



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

**Regular Meeting of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
AGENDA**

**Monday, September 9, 2024
10:00 am**

PLEASE NOTE: This meeting will be held in a hybrid format with both in-person and Zoom participation options for members of the public; Board members shall appear in person.

In-Person Meeting Location:
PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**

Zoom, Virtual Meeting Link: <https://pencleanenergy.zoom.us/j/83252507093>
Meeting ID: 832-5250-7093 Passcode: 2075 Phone: +1 (669) 444-9171

This meeting of the Peninsula Clean Energy Executive Committee will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Committee are expected to attend the meeting in person** and should reach out to Assistant General Counsel for Peninsula Clean Energy, Jennifer Stalzer, with questions or accommodation information (jstalzer@smcgov.org). For information regarding how to participate in the meeting remotely, please refer to the instructions at the end of the agenda. In addition, a video broadcast of the meeting can be viewed at <https://www.peninsulacleanenergy.com/executive-committee> following the meeting.

Public Participation

The PCEA Executive Committee meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/83252507093>. The meeting ID is: 832 5250 7093 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 832 5250 7093, then press #. (Find your local number: <https://pencleanenergy.zoom.us/j/83252507093>). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

Members of the public can also attend this meeting physically at the **Peninsula Clean Energy Lobby** at 2075 Woodside Road, Redwood City, CA 94061.

Written public comments may be emailed to PCEA Board Clerk, Nelly Wogberg (nwogberg@peninsulacleanenergy.com) and such written comments should indicate the specific agenda item on which the member of the public is commenting.

Spoken public comments will be accepted during the meeting in the Board Room(s) or remotely through Zoom at the option of the speaker. Please use the "Raise Your Hand" function in the Zoom platform, or press *6 if you phoned into the meeting, to indicate that you would like to provide comment.

Please note that Peninsula Clean Energy Executive Committee meetings are a limited public forum, and all public comment must relate to something that is within the subject matter jurisdiction of the Committee. If comments do not relate to the subject matter jurisdiction of the Committee, 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 Committee.

ADA Requests

Individuals who require special assistance or a disability related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting, should contact Nelly Wogberg, Board Clerk, by 10:00 a.m. on the day before the meeting at (nwogberg@peninsulacleanenergy.com). Notification in advance of the meeting will enable PCEA to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

Closed Captioning is available for all PCEA Board meetings. While watching the video broadcast in Zoom, please enable captioning.

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

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

PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are not otherwise on this meeting agenda. Public comments on matters listed on the agenda shall be heard at the time the matter is called. Members of the public who wish to address the Committee are customarily limited to two minutes per speaker. The Committee Chair may increase or decrease the time allotted to each speaker.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

1. [Approval of Minutes from the June 10, 2024 Executive Committee Meeting](#)

REGULAR AGENDA

2. Chair Report (Discussion)
3. CEO Report (Discussion)
4. [Recommend Adoption by the Board of Directors Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority \(JPA\) Agreement \(Action\)](#)
5. [Recommend to Board of Directors Approval to Execute a Prepay Transaction \(Action\)](#)
6. [Discussion Regarding the 2025-2030 Diablo Canyon Nuclear Attribute Allocation \(Discussion\)](#)
7. Committee Members' Reports (Discussion)

ADJOURNMENT

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

<https://www.peninsulacleanenergy.com>.

Instructions for Joining a Zoom Meeting via Computer or Phone

Best Practices:

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

Options for Joining

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

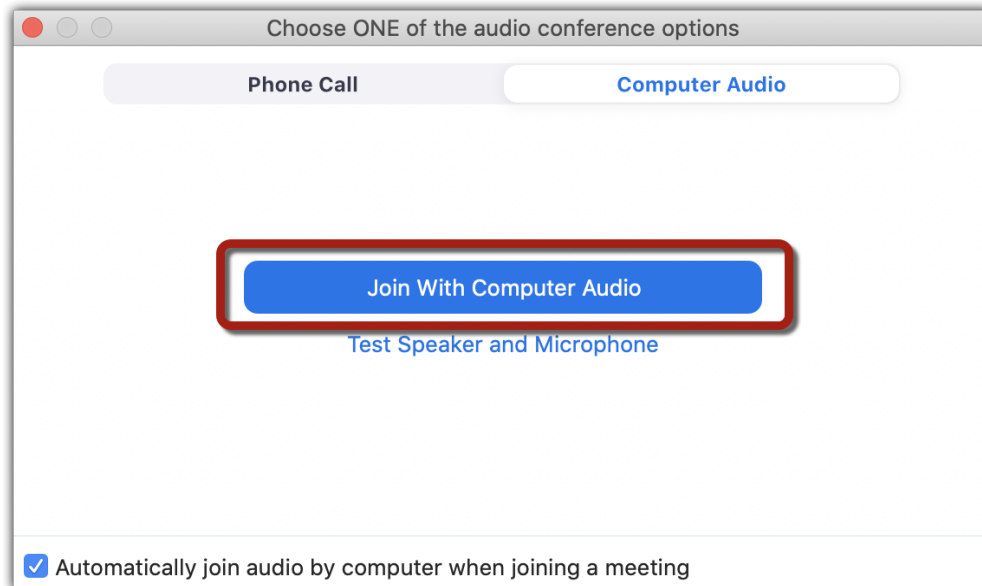
Videoconference Options:

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

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

Option 1 Videoconference with Computer Audio:

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/83252507093>
- The Zoom application will open on its own or you will be instructed to open Zoom.
- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.



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

Option 2 Videoconference with Phone Call Audio

- From your computer, click on the following link that is also included in the meeting calendar invitation: <https://pencleanenergy.zoom.us/j/83252507093>
- The Zoom Application will open on its own or you will be instructed to Open Zoom.

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

Choose ONE of the audio conference options

Phone Call Computer Audio - Connected

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Meeting ID 857 8570 3368

Participant ID

Passcode 2075

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **832-5250-7093 followed by #.**
- You will be instructed to enter in your participant ID. Your participant ID is unique to you and is what connects your phone number to your Zoom account.
- After a few seconds, your phone audio should be connected to the Zoom application on your computer.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Audio Only Options:

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

Option 3: Calling in via Telephone/Landline:

- Please dial +1 (669) 444-9171.
- You will be instructed to enter the meeting ID: **832-5250-7093 followed by #.**
- You will be instructed to enter your **Participant ID** followed by #. If you do not have a participant ID or do not know it, you can press # to stay on the line.
- You will be instructed to enter the meeting passcode **2075 followed by #.**



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: May 8, 2024

MEETING DATE: September 9, 2024

VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Brianna Arroyo, Interim Board Clerk
SUBJECT: Approval of Minutes from the June 10, 2024 Executive Committee Meeting

RECOMMENDATION

Approve minutes from the June 10, 2024 Executive Committee Meeting

ATTACHMENTS:

[06.10.2024 Draft Minutes.pdf](#)



Regular Meeting of the Executive Committee of the Peninsula Clean Energy Authority (PCEA) Minutes

Monday, June 10, 2024
10:00 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 10:03 a.m. in virtual teleconference and in the Peninsula Clean Energy Authority lobby.

ROLL CALL

Participating:

Dave Pine, San Mateo County
Ray Mueller, San Mateo County
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Chair*
Betsy Nash, Menlo Park
Anders Fung, Millbrae, arrived at 10:04 a.m.
Jeff Aalfs, Portola Valley
Marty Medina, San Bruno, *Vice Chair*

Absent:

Rick Degolia, Atherton

A quorum was established.

PUBLIC COMMENT: None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

Public Comment: None

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

1. Approval of the Minutes for the May 13, 2024 Executive Committee Meeting

MOTION PASSED: 8-0 (Absent: Atherton)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller	X			
Atherton	Director DeGolia				X
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			

Menlo Park	Director Nash	X			
Millbrae	Director Fung				X
Portola Valley	Director Aalfs	X			
San Bruno	Director Medina	X			
	Totals	8			2

REGULAR AGENDA

2. [Chair Report](#)

Donna Colson, gave a chair report to the committee.

3. [CEO Report](#)

Shawn Marshall, Chief Executive Officer, opted out of a CEO report and explained that she will have a full report to share at the Board of Directors Meeting.

4. [Recommend to Board of Directors Approval of the Fiscal Year 2024-2025 Budget \(Action\)](#)

Nick Bijur, Chief Financial officer, gave a presentation detailing the Fiscal Year 2024-2025 Budget.

Public Comment: None

MOTION: [Director Mueller moved, seconded by Vice Chair Medina to Recommend that the full Fiscal Year 2024-2025 Budget be presented to the Board of Directors.](#)

MOTION PASSED: 8-0 (Absent: Atherton)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller	X			
Atherton	Director DeGolia				X
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Portola Valley	Director Aalfs	X			
San Bruno	Director Medina	X			
	Totals	8			1

5. [Discussion of Proposed Updates to Peninsula Clean Energy Rate Tables, Rates, and Adjusting ECO100 Premium \(Discussion\)](#)

[Leslie Brown, Director of Account Services, provided an update on the Proposed Update to the Energy Rate Tables, Rates, and Adjusting ECO100 Premium.](#)

Public Comment: None

6. [Recommend to Board of Directors the Approval of Residential Low-Income Self-Generation Incentive Program \(SGIP\) Assistance Program \(Action\)](#)

Jana Kopyciok-Lande, Associate Director of Strategy and Innovation, presented the Approval of Residential Low-Income Self Generation Incentive Program (SGIP) Assistance Program (Action).

Public Comment: None

MOTION: [Director Aalfs moved, seconded by Director Fung to Approve the Recommendation for the Board of Directors to Approve the Residential Low-Income Self-Generation Incentive Program \(SGIP\) Assistance Program.](#)

MOTION PASSED: 7-0 (Absent: San Mateo County, Atherton)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia				X
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Portola Valley	Director Aalfs	X			
San Bruno	Director Medina	X			
	Totals	7			2

7. [Discussion and Recommend Adoption to the Board of Directors Edits to Peninsula Clean Energy Operating Rules and Regulations: Policy 14, "Delegation of Non-Energy Contracts Commitment and Financial Authority Policy", Policy 15, "Energy Supply Procurement A](#)

Shawn Marshall, Chief Executive Officer, gave a presentation on Edits to Peninsula Clean Energy's Operating Rules and Regulations, in regard to Policy 14, Policy 15, and Policy 16.

Public Comment: None

MOTION: [Director Nash moved, seconded by Director Pine to Accept the Recommendation to Present Updates to Policy 14, 15, and 16 to the Board of Directors.](#)

Motion Passed: 7-0 (Absent: San Mateo County, Atherton)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X

Atherton	Director DeGolia				X
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Portola Valley	Director Aalfs	X			
San Bruno	Director Medina	X			
	Totals	7			2

8. [Discussion and Recommend to the Board of Directors to Approve Administrative Updates to the Peninsula Clean Energy Authority Joint Powers Authority \(JPA\) Agreement \(Action\)](#)

Public Comment: None

MOTION: [Director Mackin moved, seconded by Director Fung to set the Recommendation for the Board of Directors to Approve Administrative Updates to the Peninsula Clean Energy Authority Joint Powers Authority \(JPA\) Agreement.](#)

MOTION PASSED: 7-0 (Absent: San Mateo County, Atherton)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia				X
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Portola Valley	Director Aalfs	X			
San Bruno	Director Medina	X			
	Totals	7			2

9. Committee Members' Reports

Director Colson gave a brief report about Peninsula Clean Energy Staff giving an Electrification Presentation for Burlingame.

ADJOURNMENT

Meeting was adjourned at 11:49 p.m.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: September 6, 2024
MEETING DATE: September 9, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Shawn Marshall, Chief Executive Officer
 Nelly Wogberg, Board Clerk

SUBJECT: Recommend Adoption by the Board of Directors Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority (JPA) Agreement (Action)

RECOMMENDATION

Recommend Adoption by the Board of Directors Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority (JPA) Agreement. (Action)

BACKGROUND

Peninsula Clean Energy's Operating Rules and Regulations are comprised of Board Policies. These policies are updated regularly based on the changing needs of the organization and require Board approval. At the June 27, 2024 Board of Directors meeting, staff recommended - and the Board approved - a number of functional and administrative changes to Policy 16: "Policies and Procedures for Board of Directors, Committees and Advisory Groups" to document best practice operating procedures and ensure functional alignment with PCE's Joint Powers Authority (JPA) Agreement.

Also at the June 27, 2024 Board meeting, the Board approved a number of administrative edits to the second Amendment of PCE's JPA Agreement to ensure alignment with existing Board Policies as noted above. The Board then directed staff to send the proposed JPA amendments to PCE's member agencies for the required 30-day posting and comment period; this occurred on July 17, 2024 and no comments were received. Thus, the third Amended JPA Agreement returned to the Board on August 22, 2024 for formal adoption. During that meeting, the Board requested additional language and edits to section 3.9.1 of the JPA Agreement pertaining to Chair and Vice Chair term limits. These proposed edits to the JPA section 3.9.1 are shown as redline amendments in the attached Third Amended JPA Agreement and related amendments are shown in the attached redline for Policy 16. The Policy 16 amendments also

reflect the addition of a prohibition on revolving door employment and contracting at section 4(f) and as minor clerical amendments to the Attendance Policies at section 4(e).

DISCUSSION

Policy 16 Proposed Edits:

- Amended section 4(a) pertaining to Chair and Vice Chair term limits and procedures (bolded sections added):

1. Chair and Vice-Chair

The Chair and Vice-Chair will be individually elected by the Board for up to two (2) successive one (1) year terms. There shall be a limit of two (2) successive terms held by the Chair or Vice Chair.

In the event that a director is not nominated for election as Chair and/or Vice Chair by the ad hoc nominating committee, or, if for another reason the position(s) will be vacant, the incumbent Chair or Vice Chair may be elected for an additional one (1) year term beyond the two (2) year term described in the first paragraph of this section for a total term of three (3) years. The Board must approve a term extension to three (3) years by a majority vote. However, after a break in service of at least one-year, a member may again serve as Chair.

[Paragraph Unchanged] A member may serve consecutive terms as Vice-Chair and then subsequently serve as Chair. There is a general expectation that Vice-Chairs will serve as Chair following their term as Vice-Chair. However, ultimately, the decision of whom to elect is at the discretion of the Board.

[Paragraph Unchanged] With respect to the process and timing for nomination and election of the Chair and Vice- Chair, every January the Chair will appoint an ad hoc nominating committee made up of between three and five Board members, each of whom has indicated to the Chair an intention not to seek the positions of Chair or Vice-Chair. At the January meeting of the Board, the Chair will inform the Board of the composition of the nominating committee and invite interested members to notify the nominating committee of their desire to serve as either Chair or Vice-Chair. Prior to the February meeting of the Board, the nominating committee shall confer and prepare a recommendation regarding who should serve as Chair and Vice- Chair for that year. At the February Board meeting, that recommendation shall be submitted to the Board and the Board shall take action thereon.

- A new section 4(f) pertaining to a prohibition on revolving door employment and contracting practices:

2. Employment and Contracting Restrictions for Former Board Members

Board members understand that they shall not be current PCE employees or seek and/or gain employment with PCE during their term(s) as a Board member. A former Board member shall not seek and/or gain employment at PCE within the twelve (12) months following the end of their Board service as marked by the Board member's final PCE Board meeting as a Board member.

In the event that PCE desires to contract with a former Board member within twelve (12) months of the end of their term as a Board member such agreement, regardless of not to exceed amount, shall be approved by the majority of the Board.

- Minor “clean-up” language to the previously amended Section 4(e) “Attendance Procedures” (amendments in bold):

3. Attendance Procedures

The PCE Board expects its members to attend Board meetings regularly and consistently. Board members should notify their Alternates and the Board Clerk of any planned absences. If a Member Jurisdiction has more than three (3) absences at Board meetings or three (3) absences at Standing Committee meetings, the Board Chair will direct staff to notify the subject Board member with the intention of resolving the participation issue. **If there is a further absence by the Board member the Board Chair** will direct staff to send a letter to the city manager, mayor, and city council with a request to designate a replacement.

Third Amended JPA Agreement Proposed Edits:

- Amend section 3.9.1 pertaining to Officer Term Limits:
- Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. **The term of office for and term limits of the Chair and Vice Chair shall be set forth in the policies and procedures established by the** The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

(a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or

(b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

FISCAL IMPACT

None

ATTACHMENTS:

[Policy 16 - Board and Committee Appointments - Redline 82924.pdf](#)
[JPA - Proposed Third Amended - Redline Third Amendment 3.9.pdf](#)

Policies and Procedures for Board of Directors, Committees, and Advisory Groups

Overview and Purpose

The purpose of these policies and procedures is to provide a set of guidelines through which Peninsula Clean Energy (PCE) Board and Committees conducts their business in a fair, equitable and effective manner. If a provision of these policies or procedures conflicts or is inconsistent with State or Federal law, the State or Federal law shall govern. These rules are intended to enhance public participation and ensure effective committee meetings so that the best possible decisions can be made for Peninsula Clean Energy.

This policy governs the function of various boards and committees of Peninsula Clean Energy including the Board of Directors, the Executive Committee, Audit and Finance Committee, Staff Committees, Ad Hoc Committees, and the Emeritus Advisory Group.

1. Standing Committees

It is the policy of the Board to use standing committees in open and public meetings to conduct PCE business in greater depth than what is possible in the time allotted for Board meetings. The standing committees of PCE are: 1) Executive Committee, 2) Audit and Finance Committee, and 3) Community Advisory Committee. All standing committees are subject to the Brown Act and are conducted in publicly noticed in-person meetings. PCE standing committees are described below and shall be subject to the following procedural rules:

Executive Committee:

As a Standing Board Committee, the role of the PCE Executive Committee is to consider and make recommendations on matters relating to non-routine PCE operational procedures, significant policy matters that may require additional study or feedback before moving to the full Board, and/or matters referred to it by the Board.

The Executive Committee will consist of up to nine members, two of whom will be the Chair and Vice-Chair and up to seven of whom will be separately elected by the Board to serve one-year terms. The Chair of the Board shall also serve as the Chair of the Executive Committee. The Vice-Chair of the Board shall also serve as the Vice-Chair of the Executive Committee. Members of the Executive Committee will not be subject to term limits.

With respect to the process and timing for nomination and election of the Executive Committee, the Chair elected in February will, in consultation with the Vice-Chair, recommend to the Board at its March meeting a slate of up to seven Executive Committee members. The Board will be asked to cast a vote either for or against the entire slate at the March 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. If there is an interim vacancy on the Executive Committee, the Board Chair and Vice Chair are authorized to fill that vacancy until the new slate is approved by the Board.

Audit and Finance Committee:

As a Standing Board Committee, the role of the Board Audit and Finance Committee is to consider and make recommendations on matters referred to it by the Board relating to PCE finance, budget, financial audits, and debt.

The Audit and Finance Committee will consist of up to five members elected by the Board to serve one-year terms. Members of the Audit and Finance Committee will not be subject to term limits.

With respect to the process and timing for nomination and election of the Audit and Finance Committee, the Chair elected in February will, in consultation with the Vice-Chair, recommend to the Board at its March meeting a slate of up to five Audit and Finance Committee members. The Board will be asked to cast a vote either for or against the entire slate at the March Board meeting. In the event the Board does not approve the slate, any Board members may nominate individual members to the Audit and Finance Committee, or the Board may direct the Chair to return at the April Board meeting with a new slate. Annually, the Audit and Finance Committee will elect a Chair and Vice Chair of the Audit and Finance Committee at their first meeting following the election of the slate. If there is an interim vacancy on the Audit and Finance Committee, the Board Chair and Vice Chair are authorized to fill that vacancy until the new slate is approved by the Board.

Community Advisory Committee:

The role of the Community Advisory Committee (CAC) is to advise on substantial public-facing program initiatives before they are presented to the Board of Directors for approval, as practical given timeliness, staff, and CAC capacity. CAC members also engage in outreach to the community and advocate for Peninsula Clean Energy's mission, goals, and programs; advise on high-level legislative and regulatory direction of the organization; provide a forum for community discussions on a wide variety of strategies in conjunction with staff and the Board; and form working groups, as recommended by the CAC membership, to assist Peninsula Clean Energy's staff and Board with projects of importance to the organization.

The Community Advisory Committee will consist of between 11 to 15 members drawn from the community and appointed by the PCE Board. Members might be affiliated with a community group but will not formally represent any particular group on the CAC. CAC members will serve three-year terms. Committee members may serve a total of three terms and serve at the pleasure of the Board.

Please see additional information regarding the Community Advisory Committee on PCE's website at: <https://www.peninsulacleanenergy.com/community-advisory-committee>.

General Standing Committee Requirements:

a. General purpose and function of Committees

The purpose and intent of standing committee meetings is to expedite Board action by providing more thorough and detailed discussion and study of prospective or current Board agenda items with a full and complete airing of all sentiments and expressions of opinion by both the committee and the public. Actions of the standing committee shall be advisory recommendations only, except as to matters expressly delegated to a committee by the Board. If a matter is taken forward to the full Board for approval after receiving a unanimous vote of approval at the committee level, the item may be placed on the Board's Consent Calendar, unless otherwise recommended by the Committee, Chair, General Counsel or Chief Executive Officer.

b. Quorum

A majority of the committee membership shall constitute a meeting quorum.

c. Attendance by Nonmembers

As required by the Brown Act, Board members who are not on a committee may attend the committee meeting but only as an observer; they may not speak in an official capacity or otherwise participate in the committee meeting. If the Board wishes to allow Board members who are not serving on the committee to speak, the meeting should be noticed as a meeting of the full Board, and all Board meeting procedural requirements will apply.

d. Minutes and Report of Committees

PCE staff, generally the Board Clerk, shall be responsible for the preparation and distribution to the Board of the minutes of the Executive and Audit and Finance committee meetings. In addition, a video recording of each meeting shall be posted on the PCE website in case a member of the public would like to watch the full meeting. The minutes of each committee meeting serve as the report to the Board and should be included, as appropriate, in subsequent Board meeting packets.

The CAC Committee Chair, in consultation with PCE staff, shall provide a written or verbal report of CAC meeting content and any action items during the CAC Report segment at the next publicly noticed Board meeting.

e. Committee Agendas

The Chair of each standing committee shall work with staff to prepare the agenda for committee meetings. Items should be scheduled as they are ready, taking into account the time required for staff research and analysis to support committee discussions, the time-sensitivity of particular items, and other factors as determined by staff and the committee chair.

f. Public Participation at Committees

Please see Section 4 for complete details on public participation at Board and Committee meetings.

Please note that Peninsula Clean Energy meetings are a limited public forum, and all public comment must relate to something that is on the agenda or within the subject matter jurisdiction of the Board and Agency. If comments do not relate to the agenda or subject matter jurisdiction of the Board and Agency, 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 meeting agenda or subject matter jurisdiction of the Board and Agency.

g. New Standing Committees

The Board may establish new standing committees as needed.

2. Board Ad Hoc Committees and Staff-Led Committees

The Board of Directors may create Ad Hoc Committees on a limited basis and subject matter when necessary to study PCE business in greater depth than what is possible in the time allotted for Board and Standing Committee meetings. The following rules are intended to clarify the distinction between Standing Committees, Ad Hoc Board Committees, and Staff-Led Subcommittees to establish operating guidelines for such committees:

a. Definition of Ad Hoc Committee

An Ad Hoc Committee of the Board is a temporary advisory committee composed of less than a quorum of Board members or any Standing Committee. The work of an Ad Hoc Committee has a limited or single purpose. An Ad Hoc committee is not intended to be perpetual but rather dissolved once its specific task is completed. By contrast, a Standing Committee has ongoing subject matter jurisdiction over a variety of related topics.

b. Definition of a Staff-Led Committee

A PCE staff-led committee is an informal group focused on a particular PCE topic or function that includes less than a quorum of Board or other standing committee members. It is a non-Brown Act committee staffed by a member of PCE's executive team or PCE

department head that meets periodically and at staff's direction. Staff shall utilize group feedback and/or vet a particular department specific topic. A staff-led subcommittee does not set Agency or Board policy or direction.

c. Brown Act

The procedural requirements of the Brown Act apply to all committees that have either: (a) continuing subject matter jurisdiction over a matter or group of related matters; or (b) a regular meeting schedule set by Board action. All Standing Committees are Brown Act bodies. Ad hoc committees are generally not Brown Act bodies, provided that: 1) they are temporary bodies, formed for the purpose of addressing a limited or single purpose, 2) include only members of Board, and 3) do not have a regular meeting schedule set by Board action. When the Board creates an Ad Hoc committee that is not a Brown Act body, the Board may, at its discretion, direct that the committee follow Brown Act procedures.

d. Creation and Appointment

The Board Chair or the full Board may create an Ad Hoc Committee and appoint less than a quorum of the Board or any Standing Committee to serve. The Chair will publicly announce any Ad Hoc Committee created, its membership, and stated purpose. In contrast, only the Board and not the Chair alone can create an ongoing Standing Committee. Staff-led subcommittees are organized and led by PCE executive and/or director-level staff.

e. Members

Ad Hoc Committees shall consist of less than a quorum of the Board, and shall not include any other persons, including members of other legislative bodies. Staff-led subcommittees shall consist of less than a quorum of the Board and may include others from the CAC or outside the Board as may be warranted.

f. Reporting

Ad Hoc Committees shall report their recommendations to the Board in the timeframe directed by the Board.

g. Termination of Ad Hoc Committee by Majority of the Board

A majority of the Board may vote to terminate any Ad Hoc Committee following placement of the issue on an agenda.

h. Conclusion

A public announcement shall be made any time the Ad Hoc Committee has concluded its work and/or upon dissolution.

3. Emeritus Advisory Group

Staff will maintain a list of interested former Directors or alternates of the PCEA Board of Directors, who have retired from public office, as the Emeritus Advisory Group. These group members will remain connected and engaged to PCEA business through their review of publicly posted Agenda Packets and newsletters. These group members could be called upon by Staff to provide expertise on particular issues/initiatives and to participate in subcommittee meetings on topics such as: outreach, legislative advocacy, technical assistance, teaching, review of staff work product, or any other means by which the Staff or the Community Advisory Committee can reasonably deploy their knowledge, enthusiasm and passion around clean energy advocacy and advancement of the mission of Peninsula Clean Energy Authority.

4. General Procedures for Board of Directors Meetings

The purpose of these guidelines is to facilitate the orderly and efficient conduct of PCE business. This purpose recognizes the value of establishing a community understanding of meeting procedures so that broad public participation is encouraged. This purpose also recognizes that Board members must have a common approach to the discussion and debate of PCE business so that meetings are both streamlined and thorough.

These are guidelines rather than rules. The Board intends that PCE staff and Board members will follow these guidelines; however, these guidelines should not be used in a way that leads to inefficiency, unfairness, or the promotion of form over substance.

In addition to Board-adopted guidelines, State law establishes a variety of mandatory meeting rules that the Board must follow in order to ensure open government and fair process, regardless of unusual situations and consequences. (See Cal. Govt Code section 54950.)

a. Chair and Vice-Chair

The Chair and Vice-Chair will be individually elected by the Board for up to two (2) successive one (1) year terms. There shall be a limit of two (2) successive terms held by the Chair or Vice Chair.

In the event that a director is not nominated for election as Chair and/or Vice Chair by the ad hoc nominating committee, or, if for another reason the position(s) will be vacant, the incumbent Chair or Vice Chair may be elected for an additional one (1) year term beyond the two (2) year term described in the first paragraph of this section for a total term of

three (3) years. The Board must approve a term extension to three (3) years by a majority vote.

~~to serve one-year terms and be subject to term limits as defined by the Peninsula Clean Energy Joint Powers Authority Section 3.9.1, "Selection of Board Officer". A member may serve as Chair for one-year terms for the number of terms specified in the JPA, h~~However, after a break in service of at least one-year, a member may again serve as Chair.

~~The same rules apply to the position of Vice-Chair.~~ A member may serve consecutive terms as Vice-Chair and then subsequently serve as Chair. There is a general expectation that Vice-Chairs will serve as Chair following their term as Vice-Chair. However, ultimately, the decision of whom to elect is at the discretion of the Board.

With respect to the process and timing for nomination and election of the Chair and Vice-Chair, every January the Chair will appoint an ad hoc nominating committee made up of between three and five Board members, each of whom has indicated to the Chair an intention not to seek the positions of Chair or Vice-Chair. At the January meeting of the Board, the Chair will inform the Board of the composition of the nominating committee and invite interested members to notify the nominating committee of their desire to serve as either Chair or Vice-Chair. Prior to the February meeting of the Board, the nominating committee shall confer and prepare a recommendation regarding who should serve as Chair and Vice-Chair for that year. At the February Board meeting, that recommendation shall be submitted to the Board and the Board shall take action thereon.

b. Meeting Schedules, Agendas and Supporting Materials

The Board of Directors generally conducts two different kinds of meetings: regular meetings and special meetings. The PCE Joint Exercise of Powers Authority (the JPA Agreement) provides that the PCE Board of Directors holds at least six regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board.

The Board also schedules periodic special meetings, which are meetings on any day or time other than the regular meeting time. The Board may call a special meeting on a minimum of 24 hours' notice. The Board makes every effort to provide notice well in advance of 24 hours.

c. Posting of Agendas

Under the Brown Act, meeting agendas must be posted no later than 72 hours prior to regular meetings and 24 hours prior to special meetings. Agendas are posted at meeting locations and on the PCE Board web page.

d. Supporting Reports and Materials

It is Board policy to make every effort to provide supporting reports and materials at the time the agenda is posted. Materials that are not available at the time of agenda posting will be distributed as soon as feasible before the meeting. Materials that are distributed to a majority of the Board will be made available to the public at the same time, as required by law. Some materials, such as presentation materials or “supplemental memoranda” may be distributed to Board members and the public at the meeting.

e. Attendance Procedures

The PCE Board expects its members to attend Board meetings regularly and consistently. Board members should notify their Alternates and the Board Clerk of any planned absences. If a Member Jurisdiction has more than three (3) absences at Board meetings or three (3) absences at Standing Committee meetings, the Board Chair will direct staff to notify the subject Board member with the intention of resolving the participation issue. If there is a further absence by the Board member, and with further absence the Board Chair will direct staff to send a letter to the city manager, mayor, and city council with a request to designate a replacement.

f. Revolving Door Policy (Rename as Appropriate) Employment and Contracting Restrictions for Former Board Members

Board members understand that they shall not be current PCE employees nor seek and/or gain employment with PCE during their term(s) as a Board member. A former Board member shall not seek or gain employment at PCE within the twelve (12) months following the end of their Board service as marked by the Board member’s final PCE Board meeting as a Board member.

In the event that PCE desires to contract with a former Board member within twelve (12) months of the end of their term as a Board member such agreement, regardless of not to exceed amount, shall be approved by the majority of the Board.

~~The PCE Board expects its members to attend Board meetings regularly and consistently. Board members should notify their Alternates and the Board Clerk of any planned absences. If a Member Jurisdiction has more than three (3) absences at Board meetings or three (3) absences at Standing Committee meetings, the Board Chair will direct staff~~

~~to notify the subject Board member with the intention of resolving the participation issue, and with further absence will direct staff to send a letter to the city manager, mayor and city council with a request to designate a replacement.~~

e.g. Remote Attendance of Board Members at Board and Standing Committee Meetings

Board members are strongly encouraged to attend meetings in person. State law allows Board members to attend meetings remotely by following the procedures outlined in Government Code Section 54953(b) (“Standard Remote Attendance”) or the procedures outlined in Assembly Bill 2449 (2022) (“AB 2449 Remote Attendance”). For convenience, these procedures are summarized below and are current as of the date of this Policy revision. If state law is subsequently amended, the amended terms of State law will apply.

Board members are encouraged to consult in advance with the Board Clerk and, if needed, PCE’s General Counsel to ensure compliance with all required procedures.

i. Number of Remote Appearances

Standard remote attendance shall be permitted not more than five (5) times a year per legislative body (for example, five times a year for full Board meetings and five additional times a year for each Board committee).

AB 2449 Remote Attendance rules state that no more than two (2) meetings may be attended remotely during a calendar year under AB 2449 for “just cause,” as described below.

ii. General Procedures for Appearing Remotely

Board members must follow mandatory procedures set forth in State law. At any meeting where a Board member is attending remotely, the following requirements must be met:

1. At least a quorum of the Board must participate from a singular physical location within the jurisdiction.
2. The agenda must identify and include an opportunity for the public to attend and directly address the Board member through a call-in option, an internet-based service option, and in-person at the location of the meeting.
3. The Board may not take action if there is an unresolved disruption to the meeting broadcast or to the ability to take call-in or internet-based public comment.

If the above threshold requirements are met, the Board member attending remotely must ensure they follow the procedures associated with either Standard Remote Attendance or AB 2449 Remote Attendance.

iii. Standard Remote Attendance Procedures

A Board member attending remotely using these procedures must ensure that:

1. The meeting agenda identifies the remote attendance location and is posted at that location in an area that is accessible and visible 24 hours a day for at least 72 hours prior to a regular meeting and 24 hours prior to a special meeting.
2. The remote attendance location is open and fully accessible to the public, and fully accessible under the Americans with Disabilities Act, throughout the entire meeting. These requirements apply to private residences, hotel rooms, and similar facilities, all of which must remain fully open and accessible throughout the meeting, without requiring identification or registration.
3. The remote attendance technology used is open and fully accessible to all members of the public, including those with disabilities.
4. Members of the public who attend the meeting at the remote attendance location have the same opportunity to address the Board from the remote location that they would if they were present at the quorum location.
5. The remote attendance location must not require an admission fee or any payment for attendance.
6. If the meeting includes a closed session, the Board Member must ensure that there is a private location available for that portion of the meeting. A private location means a closed room such that no other person can hear any portion of the closed session.
7. A Board member attending remotely must participate through audio and visual technology.

If the Board Member intends to follow the procedures of Standard Remote Attendance but determines that any or all of these requirements cannot be met, he or she shall not participate in the meeting remotely using Standard Remote Attendance procedures.

iv. Standard Remote Attendance Guidelines

1. Five (5) days written notice in advance of the publication of the agenda must be given by the Board member to the Board Clerk about their intent to participate remotely; the notice must include the address at which the remote attendance will occur, and the address the Board packet should be mailed to, if a hard copy is requested.

2. The Board member is responsible for posting the Board agenda in the remote location, or having the agenda posted by somebody at the location and confirming that posting has occurred. The Board Clerk will assist, if necessary, by emailing, faxing or mailing the agenda to whatever address or fax number the Board member requests; however, it is the Board member's responsibility to ensure that the agenda arrives and is posted. If the Board Member needs the assistance of the Board Clerk in delivery of the agenda, the fax number or address must be included in the five-day advance written notice above.
3. The Board Member must ensure that the location will be publicly accessible while the meeting is in progress.
4. The Board Member must state at the beginning of the Board meeting that the posting requirement was met at the location and that the location is publicly accessible and must describe the location.

v. AB 2449 Remote Attendance Procedures

1. In 2022 the Legislature adopted AB 2449, which amended the Brown Act to allow remote participation in certain narrow circumstances (listed below) without publishing the remote location on the meeting agenda and without providing public access from the remote location. AB 2449 will remain in effect until January 1, 2026.
2. Where the requirements of AB 2449 are met, a Board member is not required to follow the standard remote guidelines described above.
3. A Board member may use AB 2449 if the Board member has either "just cause" or "emergency circumstances" that require remote participation, as defined by AB 2449.

A. **"Just cause"** is defined as:

- a childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires remote attendance,
- a contagious illness that prevents in-person attendance,
- a need related to a physical or mental disability which cannot be resolved by a request for reasonable accommodation, or
- travel while on the business of a state or local agency.

A Board member with "just cause" to attend remotely must notify the Board or Board committee and the Board Clerk at the earliest possible opportunity, including at the start of the meeting, of their need to participate remotely and provide a general description of the circumstances.

- B. **“Emergency circumstances”** is defined as a physical or family medical emergency that prevents a Board member from attending the Board meeting in person.

A Board member attending remotely due to “emergency circumstances” must notify the Board or Board committee and the Board Clerk at the earliest possible opportunity.

The Board or Board committee must request a general description of the circumstances relating to the Board member’s need to appear remotely. The description does not need to have more than 20 words, and the Board member does not have to disclose any personal medical information.

At the earliest opportunity available to it, the Board or Board committee must, by a majority vote of its members, take action on the request to approve or disapprove it. If the request does not allow sufficient time to place it on the agenda for the meeting for which the request is made, the legislative body must take action on the request at the beginning of the meeting by majority vote.

- C. **Disclosures.** Board members attending remotely must publicly disclose at the meeting before any action is taken whether any other individuals 18 years of age or older are present in the room at the remote location with the member and the general nature of the member’s relationship with the individual.

- D. **Technology.** Board members attending remotely shall participate using both audio and visual technology.

If the Board member intending to follow the procedures of AB 2449 Remote Attendance determines that any or all of these requirements cannot be met, he or she shall not participate in the meeting remotely using AB 2449 Remote Attendance procedures.

E. **AB 2449 Remote Attendance Sample Scripts**

At the start of the meeting, the Board member attending remotely may use the following language to identify under which provision they are attending remotely:

Just Cause:

“I have just cause to attend this meeting remotely under AB 2449. I have not attended a meeting remotely due to just cause more than once this calendar year. I have attended [NUMBER] meetings remotely this calendar year. I must attend this meeting remotely because...

1. "... I must provide caregiving to [RELATION]."
2. "... a contagious illness prevents me from attending in person."
3. "... I have a need related to a disability which could not be accommodated at this meeting."
4. "... I am travelling while on official business of [STATE OR LOCAL AGENCY]."

"In this room, I am accompanied by...

1. "...no one over the age of 18."
2. "...one or more individuals over the age of 18. They are [RELATION (e.g., my spouse, coworker, medical provider)]."

Emergency Circumstances:

"Due to emergency circumstances, I request to attend this meeting remotely under AB 2449. I have attended [NUMBER] meetings remotely this calendar year. The [PHYSICAL OR FAMILY] medical emergency I am facing requires my remote attendance because [BRIEF DESCRIPTION]."

"In this room, I am accompanied by...

1. "...no one over the age of 18."
2. "...one or more individuals over the age of 18. They are [RELATION (e.g., my spouse, coworker, medical provider)]."

5. How the Public Engages with the Board and Committees

Public Participation During Peninsula Clean Energy meetings

The Board and its Committees welcomes members of the public to participate in meetings through public comment opportunities. It is the policy of the Board to assure that members of the public have the opportunity to speak on any regular or special meeting agenda item before final action. These rules are intended to enhance public participation and Board and Committee debate so that the best possible decisions can be made for PCE and its member agencies. Open government meetings must allow everyone to be heard without fear of cheers or jeers. For these reasons, the Board and Committees take these rules seriously. Disruptive or unruly behavior in violation of the law can result in removal from the Peninsula Clean Energy meeting and/or arrest and prosecution.

a. Access to Meetings

In-Person and Remote Participation - Peninsula Clean Energy meetings are available in person in the locations provided on the agenda and through an online meeting platform. Members of the public are welcome to attend the meeting in person or to join the online meeting platform.

Translators - Speakers may bring a translator as needed and will be allotted additional time, as appropriate.

ADA Access - PCEA makes every reasonable effort to accommodate the needs of the disabled consistent with law. Any provision of these rules may be modified if needed to provide reasonable accommodation. Persons needing assistance should contact: the Board Clerk, at 650-414-1533 (voice) or nelly.wogberg@peninsulacleanenergy.com (email).

If found feasible by staff, members of the public may be given the opportunity to activate their personal video during their public comments.

b. Summary of Rules for Public Participation

Every regular agenda has two different kinds of opportunities for the public to speak. The first is during General Public Comment. The second is during the public comment or public hearing portion of each agenda item.

Please note that Peninsula Clean Energy 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.

c. General Public Comment

This part of the meeting is provided so that the public can speak to any subject that is in the PCE jurisdiction, when there is no item listed on the agenda for that topic. State law does not permit the meeting body to act on or discuss an item raised at that meeting during General Public Comment. Board members shall not enter into debate with speakers but may ask brief clarifying questions and may ask PCE staff to follow up on any concerns raised.

d. Public comment or public hearing portion of each agenda item

The Brown Act requires the opportunity for public comment on all listed agenda items, except ceremonial items, procedural items (Agenda Changes and Deletions) and brief announcements (Chair Report, CAC Report, CEO Report and Board Member Reports). Public comments or testimony must be related to the matter under consideration.

e. Time Limits

The presiding officer (usually the Chair or Vice Chair) may announce the time that each speaker may use. PCE generally allows 2 minutes per speaker, but a shorter time may be designated when there are many speakers, numerous items on the agenda, or items anticipated to be lengthy.

f. Gaining Permission to Speak

Any person who wants to make a spoken public comment on an item on the agenda can do so if they are attending either in person or virtually. Members of the public participating virtually should use the “raise hand” function in the online meeting platform, or if participating via phone, hit *9 to notify the Clerk that they wish to speak. The Clerk will provide the names of the speakers to the Chair or Vice Chair so that the speakers can be identified and organized in an orderly way when the Chair calls for public comment.

g. Public Decorum During Meetings

The presiding officer at PCE meetings (usually the Chair or Vice Chair) is authorized and required to “preserve strict order and decorum.” This is important in order to ensure a fair opportunity for everyone to participate in an open and civil setting.

- i. No person, other than a Board or Committee member and the person having the floor, shall be permitted to speak without the permission of the presiding officer.
- ii. All remarks should be addressed to the Board or Committee as a body and not to any individual member or staff person.
- iii. It is unlawful for any person to: (1) Disrupt the conduct of a meeting; (2) Make threats against any person or against public order and security while in the Board Room.

Any Board or Committee Member may appeal the presiding officer’s decision on a decorum violation to the full Board or Committee. A meeting disruption may lead to a person being removed from the meeting and/or misdemeanor charges pursuant to the California Pe. See Cal. Penal Code Sections 403 and 422.

h. Record of Speakers

- i. Persons wishing to address the Board or Committee within the meeting room, shall use the microphone provided for the public. All public speakers, whether in person or virtual participants shall speak in a recordable tone, either personally or with assistance, if necessary.
- ii. Speakers are requested to state their name but cannot be compelled to do so as a condition of addressing the Board or Committee.

**THIRD AMENDED JOINT EXERCISE OF POWERS AGREEMENT RELATING TO
AND CREATING THE**

PENINSULA CLEAN ENERGY AUTHORITY

This Joint Exercise of Powers Agreement, effective on the date determined by Section 2.1, is made and entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500 et seq.) of the California Government Code relating to the joint exercise of powers among the Parties set forth in Exhibit B, and establishes the Peninsula Clean Energy Authority (“Authority”), is by and between the County of San Mateo (“County”) and those counties, cities and towns within the State of California who become signatories to this Agreement, and relates to the joint exercise of powers among the signatories hereto.

RECITALS

- A. The Parties share various powers under California law, including but not limited to the power to purchase, supply, and aggregate electricity for themselves and customers within their jurisdictions.
- B. In 2006, the State Legislature adopted AB 32, the Global Warming Solutions Act, which mandates a reduction in greenhouse gas emissions in 2020 to 1990 levels. The California Air Resources Board is promulgating regulations to implement AB 32 which will require local governments to develop programs to reduce greenhouse gas emissions.
- C. The purposes for entering into this Agreement include:
 - a. Reducing greenhouse gas emissions related to the use of power in San Mateo County and the State of California;
 - b. Providing electric power and other forms of energy to customers at a competitive cost;
 - c. Carrying out programs to reduce energy consumption;
 - d. Stimulating and sustaining the local economy by developing local jobs in renewable energy; and
 - e. Promoting long-term electric rate stability and energy security and reliability for residents through local control of electric generation resources.
- D. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to solar, wind, and biomass energy production. The purchase of renewable power and greenhouse gas-free energy sources will be the desired approach to decrease regional greenhouse gas emissions and accelerate the State’s transition to clean power resources to the extent feasible. The Agency will also add increasing levels of locally generated renewable

resources as these projects are developed and customer energy needs expand.

- E. The Parties desire to establish a separate public agency, known as the Peninsula Clean Energy Authority, under the provisions of the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 et seq.) (“Act”) in order to collectively study, promote, develop, conduct, operate, and manage energy programs.
- F. The Parties anticipate adopting an ordinance electing to implement through the Authority a common Community Choice Aggregation (CCA) program, an electric service enterprise available to cities and counties pursuant to California Public Utilities Code Sections 331.1(c) and 366.2. The first priority of the Authority will be the consideration of those actions necessary to implement the CCA Program.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Parties as follows:

ARTICLE 1: DEFINITIONS AND EXHIBITS

- 1.1 Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Exhibit A, unless the context requires otherwise.
- 1.2 Documents Included. This Agreement consists of this document and the following exhibits, all of which are hereby incorporated into this Agreement.

- Exhibit A: Definitions
- Exhibit B: List of the Parties
- Exhibit C: Annual Energy Use
- Exhibit D: Voting Shares
- Exhibit E: Signatures

ARTICLE 2: FORMATION OF PENINSULA CLEAN ENERGY AUTHORITY

- 2.1 Effective Date and Term. This Agreement shall become effective and Peninsula Clean Energy Authority shall exist as a separate public agency on February 29, 2016 or when the County of San Mateo and at least two municipalities execute this Agreement, whichever occurs later. The Authority shall provide notice to the Parties of the Effective Date. The Authority shall continue to exist, and this Agreement shall be effective, until this Agreement is terminated in accordance with Section 6.4, subject to the rights of the Parties to withdraw from the Authority.
- 2.2 Formation. There is formed as of the Effective Date a public agency named the Peninsula Clean Energy Authority. Pursuant to Sections 6506 and 6507 of the Act, the Authority is a public agency separate from the Parties. Pursuant to Sections 6508.1 of the Act, the debts, liabilities or

obligations of the Authority shall not be debts, liabilities or obligations of the individual Parties unless the governing board of a Party agrees in writing to assume any of the debts, liabilities or obligations of the Authority. A Party who has not agreed to assume an Authority debt, liability or obligation shall not be responsible in any way for such debt, liability or obligation even if a majority of the Parties agree to assume the debt, liability or obligation of the Authority. Notwithstanding Section 7.4 of this Agreement, this Section 2.2 may not be amended unless such amendment is approved by the governing board of each Party.

2.3 Purpose. The purpose of this Agreement is to establish an independent public agency in order to exercise powers common to each Party to study, promote, develop, conduct, operate, and manage energy, energy efficiency and conservation, and other energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Parties intend for this Agreement to be used as a contractual mechanism by which the Parties are authorized to participate in the CCA Program, as further described in Section 4.1. The Parties intend that other agreements shall define the terms and conditions associated with the implementation of the CCA Program and any other energy programs approved by the Authority.

2.4 Powers. The Authority shall have all powers common to the Parties and such additional powers accorded to it by law. The Authority is authorized, in its own name, to exercise all powers and do all acts necessary and proper to carry out the provisions of this Agreement and fulfill its purposes, including, but not limited to, each of the following powers, subject to the voting requirements set forth in Section 3.7 through 3.7.5:

2.4.1 to make and enter into contracts;

2.4.2 to employ agents and employees, including but not limited to a Chief Executive Officer;

2.4.3 to acquire, contract, manage, maintain, and operate any buildings, infrastructure, works, or improvements;

2.4.4 to acquire property by eminent domain, or otherwise, except as limited under Section 6508 of the Act, and to hold or dispose of any property; however, the Authority shall not exercise the power of eminent domain within the jurisdiction of a Party over its objection without first meeting and conferring in good faith.

2.4.5 to lease any property;

2.4.6 to sue and be sued in its own name;

2.4.7 to incur debts, liabilities, and obligations, including but not limited to loans from private lending sources pursuant to its temporary borrowing powers such as Government Code Sections 53850 et seq. and authority under the Act;

2.4.8 to form subsidiary or independent corporations or entities if necessary, to carry out energy supply and energy conservation programs at the lowest possible cost or to take advantage of legislative or regulatory changes;

2.4.9 to issue revenue bonds and other forms of indebtedness;

2.4.10 to apply for, accept, and receive all licenses, permits, grants, loans or other aids from any federal, state, or local public agency;

2.4.11 to submit documentation and notices, register, and comply with orders, tariffs and agreements for the establishment and implementation of the CCA Program and other energy programs;

2.4.12 to adopt Operating Rules and Regulations; and

2.4.13 to make and enter into service agreements relating to the provision of services necessary to plan, implement, operate and administer the CCA Program and other energy programs, including the acquisition of electric power supply and the provision of retail and regulatory support services.

2.4.14 to permit additional Parties to enter into this Agreement after the Effective Date and to permit another entity authorized to be a community choice aggregator to designate the Authority to act as the community choice aggregator on its behalf.

2.5 Limitation on Powers. As required by Government Code Section 6509, the power of the Authority is subject to the restrictions upon the manner of exercising power possessed by San Mateo County.

2.6 Compliance with Local Zoning and Building Laws and CEQA. Unless state or federal law provides otherwise, any facilities, buildings or structures located, constructed, or caused to be constructed by the Authority within the territory of the Authority shall comply with the General Plan, zoning and building laws of the local jurisdiction within which the facilities, buildings or structures are constructed and comply with the California Environmental Quality Act ("CEQA").

ARTICLE 3: GOVERNANCE AND INTERNAL ORGANIZATION

3.1 Board of Directors. The governing body of the Authority shall be a Board of Directors ("Board"). The Board shall consist of 2 (two) directors appointed by the San Mateo County Board of Supervisors and 1 (one) director appointed by each County, City or Town that becomes a signatory to the Agreement ("Directors"). Each Director shall serve at the pleasure of the governing board of the Party who appointed such Director and may be removed as Director by such governing board at any time. If at any time a vacancy occurs on the Board, a replacement shall be appointed to fill the position of the previous Director within 90 days of the date that such position becomes vacant. Directors must be members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement. Each Party may appoint an alternate(s) to serve in the absence of its Director(s). Alternates may be either (1) members of the Board of Supervisors or members of the governing board of the municipality that is the signatory to this Agreement, or (2) staff members of the County or any such municipality.

3.2 Quorum. A majority of the appointed Directors shall constitute a quorum, except that less

than a quorum may adjourn from time to time in accordance with law.

3.3 Powers and Functions of the Board. The Board shall exercise general governance and oversight over the business and activities of the Authority, consistent with this Agreement and applicable law. The Board shall provide general policy guidance to the CCA Program. Board approval shall be required for any of the following actions:

- 3.3.1 The issuance of bonds or any other financing even if program revenues are expected to pay for such financing.
- 3.3.2 The hiring or termination of the Chief Executive Officer and General Counsel.
- 3.3.3 The appointment or removal of officers described in Section 3.9, subject to Section 3.9.3.
- 3.3.4 The adoption of the Annual Budget.
- 3.3.5 The adoption of an ordinance.
- 3.3.6 The approval of agreements, except as provided by Section 3.4.
- 3.3.7 The initiation or resolution of claims and litigation where the Authority will be the defendant, plaintiff, petitioner, respondent, cross complainant, or cross petitioner, or intervenor; provided, however, that the Chief Executive Officer or General Counsel or by delegation thereof, on behalf of the Authority, may intervene in, become a party to, or file comments with respect to any proceeding pending at the California Public Utilities Commission, the Federal Energy Regulatory Commission, or any other administrative agency, without approval of the Board as long as such action is consistent with any adopted Board policies.
- 3.3.8 The setting of rates for power sold by the Authority and the setting of charges for any other category of service provided by the Authority.
- 3.3.9 Termination of the CCA Program.

3.4 Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer for the Authority, who shall be responsible for the day-to-day operation and management of the Authority and the CCA Program. The Chief Executive Officer may exercise all powers of the Authority, including the power to hire, discipline, and terminate employees as well as the power to approve any agreement if the total amount payable under the agreement is equal to or less than the amount specified in the Operating Rules and Regulations (Policy 14 , “Delegation of Non-Energy Contract Authority”) except for the powers specifically set forth in Section 3.3 or those powers which by law must be exercised by the Board of Directors.

3.5 Commissions, Boards, and Committees. The Board may establish any advisory commissions, boards, and committees as the Board deems appropriate to assist the Board in carrying out its functions and implementing the CCA Program, other energy programs and the provisions of

this Agreement which shall comply with the requirements of the Ralph M. Brown Act. The Board may establish rules, regulations, policies, bylaws or procedures to govern any such commissions, boards, or committees if the Board deems appropriate to appoint such commissions, boards or committees, and shall determine whether members shall be compensated or entitled to reimbursement for expenses.

3.6 Director Compensation. Directors shall serve without compensation from the Authority. However, Directors may be compensated by their respective appointing authorities. The Board, however, may adopt by resolution a policy relating to the reimbursement by the Authority of expenses incurred by Directors.

3.7 Voting In general, as described below in Section 3.7.3, action by the Authority Board will be taken solely by a majority vote of the Directors present. However, as described below in Section 3.7.4, upon request of a Director, a weighted vote by shares will also be conducted. When such a request is made, an action must be approved by both a majority vote of Directors present and a majority of the weighted vote by shares present. No action may be approved solely by a vote by shares. The voting shares of Directors and approval requirements for actions of the Board shall be as follows:

3.7.1. Voting Shares.

Each Director shall have a voting share as determined by the following formula: (Annual Energy Use/Total Annual Energy) multiplied by 100, where:

(a) “Annual Energy Use” means, (i) with respect to the first year following the Effective Date, the annual electricity usage, expressed in kilowatt hours (“kWh”), within the Party’s respective jurisdiction and (ii) with respect to the period after the anniversary of the Effective Date, the annual electricity usage, expressed in kWh, of accounts within a Party’s respective jurisdiction that are served by the Authority; and

(b) “Total Annual Energy” means the sum of all Parties’ Annual Energy Use. The initial values for Annual Energy Use will be designated in Exhibit C, and shall be adjusted annually as soon as reasonably practicable after January 1, but no later than March 1 of each year. These adjustments shall be approved by the Board.

(c) The combined voting share of all Directors representing the County of San Mateo shall be based upon the annual electricity usage within the unincorporated area of San Mateo County.

For the purposes of Weighted Voting, if a Party has more than one director, then the voting shares allocated to the entity shall be equally divided amongst its Directors.

3.7.2. Exhibit Showing Voting Shares. The initial voting shares will be set forth in Exhibit D. Exhibit D shall be revised no less than annually as necessary to account for changes in the number of Parties and changes in the Parties’ Annual Energy Use. Exhibit D and adjustments shall be approved by the Board.

3.7.3. Approval Requirements Relating to CCA Program. Except as provided in Sections 3.7.4 and 3.7.5 below, action of the Board shall require the affirmative vote of a majority of Directors present at the meeting.

3.7.4. Option for Approval by Voting Shares. Notwithstanding Section 3.7.3, any Director present at a meeting may demand that approval of any matter related to the CCA Program be determined on the basis of both voting shares and by the affirmative vote of a majority of Directors present at the meeting. If a Director makes such a demand with respect to approval of any such matter, then approval of such matter shall require the affirmative vote of a majority of Directors present at the meeting and the affirmative vote of Directors having a majority of voting shares present, as determined by Section 3.7.1 except as provided in Section 3.7.5.

3.7.5. Special Voting Requirements for Certain Matters.

(a) Two-Thirds and Weighted Voting Approval Requirements Relating to Sections 6.2 and 7.4. Action of the Board on the matters set forth in Section 6.2 (involuntary termination of a Party), or Section 7.4 (amendment of this Agreement) shall require the affirmative vote of at least two-thirds of Directors present; provided, however, that (i) notwithstanding the foregoing, any Director present at the meeting may demand that the vote be determined on the basis of both voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require the affirmative vote of both at least two-thirds of Directors present and the affirmative vote of Directors having at least two-thirds of the voting shares present, as determined by Section 3.7.1; (ii) but, at least two Parties must vote against a matter for the vote to fail; and (iii) for votes to involuntarily terminate a Party under Section 6.2, the Director(s) for the Party subject to involuntary termination may not vote, and the number of Directors constituting two-thirds of all Directors, and the weighted vote of each Party shall be recalculated as if the Party subject to possible termination were not a Party.

(b) Seventy Five Percent Special Voting Requirements for Eminent Domain and Contributions or Pledge of Assets.

(i) A decision to exercise the power of eminent domain on behalf of the Authority to acquire any property interest other than an easement, right-of-way, or temporary construction easement shall require a vote of at least 75% of all Directors.

(ii) The imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program shall require a vote of at least 75% of all Directors and the approval of the governing boards of the Parties who are being asked to make such contribution or pledge.

(iii) Notwithstanding the foregoing, any Director present at the meeting may demand that a vote under subsections (i) or (ii) be determined on the basis of voting shares and by the affirmative vote of Directors, and if a Director makes such a demand, then approval shall require both the affirmative vote of at least 75% of

Directors present and the affirmative vote of Directors having at least 75% of the voting shares present, as determined by Section 3.7.1, but at least two Parties must vote against a matter for the vote to fail. For purposes of this section, “imposition on any Party of any obligation to make contributions or pledge assets as a condition of continued participation in the CCA Program” does not include any obligations of a withdrawing or terminated party imposed under Section 6.3.

3.8 Meetings and Special Meetings of the Board. The Board shall hold at least six regular meetings per year, but the Board may provide for the holding of regular meetings at more frequent intervals. The date, hour and place of each regular meeting shall be fixed by resolution or ordinance of the Board. Regular meetings may be adjourned to another meeting time. Special and Emergency Meetings of the Board may be called in accordance with the provisions of California Government Code Sections 54956 and 54956.5. Directors may participate in meetings telephonically, with full voting rights, only to the extent permitted by law. All meetings shall be conducted in accordance with the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.).

3.9 Selection of Board Officers.

3.9.1 Chair and Vice Chair. The Directors shall select, from among themselves, a Chair, who shall be the presiding officer of all Board meetings, and a Vice Chair, who shall serve in the absence of the Chair. The term of office for and term limits of the Chair and Vice Chair shall be set forth in the policies and procedures established by the Board. The office of either the Chair or Vice Chair shall be declared vacant and a new selection shall be made if:

- (a) the person serving dies, resigns, or the Party that the person represents removes the person as its representative on the Board or
- (b) the Party that he or she represents withdraws from the Authority pursuant to the provisions of this Agreement.

3.9.2 Secretary. The Board shall appoint a Secretary, who need not be a member of the Board, who shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority.

3.9.3 Treasurer and Auditor. The Chief Financial Officer shall, among other duties, act as the Treasurer for the Authority. Unless otherwise exempted from such requirement, the Authority shall cause an independent audit to be made by a certified public accountant, or public accountant, in compliance with Section 6505 of the Act. The Treasurer shall act as the depository of the Authority and have custody of all the money of the Authority, from whatever source, and as such, shall have all of the duties and responsibilities specified in Section 6505.5 of the Act. The Treasurer shall report directly to the Board and shall comply with the requirements of treasurers of incorporated municipalities. The Board may transfer the responsibilities of Treasurer to any person or entity as the law may provide at the time. The duties and obligations of the Treasurer are further specified in Article 5.

3.10 Administrative Services Provider. The Board may appoint one or more administrative

services providers to serve as the Authority's agent for planning, implementing, operating and administering the CCA Program, and any other program approved by the Board, in accordance with the provisions of an Administrative Services Agreement. The appointed administrative services provider may be one of the Parties. An Administrative Services Agreement shall set forth the terms and conditions by which the appointed administrative services provider shall perform or cause to be performed all tasks necessary for planning, implementing, operating and administering the CCA Program and other approved programs. The Administrative Services Agreement shall set forth the term of the Agreement and the circumstances under which the Administrative Services Agreement may be terminated by the Authority. This section shall not in any way be construed to limit the discretion of the Authority to hire its own employees to administer the CCA Program or any other program.

ARTICLE 4: IMPLEMENTATION ACTION AND AUTHORITY DOCUMENTS

4.1 Preliminary Implementation of the CCA Program.

4.1.1 Enabling Ordinance. To be eligible to participate in the CCA Program, each Party must adopt an ordinance in accordance with Public Utilities Code Section 366.2(c)(12) for the purpose of specifying that the Party intends to implement a CCA Program by and through its participation in the Authority.

4.1.2 Implementation Plan. The Authority shall cause to be prepared an Implementation Plan meeting the requirements of Public Utilities Code Section 366.2 and any applicable Public Utilities Commission regulations as soon after the Effective Date as reasonably practicable. The Implementation Plan shall not be filed with the Public Utilities Commission until it is approved by the Board in the manner provided by Section 3.7.3.

4.1.3 Termination of CCA Program. Nothing contained in this Article or this Agreement shall be construed to limit the discretion of the Authority to terminate the implementation or operation of the CCA Program at any time in accordance with any applicable requirements of state law.

4.2 Authority Documents. The Parties acknowledge and agree that the affairs of the Authority will be implemented through various documents duly adopted by the Board through Board resolution. The Parties agree to abide by and comply with the terms and conditions of all such documents that may be adopted by the Board, subject to the Parties' right to withdraw from the Authority as described in Article 6.

4.3 Addition of Parties. Other incorporated municipalities and counties may become Parties subject to all applicable terms of this Agreement, including but not limited to those in Article 6, upon (a) the adoption of a resolution by the governing body of such incorporated municipality or such county requesting that the incorporated municipality or county, as the case may be, become a member of the Authority, (b) the adoption, by an affirmative vote of the Board satisfying the requirements described in Section 3.7, of a resolution authorizing membership of the additional incorporated municipality or county, specifying the membership payment, if any, to be made by the additional incorporated municipality or county to reflect its pro rata share of organizational, planning and other

pre-existing expenditures, and describing additional conditions, if any, associated with membership, (c) the adoption of an ordinance required by Public Utilities Code Section 366.2(c)(12) and execution of this Agreement and other necessary program agreements by the incorporated municipality or county as required by the Board, (d) payment of the membership payment, if any, and (e) satisfaction of any conditions established by the Board. __

4.3.1 Continuing Participation. The Parties acknowledge that membership in the Authority may change by the addition and/or withdrawal or termination of Parties. The Parties agree to participate with such other Parties as may later be added, as described in Section 4.3. The Parties also agree that the withdrawal or termination of a Party shall not affect this Agreement or the remaining Parties' continuing obligations under this Agreement.

4.3.2 Termination by Additional Parties. In addition to any financial obligations under Article 6, and in the events that the Board does not require a membership payment to reflect the additional party's pro rata share of organizational planning and other pre-existing expenditures as allowed by Section 4.3(b) and the additional party withdraws its membership in the Authority within the first five years of becoming a party, the party shall be obligated to reimburse the Authority for all the costs related to the cost of launch, including but not limited to the costs of updating the Implementation Plan and mailings to party's accounts.

ARTICLE 5: FINANCIAL PROVISIONS

5.1 Fiscal Year. The Authority's fiscal year shall be 12 months commencing July 1 or the date selected by the Agency and ending June 30. The fiscal year may be changed by Board resolution.

5.2 Depository.

5.2.1 All funds of the Authority shall be held in separate accounts in the name of the Authority and not commingled with funds of any Party or any other person or entity.

5.2.2 All funds of the Authority shall be strictly and separately accounted for, and regular reports shall be rendered of all receipts and disbursements, at least quarterly during the fiscal year. The books and records of the Authority shall be open to inspection by the Parties at all reasonable times. The Board shall contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of the Authority, which shall be conducted in accordance with the requirements of Section 6505 of the Act.

5.2.3 All expenditures shall be made in accordance with the approved budget and upon the approval of any officer so authorized by the Board in accordance with its Operating Rules and Regulations. The Treasurer shall draw checks or warrants or make payments by other means for claims or disbursements not within an applicable budget only upon the prior approval of the Board.

5.3 Budget and Recovery of Costs.

5.3.1 Budget. The annual budget shall be approved by the Board. Staff shall report to the Board quarterly budget results and any significant budget variances. The Board may revise the budget as needed to address any significant changes and/or unexpected expenses incurred.

5.3.2 Funding of Initial Costs. The County of San Mateo has funded certain activities necessary to implement the CCA Program. If the CCA Program becomes operational, these Initial Costs paid by the County of San Mateo shall be included in the customer charges for electric services as provided by Section 5.3.3 to the extent permitted by law, and the County of San Mateo shall be reimbursed from the payment of such charges by customers of the Authority. Prior to such reimbursement, the County of San Mateo shall provide such documentation of costs paid as the Board may request. The Authority may establish a reasonable time period over which such costs are recovered. In the event that the CCA Program does not become operational, the County of San Mateo shall not be entitled to any reimbursement of the Initial Costs it has paid from the Authority or any Party.

5.3.3 CCA Program Costs. The Parties desire that all costs incurred by the Authority that are directly or indirectly attributable to the provision of electric, conservation, efficiency, incentives, financing, or other services provided under the CCA Program, including but not limited to the establishment and maintenance of various reserves and performance funds and administrative, accounting, legal, consulting, and other similar costs, shall be recovered through charges to CCA customers receiving such electric services, or from revenues from grants or other third-party sources.

ARTICLE 6: WITHDRAWAL AND TERMINATION

6.1 Withdrawal.

6.1.1 Right to Withdraw. A Party may withdraw its participation in the CCA Program, effective as of the beginning of the Authority's fiscal year, by giving no less than 12 months advance written notice of its election to do so, which notice shall be given to the Authority and each Party. Withdrawal of a Party shall require an affirmative vote of the Party's governing board.

6.1.2 Right to Withdraw After Amendment. Notwithstanding Section 6.1.1, a Party may withdraw its membership in the Authority following an amendment to this Agreement adopted by the Board which the Party's Director(s) voted against provided such notice is given in writing within thirty (30) days following the date of the vote. Withdrawal of a Party shall require an affirmative vote of the Party's governing board and shall not be subject to the twelve month advance notice provided in Section 6.1.1. In the event of such withdrawal, the Party shall be subject to the provisions of Section 6.3.

6.1.3 The Right to Withdraw Prior to Program Launch. After receiving bids from power suppliers, the Authority must provide to the Parties the report from the electrical utility consultant retained by the Authority that compares the total estimated electrical rates that

the Authority will be charging to customers as well as the estimated greenhouse gas emissions rate and the amount of estimated renewable energy used with that of the incumbent utility. If the report provides that the Authority is unable to provide total electrical rates, as part of its baseline offering, to the customers that are equal to or lower than the incumbent utility or to provide power in a manner that has a lower greenhouse gas emissions rate or uses more renewable energy than the incumbent utility, a Party may immediately withdraw its membership in the Authority without any financial obligation, as long as the Party provides written notice of its intent to withdraw to the Authority Board no more than fifteen days after receiving the report.

6.1.4 Continuing Financial Obligation; Further Assurances. Except as provided by Section 6.1.3, a Party that withdraws its participation in the CCA Program may be subject to certain continuing financial obligations, as described in Section 6.3. Each withdrawing Party and the Authority shall execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, as determined by the Board, to effectuate the orderly withdrawal of such Party from participation in the CCA Program.

6.2 Involuntary Termination of a Party. Participation of a Party in the CCA program may be terminated for material non-compliance with provisions of this Agreement or any other agreement relating to the Party's participation in the CCA Program upon a vote of Board members as provided in Section 3.7.5. Prior to any vote to terminate participation with respect to a Party, written notice of the proposed termination and the reason(s) for such termination shall be delivered to the Party whose termination is proposed at least 30 days prior to the regular Board meeting at which such matter shall first be discussed as an agenda item. The written notice of proposed termination shall specify the particular provisions of this Agreement or other agreement that the Party has allegedly violated. The Party subject to possible termination shall have the opportunity at the next regular Board meeting to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote regarding termination. A Party that has had its participation in the CCA Program terminated may be subject to certain continuing liabilities, as described in Section 6.3.

6.3 Continuing Financial Obligations; Refund. Except as provided by Section 6.1.3, upon a withdrawal or involuntary termination of a Party, the Party shall remain responsible for any claims, demands, damages, or other financial obligations arising from the Party membership or participation in the CCA Program through the date of its withdrawal or involuntary termination, it being agreed that the Party shall not be responsible for any financial obligations arising after the date of the Party's withdrawal or involuntary termination. Claims, demands, damages, or other financial obligations for which a withdrawing or terminated Party may remain liable include, but are not limited to, losses from the resale of power contracted for by the Authority to serve the Party's load. With respect to such financial obligations, upon notice by a Party that it wishes to withdraw from the CCA Program, the Authority shall notify the Party of the minimum waiting period under which the Party would have no costs for withdrawal if the Party agrees to stay in the CCA Program for such period. The waiting period will be set to the minimum duration such that there are no costs transferred to remaining ratepayers. If the Party elects to withdraw before the end of the minimum waiting period, the charge for exiting shall be set at a dollar amount that would offset actual costs to the remaining ratepayers, and may not include punitive charges that exceed actual costs. In addition, such Party shall also be responsible for any costs or obligations associated with the Party's participation in any program in accordance with the provisions of any agreements relating to such program provided such costs or

obligations were incurred prior to the withdrawal of the Party. The Authority may withhold funds otherwise owing to the Party or may require the Party to deposit sufficient funds with the Authority, as reasonably determined by the Authority and approved by a vote of the Board of Directors, to cover the Party's financial obligations for the costs described above. Any amount of the Party's funds held on deposit with the Authority above that which is required to pay any financial obligations shall be returned to the Party. The liability of any Party under this section 6.3 is subject and subordinate to the provisions of Section 2.2, and nothing in this section 6.3 shall reduce, impair, or eliminate any immunity from liability provided by Section 2.2.

6.4 Mutual Termination. This Agreement may be terminated by mutual agreement of all the Parties; provided, however, the foregoing shall not be construed as limiting the rights of a Party to withdraw its participation in the CCA Program, as described in Section 6.1.

6.5 Disposition of Property upon Termination of Authority. Upon termination of this Agreement, any surplus money or assets in possession of the Authority for use under this Agreement, after payment of all liabilities, costs, expenses, and charges incurred under this Agreement and under any program documents, shall be returned to the then-existing Parties in proportion to the contributions made by each.

ARTICLE 7: MISCELLANEOUS PROVISIONS

7.1 Dispute Resolution. The Parties and the Authority shall make reasonable efforts to informally settle all disputes arising out of or in connection with this Agreement. Should such informal efforts to settle a dispute, after reasonable efforts, fail, the dispute shall be mediated in accordance with policies and procedures established by the Board.

7.2 Liability of Directors, Officers, and Employees. The Directors, officers, and employees of the Authority shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former Director, officer, or employee will be responsible for any act or omission by another Director, officer, or employee. The Authority shall defend, indemnify and hold harmless the individual current and former Directors, officers, and employees for any acts or omissions in the scope of their employment or duties in the manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the Authority, or its Directors, officers, or employees.

7.3 Indemnification of Parties. The Authority shall acquire such insurance coverage as is necessary to protect the interests of the Authority, the Parties, and the public. The Authority shall defend, indemnify, and hold harmless the Parties and each of their respective Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the Authority under this Agreement.

7.4 Amendment of this Agreement. This Agreement may not be amended except by a written amendment approved by a vote of Board members as provided in Section 3.7.5. The Authority shall provide written notice to all Parties of amendments to this Agreement, including the effective date

of such amendments, at least 30 days prior to the date upon which the Board votes on such amendments.

7.5 Assignment. Except as otherwise expressly provided in this Agreement, the rights and duties of the Parties may not be assigned or delegated without the advance written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this Section 7.5 shall be null and void. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties. This Section 7.5 does not prohibit a Party from entering into an independent agreement with another agency, person, or entity regarding the financing of that Party's contributions to the Authority, or the disposition of proceeds which that Party receives under this Agreement, so long as such independent agreement does not affect, or purport to affect, the rights and duties of the Authority or the Parties under this Agreement.

7.6 Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

7.7 Further Assurances. Each Party agrees to execute and deliver all further instruments and documents, and take any further action that may be reasonably necessary, to effectuate the purposes and intent of this Agreement.

7.8 Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by all Parties, each executed counterpart shall have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

7.9 Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage prepaid with return receipt requested, or by a recognized courier service. Notices given (a) personally or by courier service shall be conclusively deemed received at the time of delivery and receipt and (b) by mail shall be conclusively deemed given 48 hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be addressed to the office of the clerk or secretary of the Authority or Party, as the case may be, or such other person designated in writing by the Authority or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the Authority shall be copied to all Parties.

Exhibit A Definitions

“Act” means the Joint Exercise of Powers Act of the State of California (Government Code Section 6500 *et seq.*)

“Administrative Services Agreement” means an agreement or agreements entered into after the Effective Date by the Authority with an entity that will perform tasks necessary for planning, implementing, operating and administering the CCA Program or any other energy programs adopted by the Authority.

“Agreement” means this Joint Powers Agreement.

“Annual Energy Use” has the meaning given in Section 3.7.1.

“Authority” means the Peninsula Clean Energy Authority.

“Authority Document(s)” means document(s) duly adopted by the Board by resolution or motion implementing the powers, functions, and activities of the Authority, including but not limited to the Operating Rules and Regulations, the annual budget, and plans and policies.

“Board” means the Board of Directors of the Authority.

“CCA” or “Community Choice Aggregation” means an electric service option available to cities and counties pursuant to Public Utilities Code Section 366.2.

“CCA Program” means the Authority’s program relating to CCA that is principally described in Sections 2.3, 2.4, and 4.1.

“Director” means a member of the Board of Directors representing a Party.

“Effective Date” means February 29, 2016 or when the County of San Mateo and at least two municipalities execute this Agreement, whichever occurs later, as further described in Section 2.1.

“Implementation Plan” means the plan generally described in Section 4.1.2 of this Agreement that is required under Public Utilities Code Section 366.2 to be filed with the California Public Utilities Commission for the purpose of describing a proposed CCA Program.

“Initial Costs” means all costs incurred by the County and/or Authority relating to the establishment and initial operation of the Authority, such as the hiring of a Chief Executive Officer and any administrative staff, and any required accounting, administrative, technical, or legal services in support of the Authority’s initial activities or in support of the negotiation, preparation, and approval of one or more Administrative Services Agreements.

Exhibit A (cont.)
Definitions

“Operating Rules and Regulations” means the rules, regulations, policies, bylaws and procedures governing the operation of the Authority.

“Parties” means, collectively, any municipality or county that executes this Agreement.

“Party” means a signatory to this Agreement.

“Total Annual Energy” has the meaning given in Section 3.7.1.

Exhibit B
List of Parties

Parties:

Atherton
Belmont
Brisbane
Burlingame
Colma
County of San Mateo
Daly City
East Palo Alto
Foster City
Half Moon Bay
Hillsborough
Los Banos
Menlo Park
Millbrae
Pacifica
Portola Valley
Redwood City
San Bruno
San Carlos
San Mateo
South San Francisco
Woodside

Exhibits C and D
Annual Energy Use and Voting Shares

ANNUAL ENERGY USE WITHIN PCE JURISDICTIONS AND VOTING SHARES		
Twelve Months Ended November [date]		
<u>Party</u>	<u>Total kWh</u>	<u>Voting Share</u>
SAN MATEO COUNTY		
Total		100



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: August 30, 2024
MEETING DATE: September 9, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Nicholas Bijur, Chief Financial Officer

SUBJECT: Recommend to Board of Directors Approval to Execute a Prepay Transaction (Action)

RECOMMENDATION

Recommend to the Board of Directors (Board) approval to complete a Prepay transaction subject to market conditions and minimum savings, including authorization to execute a power supply contract with California Community Choice Finance Authority (CCCFA) and certain other documentation as required.

BACKGROUND

An energy prepayment – or ‘Prepay’ – is a long-term transaction available to municipal utilities and other tax-exempt load serving entities such as CCAs that enables a meaningful power procurement cost savings opportunity. The Prepay structure has been utilized for natural gas procurement for over 30 years and is now being applied in the renewable energy sector. Over the past three years there have been 12 Prepay transactions for California CCAs, raising \$11 billion in bond proceeds and generating approximately \$70 million in annual energy procurement cost savings. The CCAs that have completed Prepay transactions are Marin Clean Energy, Ava Community Energy, Silicon Valley Clean Energy, Pioneer Community Energy, Clean Power Alliance, and Central Coast Community Energy.

In April 2024, the Executive Committee recommended, and the Board subsequently approved, continued pursuit and evaluation of a possible Prepay transaction, including approval to join CCCFA as conduit issuer for the bond issuance and engagement of PFM Financial Advisors as Municipal Financial Advisor and Chapman and Cutler as Prepay Counsel. Since then, PCE staff has been preparing for a possible transaction that could occur as soon as September 30, 2024, pending market conditions.

Prepay Process

Utilizing the municipal bond market, a tax-exempt Load Serving Entity, such as PCE, and a taxable energy supplier (traditionally a bank such as Goldman Sachs, also called a Prepay Supplier) enter into a 30-year arrangement through which PCE assigns existing power supply contracts (i.e., PPAs) to the Prepay Supplier. The Prepay Supplier contracts with CCCFA and

CCCFA contracts with PCE for the delivery of energy. The Prepay Supplier pays the contract price to the PPA providers, while PCE pays CCCFA at a discounted rate for power delivered. The discounted rate is agreed upon in the Prepay documents for an initial 6- to 10-year period and is based largely on the spread between taxable and tax-exempt bond interest rates. The market availability of this interest rate spread is critical to the savings realized.

Tax-exempt bonds are issued by CCCFA to raise funds for the Prepay transaction. The proceeds from the bond transaction flow from CCCFA to the Prepay Supplier as the prepayment amount. PCE executes a limited assignment of one or more of its PPAs to the Prepay Supplier. PCE is required to continue to perform under the contract, while maintaining rights to the electricity and attributes delivered under the PPA. PCE realizes a discount on its PPA payments, which has ranged from 8-12% on prior CCA Prepay transactions but is subject to change based on market conditions.

The tax-exempt bonds are issued with an initial maturity of 6-10 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 6-10 years the bonds are “remarketed” to investors and the savings over the subsequent 6-10 years will depend on the market conditions at the time of the remarketing. If the savings at the time of the remarketing do not meet the minimal savings guarantee (expected to be approximately 5% or half of the discount achieved at the initial reset), PCE can terminate the transaction with no penalty.

While the contracts are assigned to the Prepay Supplier, PCE 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 transaction terminates early for any reason – either the Prepay Supplier fails to perform or the savings after the remarketing are not sufficient – PCE forgoes future savings and the PPAs are reassigned back to PCE.

DISCUSSION

Since the Board meeting in April, staff have engaged Goldman Sachs as Prepaid Supplier, finalized the structure of the transaction, and joined CCCFA as an Associate member. Staff, with support from its advisors, continue to finalize transaction documents, including limited assignment agreements for the PPAs that will be included in the transaction. Assuming Board approval on September 26 and pending market conditions, the transaction will be announced as soon as the week of September 30, with pricing shortly thereafter. Importantly, staff will continue to monitor the financial markets and will only launch a transaction if a minimum discount of 9% can be realized, which represents savings of approximately \$4.5 million per year based on the four PPAs included in the transaction.

Markets continue to be favorable for Prepay transactions. As a reminder, the savings are based largely on the spread between taxable and tax-exempt interest rates, which continues to remain relatively large, albeit down from earlier this year. As a data point, CPA recently completed their third Prepay transaction, which was very successful and generated significant cost savings for CPA. The annual savings from an initial PCE Prepay transaction are currently estimated to be approximately \$5-6 million, assuming inclusion of four PPAs in the transaction and a \$1.2 billion bond offering. Note that in April the savings were estimated to be \$3.5 million per year but assumed three PPAs and a \$750 million bond offering.

PCE will need to execute several documents to complete a Prepay transaction, including a power supply contract with CCCFA that lays out (1) delivery obligations from CCCFA to PCE, (2) assignment provisions associated with the PPAs, and (3) minimum savings on future remarketings that requires PCE to take the energy. Staff will provide an overview of all the contracts in the meeting.

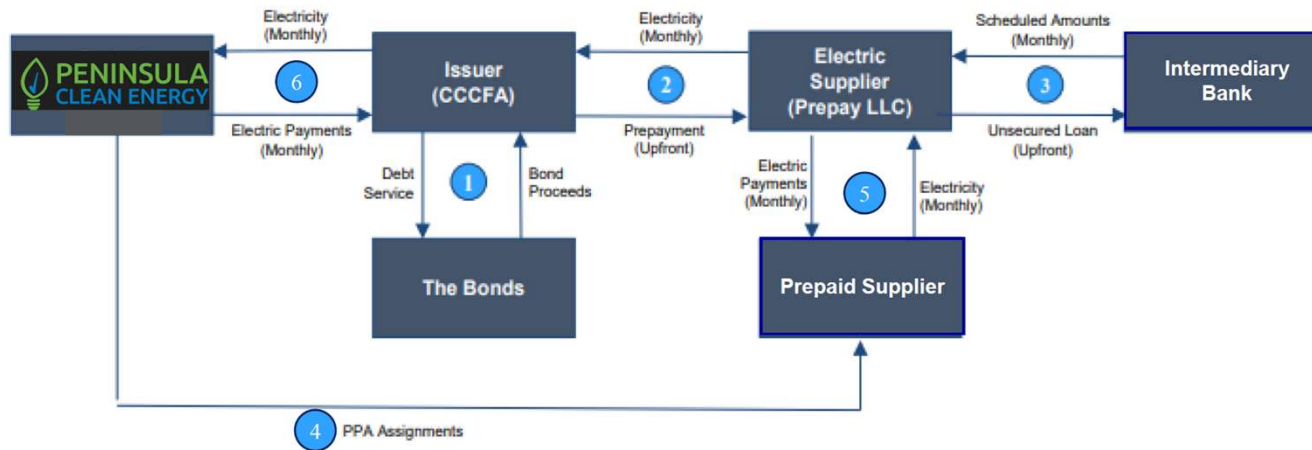
FISCAL IMPACT

Based on current market conditions, an initial PCE Prepay transaction will result in approximately \$5-6 million in annual energy procurement cost savings. Actual savings are unknown until the time of transaction.

ATTACHMENTS:

[Transaction Overview.pdf](#)

Transaction Diagram



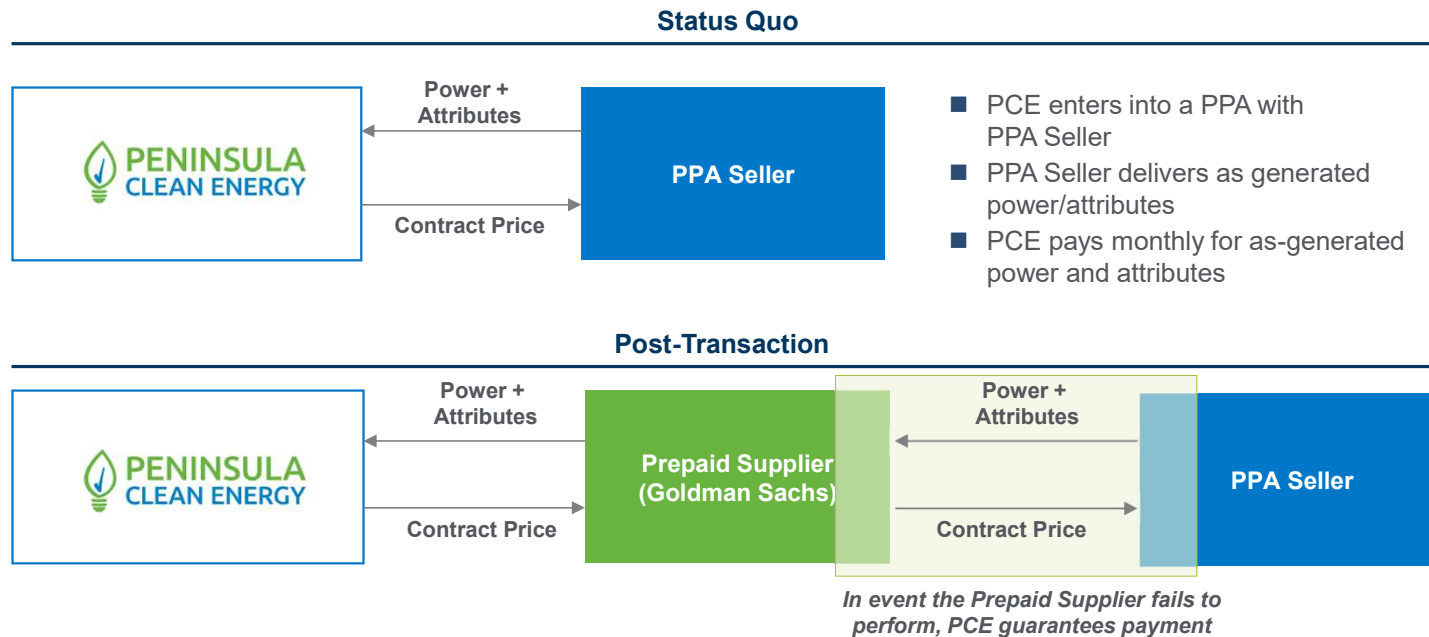
Initial Issuance and Cash Flows

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



- Structures remains the same, but instead of facing PCE, the PPA Seller faces Goldman Sachs
- 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



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: August 28, 2024
MEETING DATE: September 9, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Shawn Marshall, Chief Executive Officer; Jeremy Waen, Senior Director of Regulatory Policy; Roy Xu, Director of Power Resources

SUBJECT: Discussion Regarding the 2025-2030 Diablo Canyon Nuclear Attribute Allocation (Discussion)

RECOMMENDATION

Discussion Item Only

BACKGROUND

Diablo Canyon Nuclear Power Plant (Diablo Canyon) located in San Luis Obispo County is a 2,240 MW facility owned and operated by Pacific Gas and Electric (PG&E); it was originally slated to be retired in 2025. In 2022, the California Legislature mandated the extension of Diablo Canyon to 2030 for grid reliability purposes, and authorized PG&E to collect a surcharge from all CPUC-jurisdictional customers in California to fund the continued operation of the facility.

Under the Power Cost Indifference Adjustment (PCIA) proceeding, the California Public Utilities Commission (CPUC) required PG&E to offer nuclear allocations from Diablo Canyon to load-serving entities (LSEs) including Peninsula Clean Energy at no additional cost beginning in 2021 due to the fact that California ratepayers already pay for it. In November 2020, the Peninsula Clean Energy Board of Directors voted by narrow margin to decline the 2020-2025 nuclear allocation from PG&E.

With the Diablo Canyon extension, PG&E is once again required to offer allocations of carbon-free attributes from the facility to LSEs at no additional cost through 2030. Per current regulations, the Diablo Canyon nuclear allocation may not be resold by the receiving LSEs. If an LSE elects not to receive the Diablo Canyon nuclear allocation, PG&E may not use that portion in its own portfolio; nor may it be resold by any LSE/CCA electing to take the allocation.

The specific allocation methodology from Diablo Canyon is still under development by the CPUC, and is expected to be released sometime in September. After the methodology is finalized, PG&E must offer the allocations to all LSEs, and each LSE will have 30 days to

respond for the first election year; this process is expected to conclude in November or December of 2024.

DISCUSSION

Since 2020, the cost of carbon-free energy (which includes large hydroelectric and nuclear energy) has increased dramatically. In April 2024, the Board voted to adjust Peninsula Clean Energy's renewable target to be 100% renewable by 2030, and to augment that incremental goal by procuring carbon-free energy prior to 2030. To date, Peninsula Clean Energy has only procured large hydroelectric generation to meet its carbon-free energy procurement targets, a resource that is becoming more scarce in the West and thus more costly. Accepting the Diablo Canyon nuclear allocation would reduce the large hydroelectric purchases necessary to meet Peninsula Clean Energy's product goals thereby reducing procurement costs during those years.

In addition to avoided cost/economic impacts as noted above, any nuclear allocation accepted by PCE must be shown on its annual Power Content Label and/or retired into a newly established "oversupply account."

Staff will provide a detailed presentation outlining the new regulatory context in which California LSE's are operating and the ways that a nuclear allocation would and would not impact PCE and its customers. It is important to note for example, that accepting the allocation (in the form of carbon free *attributes*) would not have any impact on the physical grid, nor the charge that CA ratepayers will be assessed starting in January 2025; it would, however, show up on PCE's power content label starting in 2026.

Staff looks forward to receiving the Executive Committee's comments and feedback on the upcoming nuclear allocation. We will also be presenting and collecting feedback from our community based organization (CBO) partners and the CAC prior to a formal vote to be taken by the full Board at its September 26, 2024 Board meeting.

FISCAL IMPACT

Potential avoided procurement costs in the tens of millions of dollars over 5 years, pending Board's decision.

ATTACHMENTS:

[Nuclear Allocation - EC.pdf](#)

PG&E Nuclear Allocation from 2025-2030 Diablo Canyon Extension

Executive Committee September 9, 2024

Shawn Marshall, CEO

Jeremy Waen, Sr. Director, Regulatory Affairs

Roy Xu, Director of Power Resources



Discussion Overview

1. Provide information regarding the proposed nuclear *attribute* allocation resulting from the 2025-2030 extension of Diablo Canyon (DC) nuclear plant
2. Clarify the Board's upcoming decision – what it would do and what it would not do.
3. Receive Executive Committee feedback and review next steps

The Question at Hand

Should PCE elect to take an annual allocation of carbon-free attributes from Diablo Canyon for the calendar years 2025-2030?

If not, why not? If yes, under what scenario?

In November 2020, PCE considered a similar allocation, and on a split vote, declined it over concerns about customer/community optics and fear that taking it might extend CA's reliance on the plant.

Today, the allocation has a different regulatory context and set of circumstances than in 2020 (explained later in this presentation)



*Diablo Canyon Nuclear Power Plant
San Luis Obispo County, California*

Definitions: Allocation and Attributes

To best understand today's discussion, we need to first understand what is meant by “allocation” and “attributes” in the energy business.

An allocation is...a portion of a larger volume (in this case nuclear attributes) that is assigned or offered by another party. In our business, some allocations are voluntary, others are not. An allocation is not direct procurement of or a contract for actual physical energy generated by a power plant.

An attribute is...the accounting/reporting value of a unit of energy; in this case, a carbon free value. An attribute is not a unit of physical energy.

What the Decision Is and Isn't

Today's discussion will focus on the impacts to PCE and its customers

What this IS:

- A decision whether to accept or reject the carbon-free attributes (not the actual energy) from the DC nuclear allocation for 2025-2030
- A decision that affects PCE's Power Content Label and how much we do or don't save in avoided procurement costs

What this is NOT:

- This is not PCE buying nuclear power (this is not procurement)
- This is not PCE adding new nuclear energy to the grid
- This is not a decision that impacts state policy or the development of nuclear power in CA

Regardless of What PCE Does...

1. Acceptance or rejection of the allocation will have no impact on the extension of Diablo Canyon (DC) operations, which has already been approved
2. Over the next 6 years, DC will continue to run at full capacity; PCE cannot cause the plant to stop, decrease, or increase operations
3. Every customer in the State will start paying for Diablo Canyon power in 2025
4. PCE's decision has no impact on the physical grid
5. PCE will continue receiving a Resource Adequacy (RA) allocation as part of the Diablo Canyon operations, reducing its RA obligations



Diablo Canyon Background & Acknowledged Nuclear Concerns

History of Diablo Canyon Nuclear Power Plant

- Located in San Luis Obispo County
- Owned and operated by PG&E
- Combined generation capacity 2,240 MW
- Began operation on May 7, 1985 (Unit 1) and March 13, 1986 (Unit 2)
- Licensed by the United States Nuclear Regulatory Commission (NRC) to operate until November 2, 2024 (Unit 1) and August 26, 2025 (Unit 2)
- DC operations were extended by the CA legislature in 2022. *Why?*



*Diablo Canyon Nuclear Power Plant
San Luis Obispo County, California*

Extended Operations

- In 2018, PG&E received CPUC approval to retire Diablo Canyon
- In 2022, after several wildfires and PSPS events, the CA Legislature mandated its extension to 2030

Why was an extension granted?

- Grid reliability
- State decarbonization goals
- Economic considerations
- Regulatory, policy and political support

CPUC Allocation Requirements

To continue operations, the CPUC requires that PG&E:

1. Allow all CCAs paying for Diablo Canyon's extended operations to receive a no cost allocation through an agreement with PG&E
2. CCAs who accept the allocation must report use of nuclear on their Power Content Labels
3. Any unclaimed allocations could not be resold, would not be reported on any California Power Content Label, and would be placed in an oversupply account, effectively “disappearing” from any public-facing reporting.

Acknowledged Nuclear Issues & Concerns

Diablo Canyon-Specific Concerns

- Earthquake Risks: Located near several earthquake faults (within 1-8 miles)
- Tsunami Risks: A significant population lives within 30 miles of evacuation zone surrounding Diablo Canyon susceptible to a tsunami

General Facts and Concerns about Nuclear Energy

- Safety Concerns: Risk of accidents such as Chernobyl and Fukushima
- Nuclear Waste: Long-term storage concerns for radioactive waste
- Water Usage: Cooling requires large amounts of water
- Environmental Impacts: Mining and potential contamination
- High Costs: Construction, maintenance, and decommissioning

California Moratorium on New Nuclear

In 1976, the State of California issued a moratorium on the construction and licensing of new nuclear.

No new nuclear fission reactors are to be built until the Federal Government implements a solution to radioactive waste disposal.

PCE Power Resources Impacts Analysis



Role of Carbon-Free (or GHG-Free) Attributes

PCE needs carbon-free attributes through 2030

- To meet ECOplus content requirements
- To cover Line Loss on Total Power Content (this is a new CEC requirement)

Nuclear generation is carbon-free, an alternative to Large Hydro generation. Both resource types generate carbon-free attributes (i.e. no emissions on Power Content Label)

Carbon-free attributes from Large Hydro are transacting at record-high prices with limited availability

Accepting the nuclear allocation would reduce the amount of carbon-free attributes PCE currently plans to procure, thereby lowering procurement costs

Additional Facts About the Allocation

Six (6) year Diablo Canyon allocation (2025-2030) based on load share.

PCE can decide annually:

- PCE can choose not to take DC allocation in any particular year, based on staff's assessment of portfolio needs
- For example, it is likely that PCE would not take an allocation in 2030 since we will be powered by 100% renewable energy by then.

Any unclaimed allocations would be unused, and would not be reported on any individual LSE's Power Content Label or other communications

- PG&E cannot use or report PCE's share of DC allocation even if we don't take it
- Unused allocations cannot be resold

New CEC Reporting Requirement for PCL

- CEC created a new Power Content Label (PCL) requirement called: Total Power Content
- Total Power Content will cover Loss-Adjusted Load (i.e. including “line loss”)
- Required Loss Accounting = 4% for in-state and 6% for out-of-state resources
- Further, CEC created an Oversupply Account to store excess loss adjusted load
- Mandatory reporting year starting in 2025 (for customer mailing in July 2026)
- LSEs -including CCAs - have no ability to change the structure or presentation of the PCL

Key Concept: Consider using DC nuclear allocation to cover new line loss procurement obligation and power content reporting requirement.

Analyzed Scenarios on PCL and Cost Impacts

Scenario 1: Status Quo	Scenario 2: Middle Ground	Scenario 3: All In
Don't take DC allocation	Take DC allocation	Take DC allocation
	Use a portion to cover line loss with remainder sent to the oversupply account	Use the entire DC allocation
Nuclear would not show up on PCE's Power Content Label	Nuclear would show up only in new Total Power Content column	Nuclear would show up in ECOplus AND Total Power Content columns of the PCL
No economic value via avoided cost	Some economic value via avoided cost	Most economic value via avoided cost
\$0 incremental savings	Est. \$29M saving over 6 years	Est. \$39M saving over 6 years

Scenario 1: Status Quo

2025 Mock PCL without taking nuclear allocation

2025 Power Content Label					
Peninsula Clean Energy Authority					
www.peninsulacleanenergy.com					
Greenhouse Gas Emissions Intensity	ECOplus	ECO100	Green Transit	Green Access	Total Power Content
Average lbs of CO2e emitted per megawatt hour	0	0	0	0	0
Electricity Sources					
Renewables and Zero-Carbon Resources Fossil Fuels and Unspecified Power					
Biomass & Biogas	0.0%	0.0%	0.0%	0.0%	0.0%
Geothermal	15.5%	0.0%	0.0%	0.0%	13.3%
Small Hydroelectric	1.3%	0.0%	0.0%	0.0%	1.1%
Solar	22.7%	50.0%	50.0%	100.0%	24.7%
Wind	20.5%	50.0%	50.0%	0.0%	22.5%
Large Hydroelectric	40.0%	0.0%	0.0%	0.0%	38.4%
Nuclear	0.0%	0.0%	0.0%	0.0%	0.0%
Natural Gas	0.0%	0.0%	0.0%	0.0%	0.0%
Coal & Petroleum	0.0%	0.0%	0.0%	0.0%	0.0%
Unspecified Power (primarily fossil fuels)	0.0%	0.0%	0.0%	0.0%	0.0%
GHG intensity figures exclude biogenic CO2 and emissions from geothermal sources. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the link below. "Total Power Content" include retail sales to customers, other electricity uses that support retail electric service, and energy losses. This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the retirement of tracking instruments called renewable energy credits (RECs). Unbundled RECs (credits without electricity) can be used for RPS compliance, but they are not reflected in the power mix of GHG emissions intensities above.					
Want to learn more? Visit https://www.energy.ca.gov/pcl					

PCE elects not to take DC allocation

Does not impact PCL

No incremental procurement savings or customer savings

Scenario 2: Middle Ground

2025 Mock PCL with nuclear allocation covering line loss only

2025 Power Content Label					
Peninsula Clean Energy Authority					
www.peninsulacleanenergy.com					
Greenhouse Gas Emissions Intensity	ECOplus	ECO100	Green Transit	Green Access	Total Power Content
Average lbs of CO2e emitted per megawatt hour	0	0	0	0	0
Electricity Sources					
Renewables and Zero-Carbon Resources					
Fossil Fuels and Unspecified Power					
Biomass & Biogas	0.0%	0.0%	0.0%	0.0%	0.0%
Geothermal	15.5%	0.0%	0.0%	0.0%	13.3%
Small Hydroelectric	1.3%	0.0%	0.0%	0.0%	1.1%
Solar	22.7%	50.0%	50.0%	100.0%	24.7%
Wind	20.5%	50.0%	50.0%	0.0%	22.5%
Large Hydroelectric	40.0%	0.0%	0.0%	0.0%	34.4%
Nuclear	0.0%	0.0%	0.0%	0.0%	4.0%
Natural Gas	0.0%	0.0%	0.0%	0.0%	0.0%
Coal & Petroleum	0.0%	0.0%	0.0%	0.0%	0.0%
Unspecified Power (primarily fossil fuels)	0.0%	0.0%	0.0%	0.0%	0.0%
GHG intensity figures exclude biogenic CO2 and emissions from geothermal sources. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the link below. "Total Power Content" include retail sales to customers, other electricity uses that support retail electric service, and energy losses. This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the retirement of tracking instruments called renewable energy credits (RECs). Unbundled RECs (credits without electricity) can be used for RPS compliance, but they are not reflected in the power mix of GHG emissions intensities above.					
Want to learn more? Visit https://www.energy.ca.gov/pcl					

If DC Allocation is higher than what's required to cover line loss, any excess nuclear would be placed in the oversupply account.

Under this scenario, PCE would save approx. \$6 million in CY 2025 and potentially \$29.1 million from 2025-2030

Average resi bill savings of \$8 for CY 2025, cumulative bill savings of \$35 over years 2025-2030

Scenario 3: All In

2025 Mock PCL with nuclear allocation covering line loss and showing in ECOplus

2025 Power Content Label					
Peninsula Clean Energy Authority					
www.peninsulacleanenergy.com					
Greenhouse Gas Emissions Intensity	ECOplus	ECO100	Green Transit	Green Access	Total Power Content
Average lbs of CO2e emitted per megawatt hour	0	0	0	0	0
Electricity Sources					
Renewables and Zero-Carbon Resources					
Fossil Fuels and Unspecified Power					
Biomass & Biogas	0.0%	0.0%	0.0%	0.0%	0.0%
Geothermal	15.5%	0.0%	0.0%	0.0%	13.3%
Small Hydroelectric	1.3%	0.0%	0.0%	0.0%	1.1%
Solar	22.7%	50.0%	50.0%	100.0%	24.7%
Wind	20.5%	50.0%	50.0%	0.0%	22.5%
Large Hydroelectric	37.7%	0.0%	0.0%	0.0%	32.4%
Nuclear	2.3%	0.0%	0.0%	0.0%	6.0%
Natural Gas	0.0%	0.0%	0.0%	0.0%	0.0%
Coal & Petroleum	0.0%	0.0%	0.0%	0.0%	0.0%
Unspecified Power (primarily fossil fuels)	0.0%	0.0%	0.0%	0.0%	0.0%
GHG intensity figures exclude biogenic CO2 and emissions from geothermal sources. For detailed information about all GHG emissions from California's retail electricity suppliers, visit the link below. "Total Power Content" include retail sales to customers, other electricity uses that support retail electric service, and energy losses. This label does not reflect compliance with the Renewables Portfolio Standard (RPS), which measures the retirement of tracking instruments called renewable energy credits (RECs). Unblundered RECs (credits without electricity) can be used for RPS compliance, but they are not reflected in the power mix of GHG emissions intensities above.					
Want to learn more? Visit https://www.energy.ca.gov/pcl					

This scenario uses the full allocation and leaves none of it in the oversupply account

Under this scenario, PCE would save approx. \$9.1 million in CY 2025 and potentially \$38.7 million from 2025-2030.

Average resi bill savings of \$12 for CY 2025, cumulative bill savings of \$48 over years 2025-2030.

Additional Information

A decorative background featuring a large, light blue circle on the right side. To the left of the circle is a dense cluster of small yellow dots, some of which are larger than others, creating a starburst or sun-like effect. The dots are scattered across the upper and middle portions of the slide.

Next Steps Through Year-End

Date	Action	Who
8/20	Procurement Subcommittee Discussion	Staff/ Subcmte
8/27	Staff presentation and discussion w/ pulse poll	PCE
Sept - tbd	CPUC releases DC allocation methodology and timing of election; PCE adjusts assumptions as needed	CPUC/PCE
9/9	Executive Committee Presentation (Discussion)	
9/12	CBO Partner and CAC presentations w/ pulse polls	PCE
9/25	Board Presentation and Vote (Action Item)	PCE
November/ December	If the Board approves taking the DC nuclear allocation: • Notify PGE/CPUC of annual election (Nov) • Sign Agreement (Dec)	PCE, PG&E, CPUC

Regardless of PCE's decision, non-bypassable charges for DC extension will appear on customer bills starting in January 2025.

What are Other LSEs/CCAs Doing?

IOU/CCAs	Retail Sales (MWh)	Nuclear
Pacific Gas and Electric Company - Base Plan	30,291,314	49.3%
San José Clean Energy - GreenValue	202,231	30.9%
Pioneer Community Energy	1,633,901	27.6%
Orange County Power Authority	177,052	25.3%
San José Clean Energy - GreenSource	3,476,520	24.8%
Silicon Valley Clean Energy	3,605,920	24.3%
Energy for Palmdale's Independent Choice (EPIC, City of Palmdale)	52,416	22.9%
Lancaster Choice Energy	611,814	9.7%
San Jacinto Power	172,810	5.8%
Rancho Mirage Energy Authority	282,288	5.7%
Pomona Choice Energy	423,784	5.7%
Apple Valley Choice Energy	254,247	5.6%
Pico Rivera Innovative Municipal Energy	211,547	5.4%
2022 CA Utility Average and Total Retail Sales	243,240,118	9.2%

CCAs not on this list, including MCE, SCP and Ava, are also considering taking the 2025-2030 nuclear allocation.

Discussion: Balancing Priorities, Economics, and Optics

On the one hand...

- A nuclear allocation could help PCE reach its GHG free goals and save significant money due to avoided procurement costs
- Current priorities now and in the foreseeable future include customer affordability and expanded renewable power content; both have budget implications
- Multiple CCAs have taken the nuclear allocation in the past with little/no public pushback or impact on opt-outs

On the other hand...

- Avoided procurement costs are estimated in the tens of millions over 5-6 years, but still only represent < 1% of the procurement budget and even less of the overall budget
- The potential for customer cost savings is relatively minor (e.g. in 2025, \$8 - \$12 per average customer)
- Our website data shows 623 visits to our Power Mix page since October 2022. From last year's PCL email and mailer, 2% (4,964) of PCL email recipients clicked to view the full postcard online, and 15 direct mail recipients scanned the QR code on their postcard.



Questions/Discussion

The Executive Committee is not being asked to make a recommendation at this meeting unless it chooses to in order to complete our listening and feedback sessions with the CAC and our CBO partners on Sept 12.