to establish a program to provide grants for repairs to EV charging infrastructure that has been in operation for at least 5 years and that is in a publicly available parking space. The bill would | Referred to Assembly Committees on Transportation and Natural Resources | None | None | |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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| | authorize grant funding to be used for, among other things, the cost to repair, upgrade, or replace an EV charging port or supporting infrastructure and the cost of operations, maintenance, and warranties for repaired, upgraded, or replaced EV charging ports and supporting infrastructure. The bill would require the commission to allocate at least 50% of grant funding to low-income communities and disadvantaged communities. | | | | |
| AB 2847 (Addis) IOU Revenue Requirements for Proposed Capital Expenditures | This bill would require an IOU's application requesting authorization for or recovery of capital expenditures to include the IOU's best estimate of the application's impact on annual revenue requirement for each year that the capital expenditures are expected to remain in the application's rate base and the net present value of those impacts. | Set for April 3 hearing in Committee on Utilities & Energy | None | None | The bill language specifically references undergrounding |
| AB 2891 (Friedman) Electrical Demand Forecasts | This bill would require the Energy Commission, on or before July 1, 2026, and in consultation with the PUC, CAISO, load-serving entities, and resource aggregators, to adopt a set of upfront technical requirements and load automation standards to provide the option for a load-serving entity to reduce or modify its electrical demand forecast upon aggregated system operation. | Referred to Assembly Committee on Utilities & Energy | None | None | |
| SB 382 (Becker) | This bill would, on or after January 1, 2026, require a seller of a single-family residential | 2-year bill. Awaiting policy committee | None | None | |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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| Property Disclosures: Electrical Systems | property to deliver a specified disclosure statement to the prospective buyer regarding the electrical systems of the property. | referral in the Assembly | | | |
| SB 867 (Allen) Climate Bond | Proposes a \$15.5 billion climate resilience bond to fund programs responding to drought/flood, wildfire, sea-level rise, etc. The bond proposes \$2 billion for energy resilience programs such as zero-emission vehicle infrastructure and clean energy transmission projects. | 2-year bill currently pending in Assembly Committee on Natural Resources | None | None | Bond measures must be signed by the Governor by June 27 for placement on the November 5 ballot. |
| SB 908 (Cortese) | Would prohibit an elected or appointed official or employee of a public agency from creating or sending a public record using a nonofficial electronic messaging system unless the official or employee sends a copy of the public record to an official electronic messaging system, as specified. By imposing additional duties on local agencies, the bill would create a state-mandated local program. | Awaiting policy committee referral in the Senate | None | None | |
| SB 938 (Min) Utility Accountability Act | Would prohibit, except as provided, an electrical or gas corporation from recording various expenses associated with political influence activities or with advertising to accounts that contain expenses that the electrical or gas corporation recovers from ratepayers. The bill | Referred to Senate Committee on Energy, Utilities and Communications | None | None | This bill is co-sponsored by TURN and Earthjustice. |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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| | would require an electrical or gas corporation to provide the Public Utilities Commission with all information deemed necessary to monitor compliance with that prohibition. The bill also would require an electrical or gas corporation, for each business unit of the corporation that performs work associated with political influence activities or advertising, to annually file with the commission a report containing specified information. The bill would require the commission to make the report publicly available. | | | | |
| SB 993 (Becker) Clean energy development incentive rate tariff | This bill requires the PUC to develop a special tariff (set of electricity rates) to support the development of green hydrogen and the electrification of industrial heat by providing attractive rates at times when we have abundant clean energy (and high rates at other times). This tariff will offer these new customers a great deal: pricing to help them be cost-competitive, but only if they operate in a way that relies on clean energy, avoids new grid infrastructure costs, and helps us maintain a reliable grid. | Referred to Senate Committee on Energy, Utilities and Communications | None | None | |
| SB 1018 (Becker) | The cheapest and cleanest way to provide renewable energy to power hydrogen electrolyzers or to displace fossil fuels in industry would be directly connecting those | Referred to Senate Committee on Energy, Utilities | None | None | |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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| | renewables to those new clean energy loads. Unfortunately, this is prevented today by the ""over-the-fence rule,"" which allows ""behind the meter"" usage of electricity only in very limited cases (such as when generated on the same property as rooftop solar). That doesn't work when you need acres of solar panels to provide enough power for a big factory. This bill will create a targeted new exception to the over-the-fence rule to enable off-grid use of renewables for these new, climate-beneficial purposes. | and Communications | | | |
| SB 1095 (Becker) Cozy Homes Cleanup Act | This bill updates code ambiguities to ensure individuals can switch from gas to electric appliances, allowing Californians to opt for cozier and healthier zero-emission homes. To do so, the bill: (1) Prevent HOAs from implementing provisions which prevent the switch from gas to electric appliances, (2) Clarifies the authority of individuals to replace gas with electric appliances in mobile and manufactured homes, and (3) Provides the Department of Housing and Community Development authority to update its regulations should further legal uncertainty inhibit appliance replacement. | Referred to Senate Committee on Housing | None | None | |
| SB 1130 (Bradford) | Would require the PUC to review each IOU's report to ensure it has sufficiently enrolled eligible households in the FERA program | Set for March 19 Hearing in Senate Committee on | None | None | |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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| IOU Reports on Family Electric Rate Assistance | commensurate with the proportion of households the commission determines to be eligible within the electrical corporation's service territory. If the commission, in its review of a report, determines an IOU has not sufficiently enrolled eligible households in the FERA program, the bill would require the commission to require the IOU to develop a strategy and plan to sufficiently enroll eligible households within 3 years of the adoption of the strategy and plan. | Energy, Utilities and Communications | | | |
| SB 1305 (Stern) Virtual Power Plant Procurement Mandate | This bill would require each load-serving entity to procure from virtual power plants, defined as actively coordinated aggregations of behind-the-meter distributed energy resources that can perform certain functions, sufficient capacity to meet specified minimum capacity requirements by certain dates. The bill would require capacity procured from a virtual power plant by a load-serving entity pursuant to these provisions to be used to meet the resource adequacy requirements established for the load-serving entity. | Referred to Senate Committee on Energy, Utilities and Communications | None | None | |
| SB 1374 (Becker) Restoring Self-consumption Benefits for On-Site Generation | When the PUC changed net energy metering for behind-the-meter solar, it retained the ability for solar customers to avoid purchasing energy from the utility for solar power that was self-consumed (during the same time in which it was generated) while drastically lowering the value | Referred to Senate Committee on Housing | None | None | |

Status of 2024 Legislative Session Bills
As of March 18, 2024
With Peninsula Clean Energy and CalCCA Adopted Positions

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| | of excess solar power that is exported to the utility. For virtual net energy metering (VNEM) and net energy metering aggregation (NEMA) customers (where energy from a carport solar system over a school parking lot could be virtually netted against power usage by separately metered school buildings), the PUC eliminated any credit for self-consumption, making it an even worse deal for these customers. This bill would re-establish credit for self-consumption for VNEM and NEMA, equivalent to what is provided for single family homes. | | | | |
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**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: March 18, 2024
MEETING DATE: March 28, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Leslie Brown Director of Account Services
SUBJECT: Account Services Quarterly Update

BACKGROUND

The purpose of the Account Services team is to provide customer billing support through direct customer interaction, as well as oversee the various processes related to the management of PCE's customer data. This includes relationships with our back-office data manager, Calpine Energy Solutions, and PG&E.

DISCUSSION

The following is a quarterly update of Account Services team activities taking place during the third quarter of FY24, please see topics below for additional detail.

PCE Rate Freeze at 2023 levels through June 30th 2024

Account Services staff worked with PCE's Finance team to re-evaluate our budget performance mid-year and analyze different rate options for 2024 considering significant increases in rates coming from PG&E. Through this work, staff determined that we could maintain PCE rates at 2023 levels through June 30th 2024 without significantly impacting our financial and requested that PCE's Board implement a 0% rate increase for the first half of 2024. Most PCE customers are currently receiving a 10-15% discount in their generation costs vs what PG&E would be charging.

Calendar Year 2023 Customer Savings Analysis

- Account Services Analyst Masha Doubrovskiaia updated PCE customer savings estimates for all PCE member agency service areas, including the County of San Mateo and the City of Los Banos.
- In aggregate, PCE customers saved more than \$24.5 million in calendar year 2023 just from the minimum 5% discount on their generation rates compared to PG&E bundled service.
- PCE CARE and FERA customers also received a one-time \$300 bill credit, resulting in an additional \$12 million in savings to the community.

Table 1: Calendar Year 2023 Total Customer Savings by PCE Member Agency

| Town or Territory | Usage (MWh) | Total Billed (\$) | Savings (\$) |
|---------------------------------|--------------------|--------------------------|---------------------|
| ATHERTON | 63,740 | 8,826,765 | 460,269 |
| BELMONT | 83,764 | 11,337,636 | 591,935 |
| BRISBANE | 70,780 | 9,530,315 | 496,744 |
| BURLINGAME | 184,011 | 24,950,637 | 1,300,942 |
| COLMA | 19,017 | 2,592,231 | 135,016 |
| DALY CITY | 248,772 | 33,968,225 | 1,771,037 |
| EAST PALO ALTO | 61,439 | 8,129,857 | 425,179 |
| FOSTER CITY | 204,089 | 26,888,816 | 1,400,968 |
| HALF MOON BAY | 45,634 | 5,871,620 | 307,008 |
| HILLSBOROUGH | 55,822 | 7,709,160 | 402,322 |
| LOS BANOS | 108,730 | 14,152,837 | 732,624 |
| MENLO PARK | 282,119 | 38,881,791 | 2,024,223 |
| MILLBRAE | 78,058 | 10,418,656 | 543,979 |
| PACIFICA | 92,206 | 13,026,101 | 678,848 |
| PORTOLA VALLEY | 21,126 | 3,384,518 | 175,571 |
| REDWOOD CITY | 441,910 | 61,385,231 | 3,201,755 |
| SAN BRUNO | 136,062 | 18,164,977 | 948,215 |
| SAN CARLOS | 152,946 | 21,203,933 | 1,105,060 |
| SAN MATEO | 436,935 | 59,110,085 | 3,082,991 |
| SOUTH SAN FRANCISCO | 433,794 | 56,319,548 | 2,938,621 |
| UNINCORPORATED SAN MATEO COUNTY | 213,985 | 29,037,752 | 1,515,491 |
| WOODSIDE | 38,794 | 5,390,391 | 281,157 |
| Grand Total | 3,473,734 | 470,281,082 | 24,519,954 |

Arrearage Management Program (AMP) Mailing

Account Services staff collaborated with the Marketing team to conduct outreach to customers who may be eligible for the Arrearage Management Program (AMP). Eligible customers who successfully complete the AMP program can receive up to \$8,000 in unpaid balance forgiveness, funded by Public Purpose Program funds. In February, PCE sent an email to the nearly 700 customers identified as AMP-eligible but not enrolled in the program, written in the customer's preferred language. As of March 18th, **13%** of the customers we reached out to are now enrolled in AMP! We plan to continue monitoring AMP, and to initiate more outreach efforts in the future for AMP and other similar assistance programs.

Net Energy Metering (NEM) & Solar Billing Plan Updates

As of November 30th, 2023 PG&E had requested a deadline extension for the implementation of the new Solar Billing Plan (SBP), originally scheduled to begin billing on December 15th, until August 31, 2024. On December 15th, the California Public Utilities Commission (CPUC) granted PG&E a partial extension until April 15th, 2024. Our back office data manager Calpine

has been working with PG&E to ensure we are prepared for the scheduled activation of the Solar Billing Plan on April 15th. There are no expectations of further delay at this time. PCE SBP customers have been and will continue to be billed on the Net Energy Metering (NEM) tariff until PG&E's implementation is complete and operational.

Staff are bringing proposed policy revisions to the NEM annual cash out policy to this Board of Directors meeting. The primary revisions are an adjustment to the monetary threshold at which checks are dispersed to customers, as well as lowering the cash out cap. The change in the check threshold would take effect in April 2024, and the lower cap would be applicable beginning in April 2025.

Contact Center Updates and Research for In-House Services

We continue to pursue bringing the contact center function current serviced via a sub-contract to the service agreement with Calpine in-house. On February 16, Stephanie Elmore joined us through a contract with Robert Half. Stephanie brings 12 years of experience in call center management, overseeing representative training, call monitoring for quality assurance, and handling corporate complaints alongside the executive office. In her first month working with PCE, Stephanie has focused on becoming familiar with existing processes and technologies being used by PCE and Calpine sub-contracted call center, as well as has begun drafting a training manual to support hiring and training of future PCE call center staff.

In the next quarter we will be working to map out the opportunity and needs to successfully support an in-house contact center.

Key Accounts Engagement

Strategic Accounts Manager, Justin Pine, has been working diligently to support Caltrain's energy consultants to understand PCE's rates and projected power mix in 2024 and beyond as we prepare for the South San Francisco depot to come online in September 2024. PCE staff are also working with Caltrain consultant team to help Caltrain maximize revenue opportunities from the California Air Resource Board administered Low Carbon Fuel Standard.

At the January 25th, 2024 PCE Board of Directors meeting, Strategic Accounts Manager Justin Pine discussed with the Board the impact of current market conditions on PCE's position to attract customers currently served under the Direct Access Program. In March, a large commercial customer with approximately 20,000 MWh of annual load (0.6% of total PCE load) transitioned to PCE service from their Direct Access provider.

California Community Power

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TO: CC Power Board of Directors and Alternates **DATE:** 3/6/24
FROM: Alex Morris – General Manager
SUBJECT: **Report on CC Power Regular Board of Directors Meeting – February 28, 2024**

The CC Power Board of Directors held its regularly scheduled meeting on February 28, 2024, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: [Meetings and Agendas – ca community power](#)

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.
- **Public Comment.** None.
- **Consent Agenda** - The Board approved the following items:
 - Minutes of the Regular Board Meeting held on January 17, 2024
- **Regular Agenda Items:**
 - The Board reported that there were no reportable matters from the January 17th Closed Session.
 - The Board discussed a draft set of potential agreements that CC Power's Board might adopt in response to the Getting It Built Right event and to considerations or potential policies on Project Selection and Evaluation criteria. These draft agreements, presented by an Ad Hoc Committee on Getting It Built Right, seek to ensure CC Power considers and defers to members' Boards for setting members' policies, while promoting education and awareness on current practices for project selection criteria.
 - The Board unanimously adopted *Resolution 24-02-01, Adoption of CC Power Policies: Delegations of Authority, Financial Policy, and Budget Policy*. These policies further guide and detail how CC Power operates in these operational areas.
 - The Board unanimously adopted *Resolution 24-02-02, Adoption of CC Power Policies: New Member Policy*. This policy defines a process for how CC Power will consider candidate CCAs for membership in CC Power.
- **General Manager Report** – the Board heard several updates, including on the Inflation Reduction Act Phase 2a (Build-Transfer exploration) project, and on 2024-2025 work and budget planning.

A Joint Powers Agency whose members are:

Central Coast Community Energy | CleanPowerSF | East Bay Community Energy | MCE | Peninsula Clean Energy |
Redwood Coast Energy Authority | San José Clean Energy | Silicon Valley Clean Energy | Sonoma Clean Power |
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- **Closed Session** – the Board discussed General Manager performance and 2024 goals.

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TO: CC Power Board of Directors and Alternates **DATE:** 3/21/24
FROM: Alex Morris – General Manager
SUBJECT: **Report on CC Power Regular Board of Directors Meeting – March 20, 2024**

The CC Power Board of Directors held its regularly scheduled meeting on March 20, 2024, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: [Meetings and Agendas – ca community power](#)

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.
- **Public Comment.** None.
- **Consent Agenda** - The Board approved the following items:
 - Minutes of the Regular Board Meeting held on February 28, 2024.
- **General Manager Report** – the Board heard four updates, including on 2024-2025 work and budget planning, on business matters, on a site-tour of a hydrogen-capable energy power plant, and on the Inflation Reduction Act Phase 2a (Build-Transfer exploration) project.
- **Regular Agenda Items:**
 - The Board reported that there were no reportable matters from the February 28th Closed Session.
 - The Board unanimously adopted *Resolution 24-03-01, Commending and Thanking Girish Balachandran for his Service to California Community Power*. Numerous Board members commented and recognized Director Balachandran, and one congratulatory public comment was provided.
 - The Board unanimously adopted *Resolution 24-03-02, Commending and Thanking Matthew Marshall for his Service to California Community Power*. Numerous Board members commented and recognized Director Marshall, and one congratulatory public comment was provided.
 - The Board unanimously adopted *Resolution 24-03-03, Adoption of Getting It Built Right Agreements*. These agreements were proposed by Staff and a CC Power *Ad Hoc* Committee in response to the Getting It Built Right event (November 2023) where discussions occurred on how to balance many priorities in project evaluation, selection, and development, etc.. Further, these agreements seek to ensure CC Power considers and defers to members' Boards for setting members' policies, while

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promoting education and awareness on current practices for project selection criteria. Multiple public comments were provided, and potential additions to the agreements were discussed but not incorporated into the agreements as adopted.