



2075 Woodside Road | Redwood City, CA 94061  
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**Regular Meeting of the Board of Directors of the  
Peninsula Clean Energy Authority (PCEA)**

**REVISED AGENDA**

**Thursday, April 25, 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**  
**3237 Josephine Street, Denver, CO 80205**

**Zoom, Virtual Meeting Link:** <https://pencleanenergy.zoom.us/j/87496649657>

**Meeting ID:** 874-9664-9657 **Passcode:** 2075 **Phone:** +1 (669) 444-9171

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](mailto:jstalzer@smcgov.org)). For information regarding how to participate in the meeting remotely, please refer to the instructions at the end of the agenda. 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](mailto: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](mailto: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.*

### **CLOSED SESSION**

1. Conference with Legal Counsel – Anticipated Litigation: Discussion of anticipated litigation pursuant to subdivision (d)(2) and (e)(5) of Section 54956.9; One case.

### **ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS**

2. Approval of Load Management Standard (LMS) Plan for submission to California Energy Commission (CEC)
3. Approval of A Three-Year Contract with Robert Half & Associates for Temporary Staffing and Recruitment Support
4. Approval of Contract Amendment with David Fribush to increase the contract amount by \$260,000 and to extend the term of the Agreement to December 31, 2026
5. Approval of Renewal of Insurance Coverage for the Period from May 1, 2024, through May 1, 2025, at a cost of \$197,787
6. Approval of One EV Ready Program Fund Reservation Agreement, Providing Approximately \$185,000 in Customer Incentives
7. Approval of Minutes from the October 26, 2023 and February 22, 2024 Board of Directors Meetings

## **REGULAR AGENDA**

8. Chair Report (Discussion)
9. CEO Report (Discussion)
10. CAC Report (Discussion)
11. Approval of Appointments to the Executive Committee and the Audit and Finance Committee (Action)
12. Approval of Updated Peninsula Clean Energy Strategic Plan Organizational Priority Number 1 to: Deliver 100% Renewable Energy on An Annual Basis by 2030 Through Strategic and Cost-Effective Procurement of Resources that Maximize Peninsula Clean Energy 24/7 Hourly Matching of Renewable Energy and Load (Action)
13. Approval of Continued Evaluation and Preparation for a Possible Prepay Bond Transaction, Including Approval to Join the California Community Choice Finance Authority and the Engagement of a Financial Advisor and Prepay Counsel (Action)
14. Approval of New Zero-Carbon Intensity Low Carbon Fuel Standard (LCFS) Eligible Green Tariff for Public Transit Electrification (Action)
15. Committee Members' Reports (Discussion)

## **INFORMATIONAL REPORTS**

16. Marketing, Outreach Activities, and Media Relations Quarterly Report
17. Community Programs Quarterly Report
18. Update on Legislative Activities
19. Acronym List

## **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>.

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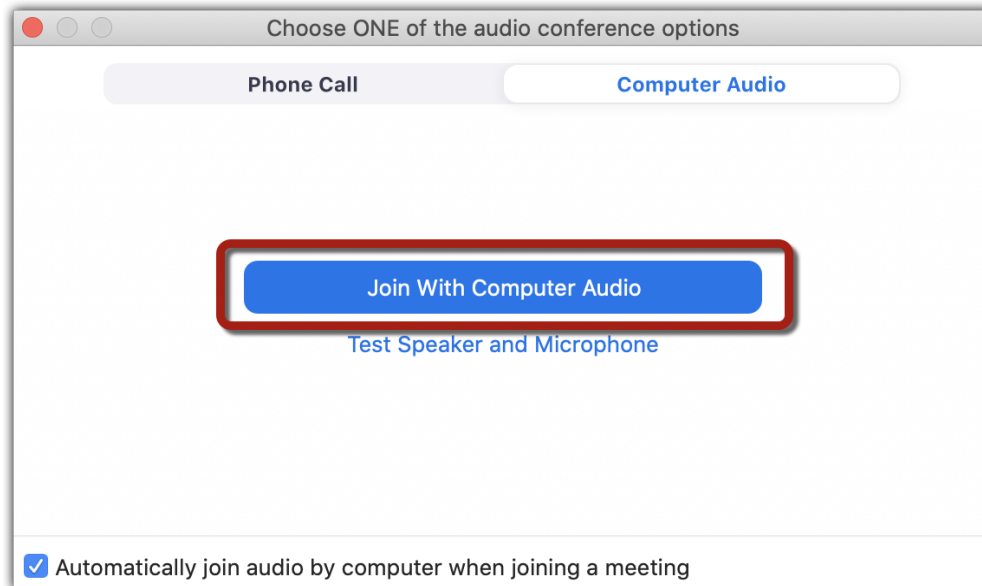
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**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** March 15, 2024

**MEETING DATE:** April 25, 2024

**VOTE REQUIRED:** Majority Vote

**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:** Approval of Load Management Standard (LMS) Plan for submission to California Energy Commission (CEC)

**BACKGROUND**

Staff seeks authorization from the Board to submit the Load Management Standard (LMS) Plan to the California Energy Commission (CEC) previewed in draft format to the Board during the March 2024 meeting. During that meeting staff provided an overview of the draft LMS Plan. The submission of the LMS Plan to the CEC signifies Peninsula Clean Energy's first formal step in its ongoing compliance with this new requirement.

Both clean and red-line versions of the LMS Plan are attached. The red-line highlights additional revisions made to the document since the document was last shared with the Board.

**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:**

[DRAFT LMS Compliance Plan\\_REDLINE.pdf](#)

[REVISED FINAL DRAFT 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.

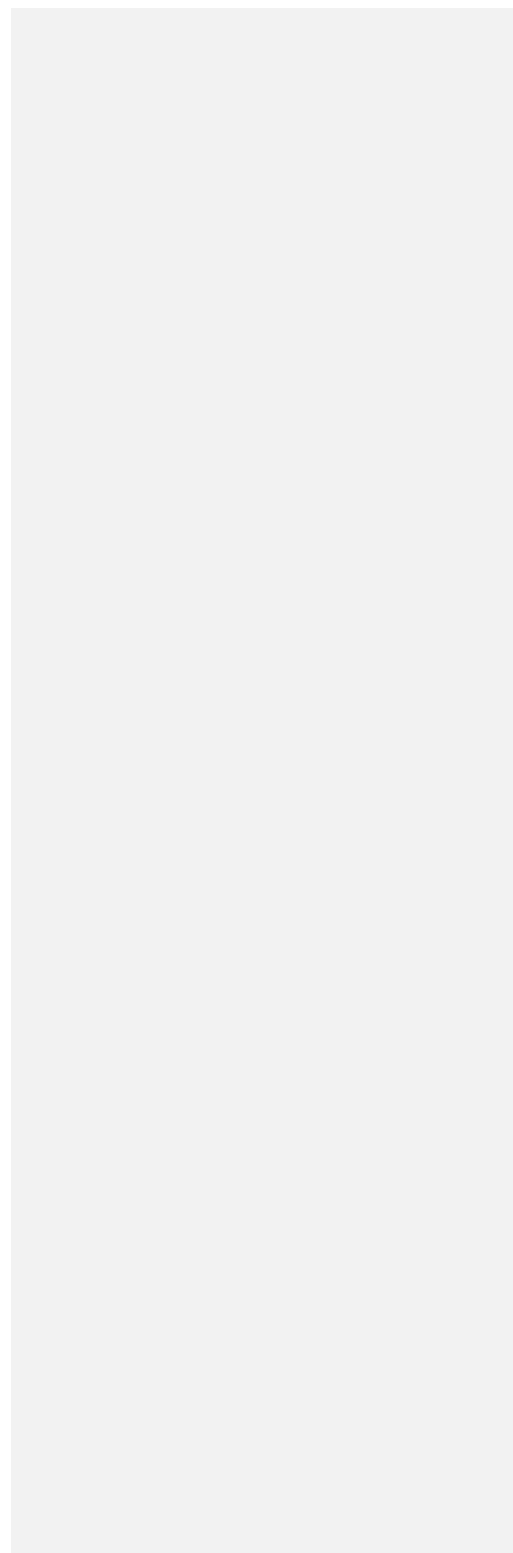
As developments in these areas proceed, PCE will be moving forward aggressively to implement one or more load management strategies to accomplish the goals of the regulation.



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DRAFT



## 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.”<sup>1</sup>

## 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.<sup>2</sup> 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.<sup>3</sup> The CEC updated these standards in 2022 to

<sup>1</sup> 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).

<sup>2</sup> Public Utilities Code § 366.2.

<sup>3</sup> 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](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.<sup>4</sup>

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.”<sup>5</sup> 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.

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<sup>4</sup> 20 Cal. Code Regs. §§ 1621-1625.

<sup>5</sup> 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 (DAHRTP-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.<sup>6</sup>*

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*

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<sup>6</sup> 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.<sup>7</sup>*

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.”<sup>8</sup>
- **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.”<sup>9</sup>
- **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.

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<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *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.<sup>10</sup> 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

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<sup>10</sup> 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, unpredictable customer behavior may actually impose costs on the grid as well.

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

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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 addition, MCB rates may drive customer behavior in ways that force greater distribution costs. In particular, there are some indications that TOU rates have concentrated electric vehicle (EV) charging in hours immediately after the end of high TOU rate periods. This can actually increase the need for distribution investment to address new higher peak demands outside of TOU hours. If EV drivers move their charging to a small number of low price hours in response to MCB rates, peak demand on the distribution circuits during those hours could spike. This would require significant distribution investments to accomodate new, higher peak demand. For example, if MCB rates send a signal to charge during solar hours based on CAISO wholesale market prices, that may drive very high loads on particular distribution circuits, triggering large-scale upgrades. Thus, responding to grid-level signals may drive high costs on specific circuits. Since the bulk of retail rates are made up of transmission and distribution charges, increasing these investments may swamp any benefit seen on energy generation costs. The interplay of these dynamics is difficult to predict, meaning that the net benefit to the grid from MCB rates is impossible to assess and may result in a net detriment to the grid.

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,<sup>11</sup> use of low-power charging in multi-family buildings, and fleet infrastructure planning.<sup>12</sup> 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 EVs 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

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<sup>11</sup> 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>

<sup>12</sup> *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>

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 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.<sup>13</sup> 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.

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<sup>13</sup> *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>

### 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.<sup>14</sup> 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 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.

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<sup>14</sup> Q4 2023 PG&E Interconnection Data for Peninsula Clean Energy service territory

#### 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.<sup>15</sup> Finally, PCE has also piloted an advanced load-shaping technology in space and water heating combo systems which can shift load in both applications through the thermal storage and advanced system logic.<sup>16</sup>

**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. GovEV

**Overview:** The GovEV program helps local municipal fleets plan for fleet electrification by providing technical assistance for vehicle replacement purchasing and the installation of EV chargers. As a component of this program, PCE produces a charging optimization plan, which outlines the cost potential of managed charging for their specific fleet. PCE is also making the ChargePilot charge management system by The Mobility House free for fleets, as part of the GovEV program for one year. The ChargePilot system (optional to fleets but recommended) will help shift more fleet charging to occur during off-peak hours and mitigate demand charges, as well as provide insights into EV charging metrics for fleet managers.

**Status:** The program is open and 10 fleets are currently enrolled. Installation projects are expected to begin in Calendar Year (CY) 2025.

#### 4.1.7. 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).

<sup>15</sup> 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>

<sup>16</sup> 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>

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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 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.



# 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.

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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.”<sup>1</sup>

## 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.<sup>2</sup> 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.<sup>3</sup> The CEC updated these standards in 2022 to

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<sup>1</sup> 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).

<sup>2</sup> Public Utilities Code § 366.2.

<sup>3</sup> 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](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.<sup>4</sup>

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.”<sup>5</sup> 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.

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<sup>4</sup> 20 Cal. Code Regs. §§ 1621-1625.

<sup>5</sup> 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**

<b>LMS Section</b>	<b>Description</b>	<b>Deadline</b>	<b>PCE Status</b>
§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.<sup>6</sup>*

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*

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<sup>6</sup> 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.<sup>7</sup>*

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.”<sup>8</sup>
- **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.”<sup>9</sup>
- **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.

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<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

<sup>9</sup> *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.<sup>10</sup> 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

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<sup>10</sup> 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, unpredictable customer behavior may actually impose costs on the grid as well.

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 addition, MCB rates may drive customer behavior in ways that force greater distribution costs. In particular, there are some indications that TOU rates have concentrated electric vehicle (EV) charging in hours immediately after the end of high TOU rate periods. This can actually increase the need for distribution investment to address new higher peak demands outside of TOU hours. If EV drivers move their charging to a small number of low price hours in response to MCB rates, peak demand on the distribution circuits during those hours could spike. This would require significant distribution investments to accommodate new, higher peak demand. For example, if MCB rates send a signal to charge during solar hours based on CAISO wholesale market prices, that may drive very high loads on particular distribution circuits, triggering large-scale upgrades. Thus, responding to grid-level signals may drive high costs on specific circuits. Since the bulk of retail rates are made up of transmission and distribution charges, increasing these investments may swamp any benefit seen on energy generation costs. The interplay of these dynamics is difficult to predict, meaning that the net benefit to the grid from MCB rates is impossible to assess and may result in a net detriment to the grid.

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,<sup>11</sup> use of low-power charging in multi-family buildings, and fleet infrastructure planning.<sup>12</sup> 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 EVs 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

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<sup>11</sup> 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>

<sup>12</sup> *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>

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 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.<sup>13</sup> 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.

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<sup>13</sup> *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>

### 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.<sup>14</sup> 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 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.

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<sup>14</sup> Q4 2023 PG&E Interconnection Data for Peninsula Clean Energy service territory

#### 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.<sup>15</sup> Finally, PCE has also piloted an advanced load-shaping technology in space and water heating combo systems which can shift load in both applications through the thermal storage and advanced system logic.<sup>16</sup>

**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. GovEV

**Overview:** The GovEV program helps local municipal fleets plan for fleet electrification by providing technical assistance for vehicle replacement purchasing and the installation of EV chargers. As a component of this program, PCE produces a charging optimization plan, which outlines the cost potential of managed charging for their specific fleet. PCE is also making the ChargePilot charge management system by The Mobility House free for fleets, as part of the GovEV program for one year. The ChargePilot system (optional to fleets but recommended) will help shift more fleet charging to occur during off-peak hours and mitigate demand charges, as well as provide insights into EV charging metrics for fleet managers.

**Status:** The program is open and 10 fleets are currently enrolled. Installation projects are expected to begin in Calendar Year (CY) 2025.

#### 4.1.7. 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).

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<sup>15</sup> 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>

<sup>16</sup> 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>

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 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:** April 16, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Shawn Marshall, Chief Executive Officer

**SUBJECT:** Approval of A Three-Year Contract with Robert Half & Associates for Temporary Staffing and Recruitment Support

**RECOMMENDATION**

Authorize the CEO to execute a three-year contract ending June 30, 2027 with Robert Half & Associates for temporary staffing and recruitment support on an as-needed basis.

**BACKGROUND**

In the summer of 2023 customer demand for program rebates and zero percent loans rapidly increased, thus creating additional administrative burden on staff and resultant processing delays. After researching various temp and staffing agencies in the area and soliciting recommendations, staff reached out to Robert Half & Associates to procure temporary administrative support for the programs team. Several months later, Robert Half & Associates also helped with temporary HR support and finding a qualified customer service/call center consultant. All placements for PCE have been high-quality candidates that have served our needs well. Candidates are fully vetted through background checks and are also bonded through Robert Half.

**DISCUSSION**

As PCE continues to expand its programs and the Agency grows its operational capabilities, we may need to occasionally draw on outside temporary staffing and recruitment support. Staff is recommending continuing its relationship with Robert Half & Associate on a non-exclusive, as needed basis. The attached contract documents include a master services contract for a term ending June 30, 2027, a scope of work, and rate tables for various roles. There is also an attachment that includes conversion rates in the event that PCE ultimately hires a temporary staffer provided by Robert Half.

**FISCAL IMPACT**

Not to exceed \$250,000 in a fiscal year for temporary staffing and recruitment support, with a total NTE of \$750,000 over the three year term. Hourly rates and costs of individual engagements will vary by scope and fee structure.



**ATTACHMENTS:**

[Peninsula Clean Energy\\_RHCA\\_Multiple LOB\\_San Mateo, CA\\_04.17.24.pdf](#)

**RESOLUTION NO. \_\_\_\_\_**

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

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**APPROVAL OF A THREE-YEAR CONTRACT WITH ROBERT HALF & ASSOCIATES FOR  
TEMPORARY STAFFING AND RECRUITMENT SUPPORT**

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

**WHEREAS**, Peninsula Clean Energy (PCE) was formed on February 29, 2016; and

**WHEREAS**, PCE periodically needs to make use of temporary staffing and recruiting services to support its operations across various departments; and

**WHEREAS**, in the summer of 2023, PCE began using the staffing support services of Robert Half & Associates, the costs for which are approaching the \$100,000 threshold for Board approval; and

**WHEREAS**, PCE will contract with Robert Half & Associates to provide temporary staffing and recruitment support on a non exclusive, as-needed basis for a period of three years ending in June 2027 with a not to exceed cost cap of \$750,000 over the term of the contract.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to execute a contract with Robert Half & Associates for a term of three years and a not-to-exceed cost cap of \$750,000 to support temporary staffing and recruitment support for PCE on an as-needed basis.

# RH Customer Agreement

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This RH Customer Agreement (the "Agreement") governs transactions by which you retain the services of Robert Half Inc., doing business through its finance & accounting contract talent, administrative & customer support, technology, marketing & creative, and management resources practice groups ("RH"), to assist Peninsula Clean Energy ("you" or "your") in meeting its contract talent needs.

## Part 1 - General

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### 1.1 Definitions

"Professional" means the individual assigned to you by RH.

"Branch" means the RH branch located at the address identified under the Robert Half Inc. signature line of this Agreement.

"Services" means the provision of services by the Professional to you.

### 1.2 Agreement Structure

Additional terms for the Services are included in Exhibit A, which are attached to this Agreement. RH also provides additional terms for Services in documents called "job arrangement letters" which are also part of this Agreement. All transactions under this Agreement will have a job arrangement letter, which will be sent to you when RH provides Services to you. In order to initiate Services, you will provide RH with notice (e.g., via telephone, e-mail, facsimile, or mail) describing the Services you need in reasonable detail. RH will promptly reply to such request and indicate whether RH will or will not provide the requested Services. If RH elects to provide the requested Services, RH will send you a job arrangement letter.

If there is a conflict among the terms in the various documents, those of this Agreement prevail over those of a job arrangement letter. You accept the terms in a job arrangement letter by your approval of the Professional's weekly timesheet or electronic time record.

Services become subject to this Agreement when RH accepts your order by 1) sending you a job arrangement letter, or 2) providing the Services.

### 1.3 Charges and Payment

Amounts are due and payable as RH specifies in Exhibit A, including the fees payable for directly hiring Professionals and the fees payable if a Professional works overtime, e.g., in excess of 40 hours per week. You agree to pay accordingly, including any late payment fee.

### 1.4 Changes to the Agreement Terms

For a change to be valid, both parties must sign it. Additional or different terms in any written communication from you (such as a purchase order) are void.

### 1.5 Limitation of Liability

Circumstances may arise where, because of a default on RH's part or other liability, you are entitled to recover damages from RH. Regardless of the basis on which you are entitled to claim damages from RH (including fundamental breach, negligence, misrepresentation, or other contract or tort claim), RH's liability, if any, will (in the aggregate for all claims, causes of action or damages) be limited to any actual direct damages up to an amount equal to the fees actually paid to RH for the Services that are the subject of the claim. It is understood that you are responsible for implementing and maintaining usual, customary and appropriate internal accounting procedures and controls, internal controls and other appropriate procedures and controls (including information technology, proprietary information, creative designs and trade secret safeguards) for your company and RH shall not be responsible for any losses, liabilities or claims arising from the lack of such controls or procedures.

#### Items for Which RH is Not Liable

Under no circumstances is RH liable for any special, incidental, exemplary, indirect, lost profits, or consequential damages (including, but not limited to, lost business, revenue, goodwill, or anticipated savings), even if informed of the possibility.

### 1.6 General Principles of Our Relationship

- a. Each party will maintain workers' compensation insurance and commercial liability insurance.
- b. RH will be responsible, to the extent applicable, for any workers' compensation insurance, federal, state and local withholding and unemployment taxes, social security, state disability insurance or other payroll charges for the Professionals.
- c. In the event that any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement remain in full force and effect.

### 1.7 Agreement Term

This Agreement will continue for a period of three years after the last date listed below, unless terminated earlier. Either party may terminate this Agreement on thirty days' written notice to the other. Either party may terminate this Agreement if the other does not comply with any of its terms, provided the one who is not complying is given written

notice and reasonable time to comply. Any terms of this Agreement which by their nature extend beyond the Agreement termination remain in effect until fulfilled, including the payment obligations set forth in Section 1.3 above, and apply to each party's respective successors and assignees.

## **1.8 Warranties**

EXCEPT AS SET FORTH IN EXHIBIT A, RH MAKES NO EXPRESS OR IMPLIED WARRANTIES REGARDING THE SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF QUALITY, PERFORMANCE, MERCHANTABILITY OR FITNESS FOR ANY PURPOSE.

## **Part 2 - Services**

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### **2.1 Pre-Assignment Screening**

If you require RH to perform background checks or other placement screenings of Professionals, you agree to notify RH prior to the start of services under this Agreement. RH will conduct such checks or screenings only if they are described in a signed, written amendment to this Agreement. If you request a copy of the results of any checks conducted on RH's Professionals, you agree to keep such results strictly confidential and to use such results in accordance with applicable laws and solely for employment purposes.

### **2.2 Scope of Assignment**

You shall supervise Professionals providing services to you. You shall not permit or require Professionals (i) to perform services outside of the scope of Professional's assignment; (ii) to sign contracts or statements (including SEC documents); (iii) to make any management decisions; (iv) to use computers, or other electronic devices, software or network equipment owned or licensed by Professional; or (v) to make any final decisions regarding system design, software development or the acquisition of hardware or software.

### **2.3 Cash Handling and Other Financial Transactions and Activities**

If you permit or allow a Professional to sign, endorse, wire, transport or otherwise convey cash, securities, checks, or any negotiable instruments or valuables, or conduct financial transactions or other related activities, you accept sole responsibility for all claims, demands and liability that may arise from permitting these activities. You represent and warrant that to the extent you permit or allow a Professional to engage in the activities described in this paragraph, you will not permit or allow a Professional to handle more than (i) \$1,000 per day if you are a non-profit entity, or (ii) \$25,000 per day if you are a for-profit entity. Since RH is not a professional accounting firm, you agree that you will not permit or require Professional (a) to render an opinion on behalf of RH or on your behalf regarding financial statements; (b) to sign the name of RH on any document; or (c) to sign their own names on financial statements or tax returns.

### **2.4 Workplace Safety**

It is understood that you have full responsibility for: (i) providing safe working conditions as required by law, including compliance with all public health and occupational safety regulations and guidelines applicable to your business, and (ii) ensuring that safety plans exist for, and safety related training is provided to, Professionals working on your premises. To ensure the safety of potentially vulnerable individuals on your premises, you agree not to permit the Professionals to have unsupervised or unmonitored contact with (a) minors or (b) adults who are under your care, custody or supervision because of mental health impairments. If any assignment under this Agreement is for work to be performed under a government contract or subcontract, you will notify RH immediately (1) of any obligations in the government contract or subcontract relating to wages, and (2) if RH is legally required to initiate E-Verify verification procedures for any Professional. RH reserves the right to re-assign any Professional.

### **2.5 Operation of Vehicle and Equipment**

RH does not authorize Professionals to operate machinery (other than office machines) or vehicles. If you wish to permit Professionals to drive for business purposes, you accept sole responsibility for all liability, damages, injuries or other claims that may arise or be incurred as a result of such driving. If you require Professionals to drive a vehicle owned by you or your employee, you agree to maintain such vehicle in good working condition and maintain all necessary and appropriate insurance for the operation of such vehicle. Under no circumstances will you permit Professionals to: (i) make bank deposits, (ii) carry cash in excess of \$100, negotiable instruments or other valuables while driving, or (iii) carry passengers in the vehicle. It is agreed that you accept full responsibility for, and that RH does not maintain insurance to cover any injury, damage, or loss that may result from your failure to comply with the foregoing.

### **2.6 Remote Work**

you may request that RH permit its Professionals to provide services to you remotely (i.e., from a location other than your or your customer's premises) using your or RH's laptop and/or other computer or telecommunications equipment (the "Equipment"). You acknowledge and agree that RH shall have no control over, and you shall be solely responsible for, (i) the logical and physical performance, reliability and security of the Equipment or related devices, network accessibility and availability, software, services, tools and e-mail accounts (collectively, "Computer Systems") used by the Professional, and (ii) the security, integrity, and backing up of the data and other information stored therein or transmitted thereby. Moreover, you must not permit Professional to save or store any of your files or other data on the Computer Systems provided by RH (including, but not limited to, any virtual desktop infrastructure solution). You agree that RH shall not be liable for any loss, damage, expense, harm, business interruption or inconvenience resulting from the use of such Computer Systems.

## 2.7 Claims

RH will not be responsible for any claim related to the engagement, including, but not limited to, any Services performed during such engagement, unless you reported such claim in writing to RH within ninety (90) days after termination of the applicable assignment.

## 2.8 Confidentiality

The Professionals will execute any confidentiality agreement that you may require. You agree to be responsible for obtaining the Professional's signature. You agree to hold in confidence the identity of any Professional and the Professional's resume, social security number and other legally protected personal information, and you agree to implement and maintain reasonable security procedures and practices to protect such information from unauthorized access, use, modification or disclosure.

This Agreement is only applicable to, and the only Robert Half branch and practice groups obligated under this Agreement are, the finance & accounting contract talent, administrative & customer support, technology, marketing & creative, and management resources practice groups of the Branch. This Agreement and its job arrangement letter(s) are the complete agreement regarding these transactions and replace any prior oral or written communications between the Branch and you regarding these transactions.

By signing below, both parties agree to the terms of this Agreement. Once signed, 1) any reproduction of this Agreement or job arrangement letter(s) made by reliable means (for example, photocopy or facsimile) is considered an original and 2) all Services ordered under this Agreement are subject to it.

*Agreed to:*  
**Peninsula Clean Energy**

By \_\_\_\_\_  
Authorized Signature

Name (type or print):

Date:

Customer address: 2075 Woodside Rd., Redwood  
City, CA 94061

*Agreed to:*  
**Robert Half Inc.**

By \_\_\_\_\_  
Authorized Signature

Name (type or print):

Date:

Branch address: 919 E Hillsdale Blvd., Suite 275,  
Foster City, CA 94404

*After signing, please return a copy of This Agreement to the RH "Branch address" shown above.*

## Exhibit A

Professionals are assigned to you under the following additional terms:

1. **Guarantee** - RH guarantees your satisfaction with the Services of the Professional by extending to you (i) a one-day (8 hours) guarantee for placements made through the finance & accounting or administrative & customer support practice group, (ii) a two-day (16 hours) guarantee for placements made through the management resources or marketing & creative practice group or (iii) a five-day (40 hours) guarantee for placements made through the technology practice group (the "Guarantee Period"). If, for any reason, the Professional is not satisfactory to you, RH will not charge for the hours worked during the Guarantee Period, provided that you allow RH to replace the Professional. Unless RH is contacted by you before the end of the Guarantee Period, you agree that the Professional is satisfactory for the purposes of this guarantee.
2. **Bill Rates and Time Sheet** - Hourly rates for all assignments will be agreed on a case-by-case basis. For specified positions, below, the hourly rate will be within the range identified. Professional will present a time sheet or an electronic time record to you for verification and approval at the end of each week. RH will bill you weekly for the total hours worked; RH's invoices are due upon receipt, including applicable sales and service taxes all of which are payable by you. In the event that RH's invoices are not paid by you when due, you agree to pay all of RH's costs of collection, including reasonable attorneys' fees, whether or not legal action is initiated. Additionally, RH may, at RH's option, charge interest on any overdue amounts at a rate of the lesser of 1½% per month or the highest rate allowed by applicable law from the date the amount first became due. RH may charge you a fee for the provision of equipment or technology, if you request that Professional use equipment or technology provided by RH. RH may also increase RH's rates to reflect increases in RH's cost of doing business, including costs associated with higher wages for workers and/or related taxes, benefits or other costs. RH will provide written or verbal notice of technology charges and/or increases in rates. Any increase in rates will be prospective, starting as of the effective date RH specifies.

Functional Roles	Bill Rate Per Hour
Receptionist and Front Desk	\$40 - \$48
Data Entry	\$38 - \$50
General Office (Filing Scanning)	\$36 - \$45
Administrative Assistant	\$45 - \$72
Executive Assistant	\$85 - \$105
Customer Service	\$42- \$55
Office Manager	\$72 - \$90
HR Admin	\$50 - \$70
Accounting Clerk	\$ 44 - \$52
Accounts Receivable / Accounts Payable Specialist	\$52 - \$71
Staff Accountant	\$74 - \$84
Entry-Level Financial Analyst (0-2 years)	\$56 - \$65
Payroll Specialist	\$75 - \$90
Senior Accountant	\$120 - \$140
Payroll Manager	\$130 - \$150
Accounting Manager	\$140 - \$160
Asst Controller	\$160 - \$180
Controller	\$180 - \$200
Senior Financial Analyst	\$120 - \$140
Finance Manager	\$140 - \$160
Finance Director	\$160 - \$180
Developer / Engineer	\$109 - \$150
Desktop Support Analyst	\$56 - \$75
Project Manager/Sr. Consultant	\$134 - \$151
Systems Security Administrator	\$106 - \$145

Database Administrator	\$106 - \$135
Graphic Designer	\$70 - \$81
Copywriter	\$88 - \$93
Production Artist	\$67 - \$70
User Experience (UX) Designer	\$114 - \$130
Digital Marketing Specialist	\$61 - \$71
HR Coordinator	\$55 - \$70
HR Generalist	\$75 - \$85
Sr. HR Generalist:	\$90 - \$110
HR Manager	\$110 - \$125
HR Business Partner	\$115 - \$145
HR Director	\$130 - \$150
Benefits Coordinator	\$65-\$80
Benefits Analyst	\$85 - \$95
Benefits Manager	\$95 - \$125
HRIS Analyst	\$95 - \$125
HRIS Manager	\$125 - \$160

3. Overtime - If applicable, overtime will be billed at 1.50 times the normal billing rate. Federal law defines overtime as hours in excess of 40 hours per week, state laws vary. If state law requires double time pay, the double time hours will be billed at 2.00 times the normal billing rate.
4. Hiring the Professional - After you evaluate the performance and potential of a Professional on the job, you may wish to employ this person directly. In such event, you agree to pay a conversion fee. The conversion fee is payable if you hire the Professional, regardless of the employment classification, on either a full-time, temporary (including temporary assignments through another agency) or consulting basis within twelve months after the last day of the assignment. You also agree to pay a conversion fee if the Professional is hired by (i) a subsidiary or other related company or business as a result of your referral of the Professional to that company or (ii) one of your customers as a result of the Professional providing services to that customer.

The conversion fee will be owed and invoiced upon your hiring of the Professional, and payment is due upon receipt of the invoice. The same calculation will be used if you convert the Professional on a part-time basis using the full-time equivalent salary.

The conversion fee will equal a percentage of the Professional's aggregate annual compensation, including bonuses, based on the length of assignment:

Hours Billed and Paid	Conversion Fee
0 – 160 hours	35%
161– 320 hours	30%
321 – 480 hours	25%
481 – 640 hours	20%
641 – 800 hours	15%
801 – 960 hours	10%
961 hours or more	+5%



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** March 25, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Rafael Reyes, Senior Director of Energy Programs

**SUBJECT:** Approval of Contract Amendment with David Fribush to increase the contract amount by \$260,000 and to extend the term of the Agreement to December 31, 2026

**RECOMMENDATION**

Authorize the Chief Executive Officer to Execute an Amendment to the Agreement with David Fribush to increase the contract amount by \$260,000 and to extend the term of the Agreement to December 31, 2026.

**BACKGROUND**

In May 2020, Peninsula Clean Energy and David Fribush executed an agreement to provide Distributed Energy Resource (DER) strategy and program execution services. The contract was authorized through December 2024, and this most recent request is to extend the term to December 31, 2026 and provide an additional contract amount of \$260,000 for a total not-to-exceed amount of \$785,000 covering the entire 6.5 year contract period.

Mr. Fribush has played an integral role supporting PCE's Solar and Storage on Public Buildings program ("GovPV"). GovPV is in the construction phase for Round 1 with 12 sites, and in contracting phase for the larger Round 2 of the program. Mr. Fribush has served an instrumental role in research, financial modeling and project management support, especially for Round 1. In addition, he has managed key startup portions of the "Green Access" program (also known as the Disadvantaged Community – Green Tariff program) which provides 20% bill discounts to income-qualified customers.

**DISCUSSION**

PCE has hired additional staff to support the GovPV program with the new Associate Programs Manager, Ross Fisher, joining in March. Mr. Fisher will assume direct project management of GovPV construction administration and operations so that Mr. Fribush can redirect his time and talents to serving the next phase of PCE's GovPV program.

The next major phase of the program will be to add battery storage as part of the offering. Currently, three sites under construction in Round 1 have an interest in storage and a number



of additional sites were identified as candidates in Round 2. Mr. Fribush has specific expertise in battery systems and will be providing support on financial modeling, battery dispatch duty cycles, and other operating considerations.

Mr. Fribush has previously been offered the opportunity to join PCE in a full-time staff capacity and he has declined, preferring to remain an independent contractor. The subject contract amendment extends the term of his services to December 31, 2026.

### **FISCAL IMPACT**

The fiscal impact of amending the agreement with Dave Fribush will not exceed \$260,000 and will be within the existing Program Department budget forecast.

### **ATTACHMENTS:**

[2024.04.25 BOD Programs - Fribush Amendment - Amnt 6.docx](#)

**RESOLUTION NO. \_\_\_\_\_**

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

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**APPROVAL OF CONTRACT AMENDMENT WITH DAVID FRIBUSH TO INCREASE THE  
CONTRACT AMOUNT BY \$260,000 AND TO EXTEND THE TERM OF THE AGREEMENT  
TO DECEMBER 31, 2026**

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**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” or “PCE”) was formed on February 29, 2016; and

**WHEREAS**, in May 2020, Peninsula Clean Energy and David Fribush (“Contractor”) executed an agreement to provide distributed energy resource strategy and implementation services in an initial amount of \$90,000 and subsequently amended with an increased term and amount up to \$525,000; and

**WHEREAS**, PCE will require additional services and support solar and storage implementation and desires to extend the term of Contractor’s agreement to December 31, 2026; and

**WHEREAS**, PCE’s total obligation to Contractor in the proposed amended agreement shall not exceed \$785,000; and

**WHEREAS**, Contractor has unique capabilities to provide solar and storage support to Peninsula Clean Energy;

**WHEREAS**, staff is presenting to the Board for its review an amendment to the Agreement, reference to which should be made for further particulars; and

**WHEREAS**, the Board wishes to delegate to the Chief Executive Officer authority to execute the aforementioned amendment to the Agreement.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board delegates authority to the Chief Executive Officer to finalize and execute the sixth amendment to the Agreement with the Contractor Dave Fribush for a total amount not to exceed with terms consistent with those presented, in a form approved by the General Counsel.

**AMENDMENT NO. 6 TO AGREEMENT BETWEEN PENINSULA CLEAN ENERGY  
AND DAVID FRIBUSH**

THIS AMENDMENT TO THE AGREEMENT, entered into this   1   day of   May  , 2024\_ by and between PENINUSLA CLEAN ENERGY, a California joint powers authority, hereinafter called "PCE," and David Fribush, hereinafter called "Contractor";

**W I T N E S S E T H:**

WHEREAS, the parties entered into an Agreement on May 29, 2020 for the purpose of Contractor's distributed energy resources strategy and execution ("Agreement"); and

WHEREAS, the parties wish to amend the Agreement to extend the term of the Agreement.

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

- 1. The sentence addressing term in Section 3 shall be removed and replaced with the following:**

"Subject to compliance with all terms and conditions, the term of this Agreement shall be from June 1, 2020 through December 31, 2026."

- 2. The text of Section 2 "Payments" shall be amended to replace "[i]n no event shall PCEA's fiscal obligation under this Agreement exceed three hundred seventy-five thousand dollars (\$525,000)" with the following:**

"In no event shall PCEA's fiscal obligation under this Agreement exceed seven hundred eighty-five thousand dollars (\$785,000)."

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

- 4. This Amendment No. 6 shall take effect upon the date of mutual execution by both parties.**

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

Peninsula Clean Energy Authority

By: \_\_\_\_\_  
Shawn Marshall, CEO

Dated: \_\_\_\_\_



By:

Name: David Fribush

Title: Technical Consultant / Contractor

Dated:



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** April 17, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Nicholas Bijur, Chief Financial Officer

**SUBJECT:** Approval of Renewal of Insurance Coverage for the Period from May 1, 2024, through May 1, 2025, at a cost of \$197,787

**RECOMMENDATION**

Approval of renewal of insurance coverage for the period from May 1, 2024, through May 1, 2025, at a cost of \$197,787.

**BACKGROUND**

Following a detailed review of Peninsula Clean Energy's (PCE's) exposures and requirements, PCE staff recommended and the Board adopted an expanded and enhanced insurance program in April 2019. The insurance program has since been renewed annually after being approved by the Board.

Most of PCE's current insurance policies expire on May 1, 2024. PCE staff engaged its insurance broker, USI Insurance Services (USI), to seek competitive bids from the insurance marketplace. USI presented PCE with a comprehensive insurance package, which staff recommends for approval.

**DISCUSSION**

After several years of challenging market conditions and increasing premiums, the insurance market has generally improved. These favorable market conditions are offset in part by increased PCE revenue, expenditures, and headcount, which directly impacts pricing on several of PCE's policies. The proposed annual premium of \$197,786 represents a 4% increase over last year at the same coverage limits. Below is a summary of the insurance coverage being renewed.

- Public Officials Liability Policy – Coverage includes Directors & Officers (D&O), Employment Practices Liability, and Professional Liability. Coverage limits are \$5 million for each claim and in the annual aggregate. The annual premium increased by 18% to \$88,684 due the significant increase in PCE revenue, expenditures, and employee headcount.
- Cyber – Coverage applies to claims relating to cyber-attacks, breach cost, and sub-

limited coverage for social engineering claims. Coverage limits are \$2 million policy aggregate and \$500,000 for social engineering. The cyber insurance market has improved significantly after several years of increasing premiums, resulting in a 2% decrease in the annual premium to \$62,609.

- Workers Compensation – Coverage applies to work-related injuries and Employers Liability. Employers Liability protects PCE from a third-party bringing a claim related to an injured employee. Coverage is guided by the State and limits are \$1 million. The premium decreased 10% to \$17,951 due to favorable market conditions.
- General Liability – Coverage applies to claims from third-parties for property damage and/or bodily injury (i.e., slips and falls). Coverage limits are \$1 million per occurrence and \$2 million in the aggregate. The annual premium of \$7,058 represents a 2% increase over last year.
- Property – Coverage applies to business and personal property and provides business income and/or extra expense following a property loss. Despite very difficult property market conditions, the annual premium only increased 5% to \$6,254.
- Fiduciary – Coverage protects from claims of mismanagement and the legal liability related to serving as a fiduciary. Coverage limits are \$1 million. The 26% increase in premium to \$2,922 is largely driven by the increase in employee headcount.
- Crime – Coverage applies to claims associated with employee dishonesty. Coverage also includes sub-limited coverage for social engineering claims. Coverage limits are \$500,000. The 29% increase in premium to \$2,502 is largely driven by the increase in employee headcount.
- Auto – Coverage applies to vehicles that are leased, rented or hired, and protects PCE from auto liability claims arising from employees driving their own vehicles on company business. Coverage limits are \$1 million. PCE's premium decreased by 32% to \$510.
- Umbrella – Coverage allies over primary limits on General Liability, Auto, and Employers Liability. Coverage limits are \$10 million in excess of primary. The premium increased 8%.

In addition to the above-mentioned insurance coverage, PCE also has approximately \$10 million of property coverage for the equipment being installed as part of the GovPV program which does not expire for another 8 months and is not being renewed at this time; the annual premium is approximately \$21,000.

## **FISCAL IMPACT**

The annual cost of the proposed insurance renewal is \$197,787, an increase of \$7,256, or 4%, over last year.

**RESOLUTION NO. \_\_\_\_\_**

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

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**APPROVAL OF RENEWAL OF INSURANCE COVERAGE FOR THE PERIOD FROM MAY  
1, 2024, THROUGH MAY 1, 2025, AT A COST OF \$197,787**

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

**WHEREAS**, the Board of PCE reviewed and approved a revised and expanded insurance program at its meeting on April 25, 2019; and

**WHEREAS**, the policies in the current insurance program were renewed by approval of the Board in April 2020, April 2021, April 2022, and April 2023; and

**WHEREAS**, the policies in the current insurance program have an expiration date of May 1, 2024; and

**WHEREAS**, PCE staff engaged its insurance broker to seek competitive bids from the insurance marketplace; and

**WHEREAS**, PCE desires to continue its insurance policies and coverage, including Public Official and Management Liability, Cyber, Workers Compensation, General Liability, Property, Umbrella, Fiduciary Liability, Crime and Automobile coverage for the period of May 1, 2024 through May 1, 2025.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves the renewal of the insurance program for the period from May 1, 2024 through May 1, 2025 at an annual cost not to exceed \$197,787.



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** April 15, 2024  
**MEETING DATE:** April 25, 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 \$185,000 in Customer Incentives

**RECOMMENDATION**

Approval of one Fund Reservation Agreement, which will provide an expected total of approximately \$185,000 in customer incentives to install EV charging infrastructure at a condominium property in East Palo Alto, 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 programs "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 are included below. This incentive application is being submitted by a condominium property in East Palo Alto, which is planning to install 90 EV charging outlets, to provide EV charging access to all residents.

Property Type	Total Expected Reserved Funds	Total Charge Ports Expected	City
Multi-Unit Dwelling	\$185,000	90	East Palo Alto

### **FISCAL IMPACT**

Funding for this project is included 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:**

[Woodland Creek FRA\\_Rdctd.pdf](#)

**RESOLUTION NO. \_\_\_\_\_**

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

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**APPROVAL OF ONE EV READY PROGRAM FUND RESERVATION AGREEMENT,  
PROVIDING APPROXIMATELY \$185,000 IN CUSTOMER INCENTIVES**

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**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 in increases adoption of electric vehicles to reduce greenhouse gasses 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 for a multi-unit dwelling property in East Palo Alto, 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 \$185,000 to a multi-unit dwelling property in East Palo Alto.



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

Applicant First Name	Thomas
Applicant Last Name	Herbst
Title	EV Committee Chair
Organization	Woodland Creek Condominiums
Email	
Phone Number	
Proposed Site Address	1982 W BAYSHORE RD
City	EAST PALO ALTO
Zip Code	94303
Service Agreement ID	
Project ID	PROJ-011221-3232

**EV Charging Infrastructure Project Description:**

Project Type	Existing	Multi-Unit Dwelling
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	Level 1 Outlets	Level 2 Outlets	Level 2 Charge Ports	Make Ready Ports
Submitted # Ports	0	90	0	0
Reserved Funds	\$ .00	\$ 180000.00	\$ .00	\$ .00

Panel Upgrade	\$ 5000.00
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**Total Reserved Funds**

185000.00

**Notes**

Text

Text

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:** April 24, 2024  
**MEETING DATE:** April 25, 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 October 26, 2023 and February 22, 2024 Board of Directors Meetings

**RECOMMENDATION**

Approve Minutes from the October 26, 2023 and February 22, 2024 Board of Directors Meetings

**ATTACHMENTS:**

[10-26-2023 BOD Draft Minutes.docx](#)  
[02-22-2024 BOD Draft Minutes.docx](#)

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

Thursday, October 26, 2023  
6:30 p.m.  
Zoom Video Conference and Teleconference

### **CALL TO ORDER**

Meeting was called to order at 6:36 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:**

Rick DeGolia, Atherton, *Chair*  
Julia Mates, Belmont  
Coleen Mackin, Brisbane  
Donna Colson, Burlingame, *Vice Chair*  
Carlos Romero, East Palo Alto  
Sam Hindi, Foster City  
Leslie Ragsdale, Hillsborough, participating remotely under AB 2449  
Paul Llanez Faria, Los Banos, joined at 6:44 p.m.  
Betsy Nash, Menlo Park  
Anders Fung, Millbrae, joined at 6:42 p.m.  
Tygarjas Bigstyk, Pacifica  
Craig Taylor, Portola Valley  
Kaia Eakin, Redwood City  
Marty Medina, San Bruno  
John Dugan, San Carlos  
Adam Loraine, San Mateo  
James Coleman, South San Francisco  
Kevin Bryant, Woodside

#### **Absent:**

Dave Pine, San Mateo County  
Ray Mueller, San Mateo County  
Ken Gonzalez, Colma  
Roderick Daus-Magbual, Daly City  
Harvey Rarback, Half Moon Bay

**A quorum was established.**

### **PUBLIC COMMENT**

David Mauro



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

Public Comment: David Mauro

Phillip Kobernick, Senior Programs Manager for Transportation provided an update on the status of the projects included in Agenda Item Number 1.

Chair DeGolia asked if this item was coming to the Board tonight because it was assumed the CEO could approve these, but because they are contractual, they needed to come before the Board. Phillip explained that almost 100 projects under the 100k amount have been approved, but that there was some confusion on if projects under a main project that has been approved needs to be brought to the Board.

**MOTION:** Director Mates moved, seconded by Director Hindi to set the Agenda, and approve Agenda Item Numbers 1-4.

1. Approval of 19 EV Ready Program Fund Reservation Agreements, Providing \$2,634,000 in Customer Incentives.
2. Approve Revised Policy #19 - Investment Policy.
3. Approve the Audited Financial Statements for Fiscal Year 2022-2023.
4. Approve Cash Management and Investment Management Structure.

**MOTION PASSED:** 23-0 (Absent: San Mateo County, San Mateo County, Colma, Daly City, Half Moon Bay)

<b>JURISDICTION</b>	<b>BOARD MEMBER</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
San Mateo County	Director Pine				X
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director 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 Eakin	X			
San Bruno	Director Medina	X			

San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman	X			
Woodside	Director Bryant	X			
	Total	18			5

## **REGULAR AGENDA**

### 5. Chair Report

None

### 6. CEO Report

Shawn Marshall, Chief Executive Officer, gave a presentation including an update on the Surplus Funds Committee, Peninsula Clean Energy National Support, information on the November Board Retreat, an update on automation and IT, and a staffing update.

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

### 7. Community Advisory Committee Report

Cheryl Schaff, Community Advisory Committee (CAC) Chair, gave a report on the October 12, 2023 CAC meeting.

### 8. Approval of Solar Billing Plan Program

Leslie Brown, Director of Account Services, gave a presentation on the Solar Billing Plan Program including background information, Peninsula Clean Energy's Solar Billing Plan (SBP) policy, the annual cash out on SBP, alterations from PG&E's SBP, policy considerations, and key takeaways.

Chair DeGolia asked if under the new system, would customers pay the retail rate for energy used and get the reduced rate for energy generated. Leslie explained that what is generated from solar is used first in the home. When the kWh leaves the house and goes to the grid, you won't get a retail credit but instead an Energy Export Credit (EEC). Chair DeGolia asked if the purpose was to encourage battery backup and to discharge the batteries during the peak hours. Leslie confirmed the goal is to encourage people to use the energy you generate at home, store it in a battery, or export solar during peak time.

Director Eakin asked for clarification on solar homeowners. Leslie explained that nothing will change for solar customers who have an active solar connection agreement, and that this program applies to those who submitted an interconnection agreement after April 15, 2023 or have older systems that require an updated interconnection agreement.

Director Eakin asked for clarification that this is less of a good deal than it used to be. Leslie explained that yes, this program is less generous than the Net Energy Metering (NEM) 2.0 program. Director Eakin asked if it makes sense for Peninsula Clean Energy to keep the value high for solar users. Leslie explained that Peninsula Clean Energy only controls a small portion of the charges on a customer's bill, and that new solar users will be subject to larger portions of the bill from state rules.

and policy from the investor-owned utilities which will apply to a large portion of their bill. If Peninsula Clean Energy did nothing to our side of the bill, the increase would be insignificant to the overall value of the system. Shawn Marshall, Chief Executive Officer, added that the impact would be negligible and would increase customer confusion.

Director Taylor asked if Peninsula Clean Energy had considered adding batteries. Leslie explained that is being discussed internally, such as ways to incentivize offsetting usage. Director Taylor any way of measuring the potential negative impact due to the additional cost of the batteries. Leslie explained that there was a large influx of interconnection applications before the April deadline, and that installers are now trying to deliver on the systems sold in the months before the new rules went into effect.

Chair DeGolia noted that there are still 2.5 years left to complete installation of systems under NEM 2.0.

Chair DeGolia asked about the addition of \$.01 to the energy export credit and if it would give our customers who generate more power from solar panels than they consume over 12 months a \$.01 benefit for their excess power. Leslie explained that it is a \$.01 adder to the net surplus compensation rate, which is the calculation that happens at the end of the 12 months.

Chair DeGolia stated that we could add a penny to energy export credit. Leslie explained it would be very expensive, but that we that cannot model it because Peninsula Clean Energy does not yet get this data from customers or PG&E.

**MOTION:** Vice Chair Colson moved, seconded by Director Medina to approve the proposed Solar Billing Plan (SBP) program policy.

**MOTION PASSED:** 23-0 (Absent: San Mateo County, San Mateo County, Colma, Daly City, Half Moon Bay)

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 Eakin	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman	X			
Woodside	Director Bryant	X			
Total		18			5

#### 9. Update on Diversity, Equity, Accessibility, and Inclusion (DEAI) Action Plan Implementation

Kirsten Andrews Schwind, Senior Manager of Community Relations, gave a presentation including action plan development, organizational culture and DEAI commitment, including specific department responsibilities, and implementation challenges.

Director Hindi asked about the annual staff training and if the plan was outlined through the consultant, GCAP. Kirsten explained that the outline was developed through GCAP, but that Staff is still determining who the provider will be. Shawn Marshall, Chief Executive Officer, added that the media types will also be varied.

#### 10. Annual Strategic Plan Update

Shawn Marshall, Chief Executive Officer, introduced the Annual Strategic Plan update including a recap of adjustments since September 2022, and Organizational Priorities.

Andy Stern, Interim Chief Financial Officer, gave a presentation of the Financial Stewardship Annual Strategic Plan update.

Director Mackin asked about the stewardship update and difference from the 2023 Year to Date and 2025 Target decrease in Cost of Energy. Andy explained that the 2025 target was made when the Strategic Plan was created with the hope to stabilize the average cost of energy, but that has proven challenging as energy costs have gone up, noting that this is not a projection of future costs of energy but rather a measurement against a long-term target.

Roy Xu, Director of Power Resources, gave a presentation of the Power Resources Annual Strategic Plan update.

Vice Chair Colson asked about the staff collaboration when analyzing Power Purchase Agreements and if the process is becoming more robust. Roy explained that evaluating incoming project proposals has not changed, but the back-office staffing helps to manage projects as they are coming online and to manage contract terms.

Phillip Kobernick, Programs Manager, gave a presentation of the Community Energy Programs Annual Strategic Plan update.

Director Loraine asked about power outages in San Mateo County. Phillip explained that there haven't been major PSPS events, but during the storm season outages occurred for multiple days.

Gwen Rose, Director of Marketing and Community Relations, gave a presentation of the Marketing and Community Outreach Annual Strategic Plan update.

Director Mackin asked about the participation rate and if there should be a goal to increase that goal. Leslie Brown, Director of Account Services, explained that the rate hovers around 97% as there is an ebb and flow of customers opting out and enrolling, and that to do a re-enrollment campaign, there are challenges and would reflect a mostly residential campaign.

Director Taylor asked about Peninsula Clean Energy's favorability. Gwen explained that there is not unfavorable, but rather not enough information to be favorable, and that a very small percentage are actively unfavorable, mostly stemming from misperceptions.

Director Nash asked if there is a place to have community events listed on the website. Gwen explained that this is in progress.

Leslie Brown, Director of Account Services, gave a presentation of the Account Services Annual Strategic Plan update.

Director Mackin asked about the timely uploads of gas data within DataConnect. Leslie explained that the DataConnect portal allows customers to extract all their data in one stream, and that the gas data also allows customers to pull data for home upgrade electrification. Director Mackin asked if this would be available to residential customers. Leslie explained that it was built as an interface for vendors but that it is technically available to residential customers.

Chair DeGolia asked about the CalTrain electrification plan. Leslie explained that CalTrain is ready to go live in the Fall of 2024. Chair DeGolia asked about the power up stations. Leslie explained that there is one station in San Mateo County and one in San Jose, and that power mixes are being considered.

Jeremy Waen, Director of Public Policy, and Marc Hershman, Director of Government Affairs, gave a presentation of the Public Policy Annual Strategic Plan update.

Shawn Marshall noted that there has been internal discussions about the fostering Community Choice Aggregators (CCAs) Growth Key Performance Indicator, noting that there hasn't been much interest within Merced County on expansion, the market is challenging, and suggests pushing back the goal a few years until the market improves.

Director Mackin asked if hydrogen had any part in this and about local political pushback from other regions. Shawn explained she wasn't sure about hydrogen and that there isn't pushback from Merced, but rather no response.

Director Fung asked about the economics of the acquisition of new customers. Shawn explained that with some analysis of bringing on new customers and growth that requires new power supply, there is not a lot of head room to absorb the new customer base. She explained with the economic issue combined with a lack of general interest, it makes sense to not push hard at the moment and wait for things to improve.

Director Fung commented on the margin between wholesale and retail as not worth pursuing. Roy explained that if a new city were added, Peninsula Clean Energy's peak load would increase, and the Resource Adequacy (RA) requirement would increase, where we would need to purchase more RA in a high cost environment. This cost would balance across all ratepayers in the territory.

Shawn Marshall, Chief Executive Officer, gave a presentation of the Organizational Excellence Annual Strategic Plan update.

#### 11. Regulatory Update Pending 2024 Rate Changes

Jeremy Waen, Director of Regulatory Policy, gave a presentation on the regulatory update pending the 2024 rate changes from PG&E including the 2024 Energy Resource Recovery Account (ERRA) Forecast overview and outlook, the PG&E 2023 General Rate Case (GRC) Phase 1 overview, consideration of the Income-Graduated Fixed Charge (IGFC), and timing for commission action.

#### 12. Board Members' Reports

Director Bigstyk noted an interview with Senator Josh Becker available on the Half Moon Bay website.

Director Coleman shared a South San Francisco Council of Cities event Saturday, October 28 at 5:30pm.

#### **ADJOURNMENT**

Meeting was adjourned at 9:25 p.m.

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

Thursday, February 22, 2024  
6:30 p.m.  
Zoom Video Conference and Teleconference

**CALL TO ORDER**

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

**SWEARING IN OF NEW BOARD MEMBER**

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

**ROLL CALL**

**Participating:**

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

**Absent:**

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

**A quorum was established.**

## **PUBLIC COMMENT**

None

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

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

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

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

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

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

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



## **REGULAR AGENDA**

### 3. Chair Report

None

### 4. CEO Report

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

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

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

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

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

### 5. Community Advisory Committee Report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public Comment: None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Public Comment: None

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

This item was continued to March 28, 2024.

#### 9. Board Members' Reports

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

### **ADJOURNMENT**

Meeting was adjourned at 9:11 p.m.



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** March 15, 2024  
**MEETING DATE:** April 25, 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:

**April 2024 Legislative Update**

Every three years, the California Department of Housing and Community Development (HCD) develops and adopts new building codes. One proposed change this year caught the eye of Peninsula Clean Energy's Programs Team. The proposed code, if enacted as drafted, would have eliminated the opportunity for our EV Ready program to install Level 1 EV charging at apartment and condominium buildings.

Peninsula Clean Energy has been an advocate for the installation of Level 1 charging as a proven solution for EV charging installation. It is not only cost-effective, but it can be installed quickly and is not subject to delays experienced by projects facing lengthy connection timelines.

Peninsula Clean Energy reached out to legislators, other 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 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) who sent a strong letter of support to HCD, as did the California Electric Transportation Coalition and 11 CCAs through a letter submitted by CalCCA.

In response to our efforts, the HCD's own advisory committee voted 8-1 to adopt our

suggested language that would allow for the installation of Level 1 charges in multi-family buildings.

This is not a final determination, and the process going forward is a bit opaque. We continue to work with our legislators and other supporters to encourage HCD staff to incorporate this language into their next public-facing proposal.

I would also like to call your attention to 3 bills for which we have taken a support position:

1. SB 1095 from Senator Becker. This bill updates code ambiguities to ensure individuals can switch from gas to electric appliances. It prevents HOAs from implementing provisions that would stop the switching, clarifies the authority of individuals to replace gas with electric appliances in mobile and manufactured homes, and provides the Department of Housing and Community with the authority it needs to update its regulations should there be legal uncertainty that would inhibit appliance replacement. SB 1095 was passed by two policy committees, the Senate Committee on Housing and the committee on the Judiciary. It now awaits action by the Senate Committee on Appropriations where it has been placed on the suspense calendar.
2. SB 1130 from Senator Bradford. This bill would require the PUC to review a report from each IOU to ensure the IOU has sufficiently enrolled eligible households in the FERA program. The PUC will be charged with verifying that the proportion of households the commission determines to be eligible within the electrical corporation's service territory is enrolled in the program. If the commission, in its review of a report, determines an IOU has not sufficiently enrolled eligible households in the FERA program, the commission would require the IOU to develop a strategy and plan to sufficiently enroll eligible households. SB 1130 passed the Senate Committee on Energy, Utilities, and Communications. It also now awaits action by the Senate Committee on Appropriations where it has been placed on the suspense calendar.
3. Since the preparation of the legislative matrix attached to your agenda, we have also taken a support position on AB 2815 from Assemblymember Petrie-Norris. AB 2815 would require the California 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 authorize grant funding to be used for the cost to repair or replace an EV charging station. The bill would require the commission to allocate at least 50% of grant funding to low-income communities and disadvantaged communities. This legislation passed the Assembly Committee on Transportation and is now referred to the Committee on Natural Resources.

### **PCE's EV Ready Program Wins Community Impact Award at CalCCA**

CalCCA has awarded PCE's EV Ready Program as a Community Impact Award winner in the Decarbonization Category, in a ceremony headed by CEC Commissioner David Hochschild at the annual conference in San Jose. The EV Ready program was recognized for its use of scalable and cost-effective low-power EV charging solutions, leading customers to nearly triple the size of their EV charging projects on average, and success in deploying charging into multi-family properties, a historically underserved community. Over 1,000 chargers have already been installed with nearly 4,000 more in progress. Congrats to our great team for making this happen!

### **PCE in the Community**

Staff has been busy getting the word out and sharing their expertise. PCE speaking

engagements will be shared during the meeting.

Staff and Community Advisory Committee members have enjoyed connecting with our customers at the many Earth Day and other spring events this month. We thank our member agencies and community partners for inviting us to participate and engage with our customers. We hope to see you at one of these events!

- 4/2/2024 Home Electrification Workshop in San Mateo
- 4/5/2024 Nueva School Staff Health & Wellness Fair
- 4/13/2024 Love Our Earth Festival (East Palo Alto and Menlo Park)
- 4/14/2024 South San Francisco Earth Day
- 4/18/2024 Gilead Earth Day Event
- 4/20/2024 SMC Progress Seminar
- 4/20/2024 Pacific Beach Coalition EcoFest
- 4/20/2024 Belmont Earth Day
- 4/20/2024 Los Banos Spring Street Faire
- 4/21/2024 Atherton Earth Day
- 4/23/2024 Oracle Earth Day
- 4/26/2024 South San Francisco High School Assembly
- 4/27/2024 Foster City Earth Day
- 4/27/2024 Children's Day, Dia del Nino in San Bruno
- 4/30/2024 San Mateo County Sustainable Schools Summit
- 5/5/2024 Peninsula Temple Shalom Presentation
- 5/5/2024 Cinco de Mayo Festival in East Palo Alto
- 5/8/2024 Burlingame Library Electrification Workshop
- 5/18/2024 Los Banos Home Fair 2024
- 5/23/2024 Pacheco High School Wax Museum

## **PCE Staffing Update**

Please welcome to our team:

- Kelly Lew-Quintal, Risk Manager, who started on April 16th

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

[Data Engineer/Analyst, Data and Technology](#)

[Analyst/Senior Analyst, Building Electrification Support](#)

[Senior Manager, Strategic Analysis and Rates, Finance and Administration](#)





**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** April 12, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Donna Colson, Chair of the Board  
Marty Medina, Vice Chair of the Board

**SUBJECT:** Approval of Appointments to the Executive Committee and the Audit and Finance Committee (Action)

**RECOMMENDATION**

Approve appointments to the Executive Committee and the Audit and Finance Committee.

**DISCUSSION**

Honorable Colleagues,

Peninsula Clean Energy Policy 16, "Selection of the Chair and Vice Chair and Appointment to the Executive Committee and other Standing Board Committees" provides guidance on the process to appointment members to the Executive Committee and Audit and Finance Committee as follows:

"The Board will be asked to cast a vote either for or against the entire slate at the March [April due to delay in Chair/Vice Chair appointments] Board meeting. In the event the Board does not approve the slate, any Board members may nominate individual members to the Executive Committee or the Board may direct the Chair to return at the April Board meeting with a new slate."

Vice Chair Medina and I spoke with many Board members across our jurisdiction about their potential participation and we're thrilled to share that numerous highly qualified individuals have expressed their interest in serving, which is crucial for maintaining the Board's continuity and safeguarding institutional knowledge and develop future leadership talent. We extend our gratitude to everyone who has shown interest and participated in our discussions. We urge you all to keep exploring PCE's endeavors and mission. After these conversations, we are pleased to make the following appointments:

To the Executive Committee:

1. Dave Pine, San Mateo County
2. Ray Mueller, San Mateo County
3. Rick DeGolia, Atherton

4. Coleen Mackin, Brisbane
5. Donna Colson, Burlingame, Chair
6. Betsy Nash, Menlo Park
7. Anders Fung, Millbrae
8. Jeff Aalfs, Portola Valley
9. Marty Medina, San Bruno, Vice Chair

To the Audit and Finance Committee:

1. Tom McCune, Belmont
2. Donna Colson, Burlingame
3. Carlos Romero, East Palo Alto
4. Leslie Ragsdale, Hillsborough
5. Paul Llanez, Los Banos

Sincerely,

Donna Colson, Chair  
Marty Medina, Vice Chair



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** April 19, 2024  
**MEETING DATE:** April 25, 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 Updated Peninsula Clean Energy Strategic Plan Organizational Priority Number 1 to: Deliver 100% Renewable Energy on An Annual Basis by 2030 Through Strategic and Cost-Effective Procurement of Resources that Maximize Peninsula Clean Energy 24/7 Hourly Matching of Renewable Energy and Load (Action)

**RECOMMENDATION**

Approval of Updated Peninsula Clean Energy's Strategic Plan Organizational Priority #1 to: "Deliver 100% Renewable Energy on An Annual Basis by 2030 Through Strategic and Cost-Effective Procurement of Resources that Maximize Peninsula Clean Energy's 24/7 Hourly Matching of Renewable Energy and Load."

**BACKGROUND**

In 2017, Peninsula Clean Energy set an ambitious goal to deliver time-coincident [1] or 24/7 renewable energy to its customers by 2025. In November 2022, Peninsula Clean Energy clarified that the 24/7 renewable matching would occur for 99% of the hours (while maintaining 100% annual matching). In June 2023, the implementation date was extended to 2027 due to market challenges. In November 2023, Peninsula Clean Energy staff provided an overview of market conditions and the feasibility of implementing the 24/7 renewable goal by 2027, and the Board of Directors directed staff to evaluate adjustments to the 24/7 goal that would be more realistic and financially prudent based on the current market environment.

In March 2024, Peninsula Clean Energy updated its Strategic Plan Organizational Priority #1 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". This update pushed out the implementation date for the annual 100% renewable energy goal from 2025 to 2030, and was undertaken to help maintain lower rates for Peninsula Clean Energy's customers while also continuing to pursue a 100% renewable portfolio well in advance of the State's RPS goal of 60% by 2030.

Since November 2023, staff has updated PCE's 24/7 renewable modeling with new pricing inputs and assumptions, explored methods to maintain 24/7 renewable energy over longer periods of time<sup>[2]</sup>, and developed alternative structures to meet the goal while minimizing near and long-term cost and risk.

As discussed with the Board in June 2023, November 2023, and March 2024, market conditions have drastically changed in the past two years, inconsistent with the assumptions used in Peninsula Clean Energy's original 24/7 analysis and published White Papers on the subject. This includes significant delays in development and commissioning of new renewable projects in general and lack of projects with desirable profiles for 24/7 time coincident matching, all of which are contributing to the need to adjust PCE's 24/7 renewable goal.

There are not many comparison points for PCE's 24/7 renewable goal, but California's SB 100 is one benchmark. Under SB 100 (2017, De León), California retail sales are required to be 60% renewable by 2030 and 100% carbon-free by 2045. Although the statewide 2045 goal is not an hourly clean energy goal, it will effectively remove fossil fuel generation from the state resource mix and be similar to an hourly clean energy goal. Under the Joint Agency Report released in 2021, it is estimated that meeting the SB 100 goal for 2045 will require California to build almost 50 GW of new resources by 2030 and 170 GW by 2045. PCE's approximate share of that new capacity is 700 MW by 2030 and 3,500 MW by 2045. With PCE's currently executed contracts, it has met its share of the SB 100 goal by 2030 several years ahead of schedule. In 2027, PCE is projected to achieve 86% annual renewable content and 77% hourly matching with its existing resource portfolio.

<sup>[1]</sup> Peninsula Clean Energy uses the term "24/7", "hourly", or "time-coincident" to mean delivering renewable energy that matches customer demands each and every hour of the day. Staff uses these terms interchangeably throughout this memo.

<sup>[2]</sup> Previous 24/7 analyses have been limited to a single year and have not explored the long-term costs and risks of maintaining the 24/7 renewable goal over many years.

## **DISCUSSION**

In the latest 24/7 modeling, staff shifted the main analysis year from 2027 to 2030 due to the afore-mentioned resource availability challenges in the near term. In addition, staff analyzed several important variables in the updated analysis of the 24/7 renewable goal:

1. **Resource Availability:** In the current market, there is limited availability of key resources to make progress towards the 24/7 renewable goal. More resources may become available by the turn of the decade, as illustrated in Figure 1. Staff considered two resource availability scenarios in our analysis, "Realistic" and "Optimistic". The "Realistic" scenario assumes fewer resource types are available, and no "best-fit" resources. The "Optimistic" scenario, which staff deemed to be less likely to manifest, assumes that more resources are available, including adequate amount of wind and geothermal resources, which are a better fit for PCE's portfolio.

Year	Resource	Realistic Case	Optimistic Case
2027-2028	New Solar + Storage	⚠	⚠
	New Wind	✗	✗
	New Shaped	✗	✗
	New Geothermal	✗	✗
	Extend Existing Wind	✗	✓
2029 - 2031	New Solar + Storage	✓	✓
	New Wind	✗	⚠
	New Shaped	✗	⚠
	New Geothermal	✗	⚠
	Extend Existing Wind	✗	✓

**Legend**  
✗ Not Available  
⚠ Limited Availability  
✓ Potentially Available

Figure 1: Current Resource Availability

- Market Price Scenarios:** Staff considered two market price scenarios: the “High Market” scenario where market prices remain elevated in the medium term, and the “Low Market” scenario, where market prices decline over the medium term. These scenarios don’t represent the most extreme possibilities that the market may experience, but instead represent reasonable ranges for what may happen. The market price scenarios explore uncertainties around prices and PCE’s ability to resell excess products. The Low Market presents more challenges for PCE, because of the difficulties with reselling any excess procurement, which leads to significantly higher cost and risk for PCE.
- Resale scenarios:** Staff analyzed several resale structures for excess procurement. There are fundamental tradeoffs between cost and risk in structuring resale products. Bundled products (selling energy, capacity, and environmental attributes together) provide a lower resale value to PCE, but could reduce uncertainties. Unbundled products (selling energy, capacity, and environmental attributes separately) provide higher resale value to PCE, but creates more uncertainties. Staff uses the “Medium” resale scenario as a default assumption, and considered the changes in cost and risk if PCE were to pursue the Aggressive or Conservative resale approaches.

Table 1: Resale Scenarios

Resale Scenarios	Bundled Sale	Unbundled Sale
Conservative	100%	0%
Aggressive	0%	100%
Medium	60%	40%

Using these assumptions, staff performed an analysis of additional capacity needed in order to achieve a range of 24/7 renewable targets under different scenarios (Figure 2). Under the Realistic resource availability assumptions, PCE will need to procure a significant amount of capacity from new resources to achieve higher 24/7 renewable targets. The large capacity from new resources will lead to higher over-procurement, thus resulting in higher risk. However, under the Optimistic resource availability assumptions, PCE would procure resources that provide better fit in our portfolio, thus reducing over-procurement, which in turn lowers cost and risk. Delivering 100% renewable energy on an annual basis by 2030, through strategic procurement of new resources, could by default result in 24/7 renewable matching of

80% to 85%.

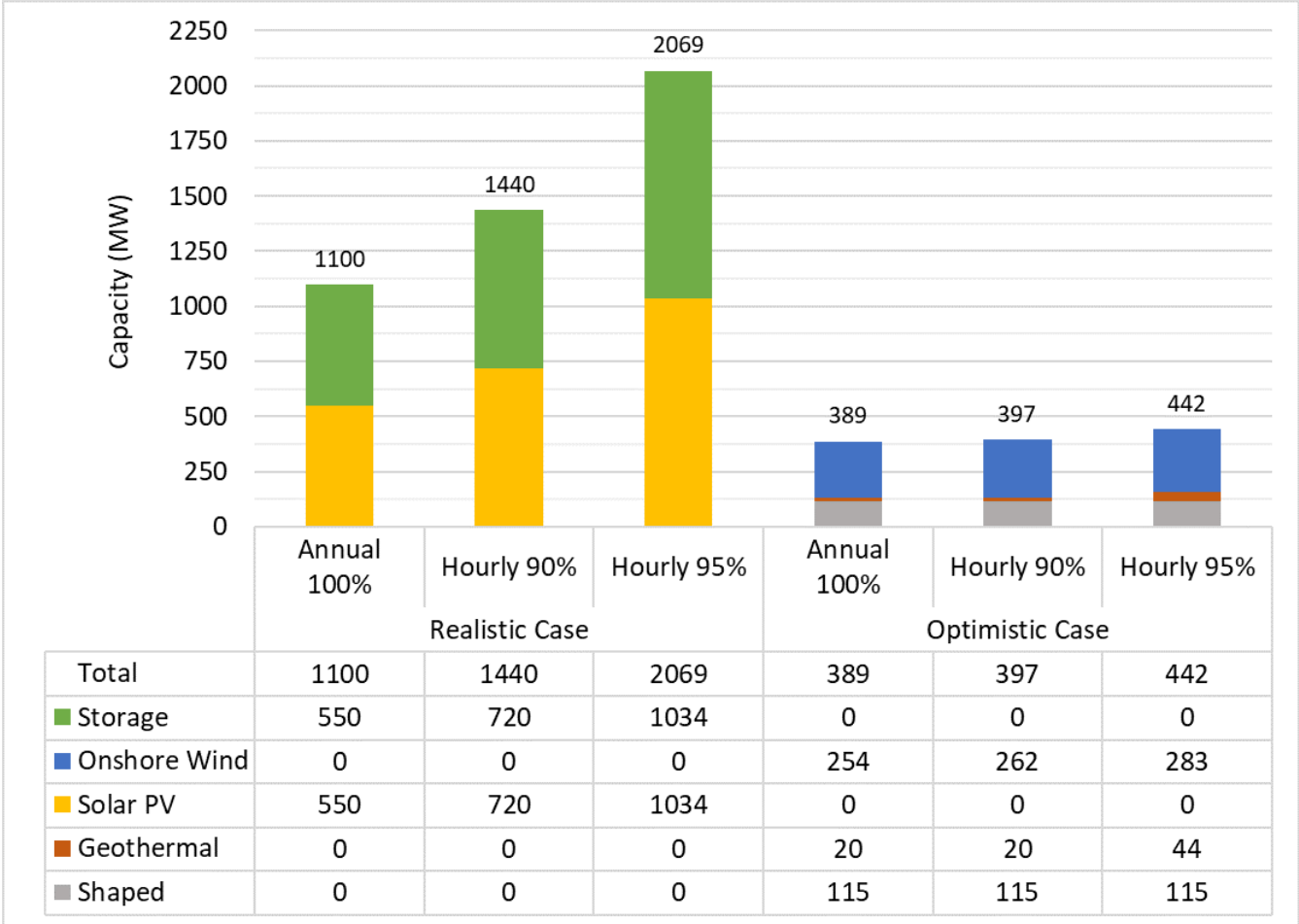


Figure 2: Additional Capacity Needed by 2030

Staff also analyzed the portfolio needs to maintain a 24/7 renewable goal over several years (Figure 3). Staff found that due to expiration of existing contracts and forecasted load growth, PCE will need to continue to add new resources to its portfolio to maintain a high time-coincident target. Uncertainties around market conditions and resource availability will continue to impact PCE's procurement decisions beyond the initial target year.

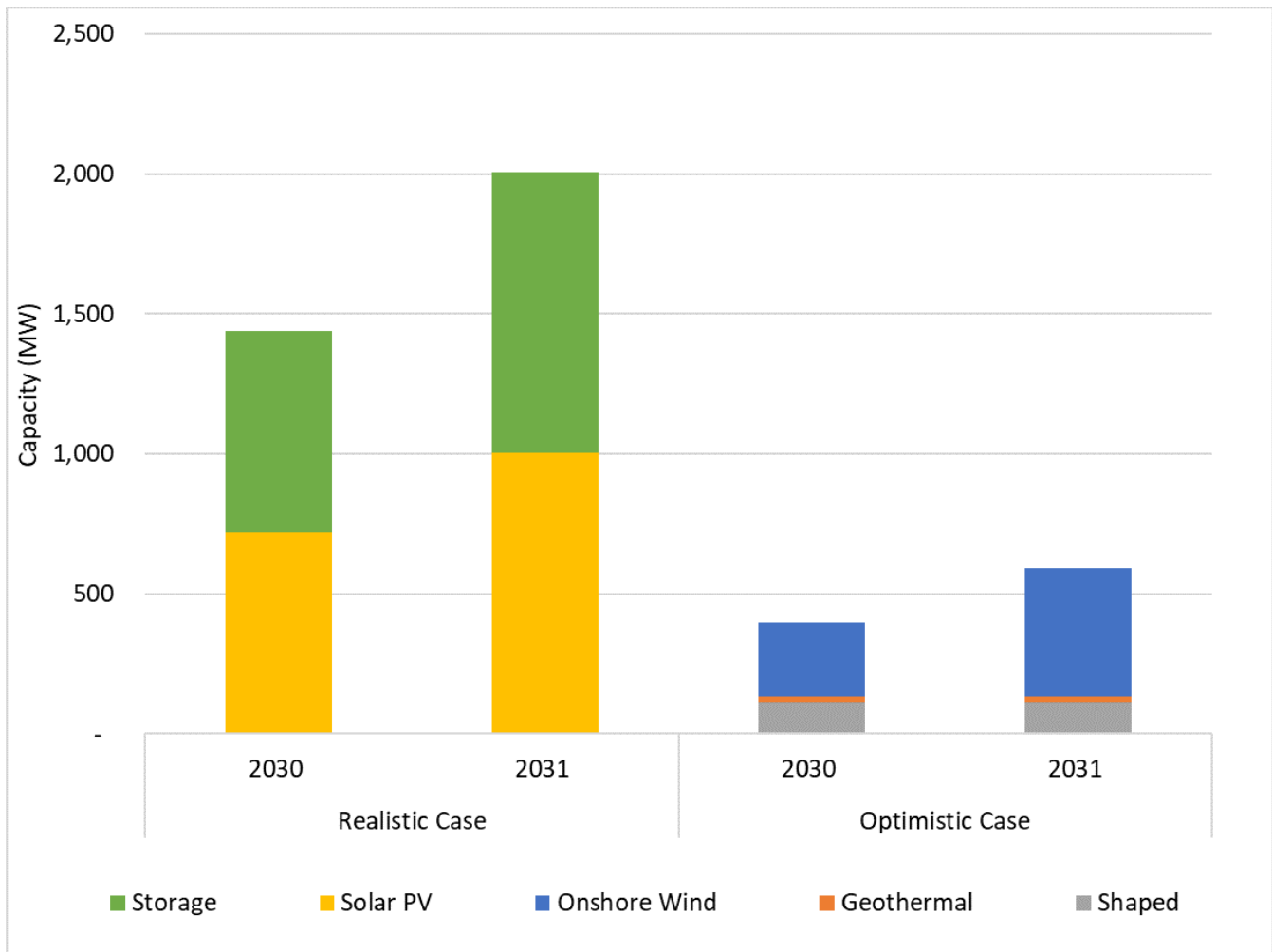


Figure 3: Maintaining the 24/7 Goal Over Time (Example for the Hourly 90% Scenario)

Furthermore, staff analyzed the magnitude of over-procurement under a variety of scenarios and found that over-procurement increases as the hourly matching target increases. Over-procurement leads to risk in PCE's portfolio, because it exposes PCE to market volatility. In addition, over-procurement risk could stack with PCIA (i.e. exit fee) risk, leaving PCE significantly exposed to low market prices. As shown in Figure 4, over-procurement is substantially higher if the Realistic resource availability assumption manifests. In comparison, over-procurement could be much reduced if resources available under the Optimistic case do become available. Notably, the annual 100% renewable scenario would result in no over-procurement measured against annual load volume, while achieving between 80% to 85% hourly renewable matching.

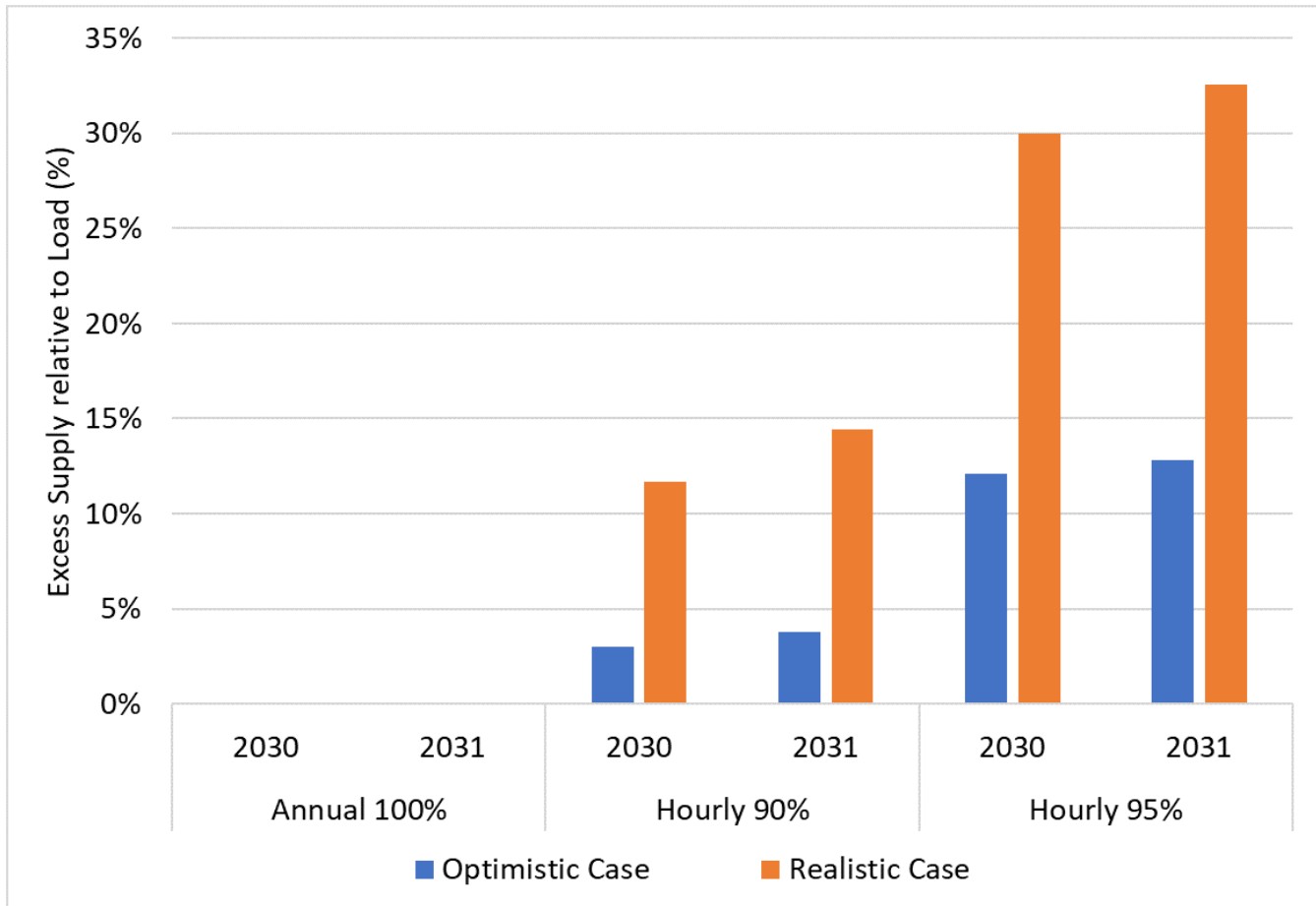


Figure 4: Over-Procurement Under Different Scenarios

Staff further analyzed the portfolio cost of energy for a variety of 24/7 renewable targets under the Realistic and Optimistic resource availability cases, as well as under the High and Low Market price scenarios. Resale scenarios were also evaluated and are shown in Tables 2 and 3 as an uncertainty in cost in parentheses. In general, higher time-coincident scenarios create higher cost and risk to PCE, especially under the Realistic resource availability case. By comparison, under the Optimistic resource availability case where desirable resources are available to contract, cost and risk would be manageable to reach a higher time-coincident target.

Table 2: Realistic Case in 2030 - Increase in Cost of Energy Relative to the Lowest Cost Scenario (i.e. the Annual 100% in High Market); the value in parenthesis represents potential additional cost due to uncertainties in resale value of excess products. For example, the Hourly 90% scenario in a High Market price environment could increase annual cost of energy by \$14 million relative to the Annual 100% High Market case, and the increase could be as high as \$25 million (i.e. \$14M + \$11M) with unfavorable resale outcome.

Scenario	High Market	Low Market
Annual 100%	0 (3)	15 (0)
Hourly 90%	14 (11)	45 (3)
Hourly 95%	50 (33)	114 (10)



Table 3: Optimistic Case in 2030 - Increase in Cost of Energy Relative to the Lowest Cost Scenario (i.e. the Annual 100% in Low Market); the value in parenthesis represents potential additional cost due to uncertainties in resale value of excess products. For example, the Hourly 90% scenario in a High Market price environment could increase annual cost of energy by \$4 million relative to the Annual 100% Low Market case, and the increase could be as high as \$7 million (i.e. \$4M + \$3M) with unfavorable resale outcome.

Scenario	High Market	Low Market
Annual 100%	3 (2)	0 (0)
Hourly 90%	4 (3)	2 (0)
Hourly 95%	15 (11)	25(2)

In conclusion, with PCE's current executed contracts, PCE could achieve approximately 77% time-coincident renewable energy by 2027. However, meeting any higher time-coincident targets in 2027 through 2029 would be infeasible due to current market conditions, project delays, and lack of desirable resources. PCE could achieve 80% to 85% time-coincident renewable energy (24/7 matching) by 2030 through meeting the annual 100% renewable energy goal. However, meeting any higher time-coincident targets by 2030 would add cost and risk to PCE's portfolio. Differences in emissions and grid impacts between PCE's 85% and 95% time-coincident renewable portfolios are estimated to be small given PCE's load share of the grid, but such increase in time-coincident percentage could lead to significantly higher costs to PCE's customers. If and when better-fit resources such as wind and geothermal become available in the market, it would be more cost-effective to achieve 24/7 renewable matching at or above 90%.

In consideration of these conclusions, Staff has prepared three options for the Board's consideration for how to implement the 24/7 renewable energy goal.

1. Adjust the 24/7 renewable energy target to 2030
  - Adjust the target by lowering the time-coincident percentage and shifting to a later target year to achieve a sweet-spot between high renewable hourly matching and keeping cost of energy reasonable.
  - This option could demonstrate a relatively high hourly matching goal consistent with previous messaging, but would be more expensive and risky, and could necessitate future revisions to the goal if market conditions prove this target to be infeasible. There will also be challenges to maintaining the goal in the long term.
2. Use an average 24/7 renewable energy target over 5 years, starting in 2030
  - Set a time-coincident target averaged over a 5-year period beginning in 2030. This would mean PCE's 24/7 renewable matching percentage could fluctuate within the measurement period, but the average percentage would meet an approved target set by the Board.
  - This option would allow more flexibility to address contract expiration and load growth, as well as discretion if there are no best-fit resources available to contract. However, maintaining an average goal of (for example) 90% time-coincident renewable matching could still increase cost and risk to our customers, especially under the Realistic resource availability scenario. The averaging concept could also be difficult to communicate.
3. Maintain the 100% annual renewable energy goal with a flexible hourly target

- Maintain the 100% annual renewable energy goal every year starting in 2030 through strategic procurement of resources to maximize hourly matching.
- This option would be the most affordable, potentially offering the lowest rates to customers. It would provide the most flexibility to build an optimal portfolio by not imposing additional constraints. It would maximize flexibility to address contract expiration and load growth while minimizing over-procurement cost and risk. However, this option may result in a perception of PCE moving away from our aggressive 24/7 renewable goal.

Upon collecting inputs from the Procurement Subcommittee on April 9, 2024, staff recommends Option 3 as the best way forward to make meaningful progress towards the 24/7 renewable goal, and at the same time supporting PCE customers in electrification efforts by keeping cost of energy affordable.

In a market where renewable supplies are limited and delayed by multiple external factors, PCE is facing challenges on its journey to serve its customers with renewable energy every hour of the day. Achieving 99% time-coincident renewable power by 2027 is no longer feasible, but PCE will still be able to achieve close to 80% hourly renewable matching by 2027 with its current portfolio of resources, which is an industry-leading accomplishment worth noting. Both the PCE Board and staff are clear that 24/7 renewable matching remains a key priority for the agency, and are committed to reaching this goal as soon as market conditions improve and a more diverse set of resources become commercially available. PCE's procurement decisions going forward will be strategically focused on maximizing hourly renewable matching while minimizing additional costs for its customers.

An important component to continued pursuit of this goal is the critical learning and thought leadership that results in the planning, modeling and incremental operationalization of hourly renewable matching. PCE is proud of the innovative work by its staff in these areas, including the development of the open-source MATCH model, the release of two analytical White Papers, and the ongoing refinement to the modeling assumptions, reflecting updated cost and risk impacts of pursuing this goal in today's market environment. PCE intends to remain at the forefront of the industry's evolution towards 100% hourly renewable and will continue to share recommendations and lessons-learned along the way.

## **FISCAL IMPACT**

Adopting staff's recommendation would not affect FY 23-24 costs. The recommended flexible approach to the hourly matching goal will reduce future procurement costs and be reflected in future year budgets.

## **STRATEGIC PLAN**

Staff's recommendation would modify the portion of Organizational Priority Number 1 in Peninsula Clean Energy's Strategic Plan with respect to the 24/7 renewable matching target. Approval of this Recommendation will revise the priority statement from "Delivering 100% Renewable Energy Annually by 2030 Through Strategic Procurement of Resources to Maximize Peninsula Clean Energy's 24/7 Hourly Renewable Matching Goal" to "Deliver 100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize Peninsula Clean Energy's 24/7 hourly matching of

renewable energy and load.”

Staff anticipates incorporating changes to the priority statement as part of the mid-year review of the Strategic Plan to be presented to the Executive Committee on May 13, 2024.

**RESOLUTION NO. \_\_\_\_\_**

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

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**APPROVAL OF UPDATED PENINSULA CLEAN ENERGY STRATEGIC PLAN  
ORGANIZATIONAL PRIORITY NUMBER 1 TO: DELIVER 100% RENEWABLE ENERGY  
ON AN ANNUAL BASIS BY 2030 THROUGH STRATEGIC AND COST-EFFECTIVE  
PROCUREMENT OF RESOURCES THAT MAXIMIZE PENINSULA CLEAN ENERGY 24/7  
HOURLY MATCHING OF RENEWABLE ENERGY AND LOAD (ACTION)**

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

**WHEREAS**, in 2017, Peninsula Clean Energy set an ambitious goal to deliver 24/7 renewable energy that matches customer demand each and every hour of the day by 2025; and

**WHEREAS**, in November 2022, Peninsula Clean Energy specified that 24/7 renewable energy would be delivered to match 99% of hourly load, and at least 100% of annual load; and

**WHEREAS**, in June 2023, Peninsula Clean Energy updated the target date to implement 24/7 renewable energy to 2027, in light of cost and resource availability; and

**WHEREAS**, staff modeling and analysis of current available resources and current market conditions indicate that meeting a 99% hourly renewable target in 2027 would be infeasible; 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: Deliver 100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize Peninsula Clean Energy’s 24/7 hourly matching of renewable energy and load.



**PENINSULA CLEAN ENERGY AUTHORITY**  
**JPA Board Correspondence**

**DATE:** April 18, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Nicholas Bijur, Chief Financial Officer

**SUBJECT:** Approval of Continued Evaluation and Preparation for a Possible Prepay Bond Transaction, Including Approval to Join the California Community Choice Finance Authority and the Engagement of a Financial Advisor and Prepay Counsel (Action)

**RECOMMENDATION**

Approve continued evaluation and preparation for a possible Prepay bond transaction potentially in late 2024, including approval to join the California Community Choice Finance Authority (CCCFA) as an associate member at the appropriate time as conduit for the bond issuance, and the nearer term engagement of PFM Financial Advisors (PFM) as Municipal Financial Advisor and Chapman and Cutler as Prepay Counsel.

**BACKGROUND**

An energy prepayment – or ‘Prepay’ – is a long-term financial transaction available to municipal utilities and tax-exempt entities such as CCAs that enables a meaningful power procurement cost savings opportunity. The Prepay structure has historically been utilized for natural gas procurement and is now being applied in the renewable energy sector. Over the past 2½ years there have been 11 Prepay transactions involving six different California CCAs, raising \$10 billion in bond proceeds and generating approximately \$60 million in annual energy procurement cost savings.

Staff have been evaluating Prepays for almost a year to familiarize themselves with the structure, process, benefits, and risks. Garth Salisbury, Chief Financial Officer at MCE Clean Energy (MCE) and Board Member/Treasurer of CCCFA, presented to Peninsula Clean Energy’s (PCE) Audit & Finance Committee in June 2023. MCE has executed two Prepay transactions and CCCFA has been the conduit issuer for those two and the additional nine CCA Prepay transactions completed by Ava Community Energy, Silicon Valley Clean Energy, Pioneer Community Energy, Clean Power Alliance, and Central Coast Community Energy.

After extensive further research, staff provided an updated Prepay presentation to the Audit & Finance Committee in February 2024, and Rick Degolia, Donna Colson and Carlos Romero met with Garth Salisbury and Doug Bird from Chapman and Cutler in March 2024 to better

understand the Prepay structure, its benefits, and possible risks. Staff also presented to the Executive Committee in early April, which unanimously approved the recommendation being presented herein to the Board of Directors.

### Prepay Process

Utilizing the municipal bond market, a tax-exempt Load Serving Entity such as Peninsula Clean Energy (LSE, also called “Prepay Buyer”) and a taxable financial counterparty (bank, called “Prepay Supplier”) enter into a 30-year agreement through which the LSE assigns existing power supply contracts (or power purchase agreements, “PPAs”) to the Prepay Supplier. The Prepay Supplier pays the contract price to the PPA provider, while the LSE pays the Prepay Supplier at a discounted rate. The discounted rate is agreed upon in the Prepay documents and is based in large part on the spread between the taxable and tax-exempt bond interest rates. The market availability of this interest rate spread is critical to the savings opportunity available to the LSE.

Tax-exempt bonds are issued by a third-party conduit such as CCCFA to raise funds for the Prepay transaction. The funds flow from the conduit issuer (CCCFA) to the Prepay Supplier. The LSE does a limited assignment of one or more of their long-term PPAs to the Prepay Supplier. The LSE is required to continue to perform under the contract, while maintaining rights to the electricity and attributes under the PPA. The Prepay Supplier utilizes the bond funds and provides a discount on the PPA to the LSE based on the spread between the taxable and tax-exempt interest rates. The discount over the past 2½ years has ranged from 8-12% but is subject to change based on market conditions.

The tax-exempt bonds are issued with an initial maturity of 6-8 years (exact maturity depends on market conditions at the time of issuance). The interest rate at this point on the yield curve provides optimal savings due to dynamics in the tax-exempt bond market. After 6-8 years the bonds are “remarketed” to investors and the savings over the subsequent 6-8 years will depend on the market conditions at the time of the remarketing. If the savings at the time of the remarketing are deemed insufficient (typically less than 5%), PCE can terminate the transaction with no penalty.

While the contracts are assigned to the Prepay Supplier, the LSE continues to ultimately take and pay for all the energy and attributes delivered through the contract; all other terms of the PPA remain unchanged. If the Prepay terminates early for any reason – either the Prepay Supplier fails to perform or the savings after the remarketing are not sufficient – the LSE forgoes future savings and the assigned PPA is returned completely to the LSE.

### DISCUSSION

Based on current market conditions, a preliminary evaluation of PCE’s current PPAs, and exploratory conversations with various Prepay advisors, it is estimated that an initial Prepay transaction will generate approximately \$3.5 million in annual energy cost savings which could be used to lower customer rates. The indicative size of the Prepay transaction and associated savings assume the inclusion of three of PCE’s existing PPAs; the final number of PPAs and which ones are included in the transaction will be refined over the next 3-6 months. The savings are based largely on the spread between taxable and tax-exempt interest rates, which is currently relatively wide thus creating a favorable market environment for Prepay transactions. PCE may be able to increase the size of the initial transaction and/or execute subsequent transactions with additional or future PPAs, thereby increasing the amount of

annual savings. Limitations on sizing are based on investor demand, market conditions with meaningful taxable/tax-exempt spreads, and the available headroom to ensure PCE will have procurement-related costs to assign in a 30-year transaction.

The primary risk is if the Prepay program terminates early for any reason, in which case PCE forgoes future savings but is no worse off than had it not executed the transaction at all. The fees paid to the various service providers are contingent on executing a transaction and are paid from the bond proceeds. If the transaction does not move forward or never occurs for whatever reason, the advisors are not paid. The above-mentioned estimated savings are after paying all transaction costs.

It is estimated to take approximately 6-9 months to execute a Prepay transaction and will require significant staff time. PCE is required to hire a Municipal Financial Advisor who will assist in the process. Staff recently completed an RFP process and recommend hiring PFM as its Prepay Financial Advisor. PFM has worked on seven of the 11 CCA Prepays and is very knowledgeable about Prepay bond finance and the CCA industry. PCE also has a prior working relationship with PFM and is comfortable with their team. The estimated fee to PFM is \$350,000, which consists of \$300,000 for financial advisory and up to \$50,000 for swap advisory, both of which are paid out of bond proceeds and only if the transaction closes.

Staff also recommend engaging Chapman and Cutler as Prepay Counsel, and CCCFA will engage Orrick Herrington & Sutcliffe (Orrick) as Tax and Bond Counsel on PCE's behalf. Chapman and Cutler and Orrick have worked in partnership on almost all the CCA Prepay transactions and have significant subject matter expertise; estimated fees are \$225,000 and \$350,000, respectively, under the same terms as PFM. Note that the terms and conditions for all three vendors are substantially similar to prior CCA Prepay transactions.

Finally, staff recommend joining CCCFA as an associate member at the appropriate time and only if PCE moves forward with a Prepay transaction. CCCFA has been the conduit issuer for all CCA Prepay transactions and membership is required to execute a transaction. The membership fee is \$50,000. Because the membership fee is not contingent on a successful transaction and would be a "sunk cost" if we do not proceed, staff will wait as long as possible before joining CCCFA, likely sometime over the summer or early fall. In addition, each member of CCCFA is responsible for paying an equal portion of CCCFA's general and administrative operating costs as determined by its board, which is estimated to be approximately \$20,000 per year.

Staff will provide periodic updates to the Executive Committee and Audit & Finance Committee and plans to seek transaction approval from the Board of Directors a few months prior to execution. This will include a resolution authorizing the execution of a power supply contract with CCCFA, parameters of a transaction, and approval to enter into certain other documents to enable PCE to complete a Prepay transaction.

## **FISCAL IMPACT**

The purpose of pursuing a Prepay transaction is to achieve meaningful energy procurement cost savings. Based on preliminary analysis and conversations with advisors, an initial transaction will result in approximately \$3.5 million in annual procurement cost savings. The amount of savings is dependent on which PPAs are included in the transaction and market

conditions and will be refined over the next six months.

The fees paid to the various parties involved in the Prepay are contingent on a successful transaction and payable from the proceeds of the bonds. As a result, there is no out-of-pocket cost to PCE; the cost will be paid out of the savings realized from the Prepay transaction. If a transaction does not occur, the only costs to PCE would be the membership fee to join CCCFA (\$50,000) and the fees owed to the rating agency (approximately \$200,000); both costs will be incurred late in the process.

Additionally, it is important to note that the Prepay is non-recourse to PCE. The ultimate counterparty with the Prepay Supplier is CCCFA, so CCCFA is therefore the counterparty to all the underlying agreements. CCCFA is a separate public entity and the debts, liabilities and obligations of CCCFA will not constitute debts, liabilities or obligations of PCE.

**ATTACHMENTS:**

[04-25-2024 Board Presentation.pdf](#)

[PCE - PFM Swaps Contract 2024.docx](#)

[2024 PCE PFM FA Contract.docx](#)

[PCE Chapman Cutler Engagement Agreement.docx](#)



**RESOLUTION NO. \_\_\_\_\_**

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

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**APPROVAL OF CONTINUED EVALUATION AND PREPARATION FOR A POSSIBLE PREPAY BOND TRANSACTION, INCLUDING APPROVAL TO JOIN THE CALIFORNIA COMMUNITY CHOICE FINANCE AUTHORITY AND THE ENGAGEMENT OF A FINANCIAL ADVISOR AND PREPAY COUNSEL (ACTION)**

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**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 use of energy prepayment on a tax advantaged basis enables a meaningful power procurement cost savings opportunity in which PCE can utilize its tax-exempt status to access the municipal bond market to prepay energy supply contracts at a discount rate; and

**WHEREAS**, long-term power prepay transactions utilize the municipal bond market and as such, require that PCE become a member of a bond issuing entity in order to participate; and

**WHEREAS**, the California Community Choice Financing Authority (“CCCFA”) is a joint exercise of powers agency established under California Government Code section 6500 et seq. (the “JPA Law”) and a Joint Powers Agreement (the “CCCFA Joint Powers Agreement”) among various CCAs for the purpose of undertaking the financing and refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of its members by, among other things, issuing or incurring bonds and entering into related contracts; and

**WHEREAS**, PCE is a community choice aggregator, as such term is defined in Section 331.1 of the Public Utilities Code of the State of California (the “Public Utilities Code”), that is also a public agency, as such term is defined in the JPA Law, which has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes and, therefore, PCE is eligible to become a member of CCCFA pursuant to the terms of the CCCFA Joint Powers Agreement; and

**WHEREAS**, for CCCFA to finance or refinance energy prepayments and issue bonds on behalf of PCE, PCE must become a member of CCCFA; and

**WHEREAS**, PCE has determined that CCCFA is the best-fit least-cost option to serve as a bond issuing entity to enable PCE to participate in one or more energy prepayment

transactions and therefore PCE desires to become an associate member of CCCFA; and

**WHEREAS**, to become an associate member of CCCFA, this Board must file an executed counterpart of the CCCFA Joint Powers Agreement with CCCFA, together with a copy of the resolution of the Board of Directors of PCE approving the CCCFA Joint Powers Agreement and the execution and delivery hereof, and requesting to be added as an associate member of CCCFA and PCE must further agree in writing to pay CCCFA a share of organization, planning and other costs and charges as determined by the Board of CCCFA to be appropriate, if any; and

**WHEREAS**, on March 11, 2022, the CCCFA Board established a membership entry fee of \$50,000 for a new associate member's portion of organization, planning, and other costs, in addition to each member's equal share of general and administrative costs as determined by the CCCFA Board; and

**WHEREAS**, on December 16, 2022, the CCCFA Board established a transaction fee of \$20,000 to cover the "Prepayment Project" costs as defined in Section 1.11 of the CCCFA Joint Powers Agreement; and

**WHEREAS**, under the JPA Law and the CCCFA Joint Powers Agreement, CCCFA is a public entity separate and apart from the parties to the CCCFA Joint Powers Agreement, and the debts, liabilities, and obligations of the CCCFA will not constitute debts, liabilities, or obligations of the PCE; and

**WHEREAS**, in addition to membership in CCCFA, PCE must engage a Municipal Financial Advisor and engage specialized prepayment legal counsel to advise on and help prepare for an energy prepay transaction; and

**WHEREAS**, after research and conducting an interview process, PCE has selected PFM Financial Advisors LLP as Financial Advisor and Chapman and Cutler LLP as Prepay Counsel; and

**WHEREAS**, PCE seeks the Board's approval of agreements with PFM Financial Advisors LLP for financial advice services associated with a possible prepay transaction in an amount not to exceed \$350,000; and

**WHEREAS**, PCE also seeks the Board's approval for an agreement with Chapman and Cutler LLP for legal services associated with a possible prepay transaction in an amount not to exceed \$250,000;

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board of Directors hereby authorizes Peninsula Clean Energy's continued evaluation and preparation for a possible prepay transaction and in aid of such delegates authority to the Chief Executive Officer, in consultation with PCE's General Counsel, to finalize and execute agreements establishing PCE as a member of the CCCFA, with PFM Financial Advisors LLP in an amount not to exceed \$350,000, and with Chapman and Cutler LLP in an amount not to exceed \$250,000.

# Prepay Transaction

Board of Directors Meeting  
April 25, 2024

# Background

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- Prepay is a long-term financial transaction available to tax-exempt entities, such as CCAs, that enable meaningful power procurement cost savings
  - Savings based on spread between taxable and tax-exempt interest rates
  - Codified in US tax law
- Historically utilized for natural gas procurement, now being applied in renewable energy sector
- To date, 11 CCA Prepay transactions generating ~\$60 million annual savings (see next page)
- Savings of 8-12% based on current market conditions
- Initial PCE transaction could generate \$3.5 million of annual savings (assumes 3 existing PPAs; amount to be refined)
- Process will take 6-9 months and requires engagement of multiple advisors and membership in California Community Choice Finance Authority (CCCFA)
- Audit & Finance Committee has been briefed on the topic twice (June 2023 and February 2024), and Executive Committee recently unanimously approved pursuing a possible transaction

# CCCFA Pre-Pay Transactions

Date	Project Participant(s)	Par (\$M)	Prepaid Supplier	Annual Savings (\$M)	Discount <sup>(1)</sup>
September 2021	East Bay Clean Energy/Silicon Valley Clean Energy	\$1,235	Morgan Stanley	4.1	7.3%
November 2021	Marin Clean Energy	603	Goldman Sachs	4.2	10.0%
July 2022	East Bay Clean Energy	931	Morgan Stanley	2.9	9.0%
January 2023	Pioneer Community Energy	460	Goldman Sachs	2.4	n/a
January 2023	Silicon Valley Clean Energy Authority	842	Morgan Stanley	4.5	9.5%
February 2023	Clean Power Alliance	999	Goldman Sachs	8.3	13.6%
June 2023	Clean Power Alliance	958	Goldman Sachs	6.4	12.0%
August 2023	East Bay Community Energy Authority	998	Goldman Sachs	6.9	12.2%
October 2023	Central Coast Community Energy	648	Morgan Stanley	5.0	12.2%
December 2023	Marin Clean Energy	1,038	Goldman Sachs	6.8	12.0%
January 2024	Silicon Valley Clean Energy	1,102	Morgan Stanley	7.7	13.1%
		<b>\$ 9,813</b>			

Clean Power Alliance, San Jose Clean Energy, and San Diego Community Power are rumored to be proceeding with transactions

1. Goldman and Morgan Stanley calculate discount differently, so hard to compare apples-to-apples

# Benefits and Rationale

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1. Source of cost savings that can **lower customer rates**
  - 8-12% on power quantities delivered, or ~\$3.5 million per year based on indicative terms on an initial transaction
  - Savings fluctuate depending on market conditions and size of transaction
  - Can execute additional transactions over time to increase amount of savings (limitation based on investor demand, market conditions, and PCE forecasted load)
2. Service provider fees paid from bond proceeds on a contingency basis
  - If bonds are not issued, service providers are not paid
  - Only “sunk” costs are staff time, CCCFA membership (\$50k), and rating agency (~\$200k)
3. PCE not responsible for bond repayment / debt non-recourse to PCE

# Risk/Considerations and Mitigations

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Prepay terminates earlier than expected

Savings realized through termination date and PCE no worse off

Market timing

Possibility of multiple Prepays hedges timing risk

Staff time

Leverage prior CCCFA transactions and support from Financial Advisor

Increased settlement complexity

Potentially hire additional back-office staff

# Assembling the Pre-Pay Deal Team

## Peninsula Clean Energy

Entities selected  
by PCE

### Municipal Advisor

- Financial advisory
- Advice on structure, timing and terms
- Fiduciary responsibility to CCA
- PFM<sup>(1)</sup>

### Prepay Counsel

- Legal advisory
- Represents CCA's interests
- Chapman and Cutler<sup>(1)</sup>

### Conduit Issuer

- Issuer of tax-exempt bonds
- CCCFA

### Prepaid Supplier

- Structures transaction
- Markets and underwrites bonds
- Morgan Stanley, Goldman, RBC<sup>(1)</sup>

### Custodian / Trustee

- Manages prepay estate
- Bond interest payments
- US Bank, Wells Fargo<sup>(1)</sup>

### Rating Agency

- Rates bonds
- Moody's

### Bond / Tax Counsel

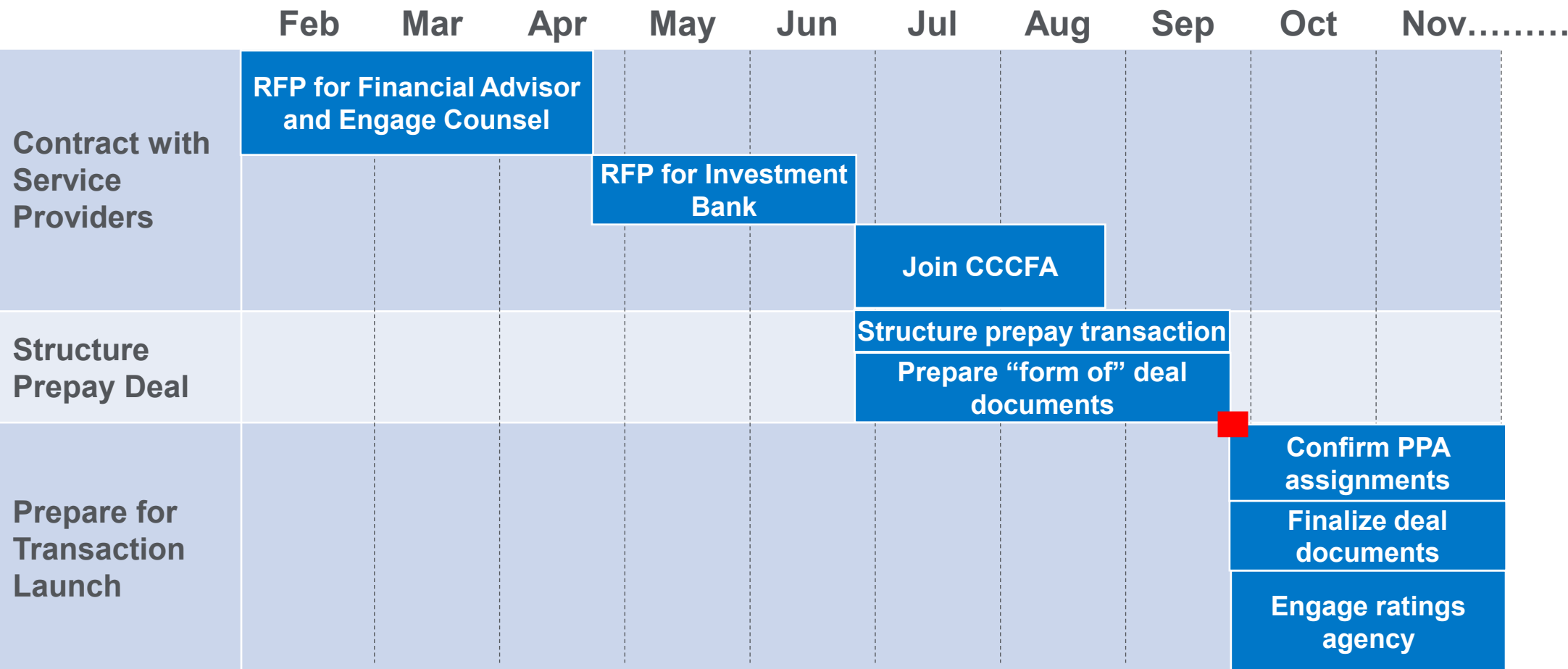
- Legal services
- Affirms tax-exempt bond status and validity of bond offering
- Orrick<sup>(1)</sup>

Green Font = potential service providers  
(1) Fees paid on contingency from Bond proceeds

Other Entities  
in Prepay  
Deal



# Preliminary Timeline



# Recommendations and Next Steps

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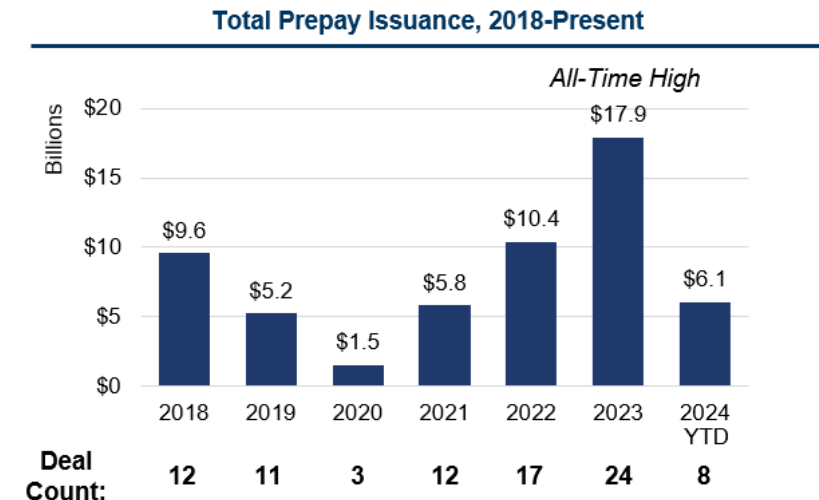
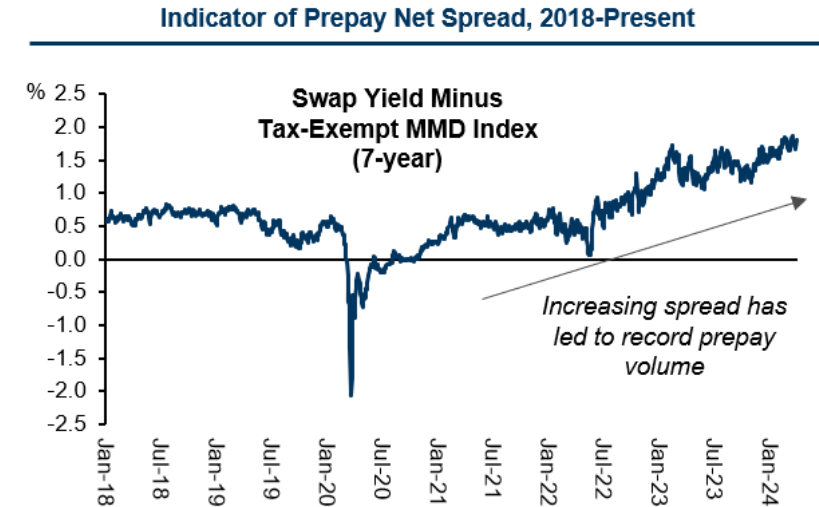
- Approval to continue evaluation and pursuit of a possible Prepay transaction
  - Savings are material, risks are negligible, and upfront costs are minimal
  - Can pause process at any time
- Approval to engage selected advisors (paid on contingency)
  - PFM Financial Advisors as Financial Advisor
  - Chapman and Cutler as Prepay Counsel
  - Orrick, Herrington & Sutcliffe as Bond and Tax Counsel (engaged by CCCFA)
- Approval to join CCCFA as an affiliate member at the appropriate time (late summer or early Fall)
- Staff will return to the Audit & Finance Committee and Executive Committee with periodic updates and will seek Board approval of a transaction prior to launch

# Appendix



# Why Now?

- **Elevated Interest Rate Environment:**  
Tax-exempt bonds' yield advantage versus corporate rates is the greatest in over a decade
- **Procurement of Renewables with PPAs is Commonplace:** PCE has a portfolio of PPAs suitable for one or more prepay transaction
- **Prepay Documentation is Tried and True:**  
Structure has evolved over the years so that current documents optimize savings, minimize participant risks and provide for seamless monthly settlements



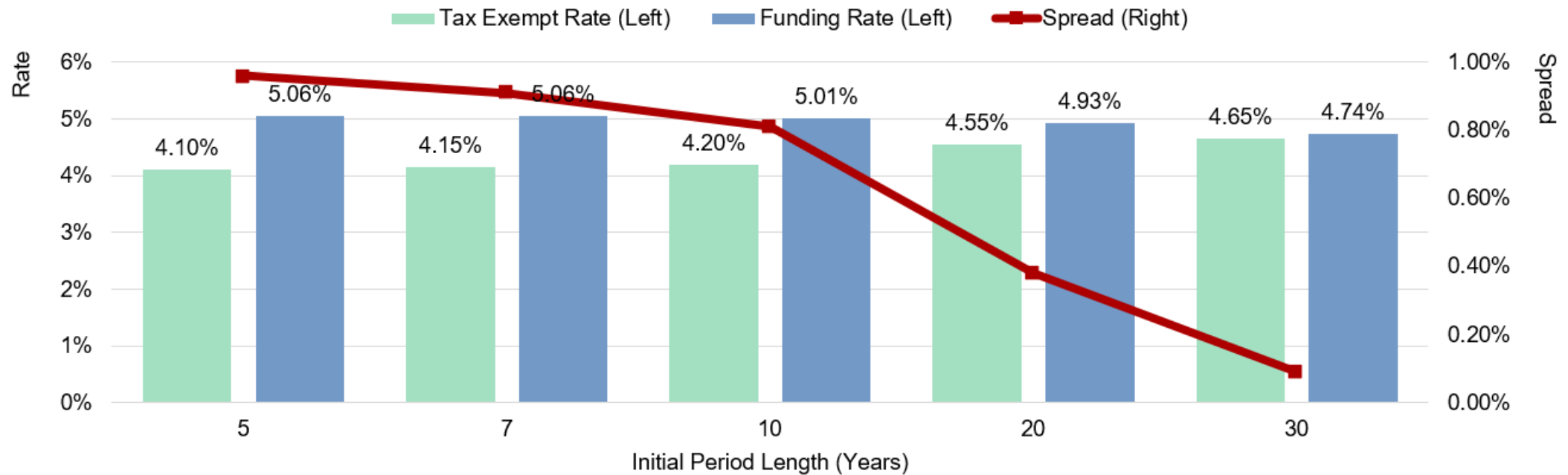
# Indicative PCE Prepay Transaction Terms

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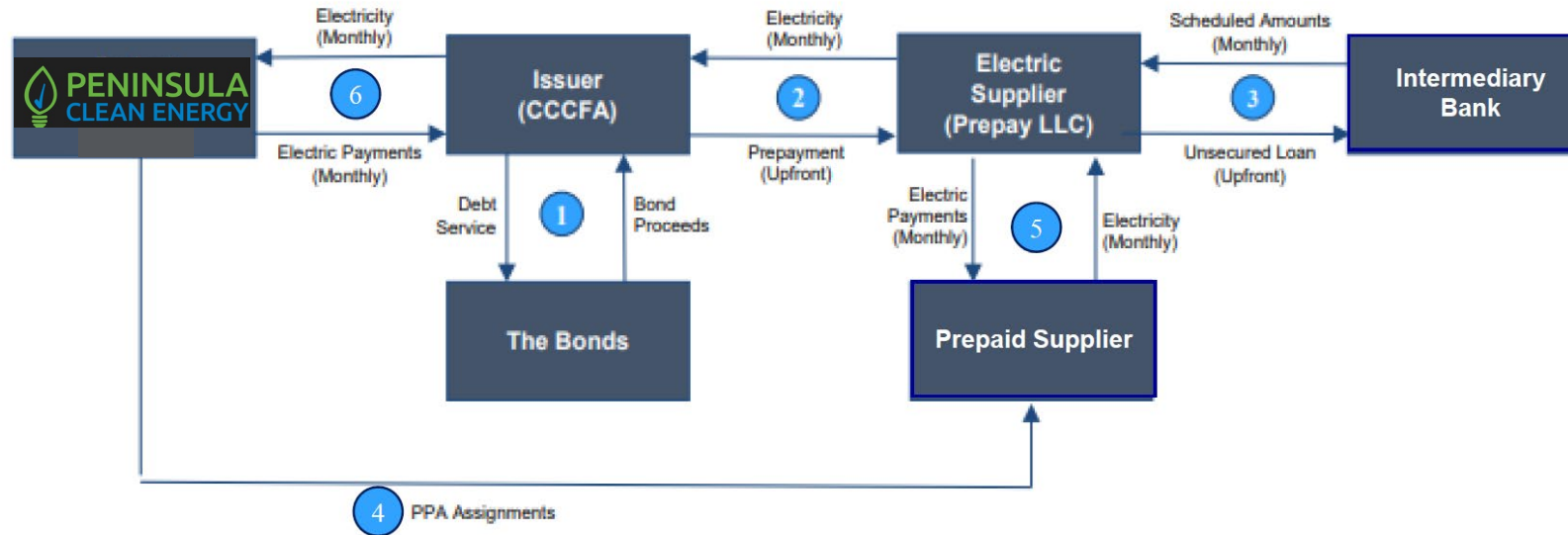
- Initial bond offering (pre-payment amount) of \$550 million
  - Assumes assignment of three operating PPAs, representing 1 million MWh annually
  - Notional value of assigned contracts over 30-years ~\$1 billion
  - PCE can assign additional PPAs to increase size of transaction or execute subsequent transactions
- Initial savings of ~\$3.5 million per year, or 10% of contracted PPA payments
- Savings locked-in for seven years, after which bonds re-issued with a minimum discount of 5% (to be negotiated)
  - If minimum savings not met at reissuance date, PCE can walk away from transaction and assigned PPAs are put back to PCE; PCE forgoes future savings
- Transaction fees, including advisors, payable from proceeds of the bond offering and included in savings analysis

# Maximizing Savings

- Savings driven by the “spread” between tax-exempt and taxable interest rates
- Recent transactions, on average, have priced with 6-8 year initial periods to strike balance between savings and length of initial term



# Transaction Diagram



## Initial Issuance and Cash Flows

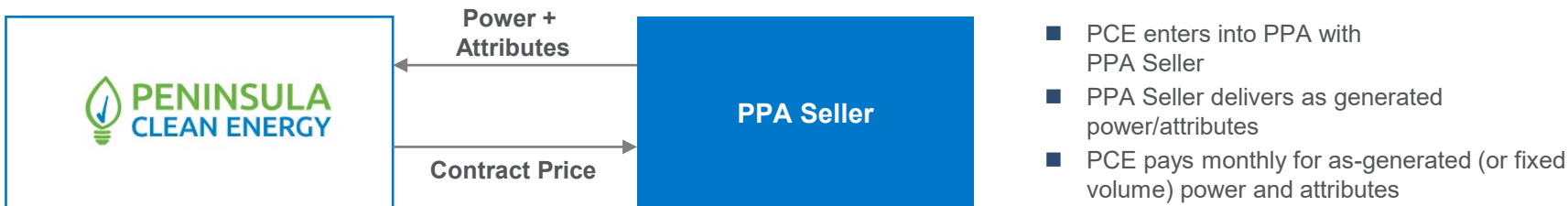
1. Debt Issuance – CCCFA issues tax-exempt bonds
2. Prepayment – CCCFA remits bond proceeds to Prepay LLC in return for 30 years of assigned electricity deliveries
3. Unsecured Loan – Prepay LLC loans bond proceeds to Intermediary Bank. Bank makes fixed monthly payments to Prepay LLC equal to assigned electricity multiplied by PPA price

## Monthly Cash / Energy Flows

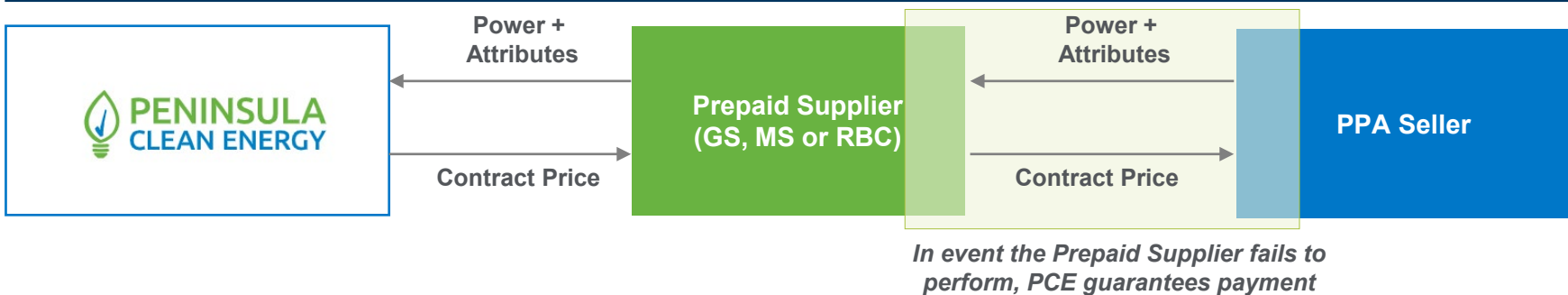
4. Assigned PPAs – PCE assigns to Prepaid Supplier certain rights and obligations as Buyer; Prepaid Supplier makes monthly payments to PPA counterparties for assigned delivered energy
5. Electricity Supply – Prepay LLC enters into long-term agreement to purchase electricity from Prepaid Supplier to match assigned electricity quantities/terms
6. Project Participant – CCCFA sells PCE all assigned electricity delivered by Prepay LLC at the **discounted** prepay price

# PPA Assignment Concept

## Status Quo



## Proposal



- Structures remains the same, but instead of facing PCE, the PPA Seller faces Goldman Sachs, Morgan Stanley or RBC
- If the Prepaid Supplier fails to pay, PCE guarantees payments (which it is able to recoup from the Prepay Trust Estate)
- Under certain scenarios, assignment can be terminated, and PPA Seller goes back to facing PCE
- The existing Scheduling Coordinator will remain the Scheduling Coordinator; only change is that the Prepaid Supplier is copied on bills





**PFM SWAP ADVISORS LLC**  
**AGREEMENT FOR SWAP ADVISORY SERVICES**

This agreement (“Agreement”), made and entered into this 29th day of April, 2024 by and between Peninsula Clean Energy (“PCE”) and PFM Swap Advisors LLC (hereinafter called (“PFMSA”), sets forth the terms and conditions under which PFMSA shall provide services.

WHEREAS, PCE desires to obtain the services of a swap advisor to assist PCE with an energy prepayment transaction expected to be issued by the California Community Choice Financing Authority; and

WHEREAS, PFMSA is capable of providing the necessary swap advisory services.

NOW, THEREFORE, in consideration of the above-mentioned premises and intending to be legally bound hereby, PCE and PFMSA agree as follows:

**I. SCOPE OF SERVICES**

PFMSA shall provide, upon request of PCE, services related to swap advisory, as applicable and set forth in Exhibit A to this Agreement. PCE acknowledges and agrees that most tasks requested by PCE will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by PFMSA which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between PCE and PFMSA. Upon the request of PCE, an affiliate of PFMSA or a third party referred or otherwise introduced by PFMSA and/or designated by PCE may agree to additional services to be provided under a separate writing, including separate scope and compensation, between PCE and such affiliate or third party.

**II. WORK SCHEDULE**

The services of PFMSA are to commence as soon as practicable after the execution of this Agreement and a request by PCE for such service.

**III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES**

1. PFMSA is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. As of the date of this Agreement, PCE has **not** designated PFMSA as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”). PCE agrees not to represent that PFMSA is PCE’s IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, without PFMSA’s prior written approval.

2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFMSA's Disclosure Statement delivered to PCE prior to or together with this Agreement. Refer to Exhibit D.

3. PFMSA agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of the swap(s) or any securities pursuant to this engagement, nor will we take a long or short position in securities subject to purchase or sale in connection with the swap(s). PFMSA confirms that it has no interest in the purchase or sale of the swap(s) other than as described in this Agreement Letter.

#### **IV. SWAP ADVISORY COMPENSATION; REIMBURSEMENT OF EXPENSES**

For the services provided under this Agreement, PFMSA's professional fees shall be paid as provided in Exhibit B to this Agreement and PCE shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

All fees shall be due to PFMSA within thirty (30) days of the date of invoice.

##### **1. Reimbursable Expenses**

In addition to fees for services, PFMSA will be reimbursed for necessary, reasonable, and out-of-pocket expenses incurred, including, but not limited to, travel, meals, lodging, telephone, mail, and other ordinary or extraordinary costs such as for graphics, printing, document production (including as required by a subpoena or other legal document or order), data processing and computer time which are incurred by PFMSA. Upon request of PCE, documentation of such expenses will be provided.

##### **2. Other Services**

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

#### **V. TERMS AND TERMINATION**

This Agreement shall be effective from April 8, 2024 until December 31, 2024 (the "Initial Term") and shall automatically renew for additional 6 month periods (each a "Renewal Term" and together with the Initial Term, the "Term"), unless terminated in writing by either party upon thirty (30) days written notice to the other party.

Upon any such termination, PFMSA will be paid for all services performed and costs and expenses incurred up to the termination date.

## **VI. ASSIGNMENT**

PFMSA shall not assign or transfer any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of PCE; provided that PFMSA retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving PFMSA's business without any such consent.

## **VII. INFORMATION TO BE FURNISHED TO PFMSA**

All information, data, reports, and records in the possession of PCE or any third party necessary for carrying out any services to be performed under this Agreement ("Data") shall be furnished to PFMSA. PFMSA may rely on the Data in connection with its provision of the services under this Agreement and the provider thereof shall remain solely responsible for the adequacy, accuracy and completeness of such Data.

## **VIII. NOTICES**

All notices and other communication required under this Agreement shall be in writing and may be sent by certified mail, return receipt requested, by nationally recognized courier, with written verification of receipt, or by electronic mail. Notices shall be sent to the parties at the following addresses, or to such other address as a party may furnish to the other party:

PENINSULA CLEAN ENERGY  
2075 Woodside Road  
Redwood City, CA 94061  
Attention: Nicholas Bijur

PFM SWAP ADVISORS LLC  
1735 Market Street  
42<sup>nd</sup> Floor  
Philadelphia, PA 19103  
Attention: George Hu, Director

## **IX. TITLE TRANSFER**

All materials, except functioning or dynamic financial models, prepared by PFMSA pursuant exclusively to this Agreement shall be the property of PCE. Subject to the exception described above, upon termination of this Agreement, at PCE's reasonable request no later than three (3) years after the termination of this Agreement, PFMSA shall deliver to PCE copies of any deliverables pertaining to this Agreement.

## **X. PFMSA'S REPRESENTATIVES**

- Advisory Team

The employees of PFMSA set forth below will provide the services set forth in this Agreement; provided that PFMSA may, from time to time, supplement or otherwise amend the advisory team members set forth below.

A. Professional Staff

- George Hu, Director
- Brooke Pierce, Senior Swaps Consultant
- Jacob Cusatis, Analyst

Changes in Advisory Team Requested by PCE

PCE has the right to request, for any reason, that PFMSA replace any member of the advisory team. Should PCE make such a request, PFMSA shall promptly suggest a substitute for approval by PCE.

**XI. INSURANCE**

PFMSA shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

**XII. LIMITATION OF LIABILITY**

Except to the extent caused by its willful misconduct, bad faith, gross negligence or reckless disregard of its obligations or duties, PFMSA shall have no liability to any party under this Agreement.

**XIII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY**

PFMSA, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of PCE by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will PFMSA be liable for any act or omission of any third party or for any circumstances beyond PFMSA's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

**XIV. APPLICABLE LAW**

This Agreement shall be construed, enforced, and administered according to the laws of the Commonwealth of Delaware. PFMSA and PCE agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

**XV. ENTIRE AGREEMENT; SEVERABILITY**

This Agreement represents the entire agreement between PCE and PFMSA and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any

separate agreement between PCE and an affiliate of PFMSA or any third party referred or introduced by PFMSA and/or designated by PCE shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

## **XVI. EXECUTION; COUNTERPARTS**

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

**IN WITNESS WHEREOF**, PCE and PFMSA have executed this Agreement as of the day and year herein above written.

**PENINSULA CLEAN ENERGY**

By: \_\_\_\_\_

Name: Shawn Marshall

Title: Chief Executive Officer

**PFM SWAP ADVISORS LLC**

By: \_\_\_\_\_

Name: George Hu

Title: Director

**EXHIBIT A**  
**SCOPE OF SERVICES**

**PFM Swap Advisors LLC (as Swap Advisor and QIR)**  
**Scope of Services Transaction Services**

- Consultant will serve SDCP as Municipal Advisor and designated Qualified Independent Representative (“QIR”) in the provision of general swap advisory services related to any swap-related communication, interaction or other discussion (“Swap Communication”) between SDCP and Swap Dealers (as such term is defined by the Securities and Exchange Commission (“SEC”) and the Commodity Futures Trading Commission (“CFTC”)). Consultant is obligated to comply with the applicable requirements of CFTC Regulation 17 CFR 23.450(b)(1) in providing QIR services to SDCP.
- As QIR to SDCP, Consultant will make available qualified professionals to participate in discussions and other interactions with Swap Dealers as SDCP finds necessary or desirable. Additionally, Consultant will assist SDCP with analysis of any proposals from Swap Dealers. Consultant may assist SDCP with other swap related tasks such as helping write a swap policy or other related analysis upon SDCP’s request. Consultant will also assist SDCP, as needed, in completing the ISDA Dodd-Frank Protocols and other matters to comply with the regulatory requirements imposed under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
- Analyze and model alternative hedge structures and provide price indications;
- Review and comment on all hedge documentation and business terms;
- Assist in counterparty selection and developing terms for a request for bids (if desired);
- Review competitive bids and make a recommendation for award or if so determined
- Negotiate the pricing terms and structure with the Counterparty(s);
- Coordinate the closing of the transaction.

**EXHIBIT B**  
**COMPENSATION FOR SERVICES**

PFMSA will invoice for a transaction contingent flat fee of \$25,000 per interest rate or commodity swap to serve as Swap Advisor on PCE's Energy Prepayment transaction expected to be issued through the California Community Choice Financing Authority.



**EXHIBIT C**  
**INSURANCE**



**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)  
12/7/2024 12/7/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Lockton Companies 1185 Avenue of the Americas, Suite 2010 New York NY 10036 646-572-7300	<b>CONTACT</b> NAME: _____ PHONE (A/C, No, Ext): _____ FAX (A/C, No): _____ E-MAIL ADDRESS: _____  <b>INSURER(S) AFFORDING COVERAGE</b> <table style="width: 100%;"><tr><td style="width: 80%;">INSURER A: The Continental Insurance Company</td><td style="width: 20%;">NAIC # 35289</td></tr><tr><td>INSURER B: AIG Specialty Insurance Company</td><td>26883</td></tr><tr><td>INSURER C:</td><td></td></tr><tr><td>INSURER D:</td><td></td></tr><tr><td>INSURER E:</td><td></td></tr><tr><td>INSURER F:</td><td></td></tr></table>	INSURER A: The Continental Insurance Company	NAIC # 35289	INSURER B: AIG Specialty Insurance Company	26883	INSURER C:		INSURER D:		INSURER E:		INSURER F:	
INSURER A: The Continental Insurance Company	NAIC # 35289												
INSURER B: AIG Specialty Insurance Company	26883												
INSURER C:													
INSURER D:													
INSURER E:													
INSURER F:													
<b>INSURED</b> PFM Swap Advisors LLC 1735 Market St Fl 42 Philadelphia PA 19103													

**COVERAGES** **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER: _____			7063595755	12/7/2023	12/7/2024	EACH OCCURRENCE \$ \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ \$1,000,000 MED EXP (Any one person) \$ \$15,000 PERSONAL & ADV INJURY \$ \$1,000,000 GENERAL AGGREGATE \$ \$2,000,000 PRODUCTS - COM/OP AGG \$ \$20,000,000 \$
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			7063597408	12/7/2023	12/7/2024	COMBINED SINGLE LIMIT (Ea accident) \$ \$1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			7063597652	12/7/2023	12/7/2024	EACH OCCURRENCE \$ \$20,000,000 AGGREGATE \$ \$20,000,000 \$ XXXXXXXX
A	<input checked="" type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> Y/N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input checked="" type="checkbox"/> N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	7063614840	1/1/2024	1/1/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$ \$1,000,000 E.L. DISEASE - POLICY LIMIT \$ \$1,000,000
B	Cyber/Tech E&O			01-825-55-75	12/7/2023	12/7/2024	\$5M Per Claim \$5,000,000 Aggregate

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b>  EVIDENCE OF COVERAGE	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE
---	--

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## **EXHIBIT D**

### **G-42 DISCLOSURE STATEMENT**

#### **DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER IMPORTANT MUNICIPAL ADVISORY INFORMATION PFM Swap Advisors LLC**

##### **I. Introduction**

PFM Financial Advisors LLC and PFM Swap Advisors LLC (hereinafter, referred to as “We,” “Us,” or “Our”) are registered municipal advisors with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. In accordance with MSRB rules, this disclosure statement is provided by Us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). We employ a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

##### ***How We Identify and Manage Conflicts of Interest***

**Code of Ethics.** The Code requires that all employees conduct all aspects of Our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee's independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and Our clients.

**Policies and Procedures.** We have adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allows Us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to Our analysis of potential conflicts of interest.

**Supervisory Structure.** We have both a compliance and supervisory structure in place that enables Us to identify and monitor employees' activities, both on a transaction and Firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client's interests, the proposed engagement, Our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows Us to evaluate any situations that may be an actual or potential conflict of interest.

**Disclosures.** We will disclose to clients those situations that We believe would create a material conflict of interest, such as: 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work We perform for such client; 2) any payment made to obtain or retain a municipal advisory engagement with a client; 3) any fee-splitting arrangement with any provider of an investment or services to a client; 4) any conflict that may arise from the type of compensation arrangement We may have with a client; and 5) any other actual or potential situation that We are or become aware of that might constitute a material conflict of interest that could reasonably expect to impair Our ability to provide advice to or on behalf of clients consistent with regulatory requirements. If We identify such situations or circumstances, We will prepare meaningful disclosure that will describe the implications of the situation and how We intend to manage the situation. We will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of Our management or advisory personnel. We will provide this disclosure (or a means to access this information) in writing prior to starting Our proposed engagement, and will provide such additional information or clarification as the client may request. We will also advise Our clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, Our plan to manage that situation, and any additional information such client may require.

##### **II. General Conflict of Interest Disclosures**

##### ***Disclosure of Conflicts Concerning the Firm's Affiliates***

Our affiliates offer a wide variety of financial services, and Our clients may be interested in pursuing services separately provided by an affiliate. The affiliate's business with the client could create an incentive for Us to recommend a course of action designed to increase the level of the client's business activities with the affiliate or to recommend against a course of

action that would reduce the client's business activities with the affiliate. In either instance, We may be perceived as recommending services for a client that are not in the best interests of Our clients, but rather are in Our interests or the interests of Our affiliates. Accordingly, We mitigate any perceived conflict of interest that may arise in this situation by disclosing it to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances. Further, We receive no compensation from Our affiliates with respect to a client introduction or referral. If a client chooses to work with an affiliate, We require that the client consult and enter into a separate agreement for services, so that the client can make an independent, informed, evaluation of the services offered.

***Disclosure of Conflicts Related to the Firm's Compensation***

From time to time, We may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since We may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, We may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest, if the transaction requires more work than contemplated and We are perceived as recommending a less time consuming alternative contrary to the client's best interest so as not to sustain a loss. Finally, We may contract with clients on an hourly fee basis. If We do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as We would not have a financial incentive to recommend an alternative that would result in fewer hours. We manage and mitigate all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances.

***Disclosure of Conflicts Related to the Firm's Compensation Structure for Our Registered Advisors.*** Pursuant to various employee compensation structures, from time to time We offer certain of Our registered municipal advisors ("Registered Advisors") financial benefits based on his or her business plan, client base, performance, and/or transactions closed. This provides an incentive for such Registered Advisors to seek to retain additional clients and/or transactions or services from clients. While this form of compensation may be customary in some segments of the municipal advisory market, provision of such financial benefits may be deemed to present a conflict of interest. We manage and mitigate these types of conflicts by Registered Advisor's adherence to Our Code of Ethics and Policies and Procedures, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances.

***Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients***

We regularly provide financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While Our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of Our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees Our engagement with any other particular client as a conflict, We will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes an "Informational Bubble" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, We will withdraw from the engagement.

***Disclosure Related to Legal and Disciplinary Events***

As registered municipal advisors with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15b1-2, Our legal, disciplinary and judicial events are required to be disclosed on Our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s) ("DRP"). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically

access PFM Swap Advisors LLC filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed, at:

PFM Swap Advisors LLC –  
<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001617948&owner=exclude&count=40&hidefilings=0>

### **III. Specific Conflicts of Interest Disclosures – PENINSULA CLEAN ENERGY – SWAP ADVISORY SERVICES**

To Our knowledge, following reasonable inquiry, we are not aware of any other actual or potential conflict of interest that could reasonably be anticipated to impair Our ability to provide advice to or on behalf of the client in accordance with applicable standards of conduct of MSRB Rule G-42.

### **IV. Municipal Advisory Complaint and Client Education Disclosure**

The MSRB protects state and local governments and other municipal entities and the public interest by promoting fair and efficient municipal securities markets. To that end, MSRB rules are designed to govern the professional conduct of brokers, dealers, municipal securities dealers and municipal advisors. Accordingly, if you as municipal advisory customer have a complaint about any of these financial professionals, please contact the MSRB's website at [www.msrb.org](http://www.msrb.org), and consult the MSRB's Municipal Advisory Client brochure. The MSRB's Municipal Advisory Client brochure describes the protections available to municipal advisory clients under MSRB rules, and describes the process for filing a complaint with the appropriate regulatory authority.

PFM's Financial Advisory services are provided by PFM Financial Advisors LLC. PFM's Swap Advisory services are provided by PFM Swap Advisors LLC. Both entities are registered municipal advisors with the MSRB and SEC under the Dodd Frank Act of 2010.





**PFM FINANCIAL ADVISORS LLC**  
**AGREEMENT FOR FINANCIAL ADVISORY SERVICES**

This agreement (“Agreement”), made and entered into this 29<sup>th</sup> day of April, 2024 by and between Peninsula Clean Energy (“PCE”) and PFM Financial Advisors LLC (hereinafter called (“PFM”), sets forth the terms and conditions under which PFM shall provide services.

WHEREAS, PCE desires to obtain the services of a financial advisor to assist PCE with an energy prepayment transaction expected to be issued by the California Community Choice Financing Authority; and

WHEREAS, PFM is capable of providing the necessary financial advisory services.

NOW, THEREFORE, in consideration of the above-mentioned premises and intending to be legally bound hereby, PCE and PFM agree as follows:

**I. SCOPE OF SERVICES**

PFM shall provide, upon request of PCE, services related to debt issuance, as applicable and set forth in Exhibit A to this Agreement. PCE acknowledges and agrees that most tasks requested by PCE will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to just those services required to complete the task. Any material changes in or additions to the scope of services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by PFM which are not specifically referenced in the scope of services set forth in Exhibit A of this Agreement shall be completed as agreed in writing in advance between PCE and PFM. Upon the request of PCE, an affiliate of PFM or a third party referred or otherwise introduced by PFM and/or designated by PCE may agree to additional services to be provided under a separate writing, including separate scope and compensation, between PCE and such affiliate or third party.

**II. WORK SCHEDULE**

The services of PFM are to commence as soon as practicable after the execution of this Agreement and a request by PCE for such service.

**III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES**

1. PFM is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. If PCE has designated PFM as its independent registered municipal advisor (“IRMA”) for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA exemption”), then services provided pursuant to such designation shall be the services described in Exhibit A hereto, subject to any agreed upon limitations. Verification of independence (as is required under the IRMA exemption) shall be the responsibility of such third

party seeking to rely on such IRMA exemption. PFM shall have the right to review and approve in advance any representation of PFM's role as IRMA to PCE.

2. MSRB Rules require that municipal advisors make written disclosures to their clients of all material conflicts of interest, certain legal or disciplinary events and certain regulatory requirements. Such disclosures are provided in PFM's Disclosure Statement delivered to PCE prior to or together with this Agreement. Refer to Exhibit D.

#### **IV. FINANCIAL ADVISORY COMPENSATION; REIMBURSEMENT OF EXPENSES**

For the services provided under this Agreement, PFM's professional fees shall be paid as provided in Exhibit B to this Agreement and PCE shall pay expenses and fees for other services not set forth in Exhibit A as provided below.

All fees shall be due to PFM within thirty (30) days of the date of invoice.

##### **1. Reimbursable Expenses**

In addition to fees for services, PFM will be reimbursed for necessary, reasonable, and out-of-pocket expenses incurred, including, but not limited to, travel, meals, lodging, telephone, mail, and other ordinary or extraordinary costs such as for graphics, printing, document production (including as required by a subpoena or other legal document or order), data processing and computer time which are incurred by PFM. Upon request of PCE, documentation of such expenses will be provided.

##### **2. Other Services**

Any services which are not included in the scope of services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

#### **V. TERMS AND TERMINATION**

This Agreement shall be effective from April 8, 2024 until December 31, 2024 (the "Initial Term") and shall automatically renew for additional 6 month periods (each a "Renewal Term" and together with the Initial Term, the "Term", unless terminated in writing by either party upon thirty (30) days written notice to the other party.

Upon any such termination, PFM will be paid for all services performed and costs and expenses incurred up to the termination date.

#### **VI. ASSIGNMENT**

PFM shall not assign or transfer any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of PCE; provided that PFM retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving PFM's business without any such consent.

## **VII. INFORMATION TO BE FURNISHED TO PFM**

All information, data, reports, and records in the possession of PCE or any third party necessary for carrying out any services to be performed under this Agreement (“Data”) shall be furnished to PFM. PFM may rely on the Data in connection with its provision of the services under this Agreement and the provider thereof shall remain solely responsible for the adequacy, accuracy and completeness of such Data.

## **VIII. NOTICES**

All notices and other communication required under this Agreement shall be in writing and may be sent by certified mail, return receipt requested, by nationally recognized courier, with written verification of receipt, or by electronic mail. Notices shall be sent to the parties at the following addresses, or to such other address as a party may furnish to the other party:

PENINSULA CLEAN ENERGY  
2075 Woodside Road  
Redwood City, CA 94061  
Attention: Nicholas Bijur

**PFM FINANCIAL ADVISORS LLC**  
1150 S. Olive Street  
10<sup>th</sup> Floor  
Los Angeles, CA 90015  
Attention: Managing Director

## **IX. TITLE TRANSFER**

All materials, except functioning or dynamic financial models, prepared by PFM pursuant exclusively to this Agreement shall be the property of PCE. Subject to the exception described above, upon termination of this Agreement, at PCE’s reasonable request no later than three (3) years after the termination of this Agreement, PFM shall deliver to PCE copies of any deliverables pertaining to this Agreement.

## **X. PFM’S REPRESENTATIVES**

- Advisory Team

The employees of PFM set forth below will provide the services set forth in this Agreement; provided that PFM may, from time to time, supplement or otherwise amend the advisory team members set forth below.

### **A. Professional Staff**

- Michael Berwanger, Managing Director
- James Carbone, Senior Managing Consultant
- Faisal Alif, Senior Analyst

B. Administrative and Support Staff

- Kathy Nguyen, Senior Associate

Changes in Advisory Team Requested by PCE

PCE has the right to request, for any reason, that PFM replace any member of the advisory team. Should PCE make such a request, PFM shall promptly suggest a substitute for approval by PCE.

**XI. INSURANCE**

PFM shall maintain insurance coverage with policy limits not less than as stated in Exhibit C.

**XII. LIMITATION OF LIABILITY**

Except to the extent caused by its willful misconduct, bad faith, gross negligence or reckless disregard of its obligations or duties, PFM shall have no liability to any party under this Agreement.

**XIII. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY**

PFM, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of PCE by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy or claim under or in respect of this Agreement or any provisions contained herein. In no event will PFM be liable for any act or omission of any third party or for any circumstances beyond PFM's reasonable control including, but not limited to, fire, flood, or other natural disaster, war, riot, strike, act of terrorism, act of civil or military authority, software and/or equipment failure, computer virus, or failure or interruption of electrical, telecommunications or other utility services.

**XIV. APPLICABLE LAW**

This Agreement shall be construed, enforced, and administered according to the laws of the Commonwealth of Delaware. PFM and PCE agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

**XV. ENTIRE AGREEMENT; SEVERABILITY**

This Agreement represents the entire agreement between PCE and PFM and may not be amended or modified except in writing signed by both parties. For the sake of clarity, any separate agreement between PCE and an affiliate of PFM or any third party referred or introduced by PFM



and/or designated by PCE shall not in any way be deemed an amendment or modification of this Agreement. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

#### **XVI. EXECUTION; COUNTERPARTS**

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

**IN WITNESS WHEREOF**, PCE and PFM have executed this Agreement as of the day and year herein above written.

**PENINSULA CLEAN ENERGY**

By: \_\_\_\_\_

Name: Shawn Marshall

Title: Chief Executive Officer

**PFM FINANCIAL ADVISORS LLC**

By: \_\_\_\_\_

Name: Michael Berwanger

Title: Managing Director

**EXHIBIT A**  
**SCOPE OF SERVICES**

**Supplier Evaluation and Selection**

- A. Drafting the RFP and incorporating any edits PCE may have after which PFM would issue the RFP.
- B. Upon receipt of all the responses, PFM would summarize and present them to PCE for review.
- C. PFM would provide additional feedback or context to PCE regarding the RFP responses if there is deficient information from proposers.
- D. Attend and participate in meetings required to put together a working group.
- E. We will help PCE evaluate and provide our independent recommendations

**Communications**

- A. Serve as the “prepay bond” subject matter expert to PCE.
- B. Present at Board of Directors meetings and briefings or preparing presentation materials.
- C. Create, facilitate, and attend weekly Prepayment Transaction calls after the initial distribution of documentation.

**Project Management Support**

- A. Work with the Underwriter as well as the other parties in the working group including Bond Counsel, Disclosure Counsel, Supplier’s Counsel and Underwriter’s Counsel to ensure that the proposed timeline of issuing the prepaid bonds is acceptable to PCE.
- B. Throughout the transaction, review all of the key documents, discussed below:

**i. Basic Documents**

- Preliminary and Final Official Statements
- Trust Indenture
- Prepaid Energy Sales Agreement
- Bond Purchase Contract
- Re-Pricing Agreement
- Front-End and Back-End Custodial Agreements
- Continuing Disclosure Undertaking
- Debt Service Account Investment Agreement
- Energy Provider Guarantees
- Power Supply Contract
- Limited Assignment Agreement
- Tax Certificate

**ii. Issuer Documents**

- Resolutions

### **Prepay Transaction Risk and Risk Mitigant Identification and Evaluation**

There are many benefits and considerations that must be evaluated in order to make informed decisions throughout a prepayment transaction. Throughout the prepayment transaction work, the following considerations will evolve and ad-hoc reporting and discussion will be provided by Consultant to assess prepay transaction risk and mitigating factors:

- A. Maximizing Term / Savings
- B. PPA Production Considerations
- C. CA Regulatory Framework – Long Term Contracting
- D. Segmented Structure / Re-Pricing
- E. LLC Structure

### **Prepay Transaction Management, Technical Support and Analysis**

- A. Provide point on technical support and analysis.
- B. Independently help PCE review various PPAs and scenarios to help formulate its desired finance plan.
- C. Work in tandem with the banks to ensure both parties agree on assumptions, deal specifics etc.
- D. Review and provide feedback on any supplemental investor materials including investor roadshows and other marketing materials, as we have done in past transactions.
- E. Provide minute-by-minute analysis during the order period, negotiate with the rating agencies regarding their fees, and communicate to PCE any fees.
- F. Proactively collect and consolidate all other costs of issuance expenses.
- G. On the prepayment transaction, provide the tax certificate supporting the reasonable expectation that the prepay bonds will run to term assuming at least one successful repricing.
- H. Generate the FA provided certificate for tax counsel and assist PCE in issuing an RFP for a bidding agent for the reserve fund and debt service fund investment.

### **Post-Pricing Activities**

- A. Coordinating any post-closing activities, including reviewing the closing memorandum provided by the Underwriter and ensuring the timing and accurate transfer of funds.
- B. Collect and verify all the invoices from the working group to provide to the Bond Trustee.
- C. Timely provide a transaction report PowerPoint presentation or memo summarizing the executed prepayment transaction.

**EXHIBIT B**  
**COMPENSATION FOR SERVICES**

PFM will invoice for a transaction contingent flat fee of \$300,000 to serve as Financial Advisor on PCE's Energy Prepayment transaction expected to be issued through the California Community Choice Financing Authority.

# EXHIBIT C INSURANCE



## CERTIFICATE OF LIABILITY INSURANCE

12/7/2024

DATE (MM/DD/YYYY)

12/7/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Lockton Companies 1185 Avenue of the Americas, Suite 2010 New York NY 10036 646-572-7300	<b>CONTACT NAME:</b> <b>PHONE (A/C, No, Ext):</b> <b>E-MAIL:</b> <b>ADDRESS:</b> <b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> The Continental Insurance Company <b>INSURER B:</b> <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	<b>FAX (A/C, No):</b> <b>NAIC #</b> 35289
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**COVERAGES** **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X	X	7063595755	12/7/2023	12/7/2024	EACH OCCURRENCE \$ \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ \$1,000,000 MED EXP (Any one person) \$ \$15,000 PERSONAL & ADV INJURY \$ \$1,000,000 GENERAL AGGREGATE \$ \$2,000,000 PRODUCTS - COMP/OP AGG \$ \$20,000,000 \$
A	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			7063597408	12/7/2023	12/7/2024	COMBINED SINGLE LIMIT (Ea accident) \$ \$1,000,000 BODILY INJURY (Per person) \$ XXXXXXXX BODILY INJURY (Per accident) \$ XXXXXXXX PROPERTY DAMAGE (Per accident) \$ XXXXXXXX \$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE  DED RETENTION \$			7063597652	12/7/2023	12/7/2024	EACH OCCURRENCE \$ \$20,000,000 AGGREGATE \$ \$20,000,000 \$ XXXXXXXX
A	<input checked="" type="checkbox"/> <b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	7063614840	1/1/2024	1/1/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$ \$1,000,000 E.L. DISEASE - POLICY LIMIT \$ \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
General Liability - Additional Insured, Primary and Non-Contributory, Waiver of Subrogation included per written contract or agreement  
30 Days Notice of Cancellation / 10 Days Non-Payment

<b>CERTIFICATE HOLDER</b>  EVIDENCE OF COVERAGE	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
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ACORD 25 (2016/03)

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## **EXHIBIT D**

### **G-42 DISCLOSURE STATEMENT**

#### **DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER IMPORTANT MUNICIPAL ADVISORY INFORMATION PFM Financial Advisors LLC**

##### **I. Introduction**

PFM Financial Advisors LLC and PFM Swap Advisors LLC (hereinafter, referred to as “We,” “Us,” or “Our”) are registered municipal advisors with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. In accordance with MSRB rules, this disclosure statement is provided by Us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). We employ a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

##### ***How We Identify and Manage Conflicts of Interest***

**Code of Ethics.** The Code requires that all employees conduct all aspects of Our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee’s independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and Our clients.

**Policies and Procedures.** We have adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allows Us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to Our analysis of potential conflicts of interest.

**Supervisory Structure.** We have both a compliance and supervisory structure in place that enables Us to identify and monitor employees’ activities, both on a transaction and Firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client’s interests, the proposed engagement, Our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows Us to evaluate any situations that may be an actual or potential conflict of interest.

**Disclosures.** We will disclose to clients those situations that We believe would create a material conflict of interest, such as: 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work We perform for such client; 2) any payment made to obtain or retain a municipal advisory engagement with a client; 3) any fee-splitting arrangement with any provider of an investment or services to a client; 4) any conflict that may arise from the type of compensation arrangement We may have with a client; and 5) any other actual or potential situation that We are or become aware of that might constitute a material conflict of interest that could reasonably expect to impair Our ability to provide advice to or on behalf of clients consistent with regulatory requirements. If We identify such situations or circumstances, We will prepare meaningful disclosure that will describe the implications of the situation and how We intend to manage the situation. We will also disclose any legal or disciplinary events that are material to a client’s evaluation or the integrity of Our management or advisory personnel. We will provide this disclosure (or a means to access this information) in writing prior to starting Our proposed engagement, and will provide such additional information or clarification as the client may request. We will also advise Our clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, Our plan to manage that situation, and any additional information such client may require.

##### **II. General Conflict of Interest Disclosures**

##### ***Disclosure of Conflicts Concerning the Firm’s Affiliates***

Our affiliates offer a wide variety of financial services, and Our clients may be interested in pursuing services separately provided by an affiliate. The affiliate’s business with the client could create an incentive for Us to recommend a course of action designed to increase the level of the client’s business activities with the affiliate or to recommend against a course of action that would reduce the client’s business activities with the affiliate. In either instance, We may be perceived as

recommending services for a client that are not in the best interests of Our clients, but rather are in Our interests or the interests of Our affiliates. Accordingly, We mitigate any perceived conflict of interest that may arise in this situation by disclosing it to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances. Further, We receive no compensation from Our affiliates with respect to a client introduction or referral. If a client chooses to work with an affiliate, We require that the client consult and enter into a separate agreement for services, so that the client can make an independent, informed, evaluation of the services offered.

***Disclosure of Conflicts Related to the Firm's Compensation***

From time to time, We may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since We may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, We may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is customary, it may also present a potential conflict of interest, if the transaction requires more work than contemplated and We are perceived as recommending a less time consuming alternative contrary to the client's best interest so as not to sustain a loss. Finally, We may contract with clients on an hourly fee basis. If We do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as We would not have a financial incentive to recommend an alternative that would result in fewer hours. We manage and mitigate all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances.

***Disclosure of Conflicts Related to the Firm's Compensation Structure for Our Registered Advisors.*** Pursuant to various employee compensation structures, from time to time We offer certain of Our registered municipal advisors ("Registered Advisors") financial benefits based on his or her business plan, client base, performance, and/or transactions closed. This provides an incentive for such Registered Advisors to seek to retain additional clients and/or transactions or services from clients. While this form of compensation may be customary in some segments of the municipal advisory market, provision of such financial benefits may be deemed to present a conflict of interest. We manage and mitigate these types of conflicts by Registered Advisor's adherence to Our Code of Ethics and Policies and Procedures, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances.

***Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients***

We regularly provide financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While Our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of Our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees Our engagement with any other particular client as a conflict, We will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes an "Informational Bubble" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, We will withdraw from the engagement.

***Disclosure Related to Legal and Disciplinary Events***

As registered municipal advisors with the Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, Our legal, disciplinary and judicial events are required to be disclosed on Our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s) ("DRP"). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically



access PFM Financial Advisors LLC filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed, at:

PFM Financial Advisors LLC –  
<http://www.sec.gov/cgi-bin/browse-edgar?company=PFM+Financial&owner=exclude&action=getcompany>

III. **Specific Conflicts of Interest Disclosures – Peninsula Clean Energy**

To Our knowledge, following reasonable inquiry, we are not aware of any other actual or potential conflict of interest that could reasonably be anticipated to impair Our ability to provide advice to or on behalf of the client in accordance with applicable standards of conduct of MSRB Rule G-42.

IV. **Municipal Advisory Complaint and Client Education Disclosure**

The MSRB protects state and local governments and other municipal entities and the public interest by promoting fair and efficient municipal securities markets. To that end, MSRB rules are designed to govern the professional conduct of brokers, dealers, municipal securities dealers and municipal advisors. Accordingly, if you as municipal advisory customer have a complaint about any of these financial professionals, please contact the MSRB's website at [www.msrb.org](http://www.msrb.org), and consult the MSRB's Municipal Advisory Client brochure. The MSRB's Municipal Advisory Client brochure describes the protections available to municipal advisory clients under MSRB rules, and describes the process for filing a complaint with the appropriate regulatory authority.

PFM's Financial Advisory services are provided by PFM Financial Advisors LLC. PFM's Swap Advisory services are provided by PFM Swap Advisors LLC. Both entities are registered municipal advisors with the MSRB and SEC under the Dodd Frank Act of 2010.

# AGREEMENT FOR LEGAL SERVICES

## BY AND BETWEEN

### PENINSULA CLEAN ENERGY AND CHAPMAN AND CUTLER LLP

**THIS AGREEMENT** ("Agreement") is made and entered into on April 29, 2024 (the "Effective Date") by and between PENINSULA CLEAN ENERGY (hereinafter referred to as "PCE") and CHAPMAN AND CUTLER LLP, a Illinois limited liability partnership with principal address at: 111 West Monroe Street, Chicago, Illinois 60603, United States (hereinafter referred to as "Contractor") (each, a "Party," and, together, the "Parties").

#### RECITALS:

**WHEREAS**, PCE desires to retain Contractor to provide the services described in **Exhibit A** attached hereto and by this reference made a part hereof ("Services");

**WHEREAS**, Contractor desires to provide the Services to PCE;

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **SCOPE OF SERVICES:** Contractor agrees to provide all of the Services in accordance with the terms and conditions of this Agreement.
2. **FEES:** The fees for furnishing Services under this Agreement are set forth on **Exhibit B** hereto and by this reference incorporated herein. Said fees shall be payable as set forth on **Exhibit B** and shall remain in effect for the entire term of the Agreement ("Term").
3. **TERM OF AGREEMENT:** This Agreement shall commence on the Effective Date and shall terminate on April 29, 2025, unless earlier terminated pursuant to the terms and conditions set forth in Section 12.
4. **REPRESENTATIONS; WARRANTIES; COVENANTS:**
  - 4.1. **CONTRACTOR REPRESENTATIONS AND WARRANTIES.** Contractor represents, warrants and covenants that (a) it is a limited liability partnership duly organized, validly existing and in good standing under the laws of the State of Illinois, (b) it has full power and authority and all regulatory authorizations required to execute, deliver and perform its obligations under this Agreement and all exhibits and addenda and to engage in the business it presently conducts and contemplates conducting, (c) it is and will be duly licensed or qualified to do business and in good standing under the laws of the State of California and each other jurisdiction wherein the nature of its business transacted by it makes such licensing or qualification necessary and where the failure to be licensed or qualified would have a material adverse effect on its ability to perform its obligations hereunder, (d) it is qualified and competent to render the Services and possesses the requisite expertise to perform its obligations hereunder, (e) the execution, delivery and performance of this Agreement and all exhibits and addenda hereto are within its powers and do not violate the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it, (f) this Agreement and each exhibit and addendum constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, and (g) it is not bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming bankrupt.
  - 4.2. **COMPLIANCE WITH APPLICABLE LAW.** At all times during the Term and the performance of the Services, Contractor shall comply with all applicable federal, state and local laws, regulations, ordinances and resolutions ("Applicable Law")
  - 4.3. **LICENSING.** At all times during the performance of the Services, Contractor represents, warrants and covenants that it has and shall obtain and maintain, at its sole cost and expense, all required permits, licenses, certificates and registrations required for the operation of its business and the performance of the Services.
  - 4.4. **NONDISCRIMINATORY EMPLOYMENT.** Contractor shall not unlawfully discriminate against any individual based on race, color, religion, nationality, sex, sexual orientation, gender identity, age or condition of disability. Contractor understands and agrees that Contractor is bound by and shall comply with the nondiscrimination mandates of all federal, state, and local statutes, regulations, and ordinances.
  - 4.5. **ASSIGNMENT OF PERSONNEL.** The Contractor shall not substitute any personnel for those specifically named in its proposal, if applicable, unless personnel with substantially equal or better qualifications and experience are provided, acceptable to PCE, as is evidenced in writing.
5. **INSURANCE:** At all times during the Term and the performance of the Services, Contractor shall maintain professional liability insurance with a policy limit of not less than \$1,000,000 per incident. If the deductible or self-insured retention amount exceeds \$100,000, PCE may ask for evidence that Contractor has segregated amounts in a special insurance reserve fund, or that Contractor's general insurance reserves are adequate to provide the necessary coverage and PCE may conclusively rely thereon. Coverages required by this subsection may be provided on a claims-made basis with a "Retroactive Date" prior to the Effective Date. Contractor represents that it presently carries professional liability insurance in a minimum amount of \$50 million per claim and an aggregate amount greater than \$100 million, issued under an annual claims-made policy from Attorneys Liability Assurance Society, Inc. ("ALAS"). In the event the Firm is no longer insured by ALAS during the term of this Contract, Contractor will secure professional liability insurance from a company or companies with a rating not less than that maintained by ALAS. The ALAS policy provides for an extended reporting period of 12 months upon a cancellation by ALAS. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "retroactive date" prior to the Effective Date, Contractor must purchase "extended reporting" coverage for a minimum of twelve (12) months after termination of this Agreement.
6. **SUBCONTRACTING:** The Contractor shall not subcontract nor assign any portion of the work required by this Agreement without prior written approval of PCE.

7. **RETENTION OF RECORDS AND AUDIT PROVISION:** Contractor shall keep and maintain on a current basis full and complete records and documentation pertaining to this Agreement and the Services, whether stored electronically or otherwise, including, but not limited to, valuation records, accounting records, documents supporting all invoices, employees' time sheets, receipts and expenses, and all customer documentation and correspondence (the "Records"). PCE shall have the right, during regular business hours, to review and audit all Records during the Term and for at least three (3) years from the date of the completion or termination of this Agreement. Any review or audit may be conducted on Contractor's premises or, at PCE's option, Contractor shall provide all records within a maximum of fifteen (15) days upon receipt of written request from PCE. Contractor shall refund any monies erroneously charged. Contractor shall have an opportunity to review and respond to or refute any report or summary of audit findings, and shall promptly refund any overpayments made by PCE based on undisputed audit findings.

8. **DATA, CONFIDENTIALITY AND INTELLECTUAL PROPERTY:**

8.1. **OWNERSHIP AND USE RIGHTS.**

- a) **PCE Data.** Unless otherwise expressly agreed to in writing by the Parties, PCE shall retain all of its rights, title and interest in PCE's Data. "PCE Data" shall mean all data or information provided by or on behalf of PCE, including but not limited to, customer Personal Information; energy usage data relating to, of, or concerning, provided by or on behalf of any customers; all data or information input, information systems and technology, software, methods, forms, manuals, and designs, transferred, uploaded, migrated, or otherwise sent by or on behalf of PCE to Contractor as PCE may approve of in advance and in writing (in each instance); account numbers, forecasts, and other similar information disclosed to or otherwise made available to Contractor. PCE Data shall also include all data and materials provided by or made available to Contractor by PCE's licensors, including but not limited to, any and all survey responses, feedback, and reports subject to any limitations or restrictions set forth in the agreements between PCE and their licensors.
- b) **Intellectual Property.** Contractor shall at all times retain all rights to use all finished and unfinished reports, plans, studies, documents and other writings prepared by and for Contractor, its officers, employees and agents in the course of implementing this Agreement, except to the extent it includes confidential information of PCE, for legal services for other clients. PCE shall have the exclusive right to use such materials in its sole discretion without further compensation to Contractor or to any other party. Contractor shall, at PCE's expense, provide such reports, plans, studies, documents and writings to PCE or any party PCE may designate, upon written request. Contractor may keep file reference copies of all documents prepared for PCE.
- c) **Intellectual Property shall be owned by PCE upon its creation.** Contractor agrees to execute any such other documents or take other actions as PCE may reasonably request to perfect PCE's ownership in the Intellectual Property.
- d) **Contractor's Pre-Existing Materials.** If, and to the extent Contractor retains any preexisting ownership rights ("Contractor's Pre-Existing Materials") in any of the materials furnished to be used to create, develop, and prepare the Intellectual Property, Contractor hereby grants PCE on behalf of its customers and the CPUC for governmental and regulatory purposes an irrevocable, assignable, non-exclusive, perpetual, fully paid up, worldwide, royalty-free, unrestricted license to use and sublicense others to use, reproduce, display, prepare and develop derivative works, perform, distribute copies of any intellectual or proprietary property right of Contractor or any Contractor Party for the sole purpose of using such Intellectual Property for the conduct of PCE's business and for disclosure to the CPUC for governmental and regulatory purposes related thereto. Unless otherwise expressly agreed to by the Parties, Contractor shall retain all of its rights, title and interest in Contractor's Pre-Existing Materials. Any and all claims to Contractor's Pre-Existing Materials to be furnished or used to prepare, create, develop or otherwise manifest the Intellectual Property must be expressly disclosed to PCE prior to performing any Services under this Agreement. Any such Pre-Existing Material that is modified by work under this Agreement is owned by PCE.

8.2. **EQUITABLE RELIEF.** Each Party acknowledges that a breach of this Section 10 would cause irreparable harm and significant damages to the other Party, the degree of which may be difficult to ascertain. Accordingly, each Party agrees that PCE shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of PCE Data, in addition to any other rights and remedies that it may have at law or otherwise; and Contractor shall have the right to obtain immediate equitable relief to enjoin any unauthorized use or disclosure of Contractor's Pre-Existing Materials, in addition to any other rights and remedies that it may have at law or otherwise.

9. **FORCE MAJEURE:** A Party shall be excused for failure to perform its obligations under this Agreement if such obligations are prevented by an event of Force Majeure (as defined below), but only for so long as and to the extent that the Party claiming Force Majeure ("Claiming Party") is actually so prevented from performing and provided that (a) the Claiming Party gives written notice and full particulars of such Force Majeure to the other Party (the "Affected Party") promptly after the occurrence of the event relied on, (b) such notice includes an estimate of the expected duration and probable impact on the performance of the Claiming Party's obligations under this Agreement, (c) the Claiming Party furnishes timely regular reports regarding the status of the Force Majeure, including updates with respect to the data included in Section 10 above during the continuation of the delay in the Claiming Party's performance, (d) the suspension of such obligations sought by Claiming Party is of no greater scope and of no longer duration than is required by the Force Majeure, (e) no obligation or liability of either Party which became due or arose before the occurrence of the event causing the suspension of performance shall be excused as a result of the Force Majeure; (f) the Claiming Party shall exercise commercially reasonable efforts to mitigate or limit the interference, impairment and losses to the Affected Party; (g) when the Claiming Party is able to resume performance of the affected obligations under this Agreement, the Claiming Party shall give the Affected Party written notice to that effect and promptly shall resume performance under this Agreement. "Force Majeure" shall mean acts of God such as floods, earthquakes, fires, orders or decrees by a governmental authority, civil or military disturbances, wars, riots, terrorism or threats of terrorism, utility power shutoffs, strikes, labor disputes, pandemic, or other forces over which the responsible Party has no control and which are not caused by an act or omission of such Party.

10. **TERMINATION:**

- 10.1. If the Contractor fails to provide in any manner the Services required under this Agreement, otherwise fails to comply with the terms of this Agreement, violates any Applicable Law, makes an assignment of any general arrangement for the benefit of creditors, files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such petition filed against it, otherwise becomes bankrupt or insolvent (however evidenced), or becomes unable to pay its debts as they fall due, then PCE may terminate this Agreement by giving five (5) business days' written notice to Contractor.
- 10.2. Either Party hereto may terminate this Agreement for any reason by giving thirty (30) calendar days' written notice to the other Party; provided that any resignation by Contractor shall be in accordance with all applicable Rules of Professional Conduct. Notice of termination shall be by written notice to the other Party and be sent by registered mail or by email to the email address listed in Section 19.
- 10.3. In the event of termination not the fault of the Contractor, the Contractor shall be paid for Services performed up to the date of termination in accordance with the terms of this Agreement so long as proof of required insurance is provided for the periods covered in the Agreement or Amendment(s). Notwithstanding anything contained in this Section 12, in no event shall PCE be liable for lost or anticipated profits or overhead on uncompleted portions of the Agreement. Contractor shall not enter into any agreement, commitments or subcontracts that would incur significant cancellation or termination costs without prior written approval of PCE, and such written approval shall be a condition precedent to the payment of any cancellation or termination charges by PCE under this Section 12. Also, as a condition precedent to the payment of any cancellation or termination charges by PCE under this Section 12, Contractor shall have delivered to PCE any and all Intellectual Property (as defined in Section 10.1(b)) prepared for PCE before the effective date of such termination.
- 10.4. PCE may terminate this Agreement if funding for this Agreement is reduced or eliminated by a third-party funding source.
- 10.5. Without limiting the foregoing, if either Party's activities hereunder become subject to law or regulation of any kind, which renders the activity illegal, unenforceable, or which imposes additional costs on such Party for which the parties cannot mutually agree upon an acceptable price modification, then such Party shall at such time have the right to terminate this Agreement upon written notice to the other Party with respect to the illegal, unenforceable, or uneconomic provisions only, and the remaining provisions will remain in full force and effect.
- 10.6. Upon termination of this Agreement for any reason, Contractor shall and shall cause each Contractor Party to bring the Services to an orderly conclusion as directed by PCE and shall return all PCE Data (as defined in Section 10.1(a) above) and Intellectual Property to PCE.
11. **ASSIGNMENT:** The rights, responsibilities, and duties under this Agreement are personal to the Contractor and may not be transferred or assigned without the express prior written consent of PCE.
12. **AMENDMENT; NO WAIVER:** This Agreement may be amended or modified only by written agreement of the Parties. Failure of either Party to enforce any provision or provisions of this Agreement will not waive any enforcement of any continuing breach of the same provision or provisions or any breach of any provision or provisions of this Agreement.
13. **DISPUTES:** Either Party may give the other Party written notice of any dispute which has not been resolved at a working level. Any dispute that cannot be resolved between Contractor's contract representative and PCE's contract representative by good faith negotiation efforts shall be referred to Legal Counsel of PCE and an officer of Contractor for resolution. Within 20 calendar days after delivery of such notice, such persons shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If PCE and Contractor cannot reach an agreement within a reasonable period of time (but in no event more than 30 calendar days), PCE and Contractor shall have the right to pursue all rights and remedies that may be available at law or in equity. All negotiations and any mediation agreed to by the Parties are confidential and shall be treated as compromise and settlement negotiations, to which Section 1119 of the California Evidence Code shall apply, and Section 1119 is incorporated herein by reference.
14. **JURISDICTION AND VENUE:** This Agreement shall be construed in accordance with the laws of the State of California and the Parties hereto agree that venue shall be in San Mateo County, California.
15. **INDEMNIFICATION:** Contractor shall indemnify and hold harmless PCE from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of any actual or alleged death or injury to any human person, or damage to any tangible real or personal property (e.g., buildings, equipment, furniture and fixtures) as a result of Contractor's negligence; provided, however, that this paragraph 16 shall not be construed to apply to any claims arising out of the professional negligence or malpractice of Contractor as counsel providing the services described herein.
16. **NO RECOURSE AGAINST CONSTITUENT MEMBERS OF PCE:** PCE is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.). Pursuant to PCE's Joint Powers Agreement, PCE is a public entity separate from its constituent members. PCE shall solely be responsible for all debts, obligations, and liabilities accruing and arising out of this Agreement. No Contractor Party shall have rights and nor shall any Contractor Party make any claims, take any actions, or assert any remedies against any of PCE's constituent members in connection with this Agreement.

17. **INVOICES; NOTICES:** This Agreement shall be managed and administered on PCE's behalf by the Contract Manager named below. All invoices shall be submitted by email to:

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Email Address:	finance@peninsulacleanenergy.com
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All other notices shall be given to PCE at the following location:

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Contract Manager:	Nicholas Bijur
PCE Address:	2075 Woodside Road Redwood City, CA 94061
Email Address:	nbijur@peninsulacleanenergy.com
Telephone No.:	(415) 412-2670

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Notices shall be given to Contractor at the following address:

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Contractor:	Doug Bird
Address:	1270 Avenue of the Americas New York, NY 10020
Email Address:	<a href="mailto:doug.bird@chapman.com">doug.bird@chapman.com</a>
Telephone No.:	(212) 655-2519

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18. **ENTIRE AGREEMENT:** This Agreement along with the attached Exhibits hereto constitutes the entire Agreement between the Parties. In the event of a conflict between the terms of this Agreement and the terms in any of Exhibits, the terms in this Agreement shall govern.
19. **SEVERABILITY:** Should any provision of this Agreement be held invalid or unenforceable by a court of competent jurisdiction, such invalidity will not invalidate the whole of this Agreement, but rather, the remainder of the Agreement which can be given effect without the invalid provision, will continue in full force and effect and will in no way be impaired or invalidated.
20. **INDEPENDENT CONTRACTOR:** Contractor is an independent contractor to PCE hereunder. Nothing in this Agreement shall establish any relationship of partnership, joint venture, employment or franchise between PCE and any Contractor Party. Neither PCE nor any Contractor Party will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided for herein.
21. **THIRD PARTY BENEFICIARIES:** The Parties agree that there are no third-party beneficiaries to this Agreement either express or implied.
22. **FURTHER ACTIONS:** The Parties agree to take all such further actions and to execute such additional documents as may be reasonably necessary to effectuate the purposes of this Agreement.
23. **PREPARATION OF AGREEMENT:** This Agreement was prepared jointly by the Parties, each Party having had access to advice of its own counsel, and not by either Party to the exclusion of the other Party, and this Agreement shall not be construed against either Party as a result of the manner in which this Agreement was prepared, negotiated or executed.
24. **COUNTERPARTS:** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date first above written.

**PENINSULA CLEAN ENERGY:**

By: \_\_\_\_\_

Name: Shawn Marshall

Title: Chief Executive Officer

Date:

**CHAPMAN AND CUTLER LLP:**

By: \_\_\_\_\_

Name: Douglas A. Bird

Title: Partner

Date:

**EXHIBIT A**  
**SCOPE OF SERVICES**

Contractor shall provide the following Services under the Agreement:

Contractor will perform legal services on behalf of PCE relating to a renewable energy prepayment transaction (the "Transaction"), including, as applicable, reviewing and commenting on documents and filings relating to the Transaction, reviewing and commenting on board presentations and approvals, drafting, reviewing and negotiating applicable agreements, certificates and legal opinions, and disclosure counsel services to PCE in connection with the marketing of the bonds to be issued to finance the Transaction.

If requested by the underwriter of the bonds, Chapman will prepare the Preliminary and Final Official Statements.

## **EXHIBIT B**

### **FEES AND PAYMENT SCHEDULE**

Contractor will perform the Services referred to in Exhibit A for a fixed fee of \$225,000 (the "Fixed Fee"). The Fixed Fee will be payable solely from proceeds of the bonds at closing of the Transaction described in Exhibit A.

The maximum compensation to Contractor under this Agreement is \$225,000.





**PENINSULA CLEAN ENERGY AUTHORITY**  
**JPA Board Correspondence**

**DATE:** April 12, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** Majority Vote

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Justin Pine, Strategic Accounts Manager and Leslie Brown, Director of Account Services

**SUBJECT:** Approval of New Zero-Carbon Intensity Low Carbon Fuel Standard (LCFS) Eligible Green Tariff for Public Transit Electrification (Action)

**RECOMMENDATION**

Approval of a Zero-Carbon Intensity LCFS Green Tariff to support public transit agency electrification in Peninsula Clean Energy's service territory (Exhibit A)

**BACKGROUND**

The Low Carbon Fuel Standard (LCFS) is a program administered by the California Air Resources Board (CARB) designed to decrease the carbon intensity (CI) of California's transportation fuel pool and improve local air quality. The LCFS program functions similar to the California Cap-and-Trade program in that each year, a declining CI target for transportation fuels is established for which fuel reporting entities (FRE) are assessed against. The FRE can either be the producer of the fuel, end use supplier, or end user as defined by CARB. In any case, transportation fuels with a CI lower than the target CI (ie. renewable fuels) generate credits, while transportation fuels with a CI higher than the target CI (ie. diesel) generate a credit deficit. Fuel reporting entities that generate deficits must purchase enough credits to meet the established CI target for each compliance year, providing an additional revenue stream to FRE providing or utilizing lower CI fuels.

Each discrete fuel, defined by CARB as a fuel pathway, has an assigned, calculated CI. Just like the greenhouse gas intensity of Peninsula Clean Energy's ECOplus and ECO100 products differ based on the resources supplying each product, an FRE using electricity as an alternative fuel source can generate more credits by utilizing lower or zero CI electricity pathways. If a FRE has no alternative pathway to report to, then the FRE must use the California grid CI calculated by CARB each year, which is less advantageous to the FRE.

**DISCUSSION**

Electrification of public transit provides PCE customers access to clean public transportation options and reduces greenhouse gas emissions locally and regionally. However, transitioning from diesel fuel to electricity can increase costs of power for already budget constrained agencies. The Low Carbon Fuel Standard program provides an opportunity for these transit agencies to generate and sell LCFS credits to offset these higher costs. In the absence of PCE providing an LCFS eligible zero-CI pathway, the transit agency would only be able to claim credits based on the average CI of the California electric grid, which as noted is not as good. PCE provides customers with a much cleaner product than the grid average, and therefore transit customers would miss the full value of the product being provided to them by PCE. Thus, by PCE providing a 100% renewable zero-CI pathway to transit agencies via our new green tariff, it will help transit agencies participating in the LCFS program maximize their credit generation. A zero-CI green tariff is estimated to generate approximately 35% more in LCFS credits compared to the California grid average CI and provides a powerful incentive to become a PCE customer.

Caltrain represents the largest eligible load likely to enroll in this LCFS Green Tariff. In preparation for Caltrain beginning full electric passenger service this September, PCE staff have been meeting regularly with Caltrain's team to ensure PCE will be the retail electric service of choice. Caltrain staff forecast a net increase of \$15 million in fuel costs between Fiscal Year 2024, when the system would operate primarily on diesel powered trains, and Fiscal Year 2026, when the system would operate primarily on electric powered trains. Total budgeted fuel cost for Fiscal Year 2026 is estimated to be \$30 million, or 10%-15% of Caltrain's annual cost. These costs assume revenues from the LCFS program are maximized, up to \$10 million annually inclusive of both the South San Francisco and San Jose Diridon station loads.

Though the adoption of a Zero-CI LCFS Green Tariff (Exhibit A), PCE is best positioned to support electrification of public transit agencies and reduce greenhouse gas emissions in our service territory.

## **FISCAL IMPACT**

Electrifying public transit within the Peninsula Clean Energy service area will increase both load and revenues. To encourage electrification of transit systems, staff are recommending customers on the Zero-CI LCFS Green Tariff be assessed the applicable ECOplus rates without the \$0.01 adder usually assessed for our 100% renewable product. PCE has sufficient renewable generation resources in our portfolio to support this new tariff. Based on forecasts provided by Caltrain, Caltrain's electric load at its South San Francisco traction power station is expected to be 60,000 MWh annually. Based on rates in effect today, ECOplus revenues from Caltrain alone would be \$7.2 million annually. The supply costs of this program have been incorporated into the planning for future years and will be included in the FY 24-25 budget.

## **ATTACHMENTS:**

[Exhibit A\\_Zero CI Low Carbon Fuel Standard Tariff.pdf](#)

**RESOLUTION NO. \_\_\_\_\_**

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

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**APPROVAL OF NEW ZERO-CARBON INTENSITY LOW CARBON FUEL STANDARD  
(LCFS) ELIGIBLE GREEN TARIFF FOR PUBLIC TRANSIT ELECTRIFICATION (ACTION)**

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

**WHEREAS**, Peninsula Clean Energy (PCE) was formed on February 29, 2016; and

**WHEREAS**, electrifying transportation and reducing greenhouse gasses are organizational priorities for PCE; and

**WHEREAS**, electrifying public transit fleets and fixed guided rail systems can increase fuel costs for the public agency; and

**WHEREAS**, the Low Carbon Fuel Standard is a program administered by the California Air Resources Board designed to decrease the carbon intensity (CI) of California's transportation fuel pool and improve local air quality; and

**WHEREAS**, by offering a zero-carbon intensity green tariff eligible for the Low Carbon Fuel Standard program, PCE can enable local public transit agencies to maximize revenues from the Low Carbon Fuel Standard program, helping to offset higher fuel costs incurred through electrification;

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the Board approves a new Zero-CI Low Carbon Fuel Standard Green Tariff to support the electrification of public transit in its service territory.

## **Exhibit A**

### **Peninsula Clean Energy Authority Zero-CI Low Carbon Fuel Standard Green Tariff**

**Peninsula Clean Energy Authority**  
**Zero-CI Low Carbon Fuel Standard Green Tariff**

The Zero-CI Low Carbon Fuel Standard Tariff (Tariff) will provide eligible public transit agencies an opportunity to receive 100 percent solar and/or wind energy that meets California’s Renewable Portfolio Standard (“RPS”) for Portfolio Content Category 1 (PCC1). This Tariff will allow Peninsula Clean Energy customers participating in the Low-Carbon Fuel Standard (LCFS) program administered by the California Air Resources Board (CARB) to report a zero-carbon intensity pathway in the LCFS program.

**APPLICABILITY**

**Eligibility:** This Tariff is available to public transit agencies enrolled in Peninsula Clean Energy service. Only meters serving exclusively transportation electric load are eligible. The customer must also be certified as a Fuel Reporting Entity in the LCFS program, making the customer eligible to earn LCFS credits.

**Enrollment and Cap:** This Tariff is available to customers on a first-come, first-served basis, and has a cap of 100,000 MWh annually. Customers must request to be enrolled.

This Tariff will be available for customer participation as of July 1, 2024.

**RATES**

Customers will be charged at their otherwise applicable rate schedule.



**PENINSULA CLEAN ENERGY AUTHORITY  
JPA Board Correspondence**

**DATE:** April 15, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Gwendolyn Rose, Director Marketing & Community Relations  
**SUBJECT:** Marketing, Outreach Activities, and Media Relations Quarterly Report

**BACKGROUND**

The Marketing & Community Relations Team is responsible for enhancing Peninsula Clean Energy's brand reputation, educating and engaging customers, driving participation in programs, and ensuring customer satisfaction and retention. Tactics include community outreach, content creation and storytelling through owned (e.g. online, social media), earned (e.g. public relations), and paid media (advertising), and school engagement programs.

**DISCUSSION**

The following is a quarterly update of activities taking place from January to March 2024. Please refer to the "Strategic Plan" section below for further information/explanation as to how these activities support Peninsula Clean Energy's strategic plan objectives.

Brand Strategy

We are working with ID Lab on our brand strategy update with the goal of evolving PCE into a customer-centric agency. Over Q1, they conducted a 3 week audit of the current go-to-market efforts and the systems/operations behind those efforts. The audits were completed in order to determine the near and mid-term actions required to achieve customer centricity and lay the foundation for redefining the PCE brand.

Program Marketing

- We are promoting electrification and EV adoption via email, paid search and online advertising. Programs we are actively promoting include the Zero Percent Loan Program, appliance rebates, and Used Electric Vehicle (EV) rebates.
- Peninsula Clean Energy provides financial, technical, and planning resources, as well as project coordination for local government, public agencies, and school districts to reduce carbon emissions and move to clean energy. We rolled out new webpages to support those efforts: <https://www.peninsulacleanenergy.com/government-programs/>.
- We also rolled out new webpages for each Member community to highlight the economic savings, benefits and key projects: <https://www.peninsulacleanenergy.com/community/>

## Events

In Q1 2024, the Community Relations team participated in 16 events and workshops, reaching nearly 2,000 people. Education-related events included the Youth Climate Ambassadors Retreat, Clean Energy Curriculum Workshop for Middle School Teachers, Los Banos High School presentation, Pacheco High School Career Fair, Woodside High Green Academy and a Mills High School presentation. We also sponsored, tabled or participated in community events throughout San Mateo County and Los Banos including Arbor Day, a St. Patricks event, a Spanish E-Bikes Workshop with CRC, and the Los Banos Egg Hunt. Now we're gearing up for Earth Day events in April throughout the service territory.

## Outreach Grants

We trained representatives from our 16 outreach grants; exciting new grants in 2024 will focus on outreach to schools, farmers markets, and building contractors and trained community outreach workers from three outreach grantee organizations in Spanish.

## Schools and Youth Programs

Peninsula Clean Energy is supporting energy education in various ways, including:

- Funding for green awareness field trips for 470 junior high and high school students through the San Mateo County Office of Education Career and Technical Education program. The field trips are designed to interest students in careers as electricians and in other related careers that support our program implementation.
- Funding teacher workshops about clean energy including windmill kit classroom materials for 40 classrooms, energy dashboards for several school districts, and decarbonization baseline surveys for all public schools in San Mateo County. Supporting energy education with the San Mateo County Community College District, and sponsoring science education events in the Los Banos schools.
- The Youth Climate Ambassadors program is launching a new cohort of 50 students, with funding primarily for student participation stipends and coaching services. They are implementing their community impact projects and we met with students interested in energy- and transportation-related projects.
- The San Mateo Community College District has successfully recruited student interns and a project lead to develop electrification exhibits.

## Los Banos Update

Viridiana Renteria, our senior community relations specialist in Los Banos, managed 7 community events and a number of visits with community leaders and champions to educate on PCE benefits and promote PCE offerings, including the \$300 CARE/FERA bill credit and the rate freeze. She also attended a gathering celebrating the official launch of The Merced Focus, a non-profit news outlet covering Los Banos and the broader Merced County and San Joaquin Valley.

## News & Media

Full coverage of Peninsula Clean Energy in the news can be found on our [News & Media](#) webpage. Highlights from the last quarter include:

- EV news: Grist ran [an article](#) highlighting our EV Ready program, including interviews with Phillip Kobernick and PCE customers. Phillip was also featured in a [Canary Media article](#) about smart-managed EV charging. It spotlighted the pilot project PCE launch with ev.energy and the University of California, Davis to test managed-charging methods and incentives.

- Electrification and building codes: Rafael Reyes spoke with San Mateo Daily Journal reporters regarding impacts stemming from the overturning of the [Berkeley gas appliance ban](#).
- Outreach grants: We [announced](#) the awarding of 16 grants – totaling \$530,000 and ranging from \$20,000 to \$45,000 each – to increase outreach to customers about utility bill discounts and a range of other clean energy program benefits. Articles ran in the [Redwood City Pulse](#) and [The Almanac](#).
- Community reinvestment: CEO Shawn Marshall was featured in [an article](#) about providing \$11.5 million in clean energy project grants.
- Rate freeze: We [announced](#) the board's approval to freeze our electricity rates until at least June 30, effectively increasing the discount customers receive on electricity for at least six months in the wake of higher PG&E prices.
- CEO Profile: CEO [Shawn Marshall was profiled](#) and photographed by The Almanac.

## **STRATEGIC PLAN**

This section describes how the above Marketing and Community Outreach activities and enrollment statistics relate to the overall goal and objectives laid out in the strategic plan. The table indicates which objectives and particular Key Tactics are supported by each of the Items/Projects discussed in this memo. The strategic goal for Marketing and Customer Care is: Develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs and ensures customer satisfaction and retention.

<b>Item/Project</b>	<b>Objective A:</b> Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry	<b>Objective B:</b> Educate and engage stakeholders in order to gather input, inspire action and drive program participation
Brand Strategy	KT3: Tell the story of Peninsula Clean Energy through diverse channels  KT5: Identify and address gaps between perception and desired brand identity	
Events	KT4: Engage community through participation in local events	KT5: Provide inspirational and informative content that spurs action to reduce emissions  KT6: Promote programs and services, community energy programs and premium energy services
Events	KT4: Engage community through participation in local events	



Outreach Grants	KT4: Engage community through participation in local events	KT1: Foster relationships with community-based, faith-based, and non-profit organizations programs focused on energy
Schools and Youth Programs	KT4: Engage community through participation in local events	KT2: Continue to support schools-based literacy
Los Banos Update	KT4: Engage community through participation in local events	KT1: Foster relationships with community-based, faith-based, and non-profit organizations  KT3: Enhance relationships with municipal and county staff and elected officials
News and Media	KT1: Position leadership as experts on CCAs and the industry  KT2: Cultivate relationships with industry media and influencers  KT3: Tell the story of Peninsula Clean Energy through diverse channels	



**PENINSULA CLEAN ENERGY AUTHORITY**  
**JPA Board Correspondence**

**DATE:** April 12, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors  
**FROM:** Rafael Reyes, Senior Director of Energy Programs  
**SUBJECT:** Community Programs Quarterly Report

**BACKGROUND**

The following programs are in progress, key metrics are provided in the table here and detailed information is provided below.

<b>Buildings</b>	
Appliance	2,714 measures rebated (+100 M/M); 464 loans issued (+30 M/M)
Home Upgrade	295 homes completed as of March 31st
Gov BE	(Approved. Launch Imminent)
Reach Codes	19 of 22 adopted
<b>Distributed Resources</b>	
Residential Solar + Storage	597 installs. Enrollment in the program is closed. New concept under development.
FLEXmarket	50 residential building electrification projects being tracked, 8 commercial energy efficiency projects being tracked
GovPV	Rnd 1: 12 sites, 1.7MW. 3 sites live. Rnd 2: Total of 32 sites, 14MW solar & 6MWh of storage. 24 sites under development.
<b>Transportation</b>	
EV Charging	Ports to date: 922 (+48 M/M). Pipeline: 3,500+
Used EV	573 EVs since 2021. (+19 M/M)
E-Bikes	Total 804, 265 e-bikes in 2023.
GovEV (fleets)	11 agencies enrolled. 30+ chargers in progress with Menlo Park and 8 chargers in progress with Burlingame.

Managed Charging	700+ enrolled. Transition underway to full program.
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## **DISCUSSION**

### **1 Building and EV Reach Codes**

Background: In 2018 the Board approved a building “reach code” initiative to support local governments in adopting enhancements to the building code for low-carbon and EV ready buildings. The initiative is a joint project with Silicon Valley Clean Energy (SVCE) and Ava Community Energy, formerly East Bay Community Energy. The program includes no-cost technical assistance, model codes and other tools. The tools and model code language are available on the project website ([www.BayAreaReachCodes.org](http://www.BayAreaReachCodes.org)).

In addition, in January 2020 the Board approved an extension of the reach code technical assistance plus additional elements – Education and training for developers and contractors, and consumer education program on the benefits of all-electric buildings. This technical assistance is publicly available at [www.AllElectricDesign.org](http://www.AllElectricDesign.org). In December 2020, the Board approved to extend the contract with TRC Engineers include technical assistance for developing policy for existing buildings. In February 2022, the Board extended the initiative for another two years.

#### **Status**

- City Progress: Most cities with reach codes from the prior cycle have re-adopted or adopted for the first time. Two cities have adopted existing building codes (San Mateo, Portola Valley). San Bruno and Half Moon Bay are updating their EV reach codes in anticipation of state code updates.
- Berkeley 9<sup>th</sup> circuit ruling – In April 2023, the 9<sup>th</sup> circuit court of appeals ruled against Berkeley in a case brought by the California Restaurant Association and funded by Sempra (SoCalGas.) Berkeley’s requested for an En Banc rehearing was declined this month.
  - The Berkeley ruling does not impact EV charging reach codes.
  - Two alternative building electrification model codes have been created to allow cities to adopt codes that would represent a distinctly different legal approach than the Berkeley approach.
  - Some member agencies have paused enforcement of all-electric reach codes, while others are continuing to enforce their all-electric mandates.
  - Three San Mateo jurisdictions are considering updating their reach codes using alternative model code approaches. San Jose, San Luis Obispo, Santa Cruz, and Los Altos Hills have already adopted alternative codes.

## **2 Buildings Programs**

### **2.1 Appliance Rebates and Zero Percent Loans**

Background: In May 2020, the Board approved an initial 4-year plan for electrifying existing buildings. This included implementing an appliance rebate program. Peninsula Clean Energy launched the heat pump water heater (HPWH) rebates in January 2021. Additionally, in August 2021, the Board approved an On-Bill Financing program (now referred to as the Zero Percent Loan program) to be treated as a balance sheet asset and not part of the annual

budget. The program offers qualified residential customers a 0% interest loan up to \$10,000 to fund the cost of eligible electrification and complementary electrical and energy efficiency upgrades.

On October 17, 2022, Peninsula Clean Energy launched its Zero Percent Loan program and rolled out modifications and enhancements to the Appliance Rebates Program including increasing its HPWH rebate, launching a new heat pump heating ventilation and air conditioning (HVAC) rebate, and other updates.

Status: Additional updates were instituted in October 2023 including shortening the finance term to 5 years to establish a more sustainable “revolving fund”. Uptake remains very positive. The summary table at the top of this memo summarizes the number of rebates and loans issued as of January 10, 2024. Development of a turnkey electrification service to provide greater customer support and complement the incentives is under development. The turnkey service will be a unified service with the low-income direct-install program. See below for details.

## **2.2 (Low-Income) Home Upgrade Program**

Background: In May 2020, the Board approved \$2 million for implementing a direct-install low-income home upgrade program to offer minor home repair, energy efficiency, and electrification measures to income-qualified homeowners at no cost to them. The measures implemented in each home will vary depending on the home’s needs but will include at least one electrification measure such as installing a HPWH or replacing a gas stove with an electric induction stove. The program launched on September 28, 2021. The Board approved a contract extension for \$1.5 million in February 2023 which included more homes for the current service plus 4-6 whole home electrification upgrades.

Status: As of March 31, 2024, the program has served 295 homes and an additional 10 homes are awaiting installation under the program with the current administrator. This includes 8 homes who received whole home electrification as part of a pilot within the program. This phase of the program is now oversubscribed, and new applicants are being added to a waitlist for the next phase of the program under a new program administrator. As of March 31, there are 125 customers on this waitlist. On August 28, 2023, PCE released a request for proposals (RFP) for an implementation partner for the next phase of the program, which will include a scaling-up the number of low-income homes served with whole home electrification upgrades at no-cost to these residents, offering turnkey electrification services to non-income qualified residents at a low cost, and launching an emergency heat pump water heater replacement service. The RFP was done in collaboration with SVCE which is seeking the same services. In February 2024, the Board approved a \$26M contract with the selected implementation partner, Franklin Energy, for this next phase of the program. In April 2024, PCE and the City of Menlo Park finalized an agreement to allocate \$2M to this program to serve more Menlo Park homes, in addition to PCE’s \$24M for its entire service territory. In April 2024, SVCE and Franklin Energy finalized their \$14M agreement for the same scope as PCE’s program. PCE and SVCE are currently jointly working with Franklin on program design and start up tasks. PCE expects to soft launch the low-income no-cost electrification segment of the program in June by contacting the waitlist collected in the previous phase of the program. The turnkey electrification services for non-income qualified residents and emergency

water heater replacement service would follow, launching sometime in late Summer/early Fall.

### **2.3 Local Government Building Electrification Program (GovBE)**

Background: In August 2023, the Board approved a local government building electrification program to help fund building electrification at local government facilities. The program will offer roughly \$1 million per year in incentives and creates a \$10 million dollar revolving loan fund. Incentives are based on therms saved at a given facility. Incentives and loan are capped at \$600k per jurisdiction per year, each. The program requires a 25% cost-share from non-PCE funds, and will have a streamlined, annual application process.

Status: The program is being finalized with the goal of opening applications very soon.

## **3 Distributed Energy Programs**

Peninsula Clean Energy has Board-approved strategies for the promotion of 20 MW of new distributed energy resources in San Mateo County and is advancing distributed energy resources to provide resilience, lower decarbonization costs, and provide load shaping to support our strategic goal for 24/7 renewables. The projects described below are efforts towards meeting both of these goals.

### **3.1 Solar and Storage for Public Buildings**

Background: The Solar and Storage for Public Buildings is aimed at aggregating local government facilities into a group procurement of solar and optionally storage systems. Peninsula Clean Energy provides no-cost site assessments and preliminary designs as well as manages the procurement process. Participating sites have systems installed as part of power purchase agreements directly with Peninsula Clean Energy. As part of the pilot phase, in October 2020, the Board approved initial site evaluation services and in March 2022, the board approved up to \$8 million in capital for system installations to be repaid over 20 years and \$600,000 for technical assistance on the second round of the aggregated solar program. Intermountain Electric Company was selected in the competitive solicitation on the basis of its pricing, experience, labor practices, and other metrics. At the January 2023 Board Meeting, the Board of Directors granted authority to the CEO to execute the installation contract and power purchase agreements with participating agencies in the first round. 12 PPAs were signed with 10 jurisdictions for a total of 1.74 MW DC solar PV. Battery storage systems are planned for 3 of the sites, but will not move forward until after the solar systems are operational due to NEM2 grandfathering rules.

Round 2 of this program is split into two portfolios: solar-only (Portfolio A) and larger solar + storage projects (Portfolio B). The Portfolio A projects are seeking interconnection under NEM 2.0, while the Portfolio B projects will interconnect under Net Billing Tariff rules. Portfolio A includes 24 sites with 13 agencies, totaling approximately 3.5MW of solar. Portfolio B includes 8 sites with 6 agencies, totaling approximately 10MW of solar and 6MWh of storage.

Status: As of April 12, 2024, 2 systems are operational (Brisbane Mission Blue Center and San Carlos Youth Center, and three are complete (Millbrae Rec Center, Hillsborough Public Works Yard, and Pacifica Community Center) and will begin operations following final completion work and PG&E inspection. PG&E is running behind their typical approval and inspection timelines due to the rush of NEM2 grandfathering applications.

A total of 23 agencies expressed interest in the second round of the program, providing staff

with 120 facilities to evaluate for their solar potential. Site walks were executed in Q2 2023 with engineering firms NV5 and SepiSolar. 38 interconnection applications for >16 MWdc were submitted by the April 14th deadline to legacy them into the more favorable NEM 2.0 rules. Other sites considered were disqualified for technical reasons.

Staff is currently developing the energy contract, construction contract, and financial proposal. A competitive solicitation for the procurement of EPC services was launched in August 2023.

McMillan Electric was selected. In January 2024, the Board of Directors approved Peninsula Clean Energy to enter into an Engineering, Procurement, and Construction (EPC) contract with McMillan Electric for the Portfolio A solar-only projects. These projects are expected to be commissioned by late 2025 / early 2026.

### **3.2 Residential Solar + Battery Backup**

Background: The Residential Solar + Battery Backup offers an energy resiliency program in partnership with Sunrun. This program provides energy storage systems paired with solar power to single family customers. Customers who sign up for this program receive an incentive up to \$500. At Peninsula Clean Energy's direction, Sunrun will dispatch the stored energy during evening hours when renewable generation on the California grid is low and electricity prices are high. This will also help Peninsula Clean Energy to reduce its peak load and thereby reduce our resource adequacy requirements. The program is dispatching customer batteries in the evening to help reduce Peninsula Clean Energy's net peak. Sunrun and staff included distributed battery storage in the 2025 load forecast submission, which will result in a lower net peak and smaller RA allocation for calendar year 2025. Peninsula Clean Energy has been successfully employing this type of peak load reduction since 2022.

Status: Enrollment in the program is closed. Development of a successor program is in progress.

### **3.3 FLEXmarket**

Background: In November 2021 the Board approved a program plan for the establishment of an innovative "virtual power plant" using what is known as FLEXmarket. FLEXmarket is a market-based program structure that provides incentives to program "aggregators" to implement programs for energy efficiency and load shaping. The novel elements of the structure include a "pay-for-performance" approach which only provides incentives on confirmed performance using meter data. This novel structure was innovated by MCE and is also being implemented by Ava Community Energy and Sonoma Clean Power. In addition, the program plan was developed for submission to the CPUC to allow Peninsula Clean Energy to run the program with fully reimbursed funding through the CPUC. Peninsula Clean Energy's billing data services provider Calpine has entered into a strategic partnership with the firm Recurve to provide FLEXmarket services through a streamlined structure. Providers of energy efficiency and building electrification equipment can apply for incentives through this program. In addition, Peninsula Clean Energy is submitting its own projects to receive CPUC funds under the program.

Staff developed the commercial version of the program and launched the market in July 2023. Like the residential version, providers of commercial energy efficiency and building electrification equipment, as well as aggregators of these projects, can pursue incentives through the Commercial FLEXmarket.

Status: Approximately \$3 million out of the allocated \$4.6 million has been reserved.

Operational refinements to the program are ongoing.

### **3.4 Community Solar, DAC-GT & CSGT**

Background: The Disadvantaged Communities Green Tariff program (DAC-GT) and associated Community Solar Green Tariff (“CSGT”) are community solar programs developed by the CPUC to enable DAC residents to participate in renewable energy projects, and to promote development of renewable projects in DACs. Participating customers will receive a 20% discount on their full electric bill (PG&E and Peninsula Clean Energy charges). Peninsula Clean Energy administers these programs on behalf of its customers.

Peninsula Clean Energy began enrolling DAC-GT customers in San Mateo County in January 2022 and customers in Los Banos in April 2022. Those customers are currently served by an interim resource procured from Marin Clean Energy pending Peninsula Clean Energy’s procurement of a new renewable resource for the program.

Per the CPUC DAC program guidelines, Peninsula Clean Energy is authorized to procure up to 3MW of solar capacity. Until a new solar resource is procured, Peninsula Clean Energy will serve customers from MCE’s interim resource. Peninsula Clean Energy executed a PPA with Marin Clean Energy for its existing Goose Lake Solar project, which meets DAC program guidelines, to provide for its DAC customers until a permanent resource is procured.

Status: The program is currently serving approximately 1,000 customers. Peninsula Clean Energy signed a PPA with Renewable America, LLC for a 3MW solar resource located in Dos Palos, CA, approximately 15 miles southeast of the City of Los Banos. In June, staff expanded their contract with MCE’s interim resource Goose Lake Solar to 3.74MWdc. This will allow more customers to subscribe to the program and receive on-bill benefits.

Staff launched a Request for Proposals for 402kW of solar as part of their Community Solar Green Tariff (CSGT), but was not successful in identifying a resource that would meet the needs of its program.

## **4 Transportation Programs**

### **4.1 Used Electric Vehicle (EV) Rebate Program**

Background: Launched in March 2019, the Used EV Rebate Program provided a used EV incentive, up to \$4,000, to income-qualified residents in the service territory (those making 400% of the Federal Poverty Level or less). In October 2020, the Board approved expanding the program to offer used EV incentives to all residents in the service territory, while maintaining the increased incentives for income-qualified residents. In February 2021, Peninsula Clean Energy executed a competitively bid contract with GRID Alternatives (GRID) to administer the expanded program.

Status: As of the beginning of 2024, the new federal Clean Vehicle Credit provides a used EV incentive for low-income households at the point-of-sale through dealerships, up to \$4,000. To reflect that change and provide for improved customer benefit and convenience, staff have significantly reconfigured the PCE Used EV Rebate as follows:

Vehicle and income requirements have been harmonized with new federal Clean Vehicle Credit and prior pre-approval processes have been removed so that customers can seamlessly combine both the federal credit and the PCE incentive for a combined \$6,000 in down payment assistance when purchasing at participating dealerships. Customer can also

apply for a post-purchase reimbursement if buying outside of the participating dealership network.

The general rebate has been removed so that the PCE program is low to moderate income only.

For more information, please visit <https://www.peninsulacleanenergy.com/usedev/>

#### **4.2 “EV Ready” Charging Design Assistance & Incentive Program**

Background: In December 2018, the Board approved the EV Ready program, consisting of EV charging infrastructure incentives, and technical assistance. The California Energy Commission (CEC) invested an additional \$12 million in San Mateo County for EV fast charging. The program is open and available to multi-family housing, affordable housing, workplace charging, and general public-access sites, through there is a general focus on multi-family housing, which has been a historically underserved population in state EV charging programs.

PCE offers free project design assistance, facilitated through CLEAResult. There are currently over 200 active projects receiving this assistance and, on average, projects receiving assistance more than double the overall size of their EV charging projects.

Status: The program has helped the community install ~1,000 chargers with over 3,500 additional chargers in progress. Recent notable projects include 63 chargers installed at a condo property in Menlo Park and 25 Level 1 outlets installed at an apartment property in San Mateo. The program is a statewide model with installation costs well below other similar programs. Key elements of the program are being replicated by a number of other programs. For more information, please visit <https://www.peninsulacleanenergy.com/ev-ready/>

#### **4.3 E-Bikes for Everyone Rebate Program**

Background: The Board initially approved the income-qualified E-Bikes Rebate program in July 2020 and has approved multiple budget increases since.

The program runs in annual cycles and is available to residents with low to moderate incomes. The program has provided over 800 rebates since 2021. Customers can use the rebate either at qualifying bike shops for a point-of-sale discount, or at any other shop for a post-purchase rebate.

Status: This program is currently closed. Staff are planning for a relaunch in the summer and evaluating options for future program cycles.

#### **4.4 Public EV Fleet Program (GovEV)**

Background: The Board approved the GovEV Fleet Program in November 2020. This program is comprised of three components to help local agencies begin their fleet electrification efforts: hands-on technical assistance, gap funding, and a vehicle to building resiliency demonstration that will assess the costs and benefits of utilizing fleet EVs as backup power resources for agencies in grid failures and other emergencies. In August 2022, the Board of Directors approved a contract with Optony to assist in the administration of this program and further approved an extension with Optony in March 2024.

Status: 11 cities have enrolled, including: Menlo Park, Burlingame, San Mateo, South San Francisco, Daly City, San Carlos, Foster City, Millbrae, Brisbane, San Bruno, and East Palo Alto are now receiving technical assistance. Menlo Park plans to install 30+ charging stations



for fleet vehicles at the City Hall, Police Department, and Corporation Yard and Burlingame is moving forward with 8 chargers at their Corporation Yard. Other agencies are encouraged to apply, when ready, at <https://www.peninsulacleanenergy.com/government-programs/>.

#### **4.5 EV Managed Charging Pilot**

Background: Peninsula Clean Energy aims to facilitate EV charging that avoids expensive and polluting evening hours through “managed charging” systems. This work is in the second phase of a pilot. In 2020, Peninsula Clean Energy ran a proof-of-concept pilot for EV managed charging with startup FlexCharging to test timing of EV charging through vehicle-based telematics. The pilot is in Phase 2 with a larger set of vehicles. In October of 2021, the Board approved a contract up to \$220,000 with the University of California, Davis’ Energy Economics Program (DEEP) to develop and advise on an incentive structure experiment that will be used to inform the Peninsula Clean Energy managed charging program design. In November, the Board approved a contract up to \$220,000 with ev.energy as the platform provider for EV managed charging services.

Status: 700+ participants have joined the experiment. Internal analysis shows successful mitigation of “timer peaks,” when many EVs begin charging simultaneously at the start of the off-peak window, but otherwise minimal load shift during evening ramp up hours. Recruitment is a major challenge. Staff are negotiating with ev.energy on contract extension options and will present results and recommendations in a future Board meeting. A Technical Advisory Committee, consisting of staff from CEC, CPUC, CCAs, and NGOs, has informed the pilot. Researchers from UC Davis will begin independent analysis shortly.



**PENINSULA CLEAN ENERGY AUTHORITY**  
**JPA Board Correspondence**

**DATE:** March 20, 2024  
**MEETING DATE:** April 25, 2024  
**VOTE REQUIRED:** None

**TO:** Honorable Peninsula Clean Energy Authority Board of Directors

**FROM:** Marc Hershman

**SUBJECT:** Update on Legislative Activities

**DISCUSSION**

**Sacramento Summary**

Policy and budget committee hearings have begun in earnest, with bills moving through committee meetings and an initial budget agreement to shave some of the anticipated deficit being addressed before the Governor delivers his revised budget numbers in May.

As of this writing, Peninsula Clean Energy has taken an official position on 2 bills and CalCCA has taken positions on 2 bills. Please see the attached Matrix for details of those bills which we are monitoring and engaging. Also attached are letters of support submitted by Peninsula Clean Energy for SB 1095 (Becker) and SB 1130 (Bradford)

**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.

The Governor's budget will be updated in May, after the deadline for most residents and businesses to have filed their 2023 tax returns.

To begin to address the growing deficit the Governor met with legislative leaders in early April. At the time of this report an agreement was reached and a bill, AB 206 (Gabriel), reducing expenditures by \$17 billion, was passed by the Assembly on April 11. In addition, roughly \$13 billion is being withdrawn from various state savings accounts. Even with this \$30 billion downpayment on the deficit there remains a deficit of tens of billions of dollars.

The bill has now passed both houses of the Legislature and is on the Governor's desk. His signature is likely to be added to the legislation sometime during the week of April 15. Most of the savings appear to be from canceling or delaying previously authorized expenditures and accounting measures such as delaying state worker paychecks from June 30 to July thus placing them in a different fiscal year.

We will continue to watch this closely, particularly as the budget implicates energy issues and a potential climate bond.

## **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 existing 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. As a result of our success numerous programs, including many state programs, are now 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.

We are pleased to report that the Advisory Committee to HCD, by a vote of 8-1, recommended the inclusion of Peninsula Clean Energy's platform positions pertaining to Level 1 charging in multi-family buildings. However, this is not a final determination and the matter is now being considered by HCD staff. We continue to monitor this situation closely.

## **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 our Federal earmark requests.

CEO Shawn Marshall and Director of Government Affairs Marc Hershman traveled 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:**

[April Bill Matrix\\_MF.docx](#)

[SB 1095 PCE Letter of Support.pdf](#)

[SB 1130 PCE Letter of Support.pdf](#)

Status of 2024 Legislative Session Bills  
As of April 15, 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	Support pending	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

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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.	Passed Assembly.  Awaiting referral to a Senate Policy Committee	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  
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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 (RPS), to include a facility that uses linear generators using RPS eligible fuels.	Set for April 15 hearing in Assembly Committee on Natural Resources  Passed Assembly 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	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).  The CPUC recently

Status of 2024 Legislative Session Bills  
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	the Consumer Price Index for the prior calendar year, beginning January 1, 2016.				proposed a decision to institute a fixed charge of \$24.15 per month with reduced fixed charges for FERA and CARE customers
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.	Awaiting vote on the Assembly Floor  Passed 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 3 years	Referred to Assembly Committee on Appropriations	None	None	

Status of 2024 Legislative Session Bills  
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	after ceasing to be a member of the commission.	Passed Assembly Committee on Utilities & Energy			
AB 2513 (Pellerin)  Gas Stoves and Ranges: Warning Label	This bill would prohibit a person from selling, attempting to sell, or offering to sell to a consumer in this state a gas stove, as defined, that is manufactured on or after January 1, 2025, unless the gas stove bears a label that sets forth a specified statement relating to air pollutants that can be released by gas stoves and that is attached to the gas stove in a conspicuous location.	Set for April 23 Hearing in Assembly Committee on Environmental Safety & Toxic Materials	Support Pending	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.	Set for April 17 Hearing in Assembly Committee on Utilities & Energy	None	None	
AB 2666 (Boerner)  Public Utilities: Rate of Return	This bill would require the commission, if it determines that an electrical corporation or a gas corporation has received revenues from its ratepayers that are in excess of its approved rate of return for a prior year, to require the electrical corporation or gas corporation to refund those excessive revenues from the prior year to its ratepayers.	Set for April 24 Hearing in Assembly Committee on Utilities & Energy	Support Pending	None	This bill is opposed by the California State Association of Electrical Workers, California State Pipe Trades Council, and Coalition of California Utility Employees



Status of 2024 Legislative Session Bills  
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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 authorize grant funding to be used for the cost to repair or replace an EV charging station. The bill would require the commission to allocate at least 50% of grant funding to low-income communities and disadvantaged communities.	Set for April 15 Hearing in Assembly Committees on Transportation  Also referred to Assembly Committees on Natural Resources	Support Pending	None	
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.	Referred to Assembly Committee on Appropriations  Passed Assembly Committee on Utilities & Energy	Support Pending	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.	Set for April 17 Hearing in Assembly Committee on Utilities & Energy	None	None	
AB 3256 (Irwin)	This bill would require the commission to include, as part of its annual update to the	Referred to Assembly	Support Pending	None	

Status of 2024 Legislative Session Bills  
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Memorandum and Balancing Accounts: Reports to the Legislature	Legislature on the status of its review of balancing accounts, the amount of funds in, and the expenditures from, the memorandum accounts and balancing accounts of each public utility. The bill would require the commission to annually determine if each memorandum account and each balancing account has achieved its intended purpose in the previous year.	Committee on Utilities & Energy			
SB 382 (Becker)  Property Disclosures: Electrical Systems	This bill would, on or after January 1, 2026, require a seller of a single-family residential property to deliver a specified disclosure statement to the prospective buyer regarding the electrical systems of the property.	Awaiting policy committee referral in the Assembly.  Passed Senate Floor.	None	None	
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 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	Set for April 16 Hearing in Senate Committee on Energy, Utilities	None	None	This bill is co-sponsored by TURN and Earthjustice.

Status of 2024 Legislative Session Bills  
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	corporation recovers from ratepayers. The bill 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.	and Communications			
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.	Set for April 16 Hearing in 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	Set for April 16 Hearing in Senate Committee on	None	None	

Status of 2024 Legislative Session Bills  
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	industry would be directly connecting those 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.	Energy, Utilities 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	Support	None	
SB 1130 (Bradford)	Would require the PUC to review each IOU's report to ensure it has sufficiently enrolled	Pending on the Suspense File of the	Support	Support	

Status of 2024 Legislative Session Bills  
As of April 15, 2024  
With Peninsula Clean Energy and CalCCA Adopted Positions

IOU Reports on Family Electric Rate Assistance	eligible households in the FERA program 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.	Senate Committee on Appropriations Passed Senate Committee on Energy, Utilities and Communications			
SB 1305 (Stern)  Virtual Power Plant Procurement Mandate	This bill would require each Investor-Owned Utility (IOU) 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 an IOU pursuant to these provisions to be used to meet the resource adequacy requirements established for the load-serving entity.	Set for April 22 Hearing in Senate Committee on Energy, Utilities and Communications	None	None	
SB 1374 (Becker)  Restoring Self-consumption	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	Set for April 22 Hearing in Senate Committee on Energy, Utilities	None	None	

Status of 2024 Legislative Session Bills  
As of April 15, 2024  
With Peninsula Clean Energy and CalCCA Adopted Positions

Benefits for On-Site Generation	generated) while drastically lowering the value 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.	and Communications			
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San Carlos San Mateo | South San Francisco | Woodside

April 12, 2024

The Honorable Anna Caballero  
Chair, Senate Appropriations Committee  
1021 O St., Ste. 7620  
Sacramento, CA 95814

**Re: SB 1095 (Becker) – SUPPORT**

Dear Senator Caballero,

On behalf of Peninsula Clean Energy Authority (PCE), a community choice aggregator (CCA) serving roughly 800,000 Californians in San Mateo County and Los Banos in Merced County, I write in support of SB 1095 (Becker), which updates code ambiguities to ensure individuals can switch from gas to electric appliances, allowing Californians to opt for cozier and healthier zero-emission homes.

Peninsula Clean Energy is proud to offer its customers rebates and zero-interest loans to install all-electric, zero-emission appliances such as heat pump water heaters and heat pump heating/air conditioning. We are concerned that outdated health and safety codes could prevent or discourage individuals interested in switching from gas to electric appliances. Legal ambiguities or delays in approval of installation from a HOA can potentially add time or costs to the process of replacing appliances. These hurdles could preemptively increase building electrification barriers and costs, particularly for installations requiring a component on the exterior of a home, or for replacements in mobile and multi-family homes.

SB 1095 also cleans up outdated code language inhibiting or delaying building and home electrification under the authority of HCD. It clarifies the authority of individuals to replace gas appliances with electric appliances in mobile and manufactured homes, that provisions regarding the right to the original construction materials of a building does not supersede local jurisdictional policies requiring gas to electric appliances switches and provides the HCD authority to update its regulations.

We are pleased to support SB 1095 and we thank Senator Becker for authoring this important piece of legislation. We respectfully request your aye vote on SB 1095.

Sincerely,

Marc Hershman  
Director of Government Affairs

cc: The Honorable Members of the Senate Appropriations Committee  
The Honorable Josh Becker

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





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April 12, 2024

The Honorable Anna Caballero  
Chair, Senate Appropriations Committee  
1021 O St., Ste. 7620  
Sacramento, CA 95814

**Re: SB 1130 (Bradford) – SUPPORT**

Dear Senator Caballero,

On behalf of Peninsula Clean Energy Authority (PCE), a community choice aggregator (CCA) serving roughly 800,000 Californians in San Mateo County and Los Banos in Merced County, I write in support of SB 1130 (Bradford), which expands eligibility for the Family Electric Rate Assistance (FERA) program to households with fewer than three members and requires the investor-owned utilities (IOUs) and the California Public Utilities Commission (CPUC) to work together to ensure the enrollment of eligible households.

Electric utility rates have seen considerable increases over the past few years and Californians are now facing the highest rates in the country. Low-income Californians are struggling to afford the rising cost of electricity despite the assistance provided by the California Alternate Rates for Energy (CARE) program and FERA. Recent analyses show that FERA is largely undersubscribed, and SB 1130 will help to enroll more eligible customers into the FERA program, which will alleviate the cost burden for low-income customers of the IOUs. The bill would require the IOUs to report on their efforts to enroll customers in the FERA program, have the CPUC assess the IOUs' efforts, and if the CPUC determines the IOUs' efforts have been insufficient then the IOUs would be ordered to develop a strategy to increase enrollment.

The bill would also remove FERA's current eligibility limitation to those households of three or more persons and open the program up to those households with annual gross income levels between 200 percent and 250 percent of the federal poverty guideline level. This will enable more households who have less financial means to enroll in FERA and receive rate relief.

We are pleased to support SB 1130 and we thank Senator Bradford for authoring this important piece of legislation. We respectfully request your aye vote on SB 1130.

Sincerely,

Marc Hershman  
Director of Government Affairs

cc: The Honorable Members of the Senate Appropriations Committee  
The Honorable Steven Bradford

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## COMMONLY USED ACRONYMS AND KEY TERMS

AB xx – Assembly Bill xx  
ALJ – Administrative Law Judge  
AMP - Arrears Management Plans  
Apple Valley Choice Energy  
AQM – Air Quality Management  
Ava – Formally East Bay Community Energy  
BAAQMD – Bay Area Air Quality Management District  
BLPTA – Buyer Liability Pass Through Agreement  
CAC – Citizens Advisory Committee  
CAISO – California Independent System Operator  
CalCCA – California Community Choice Association  
CAM – Cost Allocation Mechanism  
CAP – Climate Action Plan  
CAPP – California Arrearage Payment Program  
CARB – California Air Resources Board, or California ARB  
CARE - California Alternative Rates for Energy Program  
CBA – California Balancing Authority  
3CE- Central Coast Community Energy (Formerly Monterey Bay Community Power-MBCP)  
CCA – Community Choice Aggregation (aka Community Choice Programs (CCP) or  
CCE – Community Choice Energy (CCE)  
CCCFA – California Community Choice Financing Authority  
CC Power – California Community Power  
CEC – California Energy Commission  
Clean Energy Alliance – CCA in  
CPA – Clean Power Alliance  
Clean Power SF  
CPP - Critical Peak Pricing  
CPSF – Clean Power San Francisco  
CPUC – California Public Utility Commission (Regulator for state utilities) (Also PUC)  
CSD – California Department of Community Services and Development  
CSGT - Community Solar Green Tariff  
Customer Centricity - culture, framework and business strategy based on providing a positive customer experience and building long-term relationships  
DA – Direct Access  
DAC-GT - Disadvantaged Communities Green Tariff  
DER – Distributed Energy Resources  
Desert Community Energy  
DG – Distributed Generation  
DOE – Department of Energy  
DR – Demand Response  
DRP – Demand Response Provider  
DRP/IDER – Distribution Resources Planning / Integrated Distributed Energy Resources  
EBCE – East Bay Community Energy now known as Ava Community Energy  
ECOplus – PCE’s default electricity product, 50% renewable and 50% carbon-free (in 2021)  
ECO100 – PCE’s 100% renewable energy product

EDR – Economic Development Rate  
 EE – Energy Efficiency  
 EEI – Edison Electric Institute; Standard contract to procure energy & RA  
 EIR – Environmental Impact Report  
 ELCC – Effective Load Carrying Capability  
 EPIC – Energy for Palmdale’s independent Choice  
 ESP – Electric Service Provider  
 ESS – Energy Storage Systems  
 ESSA – Energy Storage Services Agreement  
 ERRA – Energy Resource Recovery Account  
 EV – Electric Vehicle  
 EVSE – Electric Vehicle Supply Equipment (Charging Station)  
 FERA- Family Electric Rate Assistance Program  
 FERC – Federal Energy Regulatory Commission  
 FFS – Franchise Fee Surcharge  
 GHG – Greenhouse gas  
 GHG-Free – Greenhouse gas free  
 GTSR – Green Tariff Shared Renewables  
 GWh – Gigawatt Hours (Energy) = 1000 MWh  
 Heavy Duty Vehicle – large vehicles such as busses and long-haul trucks  
 HPWH – Heat Pump Water Heater  
 HP HVAC – Heat Pump Heating, Ventilation, and Air Conditioning  
 HR xx – House of Representatives Bill xx  
 IDER – Integrated Distributed Energy Resources  
 IGFC – Income Graduated Fixed Charge  
 IOU – Investor-Owned Utility (e.g. PG&E, SCE, SDG&E)  
 IJJA – Infrastructure Investment and Jobs Act  
 IRA – Inflation Reduction Act  
 IRP – Integrated Resource Plan  
 IVR – Interactive Voice Response  
 ITC – Investment Tax Credit (it’s a solar tax credit)  
 JCC – Joint Cost Comparison  
 JPA – Joint Powers Authority  
 JRC – Joint Rate Comparison  
 JRM – Joint Rate Mailer  
 kW – kilowatt (Power)  
 kWh – Kilowatt-hour (Energy)  
 Lancaster Energy  
 Light Duty Vehicle - passenger vehicles such as cars and small pickup trucks  
 LDS – Long Duration Storage  
 LDES – Long Duration Energy Storage  
 LIHEAP- Low Income Home Energy Assistance Program  
 Load Shaping – changing when grid energy is used  
 LSE – Load Serving Entity  
 MCE – Marin Clean Energy  
 Methane Gas - formerly known as ‘natural gas’  
 Microgrid – building or community energy system  
 Mid Duty Vehicle – vehicles such as passenger vans  
 MW – Megawatt (Power) = 1000 kW  
 MWh – Megawatt-hour (Energy) = 1000 kWh

MTR – Mid-Term Reliability  
 MUD – Multi-unit Dwelling  
 NBCs – non-bypassable charges  
 NBT – Net Billing Tariff  
 NEM – Net Energy Metering  
 NERC – North American Electric Reliability Corporation  
 NDA – Non-Disclosure Agreement  
 NG – Natural Gas  
 OBF – On-bill Financing  
 OBR – On-bill Repayment  
 OCPA – Orange County Power Authority  
 OES – Office of Emergency Services  
 OIR – Order Instituting Rulemaking  
 PACE – Property Assessed Clean Energy  
 PCC – Portfolio Content Category (aka “buckets”) – categories for RPS compliance  
 PCC1 – Portfolio Content Category 1 REC (also called bucket 1 REC)  
 PCC2 – Portfolio Content Category 2 REC (also called bucket 2 REC)  
 PCC3 – Portfolio Content Category 3 REC (also called bucket 3 REC or unbundled REC)  
 PCEA – Peninsula Clean Energy Authority  
 PCIA – Power Charge Indifference Adjustment  
 PCL – Power Content Label  
 Pioneer Community Energy  
 PLA – Project Labor Agreement  
 POU – Publicly Owned Utility  
 Pomona Choice Energy  
 PPA – Power Purchase Agreement  
 PPSA – Project Participation Share Agreement (CC Power)  
 PRIME – Pico Rivera innovative Municipal Energy  
 PSPS – Public Safety Power Shutoff  
 PV – Photovoltaics (solar panels)  
 Rancho Mirage Energy Authority  
 RA – Resource Adequacy  
 RE – Renewable Energy  
 REC – Renewable Energy Credit/Certificate  
 Redwood Coast Energy Authority  
 RICAPS - Regionally Integrated Climate Action Planning Suite  
 RPS – California Renewable Portfolio Standard  
 S xx – US Senate Bill xx  
 SB xx – CA Senate Bill xx  
 Santa Barbara Clean Energy  
 SBP – Solar Billing Plan  
 SCP – Sonoma Clean Power  
 SDCP – San Diego Community Power  
 SJCE – San Jose Clean Energy  
 San Jacinto Power  
 SJVAPCD - San Joaquin Valley Air Pollution Control District  
 SMD – Share My Data, interval meter data  
 SQMD – Settlement Quality Meter Data  
 SVCE – Silicon Valley Clean Energy  
 TOB – Tariff on Bill

TOU Rates – Time of Use Rates

Valley Clean Energy

VGI – Vehicle-Grid Integration

V2G – Vehicle-to-Grid

VPP – Virtual Power Plant

WECC – Western Energy Coordinating Council

WREGIS – Western Renewable Energy Generation Information System

WSPP – Western Systems Power Pool; standard contract to procure energy and RA

WWGPI - West-Wide Governance Pathways Initiative