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

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

Thursday, January 25, 2024
6:30 pm

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

In-Person Meeting Locations:
PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**
Los Banos City Hall, Conference Room A, **520 J Street, Los Banos, CA 93635**

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

This meeting of the Board of Directors will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and Los Banos City Hall, Conference Room A, 520 J Street, Los Banos, CA 93635 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Board are expected to attend the meeting in person** and should reach out to Assistant General Counsel for Peninsula Clean Energy, Jennifer Stalzer, with questions or accommodation information (jstalzer@smcgov.org). For information regarding how to participate in the meeting remotely, please refer to the instructions at the end of the agenda. In addition, a video broadcast of the meeting can be viewed at https://www.peninsulacleanenergy.com/board-of-directors following the meeting.

Public Participation

The PCEA Board meeting may be accessed through Zoom online at https://pencleanenergy.zoom.us/j/87496649657. The webinar ID is: 874-9664-9657 and the passcode is 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 874-9664-9657, then press #. (Find your local number: https://pencleanenergy.zoom.us/u/kTlH1Ocod). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

Members of the public can also attend this meeting physically at the **Peninsula Clean Energy Lobby** at 2075 Woodside Road, Redwood City, CA 94061 or **Los Banos City Hall**, Conference Room A, 520 J Street, Los Banos, CA 93635.

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

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

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

ADA Requests

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

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

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

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

PUBLIC COMMENT

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

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

1. Approval of Minutes from the January 26, 2023, February 23, 2023, and December 21, 2023 Board Meetings

2. Approval of One EV Ready Program Fund Reservation Agreement, Providing Approximately $205,000 in Customer Incentives

REGULAR AGENDA

3. Chair Report (Discussion)

4. CEO Report (Discussion)

5. CAC Report (Discussion)

6. 2024 Peninsula Clean Energy Generation Rate Analysis and Staff Recommendation to Maintain PCE Generation Rates at 2023 Levels Through at least June 2024 for Most Customers (Action)

7. Resolution Delegating Authority to Chief Executive Officer to Execute an Energy Storage Tolling Agreement for the Wallace Energy Storage Project with ESCA-PLD-LONGBEACH2, LLC, and any Necessary Ancillary Documents with a Delivery Term of Twenty (20) Years Starting at the Commercial Operation Date on or About June 1, 2026, in an Amount Not-to-Exceed $211 Million.

8. Approval of Contract with McMillan Electric for up to $23,000,000 for Construction of Solar Systems on Local Government Facilities and Approval of Power Purchase Agreements with Participating Agencies (Action)

9. Approval of 2024 Regulatory / Legislative Policy Platform (Action)

10. Strategic Accounts Initiatives for 2024 (Discussion)

INFORMATIONAL REPORTS

11. Community Programs Quarterly Report

12. Marketing, Outreach Activities, and Media Relations Quarterly Report

13. Update on Legislative Activities

14. Report on California Community Power (CCP) Joint Powers Authority

15. Acronym List

ADJOURNMENT

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

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.

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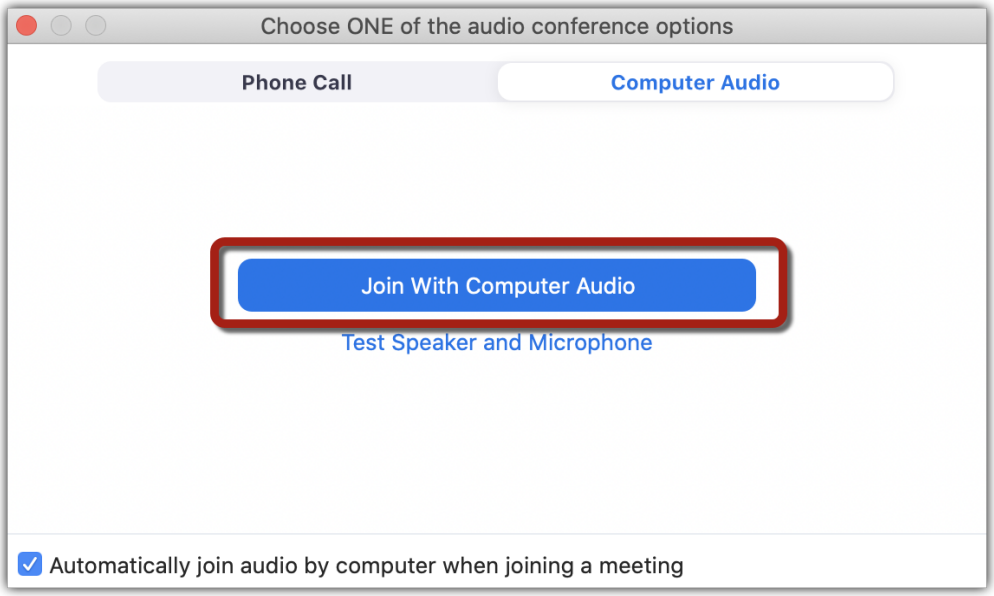
Option 1 Videoconference with Computer Audio:

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



- Click the blue, "Join with Computer Audio" button.
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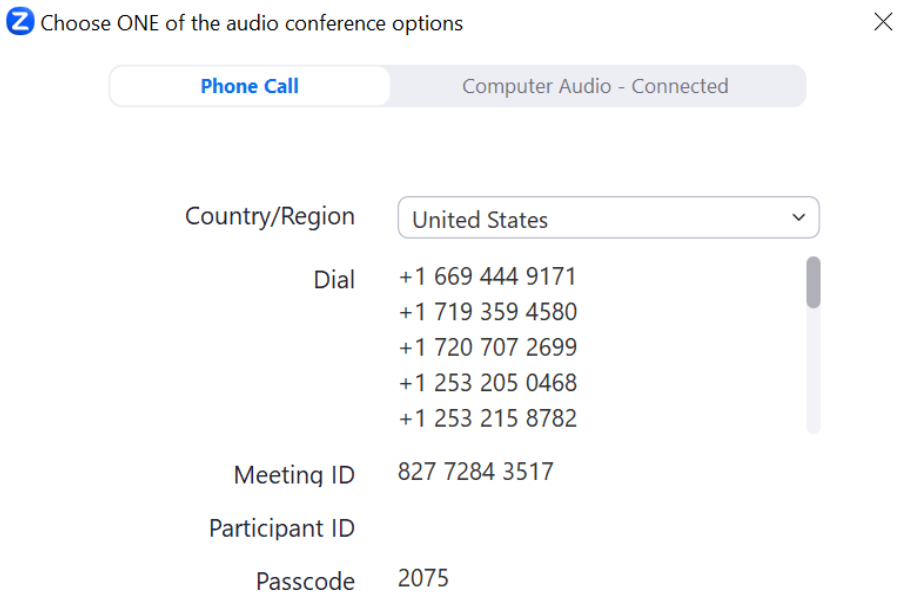
Option 2 Videoconference with Phone Call Audio

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

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



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Audio Only Options:

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

Option 3: Calling in via Telephone/Landline:

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

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Nelly Wogberg, Board Clerk

SUBJECT: Approval of Minutes from the January 26, 2023, February 23, 2023, and December 21, 2023 Board Meetings

RECOMMENDATION

Approve Minutes from the January 26, 2023, February 23, 2023, and December 21, 2023 Board Meetings.

BACKGROUND

The minutes for the December 21, 2023 Board of Directors meeting will be released by January 24, 2024.

ATTACHMENTS:
01-26-2023 BOD Draft Minutes.docx
02-23-2023 BOD Draft Minutes.docx
12-21-2023 BOD Draft Minutes.docx

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

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

CALL TO ORDER

Meeting was called to order at 6:32 p.m. in virtual teleconference.

SWEARING IN OF NEW BOARD MEMBERS

Craig Baumgartner, Associate General Counsel, presided over the official swearing-in of new Board Members or Alternate Board Members: Christine Boles from Pacifica, Amourence Lee from the City of San Mateo, Leslie Ragsdale from Hillsborough, and Pranita Venkatesh from San Carlos.

ROLL CALL

Participating Remotely:

Dave Pine, San Mateo County
Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Roderick Daus-Magbual, Daly City
Carlos Romero, East Palo Alto
Sam Hindi, Foster City
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough
Betsy Nash, Menlo Park
Anders Fung, Millbrae
Christine Boles, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
Marty Medina, San Bruno
Pranita Venkatesh, San Carlos
Amourence Lee, San Mateo

Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent:

Ray Mueller, San Mateo County
Ken Gonzalez, Colma
Paul Llanez, Los Banos

James Coleman, South San Francisco
Jennifer Wall, Woodside

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

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

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

2. Approval of the Minutes for the November 17, 2022 Meeting

3. Adopt Amendments to Policy 1, "Delegation of Authority to Chief Executive Officer Regarding the Legislative Platform"

4. Adopt Operational Amendments to Policy 14, "Delegation of Authority Policy"

MOTION PASSED: 18-0 (Absent: San Mateo County, Colma, Los Banos, South San Francisco, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Boles	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			

San Mateo	Director Lee	X			
South San Francisco	Director Coleman				X
Woodside	Director Wall				X

REGULAR AGENDA

5. Chair Report

None

6. CEO Report

Jan Pepper, CEO, gave a PowerPoint presentation and report which included the following:

- Welcomed the new IT Systems and Support Administrator
- Support of the Coastside community farmworkers and donations made as a result of the Half Moon Bay tragedy;
- Update of the January 2022 approval of the first contract through CC Power and the Tumbleweed Long Duration Storage project, which has been expanded to 75 megawatts;
- An update on the next cohort of Solar and Storage on Public Buildings
- Request of Directors to notify staff of their interest in serving on the Marketing Subcommittee;
- Publishing of the 24/7 paper on January 10, 2023 about achieving 24/7 renewables, noting good response and participation in a Zoom call with Europeans, visit to Stanford on areas of collaboration and interest, with future reporting to take place.

Director Emeritus Keener asked about the Director of Power Resources position. Jan explained that she hopes to have this position settled within the next couple of weeks.

Chair DeGolia commented he has received numerous comments from public members who very much appreciate the 24/7 modeling tool.

7. Citizens Advisory Committee Report

Cheryl Schaff, Citizens Advisory Committee (CAC) Chair, gave a presentation recapping the January 12, 2023 CAC meeting.

8. Appointment of Ad-hoc Chair and Vice Chair Nominating Committee

Chair DeGolia explained the process of appointing a Chair and Vice Chair for the Peninsula Clean Energy Board of Directors. Director Medina, Director Mates, and Director Aalfs were appointed to the Nominating Committee.

9. Appointment of Ad-hoc Citizens Advisory Committee (CAC) Nominating Committee

Vice Chair Colson, Director Pine, and Director Venkatesh were appointed to the Ad-Hoc Citizens Advisory Committee Nominating Committee.

10. Appointment of Two Citizens Advisory Committee (CAC) Liaisons

Director Mackin, Director Boles, and Director Rarback were appointed as liaisons to the Citizens Advisory Committee.

11. Report out of new Peninsula Clean Energy Rates Effective February 1, 2023 with a net 5% Discount in Generation Charges for ECOplus Compared to PG&E Generation Rates (Discussion)

Leslie Brown, Director of Account Services, gave a PowerPoint presentation and overview of the new Peninsula Clean Energy (PCE) rates, effective February 1, 2023 with a net 5% discount in generation charges for ECOplus compared to PG&E generation rates. She described how they calculate rates, factors influencing the net discount, comparison of vintage rates, grouping of customers between 2016 and 2021 into one rate group and a different rate for the 2022 customers due to the higher PCA, and examples of rate calculations.

Chair DeGolia asked if a decision had been made regarding marketing for those customers in Los Banos given they are getting a real benefit.

Leslie explained that they have not planned a big announcement but will definitely provide the call center with talking points for customers who have questions. They will also provide an update comparison with PG&E for the joint rate comparison and will use the 2021 PCA in the rates for Los Banos to show Los Banos residents where they will see the higher discount when looking at the joint rate comparison.

Chair DeGolia said last year when they reviewed the financials the Board agreed that if things continue as projected for a positive cash flow, they will review the discount. Given cash flow this year, they have seen other CCAs increasing their discount and he believes they should have that discussion.

Kristina Cordero, Chief Financial Officer, said they will be talking about mid-year performance at the Audit & Finance Committee scheduled in February.

12. Approval of Amendments to California Community Power Project Participation Share Agreements (Action)

Sara Maatta, Power Resources and Compliance Manager and Acting Interim Power Resources Director, gave a PowerPoint presentation and said their recommendation is that the Board delegate authority to the CEO to execute amendments for the Project Participation Share Agreements (PPSAs) with California Community Power and participating Community Choice Aggregators (CCAs) relating to the 1) Long Duration Storage Project; and 2) Firm Clean Resources Projects. The three amendments; one for each of the three projects are the Tumbleweed Long Duration Storage Project, the Fish Lake Geothermal Project, and the ORGP Project.

Sara gave a background and PowerPoint presentation regarding California Community Power (CC Power).

Chair DeGolia noted that all CCAs who are members of CC Power do not need to participate in each of the purchase agreements. Sara showed 7 of the 9 CCAs as participating.

Sara continued the presentation, explained agreements for liability and securing questions which guarantees the developer will be paid, pointed to an operations agreement that defines how the project gets scheduled into the wholesale energy market, explained the amendment which relates to

the PPSA process, requirements, the strategic business plan to better operate the projects, and specific actions of the amendment, and voiced staff support of the amendment.

Chair DeGolia recognized the need to educate new members of the Board of these technical issues relating to the amendment and thanked staff for the presentation.

MOTION: Director Aalfs moved, seconded by Director Romero to approve the CEO to execute amendments to the Project Participation Share Agreements (PPSA) with California Community Power and Participating CCAs related to one long duration storage project and two firm clean resource projects.

MOTION PASSED: 18-0 (Absent: San Mateo County, Colma, Los Banos, South San Francisco, Woodside)

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

Sara provided additional context and update to Agenda Item Number 21 on the agenda.

Director Aalfs asked if the expansion reflects any loosening or improvement in market supply chain in pricing of batteries. Sara said she believes this was related to the amount of Resource Adequacy (RA) they qualified for.

Director Aalfs asked if the overall market is not getting any better. Sara said not that they have seen; however, the Peninsula Clean Energy's Request for Offers (RFO) closes next week and they hope to see offers at that time.

13. Approval of the 2023 Policy Platform (Action)

Marc Hershman, Director of Government Affairs, provided a presentation of the 2023 Policy Platform.

Director Boles referred to Section 6, Community Resilience, and asked if policies for underground transmission lines could be added to improve resiliency.

Director Hershman said yes, this can be added. The issue with undergrounding is the extent it is being done with ratepayer funds, and he asked and confirmed Director Boles was looking for them to encourage PG&E to do that.

Director Hershman added information on undergrounding, spoke about where the undergrounding would take place, what areas are prioritized, and the high cost of undergrounding. There has been some discussion about how PG&E is spending the undergrounding money as opposed to doing other things that would mitigate wildfires, and whether the funding is appropriate.

Leslie Brown, Director of Account Services, shared that PG&E has a quarterly resilience meeting with their Power Safety Partners, and public agencies are invited.

Vice Chair Colson asked if undergrounding utilities could be part of community resilience as a bullet point so they keep it on their radar.

Chair DeGolia said in Item 6.a, they have increased community resilience to wildfires and rather than amending the platform. He suggested starring that issue and as they see legislation or other efforts come through the California Public Utilities Commission (CPUC) or Sacramento where they would make note of that and bring that to the Board for consideration.

Chair DeGolia asked about item 2.f. which removes "Support State funding for electric vehicle infrastructure grant programs and for Community Choice Aggregation (CCA) participation in said programs". It also removes "Support policy efforts to incentivize and deliver carbon-free and renewable energy on 24/7 basis."

The third is under Item 7.f.; It proposes to delete, "Support policies that increase development of community local energy resources and Distributed Energy Resources (DERs) driving local energy resilience and allow these resources to directly compete with grid infrastructure projects." In Item 8.d, there is also a deletion of the reference to DERs, and he asked for comments on these.

Director Hershman explained that Item 2.f., was a CCA advocated bill AB1814 last year which was introduced but failed to get a hearing and is no longer a CCA effort in the year ahead. They believe without the CCA language it is represented by paragraph 2.c which advocates for support of those similar policies and without the specific reference to the CCA participation.

With respect to Item 2.g, they found this to be redundant with former Item 4.d. and now 4.c which states, "Supporting policies that advance and accelerate delivery of carbon-free and renewable energy on a 24/7 basis." With respect to formerly Item 7.e, they found this redundant with a number

of areas specifically with Item 6.d which is, “Supporting policies and increasing development of community level resources” which was added by the Board last year.

Public Comment: Mark Roest had technical issues with his connection or microphone and provided email comments after the vote.

MOTION: Vice Chair Colson moved, seconded by Director Daus-Magbual to approve the 2023 Policy Platform.

MOTION PASSED: 17-0 (Absent: San Mateo County, Colma, Los Banos, Millbrae, South San Francisco, Woodside)

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

The following remarks were emailed by Mark Roest:

> The reference to CCA support could be kept in a separate statement referencing all three provisions that are kept, saying that we want to collaborate with other CCAs on pushing these policies despite other CCAs pulling back on them. We can lead them back into the fray.
>
> Regarding Direct Pay, we expect to be able to sell through batteries at under $50/kWh when we reach mass volume. Since made in USA from North American materials, we may get $45 subsidy from IRA so net cost may be less than $5.00 / kWh. We hope to be able to start volume production in a year, and mass volume in 2 years.

Would you like to explore new technologies for supporting solar PV canopies over parking & driveways to have enough to power both building and all the vehicles associated with it when all are converted to BEV or replaced with BEV, which will happen by 2027 to 2030? What about building-integrated solar where roof and solar-facing siding outer sheath is stainless steel or hard-anodized aluminum with 42%-conversion efficiency. That is likely to be a 50-year roof; pretty permanent.

14. Approval of Solar + Storage for Public Building agreements:
    a. Engineering, Procurement, and Construction (EPC) Contract with Intermountain Electric Company in an amount Not-to-Exceed $10,000,000
    b. Power Purchase Agreements with public agencies (Action)

Dave Fribush, Consultant for Solar and Storage for Public Buildings, gave a PowerPoint presentation including an overview of the program to accelerate Distributed Energy Resources (DERs) and renewable deployments at local government facilities, reduce customer energy costs, insulate against rising PG&E rates, help local partners achieve sustainability goals, and develop and new program and service model. He then spoke about program details, the portfolio, how they have structured the policy, contract structure, investment tax credit, direct pay provision, change in NEM tariff, solar and battery pricing, key terms of the one Power Purchase Agreement (PPA) contract for cities and terms, pricing with no escalation term, costs not included in order to break even and offer the most compelling deal, next steps, timing of target areas for completion, and the recommendation for the Board as outlined previously.

Director Romero referred to the slide relating to cost of capital not included and asked and confirmed with Dave that they are essentially using program funds set aside for this program. He asked if this is assuming operations, maintenance, and cost to repay and asked if there is no “profit” imputed into the calculation.

Dave said effectively they have accounted for all costs they would expect to be incurred through the procurement operations, including contingencies and reserves over the course of the project, but the end result is an internal rate of return of zero over the 20 years. They are not adding any type of compensating aspect like a cost of capital somewhere else in the calculation.

Director Romero asked if there is a reason they would not have put some sort of load onto this. He sees there is a 1/8 full-time employee in this, but it would seem legitimate to have included a Peninsula Clean Energy (PCE) overhead number and asked for the reason this was excluded.

Rafael Reyes, Director of Energy Programs, said their intention is to maximize the benefits to the local agencies and make sure those benefits are delivered in this first round. Once they have full confidence of the structure in subsequent rounds these questions will come back and they will evaluate this on an on-going basis about what additional costs might be most appropriate to incorporate. PCE overhead would be a nominal number here and so they were aiming to maximize the benefits, and there is some overhead which are on-going program costs.

Director Romero referred to the included costs, assumes the contingency is for construction, and asked what percentage it is. He was also thinking about operations and maintenance and replacement reserves given some things will be out of warranty and will need to be replaced. He asked what industry standard they were using to determine appropriate reserves.

Dave explained that the contingency was 2.5% of the portfolio or the PCE cost. They utilized a consultant that has extensive experience in modeling solar projects and began with this model and

then adapted it for this. All of these assumptions were vetted with the consultant. They also ran numbers by the design contract firm and which accurately reflect common industry assumptions.

Director Romero asked if the 2.5% contingency is a number that reigns on projects of this nature, as it seems low to him.

Dave explained it was originally lower and he advocated to increase it. He noted that putting solar on rooftops and carports is relatively simple and the margin of error is not large. He then spoke about learning of any increases where the contract includes PCE not being able to absorb the cost, and said they would not move forward. If it was 10% more, they could renegotiate a PPA price with the city. The contingency is there to give cushion for a small increase in price which they could absorb and still offer the PPA price and not lose money on it.

Director Romero asked and confirmed that the contractor needs to walk the site and the contract is structured where if everything checks out then the contractor is on the hook for delivering the project. Mr. Fribush added if there is something unforeseen that they had not known about, the contractor has the right to issue a change order on the project but PCE has the right to approve it or not so that is their "out".

Director Romero said he is supportive of this project and wanted to understand how some of the financial items were being address and how operations and maintenance were arrived at. Even if PCE were to wind up putting some additional money into the project, it makes sense to figure out how to improve and move it forward.

Director Reyes added that while this round has come up of PCE's balance sheet from a capital standpoint, looking at subsequent rounds, it is likely they will need to look at external capital sources and then pass through some cost of capital. They are still evaluating this for the next round.

Director Boles said she is excited about the program, thanked Mr. Fribush for his work, and said sometimes additional costs are not known until construction starts. Mr. Fribush explained that if it is a small dollar value it could be absorbed by the customer which gives PCE flexibility.

Director Boles referred to packet page 108 which shows Pacifica with a solar and a 60 kw battery system. However, on page 156 of the PCE Form of Master Engineering Procurement and Construction agreement and it does not mention the battery. She asked if this was referred to in the beginning that some of the batteries were not included. Mr. Fribush explained that Pacifica is a site that has a solid battery design because it already has a critical load panel and is designed for a backup generator so they are tying into an existing circuit so it is sized for that building.

Chair DeGolia thinks this is an important project. It is great they are getting it done under NEM 2.0, and hopefully the second cohort will get in under NEM 2.0, as well. It is a benefit to communities, leverages the knowledge and information Peninsula Clean Energy has, and it will serve a broader group of customers in the future.

Public Comments: Tygarjas Bigstyck (as a member of the public), thanked Mr. Fribush for the presentation and said it is good it is coming to fruition. When it was explained to him, even though there were nuances it felt like it was straight-forward then and now, and he recognized how much work went into this from the entire team.

Nelly Wogberg, Board Clerk, stated Mark Roest provided written comments where he notes, "Regarding Slide 65, we may be able to supply those batteries to you by September, from smaller

production volume, maybe $80/kWh. If these cost surprises show up we may be able to cut the solar cost, for example, if we can be plugged into the contract in place of the conventional manufacturer." She said the remainder of his comments can be read in the chat.

MOTION: Director Romero moved, seconded by Director Rarback to recommend to the Board delegate Authority to the Chief Executive Officer:

1. Execute Engineering, Procurement, and Construction (EPC) Contract with Intermountain Electric Company in an amount not to exceed $10,00,000 for the deployment of solar and solar + storage systems
2. Execute Power Purchase Agreements (PPAs) with Participating Jurisdictions (Buyers) for a term of 20 years to sell the energy generated by these systems, with revenues expected to fully offset cost of PCE Contract over the PPA term

MOTION PASSED: 17-0 (Absent: San Mateo County, Colma, Los Banos, Millbrae, South San Francisco, Woodside)

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

15. Board Members' Reports

Chair DeGolia asked a moment of silence for the victims and families of the tragedy in Half Moon Bay on January 23, 2023.

ADJOURNMENT

Meeting was adjourned at 8:48 p.m.

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

Thursday, February 23, 2023
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER
Meeting was called to order at 6:35 p.m. in virtual teleconference.

SWEARING IN OF NEW BOARD MEMBERS
David Silberman, General Counsel, presided over the official swearing-in of new Board Member Ray Mueller from San Mateo County.

ROLL CALL
Participating Remotely:

Ray Mueller, San Mateo County
Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Carlos Romero, East Palo Alto
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough
Betsy Nash, Menlo Park, arrived at 6:37 p.m.
Anders Fung, Millbrae
Tygarjas Bigstyck, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
Marty Medina, San Bruno
Amourence Lee, San Mateo
James Coleman, South San Francisco

Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent:

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

A quorum was established.

PUBLIC COMMENT
Diane Bailey

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

Director Emeritus Gupta commented on Agenda Item Number 2, noting that Staff would like to complete the process before the April 13th deadline for NEM 3.0.

Peter Levitt, Programs Manager, noted that Staff is confident that applications will get in before that time, noting that site visits are complete and that design process and submitting the interconnection applications are all that remain.

Director Emeritus Gupta also commented on Agenda Item Number 4, stating he has enjoyed the work and discussions over the last 3 years as the current Director Emeritus and hopes to continue.

Chair DeGolia said on the Director Emeritus item which is on the Consent Agenda, it is not eliminating the involvement but rather creating a new group called Director Emeritus Advisory Group which will be able to advise Peninsula Clean Energy. They are ending the formal limitation of the two Director Emeritus positions they have worked with over the last few years.

Vice Chair Colson added that this format was developed to create a more inclusive format and structure for those who want to remain involved so that as people who move off of elected office but want to stay involved and have talents to share will be able to sit on a subcommittee or other committee and be involved in other needs. This also prevents meetings from becoming cumbersome.

Director Emeritus Keener noted that as a member of the committee, he fully supports the recommendation and echoed Director Emeritus Gupta's comments.

MOTION: Director Medina moved, seconded by Director Rarback to set the Agenda, and approve the Agenda Items Numbers 1-4.

1. Adopt Findings Pursuant to AB 361 to Continue Fully Teleconferenced Committee Meetings Due to Health Risks Posed by In-Person Meetings
2. Approval of Contracts for SepiSolar and NV5 for Solar and Storage on Public Buildings Design Support
3. Approval of JPA (Joint Powers Authority) Weighted Voting Shares Allocation
4. Approval of Peninsula Clean Energy Ex-Officio Board of Director Seat and Alumni Engagement

MOTION PASSED: 15-0 (Absent: San Mateo County, Colma, Daly City, Foster City, Los Banos, Menlo Park, San Carlos, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Mueller	X			
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual				X
East Palo Alto	Director Romero	X			
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash				X
Millbrae	Director Fung	X			
Pacifica	Director Bigstyck	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Lee	X			
South San Francisco	Director Coleman	X			
Woodside	Director Wall				X
	Total	15			8

REGULAR AGENDA

5. Chair Report

Chair DeGolia reported he has established a CEO Transition Subcommittee that consists of himself, Donna Colson, Dave Pine and Marty Medina. Their job will be to implement the terms for the CEO transition the Board approved in the amendment to Jan Pepper's contract in September/October. The four of them will meet and work with Jan to put together a job description which will be published on the Peninsula Clean Energy website for anyone interested in applying for the CEO position and a Board discussion will follow on a replacement contract that will describe what Jan will do as she goes into her first year of retirement from PCE.

6. CEO Report

Jan Pepper, CEO, gave a report including the following: staffing updates, results of 24/7 media outreach, PG&E rate change, an update on the Solar and Storage on Public Buildings Program, a legislative update, information on the upcoming Board orientation and mentor program: and recruitment for ad-hoc subcommittees.

Vice Chair Colson said if any past Board Members such as Director Emeritus would be interested in mentoring a new Board Member, it would be great to stay involved. Secondly, now that they are moving back to in-person meetings she asked how Staff will handle not having quorums.

Jan said later on in the meeting hybrid meetings will be discussed which will cover this question. They are working with some members of the legislature about passing legislation that would allow multi-jurisdictional agencies like this to be able to continue with Zoom meetings.

8. Selection of Board of Directors Chair and Vice Chair (Action)

Director Mates reported that Rick DeGolia was nominated to remain Chair and Donna Colson to remain as Vice Chair.

MOTION: Director Mates moved, seconded by Director Medina to select Director DeGolia as Board Chair and Donna Colson as Vice Chair.

MOTION PASSED: 15-0 (Absent: San Mateo County, Colma, Daly City, Foster City, Los Banos, Menlo Park, San Carlos, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Mueller	X			
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual				X
East Palo Alto	Director Romero	X			
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash				X
Millbrae	Director Fung	X			
Pacifica	Director Bigstyck	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Lee	X			
South San Francisco	Director Coleman	X			
Woodside	Director Wall				X
	Total	15			8

7. Citizens Advisory Committee Report, Including the Results of the Citizens Advisory Committee 2022 Feedback Survey (Discussion)

Cheryl Schaff, Citizens Advisory Committee (CAC) Chair, reported the CAC met Thursday, February 9th and listened to self-introductions by their new Board liaisons. They deeply appreciate their ideas and guidance. She shared that Brian Tran of South San Francisco resigned from the CAC. They spent most of the meeting talking about PCE's building electrification strategy.

CAC members asked questions relating to financing support, what portion of upgrade cost has been covered by rebates and zero percent loans. Common concerns were shared from the recent CAC feedback survey including an interest in better aligning committee activities with its stated mission. Overall, the CAC was happy with the interaction with, and support of, Staff.
The numbers on the survey were better than they have been but they all felt like there had not been enough organized outreach, no legislative support, they were not necessarily invited to advise on new programs being discussed or thought about by PCE and wondered if they would be able to accomplish more if they goals had been more appropriate for their group. The group said they would like for the Board to give more input and more visibility so as to better serve the organization, and they now have 3 Board liaisons this coming year. A working group from the CAC has asked California Aggregators to share input on best practices of their community advisory groups and Staff liaisons, and they are totaling those responses.

Director Ragsdale wondered if they know someone who might be interested in joining the CAC she asked how they would express their interest. Chair Schaff said it states an application is on the website and those must be submitted by March 31st.

Director Mackin thanked the CAC, commended staff on high ratings from committee, asked for advertising materials to recruit new CAC members, which can be sent to students and those in interested fields.

9. Update on Hybrid Meetings Beginning in March 2023

Nelly Wogberg, Board Clerk, said starting March 1, 2023 in-person attendance of Brown Act meeting groups will be required. She noted increased participation from the public by using virtual meeting styles since they went remote in March 2020, as well as the addition of a new community in Los Banos, and noted to be accessible as possible for that community, hybrid meetings seem like a necessity. Also, she looked into other locations that could hold a 23-member Board which were limited. With some creative thinking they will plan to convene at 2075 Woodside Road, their main offices and the Board and Citizens Advisory Committee (CAC) will split between 3 conference rooms that will be open to the public and are all at the same address. The main lobby area can fit about 13 Board Members or CAC members, 2 other conference rooms that can fit 6 between the 2 rooms. The Audit & Finance Committee and the Executive Committee would meet in the main lobby.

Regarding the question asked earlier, she will be reaching out 2 days before each meeting to confirm attendance of Board Members and Alternates and ask if they are able to attend or not, which will help address quorums. The meeting rooms mentioned will be using Owl meeting cameras. These capture a 360-degree view of the room and pivot to focus on whoever is speaking. Testing has been done so the 3 rooms can join and connect to Zoom and join the public, Staff, or others joining in. Currently, masks are required in the office. They have also added air purifiers to each of the conference rooms. They will not be providing food and drink at this time as an encouragement to keep masks on. This solution allows the public to attend in-person or virtually, so they open the possibility of everyone being able to join and not just those are able to commute to the Peninsula Clean Energy Redwood City offices.

For Los Banos, they have a meeting room set aside at the Los Banos City Hall. Community members there have the option to join in-person at City Hall or virtually as well. Staff can participate virtually or in-person to limit the occupancy within the building. Their first meeting that will follow this hybrid plan is the CAC meeting on March 9th followed by the Executive Committee on March 13th, and then the Board meeting.

Vice Chair Colson questioned the reasoning behind the mask policy.

Nelly explained that right now their policies are masks for all Staff when entering the office. They could look at reconvening their internal staff committee and see if this is a policy change, but at the moment this is the policy in place with Staff. They are looking to be as extra cautious as possible and ensure everybody are as safe as possible.

Director Harvey noted that it ay be possible to fit the Board into the main lobby.

Nelly explained that the feedback she received is that it is very cozy in the room; however, that is up to the Board's comfort level when they are meeting. Currently, they have tables spaced apart so everyone has their own personal space, but if the Board would feel more comfortable having more people in the same room, this can be done, but they also have the availability for those who would feel more comfortable in a separate space to meet there, as well.

Director Mueller said he is interested in the idea. If they are splitting up in rooms anyway he asked if there is any interest in splitting the meeting in 3 different locations, such as one for the coast, one for north county and one for south county.

David Silberman, General Counsel, said they are doing a teleconference meeting with Los Banos already, so whether they could legally break up into different locations, they could. All locations need to be noticed and available to the public. The concern about setting up locations throughout county was the Staff support necessary to staff those various locations.

Chair DeGolia said he thinks they should continue to look at this and is sure Staff has evaluated the issue of the multiple locations and what can be done.

David Silberman added that this is not a done deal in the sense that if what happens in March is not working, they can always change it.

Vice Chair Colson said if they are going to have 3 separate locations and there are people with varying degrees of comfort and Staff can Zoom in, if there is a group who prefer to be masked they could take one room. She is not comfortable communicating and receiving communications with a mask, and she asked if the rooms could be divided that way so those can be masked or not masked.

Chair DeGolia said if someone is sick, this is a valid excuse not to attend the meeting and they can be on-line attending the meeting.

Director Bigstyck agreed that having a mask between one's face and what one is trying to communicate makes it difficult.

10. Approval of Contract Amendment with Richard Heath & Associates (RHA) to Increase the Contract by $1,500,000 to a Total of $3,500,000 and Extend the Contract Term Through June 30, 2024

Alejandra Posada, Associate Programs Manager, Customer Programs, gave a presentation regarding background and context about the Home Upgrade Program, how it fits into their 2035 decarbonization plan, information and outcomes from the Home Upgrade Program over the past 1.5 years, including next steps for the program and the proposed contract amendment. She described the new contract for $1.5 million for one year and part of it would be for the current fiscal year and through the end of next fiscal year. The contract will continue the program in its current form for 1 electrification upgrade per home, minor home repairs, would serve the wait list first, and thereafter a targeted outreach, incorporate 120 volt water heaters which can help lower installation cost, and whole home electrification upgrades in a few homes, and she recapped the recommendation.

Vice Chair Colson said she did not think they should have a wait list and asked how it could be cleared. She asked if it is money, time or resources needed to clear it.

Alejandra explained that the contract amendment is needed, adding that the vision would be to scale the program up to serve more homes, complete more in each home and offer turnkey services to non-income qualifying residents. As this would be a large program it would be better integrated under one program umbrella. The budget for the program would be fairly large and she thinks it would be better served as a competitive process to select the new implementor for the scaled up multi-year program.

Director Fung questioned the percentages of homes that are low income and asked what languages are used to reach out to constituents, recognizing the Diversity, Equity, Accessibility and Inclusion (DEAI) context.

Alejandra explained that homeowners served under the Home Upgrade Program are those that have an income of less than 80% of the average median income of the county. In terms of outreach, the initial program goal is to serve 200 homes. Outreach is largely conducted with community partners and non-profits that work with low-income residents.

Kirsten Andrews-Schwind, Senior Manager of Community Relations, added that the languages outreach partners are doing for this and other programs are done in English, Spanish, Mandarin and Cantonese, and less formally in Samoan, Arabic, Farsi and others. This year they will be adding Tagalog.

Director Mackin asked if there were requests from a broad spectrum across the entire San Mateo County, and Alejandra explained that the homes that have been served by the program already are well-distributed throughout the County.

Director Mackin asked if there are big initiatives for seniors of fixed incomes noting this group would greatly benefit from this and she asked to find a way to outreach to them.

Public comments: Diane Bailey

MOTION: Director Bigstyck moved, seconded by Director Aalfs to approve a contract amendment with Richard Heath & Associates (RHA) to increase the contract by $1,500,000 to a total of $3,500,000 and extend the contract term through June 30, 2024.

MOTION PASSED: 14-0 (Absent: San Mateo County, San Mateo County, Colma, Daly City, Foster City, Los Banos, Menlo Park, San Carlos, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Mueller (left at 7:33 p.m.)				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual				X
East Palo Alto	Director Romero	X			
Foster City	Director Hindi				X
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash				X
Millbrae	Director Fung	X			
Pacifica	Director Bigstyck	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Lee	X			
South San Francisco	Director Coleman	X			
Woodside	Director Wall				X
	Totals	14			9

11. Update on Community Outreach Grants (Discussion)

Kirsten Andrews-Schwind, Senior Manager of Community Relations, presented an overview of how they conduct community outreach with community-based organization partners with Peninsula Clean Energy for the Home Upgrade Program and a number of other programs including about background of the grant program, tracking of opt-outs, and development of an RFP and award of grants to 5 community-based organizations to help them reach customers in English, Spanish and other languages and through trusted community partners.

Vanessa Shin, Community Outreach Specialist, continued the presentation, stating that the grantees facilitated an estimated 2.3 million interactions with their content which they broke them down to handing out flyers at in-person events, having one on one conversations while hosting a workshop, digital engagement, social media, on-line ads, promotion of messages through radio, advertisements, and interviews on local stations in different languages. She worked with 11 organizations across 12 grants for total funding of $310,000. This year they are working with many of the same organizations but new ones as well for a total of 14 grants and funding across $415,000.

Chair DeGolia noted that Peninsula Clean Energy has many programs and he thinks it is very helpful to get a comprehensive summary and review on community outreach and grant partners.

Director Fung asked if these partners were selected year-round, asked if there was a deadline, and if there was media outreach in getting the word out on programs.

Kirsten explained that all grantees are media organizations who happen to be non-profits and are eligible to apply for the grant. Vanessa explained the application cycle which is on a calendar year basis and applications are opened in the fall.

Director Fung asked about social media outreach with these community partners. Vanessa explained that almost all the organizations are active on social media. What they do to streamline and make it easy to share information is they develop media toolkits that have graphics and sample captions. Many media kits are translated into 3 languages and are provided to grantees to make it easy to share on Peninsula Clean Energy's behalf.

12. Board Members' Reports

None

ADJOURNMENT

Meeting was adjourned at 8:35 p.m.

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

Thursday, December 21, 2023
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

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

ROLL CALL

Participating:

Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Carlos Romero, East Palo Alto
Sam Hindi, Foster City, arrived at 6:38 p.m.
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough
Betsy Nash, Menlo Park
Anders Fung, Millbrae
Tygarjas Bigstyck, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
Marty Medina, San Bruno
John Dugan, San Carlos
Amourence Lee, San Mateo
Jennifer Wall, Woodside

Absent:

Dave Pine, San Mateo County
Ray Mueller, San Mateo County
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Paul Llanez, Los Banos
James Coleman, South San Francisco

A quorum was established.

PUBLIC COMMENT

Brian Schmidt
David Mauro

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

Director Dugan shared support of Agenda Item Number 3, "Approval of a $250,000 Contract Amendment with Green Light Auto, to Provide Used EV Rebates in the Used Electric Vehicle Incentive Program."

MOTION: Director Romero moved, seconded by Director Rarback to set the Agenda, and approve Agenda Item Numbers 1-4.

1. Approval of Two EV Ready Program Fund Reservation Agreements, Providing Approximately $860,000 in Customer Incentives
2. Appointment of Nicholas Bijur as Peninsula Clean Energy Treasurer
3. Approval of a $250,000 Contract Amendment with Green Light Auto, to Provide Used EV Rebates in the Used Electric Vehicle Incentive Program
4. Approval of Two New Agreements with the Law Firm of Keyes & Fox LLP in an Amount Not-to-Exceed $95,000 and $90,000 Respectively, for a Total Not-to-Exceed Amount of $185,000, Replacing our Prior Agreement

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

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual				X
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyck	X			
Portola Valley	Director Aalfs	X			

Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Total	17			6

REGULAR AGENDA

5. Chair Report

Chair DeGolia shared that a nominating committee for the positions of Chair and Vice Chair will be formed at the January 2024 Board Meeting.

6. CEO Report

Shawn Marshall, Chief Executive Office, gave a report including follow up on the November Board Retreat and an update on the 2024 workplan, information on an energy programs subcommittee formation, an update on the launch of PG&E's Solar Billing Plan, changes to the Used EV Rebate, and a staffing update.

Marc Hershman, Director of Government Affairs, gave an update on legislative activity.

Chair DeGolia announced that Agenda Item Number 7, CAC Report, will be heard later in the meeting.

8. Approval of the Fiscal Year End (FYE) 2024 Surplus Funds Committee Recommendations Including an Update to Policy 18, "Financial Reserves Policy"(Action)

Shawn Marshall, Chief Executive Officer, gave a presentation covering the recommendations from the Fiscal year 2024 Surplus Funds Committee.

Director Rarback asked how member agencies will be alerted about these incentives. Shawn explained that Staff is working on a webinar and mailer for relevant city staff.

Vice Chair Colson asked for clarification on the amounts for member agency grants. Shawn explained that the chart is a bit outdated but would be updated and sent out.

Shawn noted that a change from the recommendation and the December 11, 2023 Executive Committee Meeting was an update of the language to "Peninsula Clean Energy will" versus "Peninsula Clean Energy will consider" as the Executive Committee thought this was clearer language and helpful should Peninsula Clean Energy try to get a new credit agency rating.

Director Romero noted that combining parts b and d of the staff recommendation brings to total adjusted days cash on hand to almost 280 days and asked how the 10% cost of energy contingency is affected annually. Shawn shared that this answer feeds into a bigger question on a potential need for a rate stabilization fund.

MOTION: Director Aalfs moved, seconded by Director Mates to approve the Fiscal Year End 2024 Surplus Funds Committee allocations and related recommendations:

1. Approve slate of 8 funding allocations totaling $68,000,000;
2. Establish an annual reserve target of 250 adjusted days cash on hand, above which the Board would consider a surplus fund allocation(s);
3. Modify Peninsula Clean Energy's (PCE) Policy 18, "Financial Reserves Policy" to state that if the Operating Reserve is projected to be below 180 days over the next 12 months, PCE will implement plans, such as increasing rates/reducing PCE's discount, to return Operating Reserves to the level of 180 days within two fiscal years; and,
4. Include a standard 10% cost of energy contingency in PCE's annual power supply budget.

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

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

Woodside	Director Bryant	X			
	Total	17			6

9. Approval of Updates to Policy 13, "Delinquent Accounts and Bad Debt Collections" (Action)

Leslie Brown, Director of Account Services, gave a presentation on updates to Policy 13, “Delinquent Accounts and Bad Debt Collections".

Director Ragsdale asked for communications to customers to be separated from a mention of collections. Leslie explained that the communications haven’t been drafted yet, but do plan to have separate communications.

Director Hindi asked how large the bad debt balances could get. Leslie explained that some of these accounts are for commercial customers and can be quite large.

Director Hindi asked if Peninsula Clean Energy would offer payment plans. Leslie explained that ideally the accounts would be paid in one transaction, but that if a couple payments were needed that could be considered on a case-by-case basis.

MOTION: Director Mates moved, seconded by Director Hindi to approve the proposed updates to Policy 13, “Delinquent Accounts and Bad Debt Collections”.

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

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual				X
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyck	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			

San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Total	17			6

10. Approval of the Creation of the Climate Champion Award (Action)

Marc Hershman, Director of Government Affairs, gave a presentation for the creation of a Peninsula Clean Energy Climate Champion Award including how the award would work.

Vice Chair Colson suggested that diversity is brought to the forefront when selecting recipients for these awards.

Director Mates asked for criteria that the Board would be looking at so the award wouldn't be subjective. Chair DeGolia suggested that Staff return with criteria.

Vice Chair Colson suggested a separate award for organizations and one for persons.

MOTION: Vice Chair Colson moved, seconded by Director Rarback to authorize the establishment of a Climate Champion Award to be selected annually beginning in 2024.

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

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual				X
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyck	X			
Portola Valley	Director Aalfs	X			

Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Total	17			6

11. Approval of a Contract with IDLab Global for Brand and Marketing Services in an Amount Not-to-Exceed $300,000 for a term ending December 31, 2024 (Action)

Gwen Rose, Director of Marketing and Account Services, gave a presentation on a contract with ID Lab for brand and marketing services including the background on Peninsula Clean Energy's brand evolution, the marketing Request for Proposals process, brand and marketing deliverables, and projected timeline.

Director Dugan shared that staff did a robust search.

Director Mackin noted that, "transitioning from a primary transactional approach to a more customer-centric approach" is a huge shift and well-timed.

MOTION: Director Dugan moved, seconded by Director Mackin to delegate authority to the CEO to sign a brand and marketing services contract with IDLab Global for a total of $300,000 through December 31, 2024.

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

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez				X
Daly City	Director Daus-Magbual				X
East Palo Alto	Director Romero	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback	X			
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			

Pacifica	Director Bigstyck	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan	X			
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Total	17			6

12. 2024 Peninsula Clean Energy Customer Energy Rate Update (Discussion)

Leslie Brown, Director of Account Services, gave an update on the 2024 Peninsula Clean Energy Customer Energy Rates including background, the 2024 Peninsula Clean Energy rate update plan, and the impact of holding off on immediate rate change.

Director Medina asked for public explanation on where Peninsula Clean Energy rates come from.

Chair DeGolia agreed with holding on rate changes until Staff completes their analysis.

Director Mackin shared that many customers do not understand they are Peninsula Clean Energy customers and noting that current rate increases are from PG&E and not from Peninsula Clean Energy.

7. Community Advisory Committee Report

Kirsten Andrews-Schwind, Senior Manager, Community Relations, gave a presentation with a recap of the December 7, 2023 Community Advisory Committee, noting that Brandon Chein resigned from the Committee.

Director Ragsdale asked about filling the vacant position on the Committee. Kirsten explained that there were great candidates who applied last year, and explained that traditionally applications open early, but that returning to prior applicants is being considered this year.

Vice Chair Colson suggested opening up this opening to the public as another source of outreach to the community and suggested only returning to prior applicants to fill the remainder of the term.

Director Mackin asked if a full term can begin on a different cycle. Vice Chair Colson explained that terms are staggered and that skill sets are varied.

Chair DeGolia requested a future report on openings on the Community Advisory Committee and when those positions will open.

13. Board Members' Reports

Director Mackin shared that Agenda Item Number 14 has a note about "Key Accounts Engagement" and Caltrain's energy and requested a discussion on expectations from Caltrain and future capacity as well as a presentation on Direct Access.

Director Nash appreciated the Board Member Training Binder.

Vice Chair Colson noted that Julia Mates will be leaving the Board in January.

Director Loraine from San Mateo and discussed assuming as primary Board Member.

Shawn Marshall noted that a Board Orientation will be put together for new board members next year.

ADJOURNMENT

Meeting was adjourned at 7:50 p.m.

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Phillip Kobernick, Senior Programs Manager

SUBJECT:
Approval of One EV Ready Program Fund Reservation Agreement, Providing Approximately $205,000 in Customer Incentives

RECOMMENDATION

Approval of one Fund Reservation Agreement, which will provide an expected total of approximately $205,000 in customer incentives to install EV charging infrastructure at an apartment property in Daly City, as part of the EV Ready Program.

BACKGROUND

In December 2018, the Board approved a 4-year $16 million EV charging infrastructure program intended to accelerate EV adoption in San Mateo County. The funds include $12 million in incentives, technical assistance, workforce development, and other program costs, and was later named the "EV Ready Program."

The EV Ready Program provides incentives and technical assistance to eligible property types, which include: 1) Affordable Housing, 2) Multi-Unit Dwellings (such as apartments and condominiums), 3) Employee Charging, including fleet, and 4) All Publicly Accessible, Non-Residential Locations. The program provides incentives for several different EV charging types, as part of the program's "Right-Speeding" strategy to install cost-effective charging options, depending on the use case. These incentivized charging options include: 1) Level 1 or Level 2 outlets, 2) Level 2 EV charging stations, 3) Make-Ready parking spaces, to encourage future-proofing, and 4) panel updates for multi-family property sites. These incentives range from $1,000 to $5,500 per charger, depending on property type, retrofit vs new build projects, and charging type.

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

when individual Agreements are valued at $100,000 or more.

DISCUSSION

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

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

Details of the Fund Reservation Agreement are included below, with addresses removed for customer privacy. This incentive application is being submitted by GoPowerEV, an EV charging developer that specializes in low-power and affordable charging options, on behalf of a rental apartment property in Daly City. This project is the largest EV Ready project (by total charging ports) at a rental apartment property and the second largest project at a multi-unit dwelling.

Property Type	Total Expected Reserved Funds	Total Charge Ports Expected	City
Multi-Unit Dwelling	$205,000	100	Daly City

FISCAL IMPACT

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

STRATEGIC PLAN

Goal 3 – Community Energy Programs:

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

ATTACHMENTS:
EVRP_FundReservationAgmt_V121622.pdf

RESOLUTION NO. _____

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

APPROVAL OF ONE EV READY PROGRAM FUND RESERVATION AGREEMENT, PROVIDING APPROXIMATELY $205,000 IN CUSTOMER INCENTIVES

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

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

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

WHEREAS, in December 2018, the Peninsula Clean Energy Board of Directors approved $16 million in funds for a 4-year EV charging infrastructure program, which came to be called the "EV Ready" program; and

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

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

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

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

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

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to execute a customer Fund Reservation Agreement in the EV Ready program to provide incentives for an expected total of approximately $205,000 in a form approved by the General Counsel.

Peninsula Clean Energy
Electric Vehicle Ready Program
Fund Reservation Agreement

Applicant First Name	
Applicant Last Name	
Title	
Organization	
Email	
Phone Number	
Proposed Site Address	
City	
Zip Code	
Service Agreement ID	
Project ID	

EV Charging Infrastructure Project Description:

Project Type	

	Level 1 Outlets	Level 2 Outlets	Level 2 Charge Ports	Make Ready Ports
Submitted # Ports				
Reserved Funds	$	$	$	$

Panel Upgrade	$

Total Reserved Funds

Notes

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

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

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

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

[DocuSign]

Applicant Signature Date

Peninsula Clean Energy Representative Signature Title Date

Peninsula Clean Energy EV Ready Program Terms and Conditions

1. **ELIGIBILITY**: Peninsula Clean Energy Authority offers a rebate to eligible PCEA customers or their designees (Applicant) installing EV Charging Infrastructure through the EV Ready Program. Applicants eligible to receive rebates under the Program must (1) abide by the terms and conditions listed herein; (2) have the EV charging port(s) metered through a PCEA account number; (3) comply with Program Standards and Requirements ("Program Requirements") in Appendix A; (4) provide PCEA with Required Installation Verification Documents as specified in the Program Requirements upon completion of the project.

2. **REBATE RESERVATION TERM AND AMOUNT**: The amounts of the rebates for which qualifying projects are eligible are outlined in Program Requirements. Rebate funds are reserved upon execution of this Agreement up to the maximum amount identified in the Program Requirements based on the "EV Charging Infrastructure Project Description" (hereinafter, the Project, *see* page 1 above). The funds are reserved according to the Fund Reservation Period timelines outlined in the Program Requirements and any modifications to the timelines are at the discretion of PCEA. Rebates will be paid to eligible Rebate Recipient once installation is verified as complete by PCEA. The final amount of the rebates will be the actual eligible costs of verified EV Charging Infrastructure installed or the maximum amount reserved, whichever is less.

3. **DISCRETION ON VERIFICATION**: Determinations regarding verification pursuant to paragraph (1) and paragraph (2) of these Terms and Conditions, shall be determined at PCEA's complete and exclusive discretion.

4. **REBATE RECIPIENT**: The Applicant may direct the rebate funds to any Rebate Recipient, who is a single vendor or service provider incurring costs for the Project up to the amount of documented costs incurred by that Rebate Recipient. The Rebate Recipient shall be identified in the Installation Verification Form submitted upon project completion to request disbursement of the rebate.

5. **NO GUARANTEES**: PCEA makes no guarantee, representations or warranties, expressed or implied, regarding the implementation or use of EV Charging Infrastructure and equipment purchased or installed pursuant to this PCEA Program. Customer is solely responsible for any liability, legal or otherwise, arising from the installation, operation, and maintenance of its selected EV Charging Infrastructure.

6. **EVSE PACKAGE:** Upon approval of the Funds Reservation Agreement by PCEA, for Level 2 EV Charging Ports, as defined in Appendix A, Program Requirements, the Customer shall select and procure EV Supply Equipment (EVSE), software, and network services as required and in compliance with the Equipment Requirements outlined in the Program Requirements. Customer shall install, operate and maintain the number and type of the EVSE unit(s) (defined in Program Requirements), associated equipment, and signage as selected by Customer and approved by PCEA. Customer acknowledges that:

    a. For all Level 2 EV charging port(s) included in the project, the Customer agrees to purchase a) a minimum 2-year software and networking service agreement and b) a maintenance contract or a 3-year warranty with the Electric

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

7. **ADDITIONAL SERVICES FROM ELECTRIC VEHICLE SERVICE PROVIDER (EVSP):** Separate and apart from the Funds Reservation Agreement and PCEA's obligations under the Program, the EVSP may offer and contract directly with the Customer to provide any additional or complementary services, as long as these services do not interfere with the objectives of the Program. PCEA is not responsible for the costs of additional EVSP services or any cost related to operations and maintenance of any additional EVSP services.

8. **INSTALLATION OF EV CHARGING INFRASTRUCTURE:** Customer is responsible for covering all upfront costs of the installation of the EV Charging Infrastructure. Upon completion of installation of the EV Charging Infrastructure, Site Owner understands it is responsible for the operation and maintenance of the EV charging port(s) installed.

9. **CONTRACTOR REQUIREMENTS**: All work performed on projects under this agreement shall be done by contractors who hold a valid California C-10 license. PCEA reserves the right to amend and change contractor requirements at any point during the program.

10. **EV DRIVERS RIGHT TO ACCESS:** Customer may limit the availability of the EV Charging Infrastructure to its employees or tenants. Under the Program, Customer may elect to make the EV Charging Infrastructure available for use by the general public. Customer shall not restrict access to use of the EV Charging Infrastructure for reasons including, but not limited to, race, color, religion, age, sex, national origin, ancestry, physical or mental disability, or any basis prohibited by applicable law.

11. **APPLICABLE LAWS**: Customer is solely responsible for ensuring that the EV Charging Infrastructure is installed and operated in compliance with all applicable local, state, and federal laws.

12. **EV CHARGING PORT(S) OPERATION AND MAINTENANCE:** Customer will pay all ongoing costs associated with the EV Charging Infrastructure. Customer shall maintain a consistent uptime for the EV Charging Port(s) installed. Customer shall maintain the common area immediately surrounding the EV Charging Infrastructure in good condition, ordinary wear and tear accepted, and will promptly notify PCEA of any problems it is aware of related to the EV Charging Infrastructure. Such maintenance by Customer of the immediately surrounding common areas shall include, but not be limited to, pavement maintenance. Customer shall promptly notify PCEA if Customer will no longer maintain the installed EV Charging Infrastructure and/or the installed EV Charging Infrastructure is being removed from Customer's site. Uninterrupted service is not guaranteed, and Pacific Gas & Electric (PG&E) may interrupt service and access to the EV Charging Infrastructure when necessary to ensure safety or to perform maintenance as dictated by utility easement agreements and requirements.

13. **PERMISSION TO USE DATA:** For all EV Charging Infrastructure installed that are capable of collecting and reporting usage and utilization data, Site Owner agrees to allow PCEA and its authorized Contractors to access, collect, use, and report EV Charging Infrastructure usage and utilization data gathered as a part of the Program for use in regulatory reporting, ordinary business use, industry forums, case studies, or other similar activities, in accordance with applicable laws and regulations. PCEA and its authorized Contractors shall have access to the EV Charging Infrastructure usage and utilization data indefinitely and in accordance with all applicable laws, including but not limited to PCEA privacy guidelines and relevant regulatory decisions.

14. **DEMAND RESPONSE and LOAD SHAPING PROGRAMS:** Customer agrees that PCEA may, at its discretion enroll all networked EV charging port(s) units installed under the Program in any future demand response, grid optimization, and/ or load shaping programs implemented by PCEA. Future load shaping program will, by design, not incur any additional costs or expenses to Customer. The load shaping program will aim to curtail energy usage for each charging port during a predefined period established by PCEA. These curtailments will be designed to minimally impact EV drivers that are charging during these times whenever possible. Customers will be provided an appropriate mechanism to opt-out before the program is implemented.

15. **TAX LIABILITY and CREDITS**: PCEA is not responsible for any taxes which may be imposed on Customer as a result of the rebates provided within the Program. Site Owners receiving incentives from either the Program and/or other regional organizations, including, but not limited to, the Bay Area Air Quality Management District, that have been facilitated through assistance from PCEA are required to designate their Low Carbon Fuel Standard (LCFS) credits to PCEA. Customer attests they are releasing their rights to report and claim credits in the LCFS and are designating credits in the LCFS to PCEA

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

16. **DISPUTES**: Except where otherwise limited by law, PCEA reserves the right, at its sole discretion, to make final determinations regarding any disputed issues about the Program, including but not limited to eligibility and rebate amounts. In the event of a dispute that cannot be remedied by the parties, any court filings and/or proceedings shall be venued in San Mateo County, California. PCEA shall in no case be responsible for the legal costs of Site Owner and/or Designated Applicant.

17. **PROGRAM CHANGES**: PCEA reserves the right to change, modify, or terminate the Program at any time without any liability except as expressly stated herein. PCEA will honor all written commitments made in the Funds Reservation Agreement provided to Customers prior to the date of any change, modification or termination of this program, provided that project installations are fully completed within the timeframe specified within the Program Requirements.

18. **PROGRAM EXPIRATION:** The Program will expire upon the earliest to occur: (i) December 31st, 2024, (ii) when funds are depleted, or (iii) when the program is terminated by PCEA.

19. **INDEMNIFICATION:** Applicant agrees to indemnify, defend, and hold PCEA, its employees, officers, and agents, harmless from any and all liabilities including, but not limited to, litigation costs and attorney's fees arising from any and all claims and losses to anyone who may be injured or damaged by reason of Customer's negligence, recklessness or willful misconduct while participating in the PCEA Program.

20. **ACKNOWLEDGEMENTS:** Customer shall acknowledge PCEA as a funding source of the installed EV Charging Infrastructure each time Customer's activities related to the EV Charging Infrastructure are published in any news media, press release, brochures, or other type of public communication or promotional material. The acknowledgement of PCEA's support as a funding source, whether in whole or in part, shall include language such as: "Funding for [Customer Site Name]'s charging station(s) provided by Peninsula Clean Energy." If Customer is receiving funding from multiple organizations, Customer may use one statement conforming to the format listed above and include all organizations from which funding is received. PCEA also reverses the right to install stickers, signage, or other advertisement mechanism on the EV charging port(s) funded or facilitated by PCEA.

21. **CUSTOMER DISCLOSURE AUTHORIZATION:** By signing the Funds Reservation Agreement, Applicant confirms they are the authorized representative for the electric account holder identified in the Funds Reservation Agreement and authorized PCEA to disclose Customer's account status and participation in the PCEA Program. If Applicant is not the authorized representative for the electric account holder identified in the Funds Reservation Agreement, the Applicant certifies that they have submitted a Third Party Designated Applicant Assignment Form to verify that the Site Owner has delegated authority to the Applicant to represent the Site Owner and execute the Funds Reservation Agreement.

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Shawn Marshall, Chief Executive Officer

SUBJECT: CEO Report (Discussion)

BACKGROUND

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

DISCUSSION

Surplus Funds Feedback and Next Steps

Public feedback and media coverage of the Board's recent approval of $68M from FYE 2024 surplus funds has been very favorable. Please see attached for a copy of a thank you note from an East Palo Alto family and links below to recent media coverage on the topic.

To review the press releases see:
https://www.peninsulacleanenergy.com/peninsula-clean-energy-details-68-million-community-reinvestment-package
https://www.peninsulacleanenergy.com/peninsula-clean-energy-gives-300-bill-credit-to-income-qualified-customers
To watch the video see: https://www.youtube.com/watch?v=B5zRZAAvXIE

In addition, we have received a few inquiries from local governments about the newly established Member Agency Energy Grants program. A follow up email is scheduled to go out early next week to Board members and City managers and will also include information about the new Local Government Electrification grants and loan program. This email will be followed by an informational webinar/Q&A session in early February with the goal of getting the application and funding process underway shortly thereafter. Staff will be on hand to answer any other questions Board members may have on this topic.

Reach Codes & 9th Circuit Ruling

At the beginning of January, the Federal 9 th Circuit Court declined to rehear the decision in which the Berkeley “gas ban” municipal code was deemed preempted by the Federal

appliance code, Appliance Energy Conservation Act (EPCA), which establishes appliance energy standards. The decision was accompanied by an unusual dissent from 11 judges. The impact is that Berkeley's gas ban code as currently written is unenforceable. Berkeley's code is different than the code adopted by jurisdictions in PCE territory which are within California's Title 24 energy code.

Each jurisdiction is encouraged to make its own assessment of existing reach codes on their books; however, some jurisdictions are exploring an alternate model code that PCE and SVCE have made available which is an energy performance code. The energy performance code is independent of the type of energy used, so it allows the use of methane gas appliances. However, because newer electric appliances are very substantially more efficient than methane combustion systems, electric appliances are favored. PCE and SVCE are also exploring air quality based codes as well.

Governors Budget

On January 10, 2024, Governor Newsom unveiled his $291.5 billion proposed 2024-25 budget which acknowledges a $37.9 billion deficit. Climate funding was reduced to $48.3 billion, down 11% from the 2022 budget. As compared to the 2023 budget, the current proposal would slash about $2.9 billion from climate programs (in addition to $5.6 billion in cuts from other programs) and delay an additional $1.9 billion in climate program spending by stretching payments out to future budget cycles. Director of Government Affairs, Marc Hershman, has included a detailed report on the Governor's proposed budget in this month's Legislative update, which I encourage you to read.

The upshot for PCE is that proposed climate related cuts will not have a direct impact on PCE programs since we do not rely on State funding for program implementation. However, cuts could have an indirect impact, especially in the building electrification (BE) area, in two ways: 1) our BE modeling assumes a modest level of State and Federal funding, allowing us to electrify more appliances and homes. So, while we don't have a precise estimate, we do know that we may not be able to electrify as many homes as planned unless Federal funding fills some of the gap left by State shortfalls; 2) some customers who apply for State home electrification and/or EV incentives may see a reduction in available rebates, which many customers stack with PCE rebates to make electrification or EV purchases more affordable. The net result is a reduction in consumer financial incentives which could cool the positive market momentum we've been seeing in the past year. A revised budget will be posted in May after receipt of the April tax revenues. We will keep tabs on this and report back any other impacts on PCE programs.

GovPV1 Update

GovPV1, the first round of PCE's solar+storage on government buildings program, began installations in the Fall of last year on 12 systems for 1.7 MW of solar. This program is projected to deliver $17M or more in lifetime savings to participating local governments. Two systems are already operational: Brisbane Mission Blue and the San Carlos Youth Center. The remaining ten systems are scheduled for completion this Spring. This is good progress as we shift our focus to the implementation of GOVPV2, which involves expansion to several more sites around our service territory.

CalCCA and CCPower Board Actions

Shawn will provide a brief report on recent Board actions taken at the January Board meetings of Cal-CCA and CCPower.

PCE Staffing Update

Please welcome to our team Chris Duarte, IT Engineer, who started with us on January 16th.

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

Associate Manager, Energy Programs, Project Development

Risk Manager

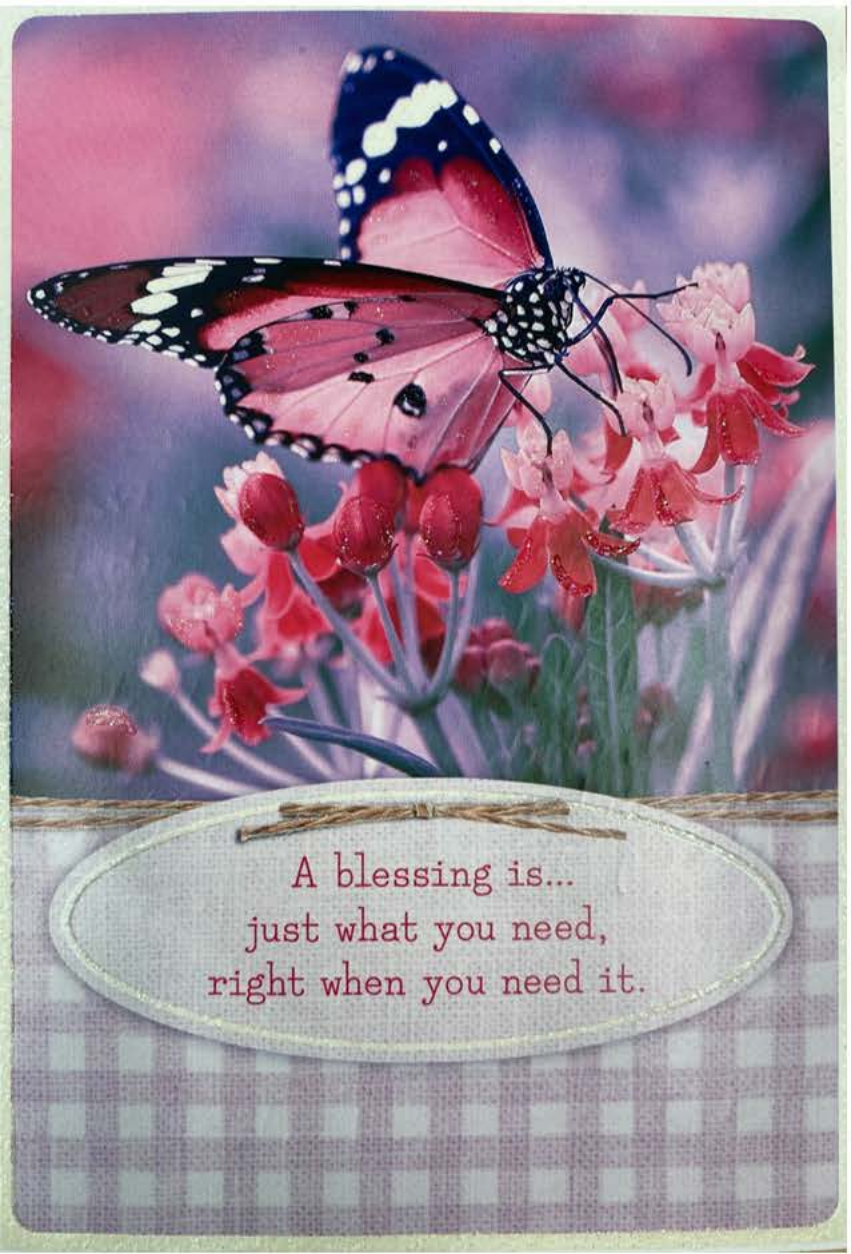
Senior Human Resources Specialist

Community Outreach Specialist

Senior Manager of Innovation Strategy

ATTACHMENTS:

Thank You Letter



Dear Penninsula Clean Energy Board Members,

We, the community, thank you for your vote to the award $ 300 credit towards our PG&E bills. I was ecstatic after reading the letter. In addition, I'm grateful for the E-bike for Everyone Program; keep up the great work. I am a proud PCE member who recognized the leadership's attention to detail, which has proved instrumental in achieving goals and supporting the community.

Sincerely,

An East Palo Alto Family

Thank yo

PENINSULA CLEAN ENERGY

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Leslie Brown, Director of Account Services and Nick Bijur, Chief Financial Officer

SUBJECT: 2024 Peninsula Clean Energy Generation Rate Analysis and Staff Recommendation to Maintain PCE Generation Rates at 2023 Levels Through at least June 2024 for Most Customers (Action)

RECOMMENDATION

Approve a Resolution to maintain Peninsula Clean Energy generation rates at 2023 levels through at least June 2024 for the majority of customer classes, and implement rate adjustments to Winter Super Off Peak Rates for B-19 and B-20 and AG-5 Summer Demand rates to align with PG&E's new 2024 rates to take effect March 1, 2024.

BACKGROUND

At the December 2023 Board meeting, PCE staff proposed holding off on 2024 generation rate adjustments in order to update our financial forecast and perform additional analysis on options for rate adjustments that would be even more favorable to our customers than PCE's standard net 5% discount off PG&E generation rates. Of note, PCE's FY 2024 budget forecasted nominal increases to PG&E generation rates in January 2024, assuming a less than 1% increase. However, PG&E's AET (Annual Electric True-up) filed on December 29, 2023, implemented significant increases to PG&E's generation rates, for an average 15% generation rate increase system-wide.

Peninsula Clean Energy's typical practice of rate making is to calculate a net 5% discount (inclusive of PCIA exit fee and franchise fee surcharge (FFS)) from PG&E's generation rate, and apply those new rates for PCE customers effective one month after the PG&E rate change. Of particular note this year, PG&E's January 1 generation rate adjustment includes an accelerated (6-month) recapture of under-collected energy costs from the previous year, which means that there will be a planned decrease in PG&E generation rates in July 2024. In light of the significant increase to PG&E's rates compared to PCE's FY 2024 budgeted forecast, and the known adjustment coming from PG&E in July 2024, PCE analyzed several rate options beyond our standard 5% discount with customer affordability in mind. These options are presented below and financial impacts are further illustrated using PCE's lower limit of 180 days cash on hand (DCOH) and upper limit of 250 DCOH as references.

DISCUSSION

To assess the impact of various rate options, Account Services and Finance staff developed and analyzed rate tables incorporating PG&E's January 1, 2024 generation rates under three scenarios: 1) no change from PCE's 2023 generation rates, 2) PCE standard net 5% discount, and 3) a net 10% generation rate discount. These were coupled with a working assumption of incorporating the new PCIA exit fee and Franchise Fee Surcharge (FFS), bringing a small number of negatively affected rate classes to parity with PG&E (see below), and shifting to a standard 5% net discount when PG&E adjusts its rates downward in July 2024.

Option 1: Maintain PCE's current/2023 generation rates

Customer Rate Impact: Maintaining PCE rates at 2023 levels results in an increased, but uneven discount for PCE customers across most rate schedules and Time of Use (TOU) periods. As with every rate change, some rate periods were adjusted more significantly than others; in addition, the PCIA and FFS assessed by PG&E were increased for 2024. The net impact for each customer under this scenario will vary depending on what rate they are on and how they use energy, but on average most PCE customers will see discounts between 10-15% from what PG&E would otherwise charge for generation. With this "no change" scenario there are a handful of specific rate periods where adjustments made by PG&E were significant enough that leaving PCE's rates at 2023 levels would result in higher rates than PG&E. Changes can be made to the impacted rate periods to ensure PCE rates are not more expensive than PG&E. Overall, maintaining 2023 rates for customers through June has the greatest financial benefit for the vast majority of our customers, it allows PCE to communicate a flat or "0%" increase to our rates compared to PG&E's ~15% system wide generation increase, and it reduces the number of potential rate changes for customers in 2024.

Financial Impact: In this scenario, PCE's CY 2024 net position is projected to be $29M compared to the updated forecast of $44M, for an impact of approximately $15M.

Option 2: Proceed with standard net 5% generation rate discount

Customer Rate Impact: Implementing our standard 5% discount from PG&E's generation rates would result in an overall increase to PCE rates for customers beginning March 1, 2024. The impacts to individual rates would vary, but most customers would see increases between 5-12% when compared to PCE's 2023 rates. This would be PCE's typical course of action following a PG&E rate change, implemented one month later than usual due to the additional rate scenario analysis and discussion.

Financial Impact: In this scenario, PCE's net position is projected to be $41M compared to the updated forecast of $44M, an impact of $3M due primarily to the one month delay increasing rates.

Option 3: Implement net 10% generation rate discount

Customer Rate Impact: Implementing a 10% discount from PG&E's rates would result in a mix of both rate increases and decreases to PCE's current rates. With a few exceptions, most rates would fluctuate +/- 2% to 4%. While the change in rates for most customers would be small, moving forward with a rate change in March would mean that customers would likely experience more than one rate change by PCE in 2024; and, this option is not as financially

beneficial to our customers as maintaining our 2023 rates.

Financial Impact: In this scenario, PCE's net position is projected to be $32M compared to the updated forecast of $44M, an impact of $12M.

As noted in our working assumptions, staff discovered that there are a small subset of rate classes affecting ~40 customers where maintaining PCE's 2023 rates would result in a higher than comparable cost to the customer if left unchanged. For this subset of rate classes -- B-19 and B-20 Winter Super Off Peak Rates and AG5 Summer Demand -- staff is recommending rate adjustments for those specific accounts to be at parity with PG&E, such that the net impact of adjusting to parity with PG&E will result in a 5%+ discount overall for the customer. This rate change could go into affect for this subset of ~40 accounts in March 2024.

Finally, staff recommends revisiting our working assumption of a rate change in July 2024 to reflect our typical net 5% discount off PG&Es generation rates. We will know more once we have a clearer picture of our FY 2025 revenue and expense projections and PG&E's planned rate change. We will return to the Board with an update and corresponding rate recommendation in June or July 2024.

In summary, given the updated forecast described in the Fiscal Impact section below, PCE is able to offer the most favorable rate option for our customers -- maintaining 2023 generation rates through June 2024 -- while ending the calendar year with 264 DCOH. As noted, we will return to the Board in June/July 2024 to discuss rates for the second half of the calendar year.

FISCAL IMPACT

Earlier this month, PCE's Finance team updated the Agency's financial forecast to include an updated energy load forecast, actual financial results through October 2023, increases to energy costs (+$30M) driven by higher RA costs and increased contingency, and a partial distribution of surplus funds allocation for Programs (+$27M). With this new baseline, the team ran through various scenarios where rates were adjusted to our normal 5% discount effective March 1, 2024, a 10% discount effective March 1, 2024, and maintained at 2023 levels through June 2024. In all scenarios, rates were adjusted back to a 5% net discount on July 1, 2024 to realign with PG&E's expected generation rate change.

With the updated financial assumptions, PCE is able to offer the most favorable rate option for our customers -- maintaining 2023 generation rates through June 2024 -- while ending the calendar year with 264 DCOH, close to our upper target level. See attached tables for reference highlighting DCOH and change in net position for each rate scenario.

STRATEGIC PLAN

Maintaining PCE rates at 2023 levels for customers through at least June 2024 is consistent with PCE's goal to provide customers with cleaner electricity at a lower cost than would otherwise be provided by PG&E.

ATTACHMENTS:
Change in Net Position Scenarios.pptx
DCOH Scenarios 2024 rate change.pptx

RESOLUTION NO. _____

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

2024 PENINSULA CLEAN ENERGY GENERATION RATE ANALYSIS AND STAFF RECOMMENDATION TO MAINTAIN PCE GENERATION RATES AT 2023 LEVELS THROUGH AT LEAST JUNE 2024 FOR MOST CUSTOMERS (ACTION)

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

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

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

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

WHEREAS, on January 1, 2024, PG&E implemented adjustments to both the Power Charge Indifference Adjustment (PCIA) and its own generation rates; and

WHEREAS, PCE staff proposes maintaining 2023 rates for customers except in instances where doing so would make PCE rates more expensive for customers; and

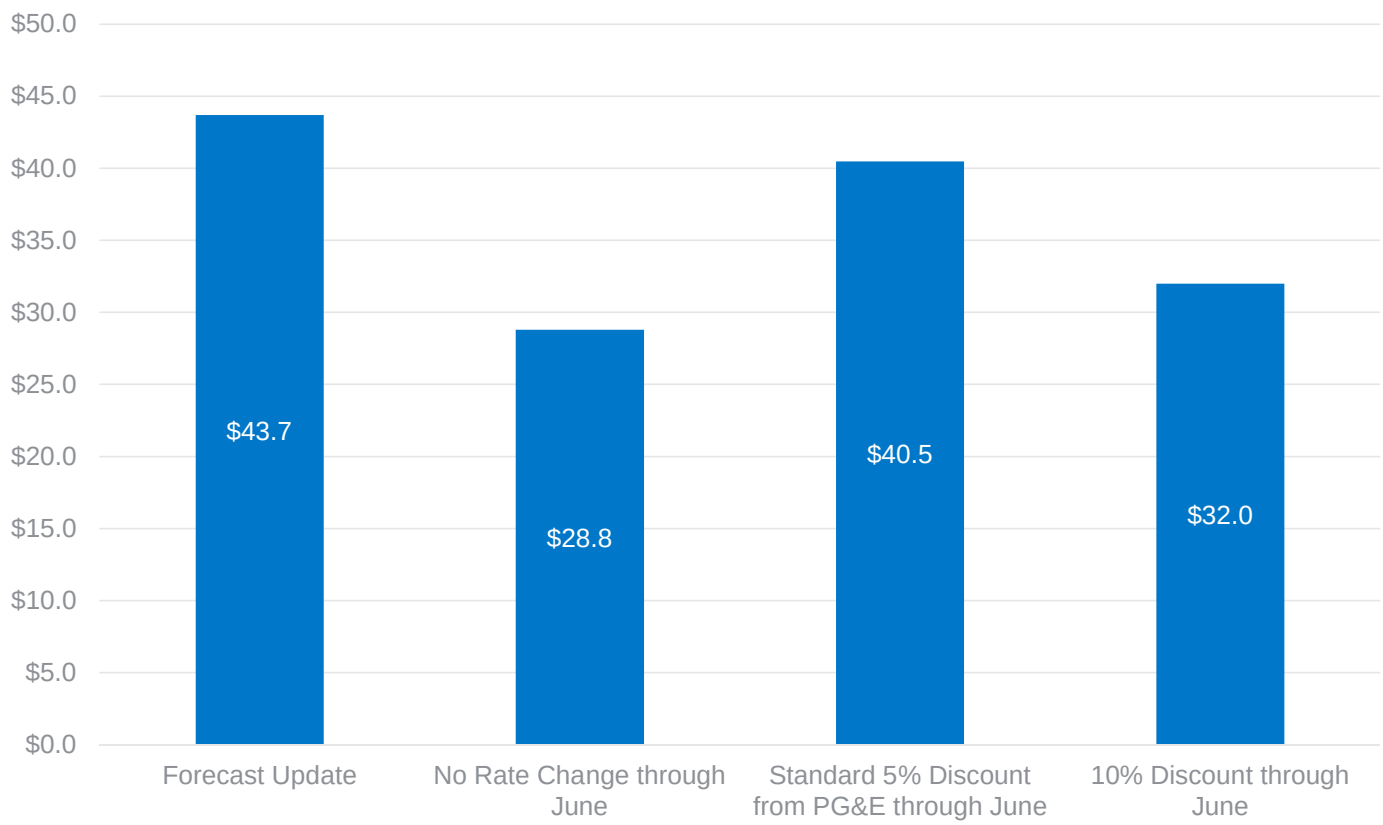
WHEREAS, staff proposed changes include Winter Super Off Peak rate periods for B-19 and B-20 rate as well as AG5 Summer Demand rates; and

WHEREAS, changes to those rates will result in those rate periods to be charges at parity with PG&E: and

WHEREAS, PCE customers will receive a larger than 5% discount from PG&E as a result of not changing rates from 2023 levels;

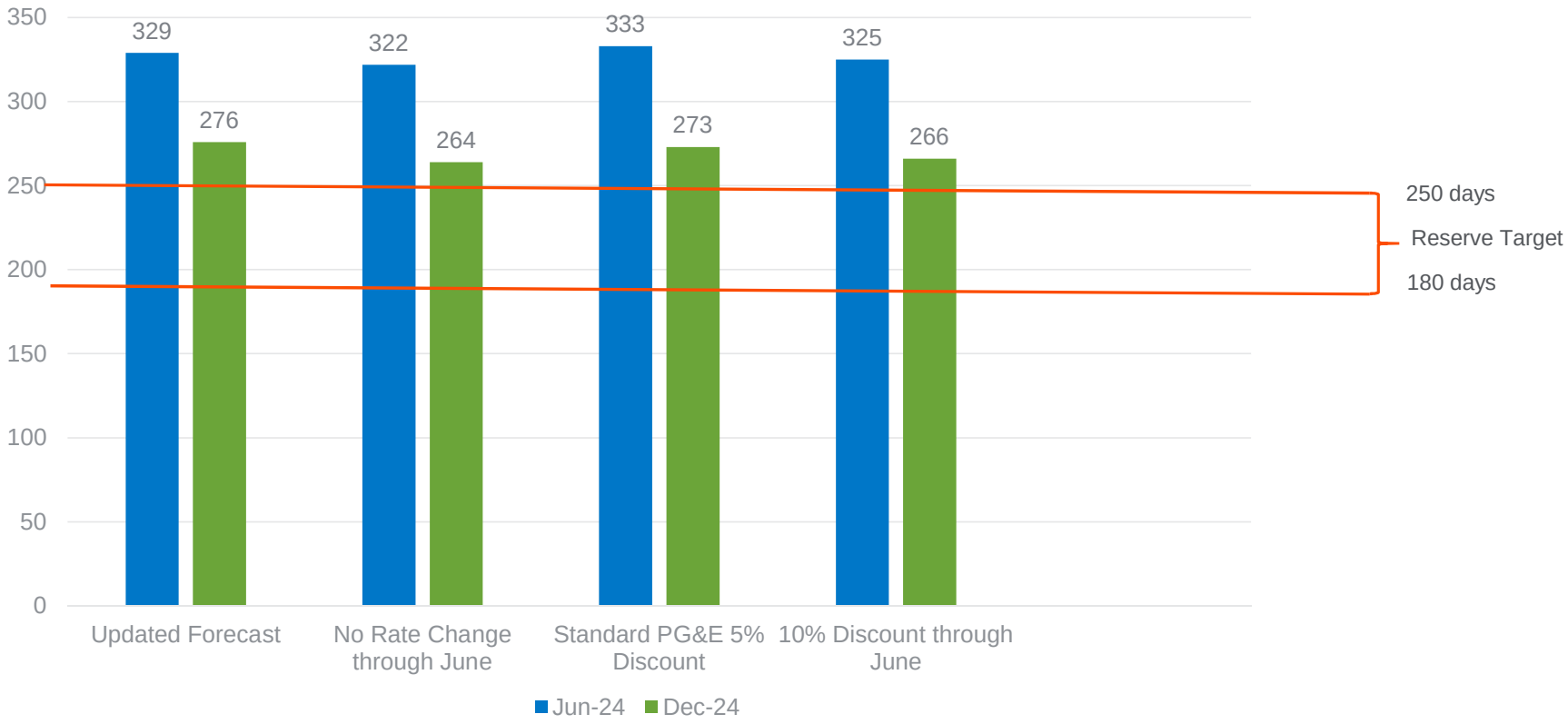
NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board authorizes the Chief Executive Officer to direct staff to calculate and implement new Peninsula Clean Energy ECOplus rates for B-19 and B-20 Winter Super Off-Peak and AG5 Summer Demand rate periods, to set those rates at parity with PG&E effective March 1, 2024, in order to maintain an overall greater than 5% net discount in generation charges compared to January 1, 2024 PG&E rates.

Change in Net Position CY2024



Peninsula Clean Energy

Days Cash on Hand (DCOH)



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Shawn Marshall, Chief Executive Officer, and Roy Xu, Director of Power Resources

SUBJECT: Resolution Delegating Authority to Chief Executive Officer to Execute an Energy Storage Tolling Agreement for the Wallace Energy Storage Project with ESCA-PLD-LONGBEACH2, LLC, and any Necessary Ancillary Documents with a Delivery Term of Twenty (20) Years Starting at the Commercial Operation Date on or About June 1, 2026, in an Amount Not-to-Exceed $211 Million.

RECOMMENDATION

Approve Resolution Delegating Authority to Chief Executive Officer to Execute an Energy Storage Tolling Agreement for the Wallace Energy Storage Project with ESCA-PLD-LONGBEACH2, LLC, and any Necessary Ancillary Documents with a Delivery Term of Twenty (20) Years Starting at the Commercial Operation Date on or About June 1, 2026, in an Amount Not-to-Exceed $211 Million.

BACKGROUND

The Board set a goal for Peninsula Clean Energy to procure 100% of its energy supply from renewable energy by 2025 on a 99% time-coincident basis by 2027. One set of technologies that will help Peninsula Clean Energy to meet this goal is energy storage that is intended to shift grid energy from times when there is over-supply, which generally correlates to daytime solar production hours, to times when there is high demand for energy on the grid. With the current resource fleet in Peninsula Clean Energy's portfolio, staff has determined that additional storage capacity is needed to optimize our overall portfolio and to serve customers' load more economically. The Wallace project will be the fourth standalone storage resource to be added to Peninsula Clean Energy’s portfolio. Peninsula Clean Energy has executed a contract with one long-duration (i.e., 8-hours or longer) storage project, two four-hour duration storage projects, and two solar resources paired with storage, all of which are under development.

CPUC MTR Procurement Mandate

On June 24, 2021, the California Public Utilities Commission (CPUC) adopted D.21-06-035, and further adopted D.23-02-040 on February 23, 2023. These decisions are commonly known as the mid-term reliability (MTR) procurement mandates. They direct load serving

entities (LSEs) to collectively procure 15,500 MW[1] of new resources between 2023 to 2028 to meet mid-term grid reliability needs. The decisions require that contracts have a term of at least ten (10) years and that resources be zero-emission or eligible under the California renewable portfolio standard (RPS). The generic requirement for new capacity may include standalone energy storage.

State-Wide MTR Procurement Requirements (MW NQC)

Procurement Category	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
New Generic Capacity	2,000	6,000	1,500	2,000	2,000	-	13,500
Zero-emissions generation, generation paired with storage, or demand response resources[2]	-	-	*2,500*	-	-	-	*2,500*
New firm zero-emitting resources	-	-	-	-	-	1,000	1,000
New long-duration storage resources	-	-	-	-	-	1,000	1,000
Total Annual Net Qualifying Capacity (NQC) Requirements	**2,000**	**6,000**	**1,500**	**2,000**	**2,000**	**2,000**	**15,500**

Peninsula Clean Energy's MTR Procurement Requirements (MW NQC)

Procurement Category	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
New Generic Capacity	38	113	51.4	35	35	-	272.4
Zero-emissions generation, generation paired with storage, or demand response resources[3]	-	-	*47*	-	-	-	*47*

New firm zero-emitting resources						19	19
New long-duration storage resources						19	19
Total Annual Net Qualifying Capacity (NQC) Requirements	**38**	**113**	**51.4**	**35**	**35**	**38**	**310.4**

The requirements were allocated to each LSE based on load share. Under the decision, Peninsula Clean Energy was allocated a requirement to bring online a total of 287 MW of new capacity by 2028. Peninsula Clean Energy filed an advice letter to the CPUC to count two of our resources that were already online towards the 2023 generic requirement, which added 23.4 MW of generic capacity needs to our 2025 requirement, resulting in a total of 310.4 MW of total capacity required. Peninsula Clean Energy is planning for the Wallace project to satisfy about 42 MW of this total obligation, which is the amount of net qualifying capacity (NQC) that a 55 MW storage project such as Wallace qualifies for under the MTR.

2023 Request for Offers

Peninsula Clean Energy launched a request for offers (RFO) in late 2022 targeting procurement of renewable energy and stand-alone energy storage resources to satisfy both internal goals and compliance requirements.

Peninsula Clean Energy received a robust response to the RFO from twenty-eight (28) participants for fifty-eight (58) different projects. Staff evaluated these projects based on value to Peninsula Clean Energy, development status, project viability, project team experience, compliance with workforce policy, and environmental impact.

Staff conducted extensive analysis to identify the top projects to shortlist. The Wallace project was determined to be in the top tier of standalone energy storage projects that would provide the most value to Peninsula Clean Energy.

Staff reviewed the project with the CEO and then entered into exclusive negotiations with the project. Since early 2023, Peninsula Clean Energy has worked with the project developer on negotiating the Energy Storage Tolling Agreement.

Overview of Project

Project Name	Wallace Energy Storage Project
Technology	Lithium-ion Standalone Storage
Capacity	55 MW/220 MWh (4-hour)
Commercial Operation Date	6/1/2026
Project Owner	ESCA-PLD-LONGBEACH2, LLC
Developer	Prologis Inc.

Location	Los Angeles County, CA

The Wallace Energy Storage Project is a new standalone storage project with a total discharge capacity of 55 MW and a four (4) hour duration, located within the City of Long Beach in Los Angeles County, California. Wallace will not require any new transmission infrastructure, rather, it will be interconnected at the distribution level. Peninsula Clean Energy will retain the scheduling coordination rights for the standalone storage project.

The expected Commercial Operation Date is June 1, 2026. The project has received its Phase I study and anticipates to receive a Full Capacity Deliverability Status (FCDS) allocation from the CAISO in May 2024, which would allow the project to provide resource adequacy attributes to Peninsula Clean Energy. The project will interconnect directly to SCE's Long Beach – Stinson 66 kV line. The project is expected to start construction by January 2026.

Under the contract, Peninsula Clean Energy will pay for 55 MW of storage capacity at a fixed-price rate per kW-month with no escalation for the full term of the contract (20 years). Peninsula Clean Energy is entitled to all product attributes from the facility, including storage capacity (charging and discharging energy), ancillary services, and resource adequacy. The project will also help to meet Peninsula Clean Energy's generic 2026 MTR requirements, and may serve as a bridge resource to allow extensions for long-lead-time resources ordered under the MTR.

If the Wallace project has an executed Energy Storage Tolling Agreement in place by February 14, 2024, the project will be prioritized in CAISO's deliverability allocation, thus improving the project's chances of being able to provide resource adequacy benefits to Peninsula Clean Energy. In order to support Wallace's high-priority status in the deliverability process, staff is recommending that the Board authorize the CEO to execute this agreement pending resolution of remaining terms by February 14, 2024, in a form approved by the General Counsel. Staff will provide an informational report in the February 2024 Board package to update the Board on the status of execution of this agreement, including the final agreement terms, which will be consistent with the information presented in this memo and at the January 2024 Board Meeting.

Developer

ESCA-PLD-LONGBEACH2, LLC is being developed by Prologis Energy LLC, a subsidiary of Prologis Inc. Prologis Inc. (NYSE: PLD) is a publicly traded real estate investment trust and the world's largest owner and operator of logistics real-estate with over 1 billion square feet of warehouse space under management across 19 countries. Prologis has a market capitalization of $110 billion and an S&P credit rating of A. Prologis is actively developing renewable energy and battery energy storage systems (BESS) at its properties and has deployed over 530 MW of generating capacity across 19 countries. The Prologis portfolio includes over 7,500 MW of large-scale storage and 250 MW of rooftop solar under development across the United States, including standalone battery storage projects and community solar for multiple California CCAs.

Environmental Review

Peninsula Clean Energy staff worked with several environmental non-profits to develop a system for evaluating the environmental impact of projects. Specifically, staff asked each bidder to provide a geospatial footprint of their project. During the evaluation period, staff

studied the geospatial footprint of the project to evaluate whether the project is located in a restricted or high conflict area for renewable energy or storage development. These areas include but are not limited to:

- Protected areas at the federal, state, regional, local level (e.g., County-designated conservation areas, BLM Areas of Critical Environmental Concern, critical habitat for listed species, national, state, county parks, etc.).
- Identified and mapped important habitat and habitat linkages, especially for threatened and endangered species (either state or federally listed).

Further, projects that are located in areas designated for renewable energy development or in areas that are not suitable for other developmental activities, such as EPA re-power sites, receive positive environmental scores.

For this project, the analysis showed that the project was not located in a protected area based on the USGS Protected Areas Database[4] (PAD-US). Since this project doesn't require new transmission there is no environmental impact anticipated from interconnection and transmission.

The project development occurs within Long Beach city limits on a project site of no more than five acres that is substantially surrounded by urban uses. The current use of the project site is an existing 2-acre paved parking lot, zoned for industrial use, and has no value as habitat for endangered, rare, or threatened species.

Workforce Requirements
Prologis has agreed that the construction of the project will be conducted using a project labor agreement or other similar agreement providing for terms and conditions of employment with applicable labor organizations.

DISCUSSION

Priority 1 of Peninsula Clean Energy's Strategic Plan is to Deliver 100% renewable energy annually by 2025, and on a 99% time-coincident basis by 2027. Energy storage will play a key role in meeting Peninsula Clean Energy's renewable energy goals by shifting an oversupply of generation in the middle of the day to later hours when the energy is needed to meet demand.

The Wallace project will provide 55 MW of energy storage capacity which means it will not directly produce generation to serve Peninsula Clean Energy's load, but it will help shift generation from the grid to serve its customers' load when it is most needed.

The Wallace project will contribute to Peninsula Clean Energy meeting its regulatory requirements under the Mid-Term Reliability orders issued by CPUC, as well as provide resource adequacy benefits to our portfolio.

FISCAL IMPACT

The fiscal impact of the Wallace project will not exceed $211 million over the 20-year term of the Agreement.

STRATEGIC PLAN

The Wallace project supports the following objectives in Peninsula Clean Energy's strategic plan:

- Priority 1: Deliver 100% renewable energy annually by 2025, and on a 99% time-coincident basis by 2027
- Power Resources Goal 1: Secure sufficient, low-cost, clean sources of electricity that achieve Peninsula Clean Energy's priorities while ensuring reliability and meeting regulatory mandates

1 Requirement measured as net qualifying capacity (NQC) rather than nameplate capacity. The CPUC issued a report identifying what percent of a technology's nameplate capacity would count toward this requirement. This means that each LSE's required nameplate capacity is higher than the requirement identified in the decision.

2 Zero-emissions resources required to replace Diablo Canyon must be procured by 2025 and are a subset of New Capacity Required and may occur in any of the years 2023-2025; therefore, this row is not additive with the other rows.

3 ibid.

4 USGS PAD-US:
https://www.usgs.gov/core-science-systems/science-analytics-and-synthesis/gap/science/protected-areas

RESOLUTION NO. _____

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

RESOLUTION DELEGATING AUTHORITY TO CHIEF EXECUTIVE OFFICER TO EXECUTE AN ENERGY STORAGE TOLLING AGREEMENT FOR THE WALLACE ENERGY STORAGE PROJECT WITH ESCA-PLD-LONGBEACH2, LLC, AND ANY NECESSARY ANCILLARY DOCUMENTS WITH A DELIVERY TERM OF TWENTY (20) YEARS STARTING AT THE COMMERCIAL OPERATION DATE ON OR ABOUT JUNE 1, 2026, IN AN AMOUNT NOT-TO-EXCEED $211 MILLION.

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

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

WHEREAS, Peninsula Clean Energy is purchasing energy, renewable energy, carbon-free energy, and related products and services (the "Products") to supply its customers; and

WHEREAS, Peninsula Clean Energy conducted a request for offers for renewable energy and storage resources including standalone storage and engaged in negotiations for the Wallace project; and

WHEREAS, Peninsula Clean Energy seeks to execute an Energy Storage Tolling Agreement (ESTA) to procure 55 MW of 4-hour standalone storage capacity and related products from the Wallace project, based on project's desirable attributes, pricing, and terms; and

WHEREAS, the Wallace project will contribute toward the regulatory requirements set by the California Public Utilities Commission to procure new capacity by 2028 to ensure better reliability for the California grid; and

WHEREAS, the Board wishes to delegate to the Chief Executive Officer authority to execute the Agreement and any other ancillary documents required for said purchase of storage capacity and related products from ESCA-PLD-LONGBEACH2, LLC; and

WHEREAS, the Board's decision to delegate to the Chief Executive Officer the authority to execute the Agreement is contingent on ESCA-PLD-LONGBEACH2, LLC approving the Agreement's terms consistent with those presented to the Board.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to: Execute the Agreement and any ancillary documents with ESCA-PLD-LONGBEACH2, LLC with terms consistent with those presented,

in a form approved by the General Counsel; and for a delivery term of up to twenty years, in an amount not to exceed $211 million.

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Rafael Reyes, Senior Director of Community Energy Programs

SUBJECT: Approval of Contract with McMillan Electric for up to $23,000,000 for Construction of Solar Systems on Local Government Facilities and Approval of Power Purchase Agreements with Participating Agencies (Action)

RECOMMENDATION

Recommend approval of Resolutions:

1. Delegating Authority to Chief Executive Officer to Execute Engineering, Procurement, and Construction (EPC) Contract with McMillan Electric in an amount not to exceed $23,000,000 for the deployment of local solar systems on public buildings.
2. Delegating Authority to Chief Executive Officer to Execute Power Purchase Agreements (PPAs) with Participating Jurisdictions (Buyers) for a term of 20 years to sell the energy generated by these systems with revenues expected to fully offset cost of EPC Contract over the PPA term.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. This mission includes a goal of developing 20 megawatts (MW) of local clean power, such as solar, in the service territory. Solar projects can provide bill savings, insulating customers against rising utility costs, and local jobs. In addition, when paired with an energy storage system, solar + storage systems provide backup power in the case of a power outage, offer grid resilience, and reduce dependence on fossil fuel resource adequacy.

To this end, Peninsula Clean Energy developed the Solar and Storage for Public Buildings program, also known as "GovPV," to accelerate deployment of local generation systems through aggregate contracting to lower costs of installation and reduce complexity for local governments. Peninsula Clean Energy provides design, interconnection, procurement, financing, construction, and operations and maintenance for the small, behind-the-meter projects. Peninsula Clean Energy will also secure the Investment Tax Credits for at least 30% of the system costs through the Inflation Reduction Act's "elective pay" mechanism (previously

referred to as “direct pay”). Peninsula Clean Energy finances and owns the arrays and enters into a power purchase agreement (PPA) with the public agency customer for a period of 20 years. The cost of the system and services are amortized within the cost of power, resulting in overall cost savings to the customer. The program offers these systems at cost to public agency customers with funds returning to Peninsula Clean Energy from PPA payments to be reused for future program investments.

The Board first approved technical assistance investment in the first round of the program in October 2020 and then the major contracts for the first round in January 2023. The first round of the program includes an approved potential outlay of up to $10 million for 12 sites with 1.7 MW of solar and 3 potential storage sites. Through a competitive solicitation in 2022, the San Carlos-based union construction firm Intermountain Electric was selected. The solar portion is under construction and expected to be fully operational in Q1 2024; the Brisbane project has already been commissioned and a ribbon cutting was held in November. The storage portion on three sites is to follow.

The second round of the GovPV program began with a call for sites in December 2022. Over 100 sites were screened and over 40 viable sites had preliminary designs completed and interconnection applications submitted in time to meet the state deadline for qualification under the more favorable net energy metering rules (“NEM 2”). Subsequently the second round sites were subdivided into two categories:

- Round 2a: 33 solar-only sites for approximately 4.5 MW that benefit from NEM 2
- Round 2b: 9 solar + storage sites with approximately 12 MW of potential solar that require storage to be economically viable

DISCUSSION

In August 2023, Peninsula Clean Energy issued a Request for Proposals (RFP) for vendors to engineer, procure, and construct the full set of solar and solar + storage systems for GovPV Round 2.

The RFP for equipment procurement and installation closed to submissions in November 2023. Staff conducted an evaluation process, ranking proposals on a variety of metrics including price, experience and qualifications, feedback to Peninsula Clean Energy’s proposed contract terms, fit, creativity in approach to the project, and compliance with Peninsula Clean Energy’s Sustainable Workforce Policy.

Following the evaluation process and completion of reference checks, staff selected a joint proposal from McMillan Co. and Intermountain Electric Company (IME) for the contract award. IME is the lead installer for the first round of the GovPV program and IME has performed well to-date, demonstrating diligence and responsiveness throughout the process. IME, based in San Carlos, partnered with McMillan for the second round to bring additional project capacity. McMillan is a highly reputable firm based in San Francisco with strong expertise in commercial-scale solar systems. McMillan will be the lead on the round 2 contract. Both are union firms.

In order to recover the capital outlay required to build and maintain the solar arrays, Peninsula Clean Energy is entering into PPAs with each participating public agency. The PPA prices for the portfolio have been calculated so that Peninsula Clean Energy will recover all contracted EPC costs, inclusive of industry-standard contingencies, as well as all other associated

expenses over the 20-year terms of the individual PPAs with public agency customers. As such, there is no net cost to Peninsula Clean Energy. However, there is a time difference to the payments, in that Peninsula Clean Energy will owe the full amount to the EPC Contractor at Commercial Operation Date (COD), but will receive money gradually over the next 20 years via the PPAs based on the solar production of the individual systems.

Round 2a sites have significant milestones to meet to retain their NEM 2 status including completion of construction by April 14, 2026.

Due to the additional complexities of battery systems, and the likelihood that further design work will need to be done to reduce costs, Peninsula Clean Energy will move forward with solar installations at all Round 2a sites and continue to work on refinement of the solar + battery projects in parallel. While solar projects can provide immediate cost savings, the Round 2b systems with batteries will advance when final battery pricing and designs are determined and approved by the customer agencies. Since these sites will operate under the new net billing tariff rules, instead of NEM 2, there is no time urgency for immediate execution. Thus, the $23,000,000 capital outlay proposed at this time is only for the Round 2a installations.

EPC Contract Key Elements

The proposed contract is very similar to the contract used for Gov PV Round 1. The key elements of the EPC contract include:

- A specified price for rooftop, carport, and ground mount solar systems as specified per designs
- Milestone-based payment schedule based on meeting specific project development deliverables
- Penalty payments for missing key project development deliverables including the NEM 2 grandfathering deadline
- A specified performance guarantee for minimum solar production
- Specified equipment and workmanship warranties
- A specified Operations and Maintenance (O&M) price for operations and maintenance of the systems, inclusive of warranty repair work
- Provisions for managing Change Orders should improvements to designs be determined or changes deemed necessary during final design and installation process, inclusive of provisions for Peninsula Clean Energy to review and approve any changes
- A monitoring system for access by both Peninsula Clean Energy and individual site hosts with information on performance and solar production
- Minimum insurance requirements as advised by Peninsula Clean Energy's insurance broker
- Provisions for adjusting contract amounts should not all jurisdictions move forward with PPAs or should something be discovered prior to equipment installation that would make a project uneconomic or infeasible
- Provisions for adding battery systems at sites where applicable
- Where applicable, terms in the EPC Agreement will match the terms Peninsula Clean Energy offers its customers in the PPA contracts (e.g. performance guarantee)

Customer PPA Terms and Conditions

In parallel to EPC contract negotiation, staff has been negotiating a PPA with all jurisdictions in Round 2a. This PPA was adapted from Solar Energy Industries Association Solar Power Purchase Agreement (SEIA PPA) version 2.0 for use with commercial & industrial sites. The SEIA PPA was developed through a collaborative stakeholder process and is regarded as being fair to both parties. Changes were made where necessary to reflect the specific needs of Peninsula Clean Energy and this Program and refined through the Round 1 process.

The attached version contains terms and conditions. Pricing is being provided to each jurisdiction on an individual basis, and all sites receive economies of scale for their site due to the aggregated procurement managed by Peninsula Clean Energy. In all cases, jurisdictions will see economic benefit for the solar portion of the project. The degree of benefit varies by system size, positioning, type of installation and other factors. Savings are expected to grow over time as utility rates rise.

Customer PPA Pricing

Pricing of the PPA is structured to cover installation and ongoing Peninsula Clean Energy costs to operate the projects without additional "profit," thereby passing through as much of the financial benefit as possible to customers. A project finance model was developed in coordination with an external consultant expert in solar project finance and PPA pricing was derived for each project in the portfolio. The following are key elements of the model and pricing determination.

Key costs included in PPA price:

- Initial system designs and technical documentation
- Equipment procurement and installation and O&M (EPC Contract costs)
- Direct expenses to PCE
- Insurance and contingency
- Reserve funds for out-of-warranty maintenance & replacements
- System removal costs at end of term (could be refunded if cities decide to purchase systems at end of term)
- Legal fees
- Overhead
- Cost of capital

Site-specific costs are allocated to individual sites, and portfolio level costs are allocated equally to all sites. For example, a site that has carport solar has a higher PPA price than a site with only rooftop solar to reflect the higher costs of carport solar. However, direct staff expenses are allocated equally on a per capita basis, as they will generally not vary with the specifics of any particular site.

Key elements of the PPA are:

- $/kWh price for energy produced by the system
- 0% escalation over the contract term
- 20-year initial term with option for up to 2 additional 5-year terms or customer buyout at end of initial term
- PPA rate is projected to provide immediate savings in Year 1 for all sites. Savings to each agency increase as utility rates rise, but the PPA rate does not.
- Performance guarantee (matched to EPC performance guarantee)

- PCE provides O&M, which is included in the PPA price

The biggest financial benefit the PPA will provide customers is by locking in an energy rate for 20 years that has no escalation while utility rates are expected to continue to increase. Peninsula Clean Energy is projecting a 4% annual rate of escalation on all PG&E energy charges. This is due to long-term historical rates of annual escalation of approximately 3%, near-term historical rates of annual escalation exceeding 10%, CPUC projections, and significant infrastructure projects announced publicly by PG&E such as undergrounding efforts and distribution infrastructure updates. Based on these projections, staff has determined that all agencies in the portfolio will see significant long-term savings that will help free up critical capital that staff believes could go towards additional fossil-fuel-reducing electrification projects.

As noted earlier, battery system pricing is still under development for the 2b sites and further design iteration will likely be required to reduce system sizes and commensurate capital costs.

Timeline

The expected timeline for the pilot portfolio deployment is as follows:

Date	Project Status
January 2024	Execution of EPC contract & execution of all PPAs with cities that are moving forward
Feb – May 2024	EPC site walkdowns, design diligence, permit applications
May – October 2024	Completion of final site design packages, and receipt of required permits
October 2024 – March 2025	Equipment procured and construction started
December 2025	Target completion at all sites

FISCAL IMPACT

Under the EPC agreement, Peninsula Clean Energy would spend an amount not to exceed $23,000,000 for the deployment of solar and solar + storage systems at customer sites of which 30%, or up to $7,600,000 would be received back from the federal government under the Investment Tax Credit.

Under the PPA, Peninsula Clean Energy would expect to receive an amount equal to the EPC contract cost plus other direct project-related costs as described above.

The net financial cost to Peninsula Clean Energy is thus expected to be neutral, however there is a time differential between cash outflows and inflows per below:

Expected year	Cashflow
2024 – early 2025	Capital outflow for EPC contract-related work
2026 – 2027	Receipt of up to 30% of the amount spent on EPC contract-related work
2025 – 2045	Receipt of PPA revenues

2045	Breakeven year (when total cash inflows equal total cash outflows)

STRATEGIC PLAN

The proposed program supports the following elements of the strategic plan:

- Local Power Sources: Create a minimum of 20 MW of new power sources in PCE's service territory by 2025

ATTACHMENTS:
2024.01.25 GovPV2 Solar Storage Portfolio List.pdf
2024.01.25 GovPV2 - Draft PPA - as shared with participating agencies.docx
2024.01.25_BOD_Programs_-_Solar_for_Public_Builidngs_-_Reso_PPA.docx
2024.01.25_BOD_Programs_-_Solar_for_Public_Builidngs_-_Reso_EPC.docx

Agency Name	Facility name	Porfolio	Est. Solar (kWdc)	Est. Battery (kWh)
Brisbane	Brisbane Library	A	33	
Colma	Police Department	A	185	
Colma	Town Hall	A	102	
Daly City	Bayshore Community Center	A	71	
Daly City	Fire Station 94	A	37	
Daly City	Fleet Maintenance	A	108	
Daly City	Reservoir 5B	A	110	
Daly City	Serramonte Library	A	100	
Half Moon Bay	City Hall + parking lot	A	464	
Half Moon Bay	SMC sheriffs sub station	A	205	
Menlo Park	Belle Haven Child Development Center	A	73	
Menlo Park	Burgess Aquatic Center	A	54	
Menlo Park	City Council Chambers	A	33	
Menlo Park	Main library	A	54	
Menlo Park Fire	Fire Station 2	A	379	
Menlo Park Fire	Fire Station 4	A	229	
Menlo Park Fire	Fire Station 77	A	36	
Millbrae	Millbrae Corp Yard	A	45	
Pacifica	Calera Creek Water Recycling Plant	A	34	
Pacifica	Pacifica Civic Center	A	100	
San Carlos	San Carlos Adult Community Center	A	100	
San Carlos	San Carlos Library	A	723	
San Mateo	Beresford Rec Center	A	401	
San Mateo	Corp Yard (parking lot)	A	667	
San Mateo	Corp Yard (parking lot)	A	42	
San Mateo	MLK Jr. Rec Center	A	129	
San Mateo	Police Station	A	44	
San Mateo	Poplar Golf Course facility	A	48	
San Mateo County	San Mateo County Wellness Center	A	48	
San Mateo County Office of Education	Office of Education (Main Office)	A	170	
South San Francisco	Corp Yard	A	76	
South San Francisco	Orange Memorial Park Aquatic Center	A	61	
Woodside	Town Hall/Independence Hall	A	496	
Daly City	City Hall	B	491	374
Daly City	War Memorial/John Daly Library	B	1,568	157
Redwood City	Redwood City Police Department	B	4,864	266
RethinkWaste	Shoreway Environmental Center - Bldg 1 and 2	B	2,978	133
San Mateo County Community College District	Canada College	B	684	
San Mateo County Community College District	College of San Mateo	B	163	3,485
San Mateo County Community College District	Skyline College	B	113	1,973
Sewer Authority Mid-Coastside	Sewer Authority Mid-Coastside	B	176	607
South San Francisco	Police Station	B	176	221
Total			16,670	7,216

Solar Power Purchase Agreement

This Solar Power Purchase Agreement (this "**Agreement**") is entered into by the parties listed below (each a "**Party**" and collectively the "**Parties**") as of [date], 2023 (the "**Effective Date**").

Purchaser:		Seller:	
Name and Address Attention:		Name and Address	Peninsula Clean Energy Authority 2075 Woodside Rd. Redwood City, CA 94061 Attention: Rafael Reyes, Director of Programs
Phone		Phone	(650) 260-0087
E-mail		E-mail	rreyes@peninsulacleanenergy.com
Premises Ownership	Purchaser owns the Premises.		
Tax Status			System Owner
Project Name			

This Agreement sets forth the terms and conditions of the purchase and sale of solar generated electricity from the solar panel system described in **Exhibit 2** (the "**System**") and installed on the real property comprising Purchaser's premises described or depicted in **Schedule A** to **Exhibit 2** (the "**Premises**"), including any buildings and other improvements on the Premises other than the System (the "**Improvements**").

The System shall initially be owned by Seller. "**System Owner**" means Seller or a subsequent owner of the System in the event that Seller transfers title to the System.

The exhibits listed below are incorporated by reference and made part of this Agreement.

Exhibit 1	Pricing
Exhibit 2	System Description, Delivery Point and Premises
Exhibit 3	General Terms and Conditions
Exhibit 4	Performance Guaranty

Purchaser:

Signature: _____
Printed Name: _____
Title: _____
Date: _____

Seller: Peninsula Clean Energy Authority

Signature: _____
Printed Name: Shawn Marshall
Title: Chief Executive Officer
Date: _____

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Exhibit 1

Pricing

1. **Initial Term**: Twenty (20) years, beginning on the date that Commercial Operation is achieved (such date, the "**Commercial Operation Date**" and such term, the "**Initial Term**"). "**Commercial Operation**" means that the System is mechanically complete, commences regular, daily operation, complies with all applicable law, has undergone successful system testing, is providing electricity to the Delivery Point at the System Size specified in **Exhibit 2** and has obtained all necessary Approvals (as defined in Section 5(b) of **Exhibit 3**), including permission to operate from the Utility and Seller.

2. **Additional Terms**: Upon mutual written agreement, the Parties may extend the Initial Term for up to two (2) additional terms of up to five (5) years each beginning on the expiration of the Initial Term or on the expiration of the first Additional Term, as applicable (each, an "**Additional Term**").

3. **Contract Price**: $[_____] per kilowatt-hour ("**kWh**") in the first Contract Year, increasing by [_____] percent ([__]%) each subsequent Contract Year. The first Contract Year shall commence on the Commercial Operation Date, and each subsequent Contract Year shall commence on the anniversary of the Commercial Operation Date.

4. **Contract Price Assumptions**. The Contract Price is based on the following assumptions:

   a. Statutory prevailing wage rates (e.g., Davis-Bacon) do apply.

   b. A Performance Guaranty is being provided.

5. **Contract Price Exclusions**. Unless Seller and Purchaser have agreed otherwise in writing, and except as otherwise provided in Section 2(c) of **Exhibit 3**, the Contract Price excludes the following:

   a. Groundwork (including excavation and circumvention of underground obstacles) that is unforeseen despite reasonable efforts to assess existing site conditions. Upgrades or repair to Purchaser or Utility electrical infrastructure (including Purchaser or Utility service, transformers, substations, poles, breakers, reclosers, and disconnects). "**Utility**" means the electric distribution utility serving Purchaser.

   b. Tree removal, tree trimming, mowing and any landscape improvements.

   c. Decorative fencing and/or any visual screening materials, decorative enhancements to solar support structures (including painting, paint matching, masonry/stone work, and any lighting not required to meet the minimum code compliance).

   d. Removal of existing lighting, light poles, or concrete light post bases.

   e. Roof membrane maintenance or reroofing work.

   f. Structural upgrades to the Improvements, including Americans with Disabilities Act ("**ADA**") upgrades.

   g. Installation of public information screen or kiosk (including accompanying Internet connection, power supply, technical support and ADA access).

   h. Changes in System design caused by any inaccuracy in information provided by Purchaser, including information regarding Purchaser's energy use, the Premises and the Improvements, including building plans and specifications.

   If such excluded costs will result in an increase to the Contract Price, Seller shall deliver notice to Purchaser of such increase to the Contract Price not less than sixty (60) days prior to commencement of the installation of the System ("**Commencement of Installation**" and such notice, the "**Excluded Costs Notice**"). If excluded costs will result in an increase to the Contract Price such that the revised Contract Price would increase by no more than [_____] percent ([__]%), Purchaser shall be responsible for such increased Contract Price and the Contract Price shall be amended to reflect the new Contract Price included in the Excluded Costs Notice. If such excluded costs will result in an increase to the Contract Price, such that the revised Contract Price would increase by more than [_____] percent ([__]%), Purchaser shall have a right to terminate this Agreement without penalty by providing notice of such termination within thirty (30) days of delivery of the Excluded Costs Notice.

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6. Purchaser Termination Payment Schedule:

Contract Year	Termination Payment ($)
1	
2	
3	
4	
5	
6	
7	
8	
9	
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11	
12	
13	
14	
15	
16	
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Exhibit 2

System Description, Delivery Point and Premises

1. System Location:

2. System Size (DC kW):

3. System Description (Expected Structure, etc.):

4. Delivery Point and Premises: **Schedule A** to this **Exhibit 2** contains one or more drawings or images depicting:

a. Premises, including the Improvements (as applicable);

b. Proposed System location at the Premises;

c. Delivery point for electricity generated by the System (the "**Delivery Point**");

d. Access points needed for Seller to cause the System to be installed and serviced (building access, electrical room, stairs, etc.); and

e. Construction assumptions (if any).

Schedule A

1. Physical building address:
2. Number of Stories:
3. Total Square Footage:
4. Year Built:
5. Year of any mechanical/electrical updates:
6. Type of Construction, (example; wood frame, masonry, steel):
7. Description/ Type of roof structure/system:
8. Confirm whether the building is sprinklered:
9. Describe any additional security measures, (example: video surveillance, etc.):

A Site Plan and Single Line Diagram are attached at the end of this document labeled "Attachment 1 to **Schedule A** of **Exhibit 2**".

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Exhibit 3

General Terms and Conditions

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Exhibit 3

General Terms and Conditions

1. **Purchase and Sale of Electricity**. Subject to the terms and conditions of this Agreement, Purchaser shall purchase from Seller, and Seller shall sell to Purchaser, all of the electricity generated by the System during the Term (as defined in Schedule 2(a)). Electricity generated by the System shall be delivered to Purchaser at the Delivery Point. Title to and risk of loss for the electricity generated by the System passes to Purchaser from Seller at the Delivery Point. Seller warrants that it will deliver the electricity to Purchaser at the Delivery Point free and clear of all liens, security interests, claims, and other encumbrances.

2. **Term and Termination**.

   a. **Effective Date; Term**. This Agreement is effective as of the Effective Date. The electricity supply period under this Agreement commences on the Commercial Operation Date (as defined in Section 1 of **Exhibit 1**) and continues for the duration of the Initial Term and any Additional Terms, unless earlier terminated as provided for in this Agreement (collectively, the "**Term**").

   b. **Additional Terms**. The Parties may agree in writing to extend this Agreement for up to two (2) Additional Terms at a Contract Price to be negotiated by the Parties prior to the expiration of the Initial Term or the first Additional Term, as applicable.

   c. **Termination Due to Contract Price Adjustments or Lack of Project Viability**. If, at any time after the Effective Date and prior to Commencement of Installation, (i) Purchaser terminates this Agreement pursuant to Section 5 of **Exhibit 1**, or (ii) Seller determines that the installation of the System will not be viable for any reason, then either Party may terminate this Agreement by providing ten (10) days' prior written notice to the other Party. Neither Party shall be liable for any damages in connection with such termination. After Commencement of Installation, the Contract Price shall not be subject to further adjustment pursuant to Section 5 of **Exhibit 1** or otherwise.

   d. **Termination by Purchaser for Delay**. If Commencement of Installation has not occurred within three hundred and sixty-five (365) days after the Effective Date, Purchaser may terminate this Agreement by providing thirty (30) days' prior written notice to Seller; provided that this Agreement will not terminate pursuant to this Section 2(d) if Seller causes to be achieved Commencement of Installation on or before the end of such thirty (30) day notice period or if Commencement of Installation is delayed due to a Force Majeure Event. Purchaser shall not be liable for any damages in connection with such termination. For the avoidance of doubt, such event shall not be deemed a Default Event by Seller and Purchaser's only remedy shall be the reimbursement by Seller of direct costs reasonably incurred by Purchaser by reason of the termination.

3. **Billing and Payment; Taxes**.

   a. **Monthly Charges**. Purchaser shall pay Seller monthly for the electricity generated by the System and delivered to the Delivery Point at the $/kWh rate shown in **Exhibit 1** (the "**Contract Price**"). The monthly payment for such energy will be equal to the applicable $/kWh rate multiplied by the number of kWh of electricity generated during the applicable month, as measured by the Meter (as defined in Section 10). Additional costs for items differing from the assumptions in **Exhibit 1**, Section 4 are Purchaser's responsibility.

   b. **Monthly Invoices**. Seller shall invoice Purchaser monthly for amounts owed by Purchaser hereunder. Such monthly invoices shall state (i) the amount of electricity produced by the System and delivered to the Delivery Point, (ii) the rates applicable to, and charges incurred by, Purchaser under this Agreement, and (iii) the total amount due from Purchaser.

   c. **Payment Terms**. All amounts due under this Agreement are due and payable within thirty (30) days following receipt of invoice. Any undisputed portion of the invoice amount not paid within such thirty (30) day period shall accrue interest at the annual rate of two and one-half percent (2.5%) above the Prime Rate (but not to exceed the maximum rate permitted by law). All payments shall be made in U.S. dollars. "**Prime Rate**" shall mean the annual prime rate of interest published in the Wall Street Journal for the applicable period during which interest is incurred pursuant to the terms of the Agreement.

   d. **Taxes**.

i. **Purchaser's Taxes**. Purchaser is responsible for: (A) payment of, or reimbursement of Seller, for all taxes assessed on the generation, sale, delivery or consumption of electricity produced by the System or the interconnection of the System to the Utility's electricity distribution system; (B) real property taxes; and (C) any sales or use taxes as a result of exercising the option to purchase the System in Section 14(b).

ii. **Seller's Taxes.** Seller is responsible for: (A) payment of income taxes or similar taxes imposed on Seller's revenues due to the sale of electricity under this Agreement; and (B) personal property taxes imposed on the System **("Seller's Taxes")**.

e. **Budgeting for Contract Price**. Upon execution of this Agreement and prior to the commencement of each subsequent budgetary cycle of Purchaser during the Initial Term (and Additional Term, if any), Purchaser shall take all necessary action to obtain all necessary budgetary approvals and certifications for payment of all of its obligations under this Agreement for such budgetary cycle, including, but not limited to including the maximum amount of its annual payment obligations under this Agreement in its budget submitted to Purchaser's [City Council] for each year of that budget cycle.

4. **RECs and Incentives**.

a. **Definitions**.

"**Governmental Authority**" means any foreign, federal, state, local or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, court, tribunal, arbitrating body or other governmental authority having jurisdiction or effective control over a Party.

"**Incentives**" means (i) a payment paid by a utility or state or local Governmental Authority based in whole or in part on the cost or size of the System such as a rebate, (ii) a performance-based incentive paid as a stream of periodic payments by a utility, state or Governmental Authority based on the production of the System, (iii) investment tax credits, production tax credits, and similar tax credits, grants or other tax benefits under federal, state or local law, including, but not limited to, the election to receive a payment with respect to investment tax credits or production tax credits pursuant to Code Section 6417, and (iv) any other attributes, commodity, revenue stream or payment in connection with the System (such as ancillary or capacity revenue), in each case of (i) through (iv) relating to the construction, ownership, use or production of energy from the System, provided that Incentives shall not include RECs.

"**REC**" means a renewable energy credit or certificate under any state renewable portfolio, standard or federal renewable energy standard, voluntary renewable energy credit certified by a non-governmental organization, pollution allowance, carbon credit and any similar environmental allowance or credit and green tag or other reporting right under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program, in each case relating to the construction, ownership, use or production of energy from the System, provided that RECs shall not include Incentives.

b. **RECs**. The Parties hereby agree that Seller is entitled to the benefit of, and will retain all ownership interests in, the RECs. Seller shall not sell, assign or otherwise transfer the RECs to a third party. If necessary, Purchaser shall cooperate with Seller in obtaining, securing and transferring any and all RECs. Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller. Purchaser shall not make any filing or statements inconsistent with Seller's ownership interests in the RECs, nor shall Purchaser attempt to sell, assign or transfer such RECs. If any RECs are delivered directly to Purchaser, Purchaser shall immediately deliver such items or amounts to Seller.

c. **Incentives**. The Parties hereby agree that Seller or a subsequent System Owner, if applicable, and not Purchaser, is entitled to the benefit of, and will retain all ownership interests in, the Incentives. If necessary, Purchaser shall cooperate with Seller and any such third-party System Owner in obtaining, securing and transferring any and all Incentives, including cooperating, as requested by Seller, with respect to any challenges as to Seller obtaining any portion or amount of the Incentives. Without limiting the foregoing, Purchaser acknowledges that Seller intends to qualify for the elective payment incentive (the "**Elective Pay Incentive**") in Section 6417 of the Internal Revenue Code of 1986, as amended (the "**Code**") with respect to the federal income tax credits under either (the "**Applicable Credits**") Code Sections 45 or 48. Purchaser agrees to cooperate with Seller to the extent requested by Seller, so that Seller can (i) qualify for the Applicable Credits in the context of the Elective Pay Incentive, (ii) obtain a payment of applicable proceeds with respect to Elective Pay Incentive, (iii) avoid a disallowance, recapture, or reduction of the proceeds with respect to the Elective Pay Incentive, and (iv) prevent an excess payment as set forth in Code Section 6417(d)(6). Purchaser is not obligated to incur any out-of-pocket costs or expenses in connection with such actions unless reimbursed by Seller or any such

System Owner. Purchaser shall not make any filing or statements inconsistent with Seller's or System Owner's ownership interests in the Incentives, nor shall Purchaser attempt to sell, assign or transfer such Incentives. If any Incentives are delivered directly to Purchaser, Purchaser shall immediately deliver such items or amounts to Seller.

5. Project Completion.

a. Project Development. Seller shall use reasonable efforts to pursue or cause to be pursued the development and installation of the System, subject to Section 2(c) and the remaining provisions of this Section 5.

b. Permits and Approvals. Seller shall use reasonable efforts to cause to be obtained the following at its sole cost and expense (each, an "**Approval**"):

i. any zoning, land use and building permits required for Seller to cause the System to be constructed, installed and operated; and

ii. any agreements and approvals from the Utility necessary in order to interconnect the System to the Utility's electric distribution system.

Purchaser shall reasonably cooperate with Seller's reasonable requests to assist Seller in expeditiously obtaining such Approvals, including, without limitation, the execution of documents required to be provided by Purchaser to the Utility. The Parties acknowledge and agree that Purchaser does not have authority or jurisdiction over any other public agency's ability to grant Approvals or ability to impose limitations that may affect the System, provided, that such acknowledgment and agreement does not apply to joint powers authorities or related agencies over which Purchaser asserts authority.

c. Force Majeure.

i. **Force Majeure Event**. If either Party is unable to timely perform any of its obligations (other than payment obligations) under this Agreement in whole or in part due to a Force Majeure Event, that Party will be excused from performing such obligations for the duration of the time that such Party remains affected by the Force Majeure Event; provided, that such Party uses reasonable efforts to mitigate the impact of the Force Majeure Event and resumes performance of its affected obligations as soon as reasonably practical. The Party affected by the Force Majeure Event shall notify the other Party as soon as reasonably practical after the affected Party becomes aware that it is or will be affected by a Force Majeure Event. If the Force Majeure Event occurs during the Term and impacts the ability of the System to deliver electricity to the Delivery Point, the Term will be extended day for day for each day delivery is suspended due to the Force Majeure Event, up to a maximum of two (2) years.

ii. **Extended Force Majeure**. If a Force Majeure Event notified by either Party under paragraph (i) above continues for a consecutive period of three hundred sixty-five (365) days or more, then either Party may elect to terminate this Agreement without either Party having further liability under this Agreement except: (A) liabilities accrued prior to termination, (B) Seller's obligation to cause the System to be removed as required under Section 9 (but Purchaser shall reimburse Seller for Seller's removal costs if the Force Majeure Event affects Purchaser and Purchaser elects to terminate the Agreement) and (C) if Purchaser elects to terminate the Agreement in accordance with this Section, Purchaser shall pay Seller a termination payment equal to the amount set forth in Section 6 of **Exhibit 1**. Notwithstanding the foregoing, if the Force Majeure Event can be corrected through repair or restoration of the System or other actions by Seller and, prior to expiration of the three hundred sixty-five (365) day period, Seller provides written evidence to Purchaser that it is diligently pursuing such actions, then Purchaser shall not have the right to terminate this Agreement so long as Seller continues to diligently pursue such actions.

iii. **Definition of "Force Majeure Event."** "Force Majeure Event" means any event or circumstance beyond the reasonable control of and without the fault or negligence of Seller, including, without limitation: an act of God; war (declared or undeclared); sabotage; piracy; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; economic sanction, tariff or embargo; civil strike, work stoppage, slow-down, or lock-out; explosion; fire; earthquake; tsunami; storm; tornado; blizzard; heatwave; hurricane; flood; lightning; hail; wind; drought; animals; epidemic; pandemic; action or the failure to act by a Governmental Authority or the Utility, including, but not limited to, a moratorium on any activities related to this Agreement or the delay or a lack of a final Approval based on the California Environmental Quality Act ("**CEQA**") or other applicable law, provided that the delay in decision-making is not attributable to the Party claiming a Force Majeure Event and that such Party has exercised its reasonable efforts to cause such Approval to be obtained; delays in interconnection, provided that the delay in obtaining interconnection is not attributable to the Party claiming a Force Majeure Event

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or its agents; unavailability of electricity from the Utility grid; and failure or unavailability of equipment, supplies or products outside of Seller's control or due to a Force Majeure Event. For purposes of the definition of "Force Majeure," a Party shall not be considered a Governmental Authority if such Party is claiming the presence of a Force Majeure Event as an excuse for its failure to timely perform its obligations under this Agreement.

d. **Extension of Time**. If Seller is delayed in causing the achievement of Commencement of Installation due to a Force Majeure Event, the time for achievement of Commencement of Installation will be automatically extended to account for the impact of the delay.

e. **Commercial Operation**. Seller shall notify Purchaser in writing at least one week prior to the Commercial Operation Date. Upon Purchaser's reasonable request, Seller shall provide Purchaser with the "Final Completion Certificate" as executed by the contractor to Seller responsible for installing the System and the "Final Completion Notification" as executed by Seller to evidence that the System is ready to begin Commercial Operation. Purchaser may not turn on, electrify or otherwise operate the System in the absence of prior, written permission from Seller.

6. **Installation, Operation and Maintenance**.

a. **Seller's General Obligations Regarding the System**. Subject to the terms and conditions of this Agreement, Seller shall use reasonable efforts to cause the System to be designed, engineered, installed, commissioned, monitored, operated and maintained, in each case in a good and workmanlike manner and in accordance with applicable law and prudent solar industry practices in the State of California. The Seller shall ensure that the System complies with all applicable law, rules, regulations and local building codes.

b. **System Design Approval**. Seller has provided Purchaser with a copy of the System design, and Purchaser has approved such design. Should any subsequent changes to the System design be made prior to Commencement of Installation, Purchaser shall be provided with a copy of any such revised System design and Purchaser shall have ten (10) business days after receipt to approve or disapprove the revised design in writing, such approval not to be unreasonably withheld. Failure by Purchaser to respond within such ten (10) business day period shall be deemed approval of the revised System design. If Purchaser disapproves the revised System design, Seller may either (i) cause the design to be reverted to the original design approved by Purchaser or (ii) terminate this Agreement and such termination shall be without further liability to Purchaser. If changes to the System design or other changes, including new information regarding Purchaser's electricity needs or Seller's selection of equipment for the System, will result in a change to any of the data on **Exhibit 2** (including, but not limited to the System Size), **Exhibit 2** may be revised if any such changes are approved by both Parties in writing.

c. **System Repair and Maintenance**. Seller may cause the suspension of delivery of electricity from the System to the Delivery Point for the purpose of causing the maintenance to and repairs of the System; provided that Seller shall use reasonable efforts to minimize any interruption in service to the Purchaser and shall provide at least thirty (30) business days' advance notice to Purchaser of any scheduled maintenance and repairs. Emergency maintenance and repairs may be performed in the absence of such notice if necessary to prevent harm to persons or property. Scheduled and unscheduled maintenance and repairs shall be undertaken at Seller's sole cost and expense, except that Purchaser shall reimburse Seller for the reasonable cost of any repairs or maintenance resulting from damage caused by Purchaser, its agents, employees or contractors.

d. **System Outage Allowance**. Upon Purchaser's written request, Seller shall cause the System to be taken off-line for a total of forty-eight (48) daylight hours (as defined by the United States National Weather Service in the area where the System is located) during each Contract Year (each event an "**Outage**" and the forty-eight (48) hour period the "**Outage Allowance**"). The Outage Allowance includes all Outage hours undertaken by Seller for maintenance or repairs for which Purchaser is responsible pursuant to Section 6(c) or requested by Purchaser under this Section 6(d) (other than due to the fault or negligence of Seller). Purchaser's request shall be delivered at least forty-eight (48) hours in advance. Purchaser is not obligated to accept or pay for electricity from the System for Outages up to the annual Outage Allowance. If the aggregate hours for Outages, including, but not limited to Outages resulting from a temporary disconnection or removal pursuant to Section 6(f), exceed the Outage Allowance in a given Contract Year and Purchaser has opted out of receiving retail electric generation service from Seller, Seller shall reasonably estimate the amount of electricity that would have been delivered to Purchaser during such excess Outages and Purchaser shall pay Seller for such amount in accordance with this Agreement.

e. **Maintenance of Premises**. Purchaser shall, at its sole cost and expense, maintain the Premises and Improvements in good condition and repair. Purchaser, to the extent within its reasonable control, (i) shall ensure that the Premises remains interconnected to the local Utility grid at all times; and (ii) shall not permit cessation of delivery of electric

service to the Premises from the local Utility. Purchaser is fully responsible for, and shall properly maintain in full working order and good repair, the electrical infrastructure on the Purchaser's side of the Delivery Point, including all of Purchaser's equipment that utilizes the System's outputs. Purchaser shall use reasonable efforts to cooperate with Seller to comply with any technical standard of the Utility providing electrical power to the Purchaser.

f. **Alteration or Repairs to Premises**. Not less than ninety (90) days prior to making any alterations or repairs to the Premises (except for emergency repairs) or any Improvement which may adversely affect the operation and maintenance of the System, Purchaser shall inform Seller in writing and, thereafter, shall use reasonable efforts to conduct such repairs, alterations or Improvements in compliance with any reasonable request made by Seller within ten (10) days after having received such written request to mitigate any adverse effect. If any repair, alteration or Improvement result in a permanent and material adverse economic impact on the System, Purchaser may request relocation of the System under Section 8 hereof. To the extent that temporary disconnection of the System is necessary in order for Purchaser to perform such alterations or repairs, Seller shall cause to be performed such work, and any re-connection of the System, at Purchaser's cost, subject to Section 6(c), 6(d), and 6(e). To the extent that temporary removal of the System is necessary in order for Purchaser to perform such alterations or repairs, Seller shall use reasonable efforts to cause to be performed such removal work within one hundred and eighty (180) days of Seller's determination that such temporary removal is required and any such removal and re-installation work shall be at Purchaser's cost, subject to Section 6(c), 6(d), and 6(e). Purchaser shall cause to be made any alterations and repairs in a good and workmanlike manner, in compliance with all applicable laws, codes and permits.

7. **Miscellaneous Rights and Obligations of the Parties**.

a. **Access Rights**. In consideration of and in order to effectuate the mutual covenants and terms of this Agreement, Purchaser hereby grants to Seller and to Seller's agents, employees, contractors and subcontractors and the Utility (i) a non-exclusive license running with the Premises (the "**Non-Exclusive License**") for access to, on, over, under and across the Premises from the Effective Date until the date that is one hundred and eighty (180) days following the date of expiration or earlier termination of this Agreement (the "**License Term**"), for the purposes of performing all of Seller's obligations and enforcing all of Seller's rights set forth in this Agreement and otherwise as required by Seller in order to effectuate the purposes of this Agreement, including, but not limited to design, engineering, development, construction, installation, inspection, interconnection, testing, operation, maintenance, repair, replacement and removal of the System and all incidental and related uses connected therewith. [In addition to the foregoing, if the System shall be a ground-mounted System to be located within a secure, fenced area on the Premises, Purchaser hereby grants to Seller an exclusive, sub-licensable license running with the Premises (the "**Exclusive License**", and together with the Non-Exclusive License, the "**Licenses**") for purposes of the installation, operation, use and maintenance of the System on such exclusively licensed area of the Premises during the License Term.] Seller shall use reasonable efforts to ensure that it and its employees, agents, contractors and subcontractors comply with Purchaser's site safety and security requirements which have been provided to Seller in writing within sixty (60) days of the Effective Date when on the Premises [(other than in respect of the fenced area governed by the Exclusive License)] during the License Term. During the License Term, Purchaser shall preserve and protect Seller's rights under the Licenses and Seller's access to the Premises and shall not interfere, or permit any third parties under Purchaser's control to interfere, with such rights or access. Seller may record a customary memorandum of license in the land records respecting the Licenses.

b. **OSHA Compliance**. Each Party shall comply with all Occupational Safety and Health Act (**"OSHA"**) requirements and other similar applicable safety laws and codes with respect to such Party's performance under this Agreement.

c. **Safeguarding the Premises**. Purchaser shall maintain the physical security of the Premises and Improvements in a manner to be expected of a reasonable and prudent owner of premises and improvements similar to the Premises and Improvements in nature and location. Purchaser shall not conduct or permit activities on, in or about the Premises or the Improvements that have a reasonable likelihood of causing damage, impairment or otherwise adversely affecting the System. Purchaser shall indemnify Seller for any loss or damage to the System to the extent caused by or arising out of (i) Purchaser's breach of its obligations under this Section or (ii) the acts or omissions of Purchaser or its employees, agents, invitees or separate contractors. Without limiting the foregoing, Seller shall arrange for security of the System, equipment and tools during the construction of the System and Purchaser shall cooperate with Seller and its contractor with respect to such security measures.

d. **Insolation**. Purchaser acknowledges that unobstructed access to sunlight ("**Insolation**") is essential to Seller's performance of its obligations and a material term of this Agreement. Purchaser shall not, to the extent within its reasonable control, cause or permit any interference with the System's Insolation, and shall ensure that vegetation on the Premises adjacent to the System is regularly pruned or otherwise maintained to prevent interference with the

System's Insolation. If either Party discovers any activity or condition that could diminish the Insolation of the System, such Party shall immediately notify the other Party and Purchaser shall cooperate with Seller in preserving and restoring the System's Insolation levels as they existed on the Effective Date.

e. **Use and Payment of Contractors and Subcontractors**. Seller shall use and shall cause to be used suitably qualified, experienced and licensed contractors and subcontractors to perform its obligations under this Agreement. However, Seller shall be responsible for the quality of the work performed by such contractors and subcontractors. Seller shall pay or shall cause to be paid when due all valid charges from all contractors, subcontractors and suppliers supplying goods or services to Seller under this Agreement.

f. **Liens**.

i. **Lien Obligations**. Purchaser shall not directly or indirectly cause, create, incur, assume or allow to exist any mortgage, pledge, lien, charge, security interest, encumbrance or other claim of any nature, except such encumbrances as may be required to allow Seller access to the Premises (each a "**Lien**") on or with respect to the System. Seller shall not directly or indirectly cause, create, incur, assume or allow to exist any Lien on or with respect to the Premises or the Improvements, other than those Liens which Seller is permitted by law to place on the Premises due to non-payment by Purchaser of amounts due under this Agreement. Each Party shall immediately notify the other Party in writing of the existence of any such Lien following such Party's discovery of same, and shall promptly (and in all events within thirty (30) days) cause the same to be discharged and released of record without cost to the other Party; provided, however, that each indemnifying Party has the right to contest any such Lien, so long as it provides a statutory bond or other reasonable assurances of payment that either removes such Lien from title to the affected property, or that assures that any adverse judgment with respect to such Lien shall be paid without affecting title to such property.

ii. **Lien Indemnity**. Each Party shall indemnify the other Party from and against all claims, losses, damages, liabilities and expenses resulting from any Liens filed against such other Party's property as a result of the indemnifying Party's breach of its obligations under Section 7(f)(i).

8. **Relocation of System**. If, during the Term, Purchaser ceases to conduct operations at the Premises or vacates the Premises, the Premises have been destroyed, or the Purchaser is otherwise unable to continue to host the System or accept the electricity delivered by the System for any other reason (other than a Default Event by Seller), Purchaser shall propose in writing the relocation of the System, at Purchaser's cost. Such proposal shall be practically feasible and preserve the economic value of this Agreement for Seller. The Parties shall seek to negotiate in good faith an agreement for the relocation of the System. Pending agreement on relocation of the System, Purchaser shall continue to pay Seller at the Contract Price for all electricity that Seller reasonably estimates it would have been able to deliver to Purchaser in accordance with this Agreement but for the applicable circumstance described in the first sentence of this paragraph.

9. **Removal of System upon Termination or Expiration**. Upon the expiration or earlier termination of this Agreement (provided Purchaser does not exercise its purchase option under Section 14(b)), Seller shall, at its expense (unless expressly provided otherwise in this Agreement), cause to be removed all of the tangible property comprising the System from the Premises with a targeted completion date that is no later than one hundred and eighty (180) days after the expiration of the Term. The portion of the Premises where the System is located shall be returned to substantially its original condition as is reasonably possible, except for ordinary wear and tear, including the removal of System mounting pads or other support structures, and repair and restoration of the roof and the roof membrane. Seller is required to cause to be repaired any and all damage to the Premises caused by removal of the System. Notwithstanding the foregoing, Seller shall not be obligated to remove or cause to be removed any support structures for the System which are affixed to and below the exposed surface of Purchaser's structures or any below grade structures, including foundations and conduits, or any roads. If the System is installed on the roof of an Improvement, Seller's warranties under Section 12(c)(i) shall apply, as applicable. Purchaser must provide sufficient access, space and cooperation as reasonably necessary to facilitate System removal. Purchaser shall comply with Section 7(c) and Section 13 until removal is complete. If Seller fails to cause the removal of the System within one hundred and eighty (180) days after expiration of the Term, Purchaser may, at its option, remove the System to a public warehouse and restore the Premises to its original condition (other than ordinary wear and tear) at Seller's cost, *provided* that if Seller pays Purchaser for such costs, Seller shall not be liable to Purchaser for a Default Event by Seller.

10. **Measurement**.

a. **Meter**. The System's electricity output during the Term shall be measured by Seller's meter, which shall be a revenue grade meter that meets ANSI-C12.20 standards for accuracy (the "**Meter**"). Purchaser shall have access to the metered

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energy output data via the monitoring system caused to be installed and maintained by Seller as part of the System.

b. **Meter Calibration**. Seller shall cause the Meter to be calibrated in accordance with manufacturer's recommendations. Notwithstanding the foregoing, Purchaser may install, or cause to be installed, its own revenue-grade meter at the same location as the Meter. If there is a discrepancy between the data from Purchaser's meter and the data from the Meter of greater than two percent (2%) over the course of a Contract Year, then Purchaser may request that Seller calibrate the Meter at Purchaser's cost.

c. **Internet Connection**. At all times during the Term, Purchaser shall maintain and make available, at Purchaser's cost:

i. A hard-wired ethernet port for connection to System equipment located within fifty (50) physical feet of the electrical room of the Premises; or, if such hard-wired port is not feasible, Wi-Fi available seven (7) days per week and twenty-four (24) hours per day;

ii. Information technology support services as needed to provide Internet connectivity via the connection described in Section 10(c)(i); and

iii. A dedicated IP address for System equipment.

If Purchaser does not maintain such Internet connection described above, Seller will not be able to cause the System to be monitored or provide the performance guaranty set forth on **Exhibit 4**. Further, if Seller is not able to monitor the System, Seller will be required to estimate the System's power production for purposes of determining the monthly payment(s) for any such month in which the required Internet connection was not available.

11. **Default, Remedies and Damages**.

a. **Default**. Any Party that fails to perform its responsibilities as listed below or experiences any of the circumstances listed below is deemed a "**Defaulting Party**", the other Party is the "**Non-Defaulting Party**" and each of the following is a "**Default Event**":

i. failure of a Party to pay any amount due and payable under this Agreement, other than an amount that is subject to a good faith dispute, within ten (10) days following receipt of written notice from the Non-Defaulting Party of such failure to pay ("**Payment Default**");

ii. failure of a Party to perform any material obligation under this Agreement or an act or omission of a Party in violation of the terms and conditions of this Agreement not addressed elsewhere in this Section 11 within sixty (60) days following receipt of written notice from the Non-Defaulting Party demanding such cure; provided, that if the Default Event cannot reasonably be cured within sixty (60) days and the Defaulting Party has demonstrated prior to the end of that period that it is diligently pursuing such cure, the cure period will be extended for a further reasonable period of time, not to exceed ninety (90) days;

iii. such Party fails to provide or maintain in full force and effect any required insurance, if such failure is not remedied within ten (10) business days after receipt of written notice from the Non-Defaulting Party to the Defaulting Party;

iv. any representation or warranty given by a Party under this Agreement was incorrect in any material respect when made and is not cured within thirty (30) days following receipt of written notice from the Non-Defaulting Party demanding such cure;

v. a Party becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is (are) not dismissed within sixty (60) days); or,

vi. in the case of Purchaser as the Defaulting Party only, Purchaser (A) loses its rights to occupy and enjoy the Premises, unless (I) the Parties agree upon a relocation under Section 8 above; (B) loses its right to provide or is in default under Section 7(a); or (C) prevents Seller from performing any material obligation under this Agreement unless such action by Purchaser is (I) permitted under this Agreement, or (II) cured within ten (10) days after written notice thereof from Seller.

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b. **Remedies**.

i. **Purchaser Default Event Remedies**. Upon the occurrence and during the continuation of a Default Event where the Purchaser is the Defaulting Party, including a Payment Default:

A. Seller may exercise any and all remedies available or granted to it pursuant to law or hereunder, including seeking by mandamus or other suit, action or proceeding at law or in equity to enforce the Seller's rights against the Purchaser, including rights to any payments due hereunder in an action for damages, and to compel the Purchaser to perform and carry out its duties and obligations under the law and its covenants and agreements with the Seller as provided herein.

B. Seller may suspend performance of its obligations under this Agreement, including, but not limited to, turning off the System, until the earlier to occur of the date (A) that Purchaser cures the Default Event in full, including making payment in full as provided in Section 11(b)(i)(C). Seller's rights under this Section 11(b)(i)(B) are in addition to any other remedies available to it under this Agreement, at law or in equity.

C. except as otherwise provided herein, this Agreement shall not terminate as a result of such Default Event and shall continue in full force and effect, and Purchaser shall continue to pay, and Seller shall be entitled to recover payment for: (x) all electricity delivered by Seller pursuant to Section 3 of this Agreement, and (y) all electricity that Seller reasonably estimates it would have been able to deliver to Purchaser in accordance with this Agreement but for the Default Event by Purchase, in each case at the Contract Price, together with (z) any other amounts due and payable pursuant to this Agreement.

ii. **Seller Default Event Remedies**. Upon the occurrence and during the continuation of a Default Event where Seller is the Defaulting Party:

A. Purchaser may exercise any and all remedies available or granted to it pursuant to law or hereunder, including seeking by mandamus or other suit, action or proceeding at law or in equity to enforce the Purchaser's rights against the Seller, including rights to any payments due hereunder in an action for damages, and to compel the Seller to perform and carry out its duties and obligations under the law and its covenants and agreements with the Purchaser as provided herein.

B. except as otherwise provided herein, this Agreement shall not terminate as a result of such Default Event and shall continue in full force and effect, and Seller and Purchaser shall continue to pay all amounts due and payable pursuant to this Agreement.

iii. **Optional Termination by Purchaser**. In addition to the remedies provided for in Section 11(b)(i) and Section 11(b)(ii), upon the occurrence and during the continuation of a Default Event where Seller is the Defaulting Party, the Purchaser may terminate this Agreement as further set forth in this Section 11(b)(iii) by providing thirty (30) days prior written notice to the Seller; provided, that, in the case of a Default Event under Section 11(a)(v) where the Seller is the Defaulting Party, no such notice period shall be required. Upon termination pursuant to this Section 11(b)(iii), Seller shall pay to Purchaser an amount equal to the sum of (1) the present value of the excess, if any, of the reasonably expected cost of electricity delivered by the Utility over the Contract Price for the reasonably expected production of the System for a period of the lesser of five (5) years or the remainder of the Initial Term or the then current Additional Term, as applicable; (2) all direct costs reasonably incurred by Purchaser by reason of the termination; and (3) any and all other amounts previously accrued under this Agreement and then owed by Seller to Purchaser (the "**Seller Termination Payment**"). The Seller Termination Payment determined under this Section 11(b)(iii) cannot be less than zero.

iv. **Optional Termination by Seller**. In addition to the remedies provided for in Section 11(b)(i) and Section 11(b)(ii), upon the occurrence and during the continuation of a Default Event where Purchaser is the Defaulting Party, the Seller may terminate this Agreement as further set forth in this Section 11(b)(iv) by providing thirty (30) days prior written notice to the Seller; provided, that, in the case of a Default Event under Section 11(a)(v) where the Purchaser is the Defaulting Party, no such notice period shall be required. Upon termination pursuant to this Section 11(b)(iv), Purchaser shall pay to Seller an amount equal to the sum of (1) the applicable amount set forth in the Purchaser Termination Payment Schedule of Section 6 of **Exhibit 1,** and (2) any other amounts previously accrued under this Agreement and then owed by Purchaser to Seller (collectively, the "**Purchaser Termination Payment**" and, together with the Seller Termination Payment, the "**Termination Payment**"). The Purchaser Termination Payment determined under this Section 11(b)(iv) cannot be less than zero.

v. **Severability of Remedies**. If any remedy in Section 11(b) is held by a court of competent jurisdiction to be in conflict with any statute, constitutional provision, regulation or other rule of law, or is otherwise held to be

unenforceable for any reason whatsoever, such circumstances shall not have the effect of rendering the other remedies herein contained invalid, inoperative, or unenforceable to any extent whatsoever. If any one or more of the provisions contained in Section 11(b) of this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Section 11(b) and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Parties hereby declare that they each would have executed this Agreement and each and every other section hereof irrespective of the fact that any one or more sections of this Section 11(b) may be held illegal, invalid or unenforceable.

vi. **Liquidated Damages**. The Parties agree that, if Seller terminates this Agreement prior to the expiration of the Term pursuant to Section 11(b)(iv), actual damages would be difficult to ascertain, and the Purchaser Termination Payment determined in accordance with Section 11(b)(iv) is a reasonable approximation of the damages suffered by Seller as a result of early termination of this Agreement and is not a penalty.

c. **Obligations Following Termination**. If a Party terminates this Agreement pursuant to Section 11(b)(iii), or Section 11(b)(iv), then following such termination, Seller shall cause and shall have the right to cause the equipment constituting the System to be removed in compliance with Section 9 at the sole cost and expense of the Defaulting Party, *provided, however* that Seller shall not be required to cause the System to be removed following the occurrence of a Default Event by Purchaser, unless Purchaser has paid the Purchaser Termination Payment to Seller or pre-pays the cost of removal and restoration reasonably estimated by Seller.

i. **Reservation of Rights**. Except in the case of a termination under Section 11(b)(iii) or Section 11(b)(iv) and payment of a Termination Payment, if any, determined pursuant to as provided therein, nothing in this Section 11 limits either Party's right to pursue any remedy under this Agreement, at law or in equity, including with respect to the pursuit of an action for damages by reason of a breach or Default Event under this Agreement.

ii. **Mitigation Obligation**. Regardless of whether this Agreement is terminated for a Default Event, the Non-Defaulting Party must make reasonable efforts to mitigate its damages as the result of such Default Event; provided that such obligation shall not reduce Purchaser's obligation to pay the full Purchaser Termination Payment set forth in Section 6 of **Exhibit 1** following a Default Event by Purchaser.

iii. **No Limitation on Payments**. Nothing in this Section 11 excuses a Party's obligation to make any payment when due under this Agreement, including with respect to payments for electricity that would have been delivered to Purchaser but for a Purchaser breach or Default Event.

12. **Representations and Warranties**.

a. **General Representations and Warranties**. Each Party represents and warrants to the other the following:

i. Such Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary governmental action, and do not and will not violate any law; and this Agreement is the valid obligation of such Party, enforceable against such Party in accordance with its terms (except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws now or hereafter in effect relating to creditors' rights generally).

ii. Such Party has obtained all licenses, authorizations, consents and approvals required by applicable law and any Governmental Authority or other third-party and necessary for such Party to own its assets, carry on its business and operations and to execute and deliver this Agreement; and such Party is in compliance with all laws that relate to this Agreement in all material respects.

b. **Purchaser's Representations and Warranties**. Purchaser represents and warrants to Seller the following:

i. **Licenses**. (A) Purchaser has title to and is the fee owner of the Premises such that Purchaser has the full right, power and authority to enter into and perform all of its obligations under this Agreement, (B) this Agreement does not violate any law, ordinance, rule or other governmental restriction applicable to Purchaser or the Premises and is not inconsistent with and will not result in a breach or default under any agreement by which Purchaser is bound or that affects the Premises, and (C) there are no deeds of trust, mortgages or similar security instruments with a lien against the Premises.

ii. **Other Agreements**. Neither the execution and delivery of this Agreement by Purchaser nor the performance by Purchaser of any of its obligations under this Agreement conflicts with or will result in a breach or default under any agreement or obligation to which Purchaser is a party or by which Purchaser is bound.

iii. **Accuracy of Information**. All information provided by Purchaser to Seller, as it pertains to (A) the Premises, (B) the Improvements on which the System is to be installed, if applicable, (C) Purchaser's planned use of the Premises and any applicable Improvements, and (D) Purchaser's estimated electricity requirements, is accurate in all material respects.

iv. **Purchaser Status**. Purchaser is not a public utility or a public utility holding company and is not subject to regulation as a public utility or a public utility holding company.

v. **Limit on Use**. No portion of the electricity generated by the System shall be used to heat a swimming pool.

c. Seller's Warranties.

i. If Seller causes to be penetrated the roof of any Improvement on which the System is installed, during System installation or any System repair, Seller shall provide for a warranty on roof damage caused by these roof penetrations. This roof warranty shall terminate upon the earlier of (A) five (5) years following the Commercial Operation Date and (B) the expiration of the warranty applicable to such roof provided by Purchaser's roofing contractor.

ii. If Seller or its agents damage any other part of the Premises or any Improvement (including roof damages not covered under Section 12(c)(i) above), Seller shall repair or reimburse Purchaser for such damage, as agreed by the Parties and subject to Section 15.

d. **NO OTHER WARRANTY**. THE WARRANTIES SET FORTH IN SECTIONS 12(a) AND 12(c) OF THIS AGREEMENT ARE PURCHASER'S SOLE AND EXCLUSIVE BASIS FOR ANY CLAIM OR LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS SECTION 12, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. OTHER THAN AS EXPRESSLY SET FORTH IN SECTIONS 12(a) AND 12(c), NO WARRANTY, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, APPLIES UNDER THIS AGREEMENT. THE PERFORMANCE GUARANTY SET FORTH IN **EXHIBIT 4** REPRESENTS A SEPARATE CONTRACT BETWEEN PURCHASER AND THE ISSUER OF THE PERFORMANCE GUARANTY. IF THE ISSUER OF THE PERFORMANCE GUARANTY (OR ANY SUBSEQUENT ASSIGNEE) AND THE SELLER ARE NOT THE SAME PERSON, NO RIGHTS PROVIDED TO PURCHASER BY THE PERFORMANCE GUARANTY MAY BE ASSERTED UNDER THIS AGREEMENT, AND NO CLAIM UNDER THE PERFORMANCE GUARANTY WILL AFFECT PURCHASER'S OBLIGATIONS UNDER THIS AGREEMENT.

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13. Insurance.

a. Insurance Coverage. At all times during the Term, the Parties shall maintain the following insurance, as applicable:

i. Seller's Insurance. Seller shall maintain (A) property insurance on the System for the replacement cost thereof, (B) commercial general liability, employers liability and automobile liability insurance with primary coverage of at least $1,000,000 per occurrence, an excess liability limit of $5,000,000, for a total of $6,000,000 in the aggregate, and (C) workers' compensation insurance as required by law. Seller's coverage may be provided as part of an enterprise insurance program.

ii. Purchaser's Insurance. Purchaser shall maintain commercial general liability insurance with coverage of at least $2,000,000 per occurrence.

b. Policy Provisions. The insurance policies referenced in Section 13(a) shall (i) contain a provision whereby the insurer agrees to give the other Party at least thirty (30) days (ten (10) days for non-payment of premiums) written notice before the insurance is cancelled, or terminated, (ii) be written on an occurrence basis, and (iii) be maintained with companies either rated no less than A-VII as to Policy Holder's Rating in the current edition of A.M. Best's Insurance Guide or otherwise reasonably acceptable to the other Party.

c. Certificates. Upon the other Party's request, each Party shall deliver to the other Party certificates of insurance evidencing the above required coverage. A Party's receipt, review or acceptance of such certificate shall in no way limit or relieve the other Party of the duties and responsibilities to maintain insurance as set forth in this Agreement.

d. Deductibles. Each Party shall pay or cause to be paid its own insurance deductibles, except in the case of claims (i) resulting from a breach of this Agreement, in which case the breaching Party is responsible for payment of the non-breaching Party's deductible for any responding insurance, and (ii) covered by an indemnity set forth in this Agreement.

14. Ownership; Option to Purchase.

a. Ownership of System.

i. **Ownership; Personal Property**. System Owner or its assignee shall be the legal and beneficial owner of the System and the System will remain the personal property of System Owner or such assignee and will not attach to or be deemed a part of, or fixture to, the Premises or any Improvement on which the System is installed. Each of the Seller and Purchaser agree that System Owner or its assignee is the tax owner of the System and all tax filings and reports shall be filed in a manner consistent with this Agreement. The System will at all times retain the legal status of personal property as defined under Article 9 of the Uniform Commercial Code.

ii. **Notice to Purchaser Lienholders**. Purchaser shall use reasonable efforts to place all parties having a Lien on the Premises or any Improvement on which the System is installed on notice of the ownership of the System and the legal status or classification of the System as personal property. If any mortgage or fixture filing against the Premises could reasonably be construed as prospectively attaching to the System as a fixture of the Premises, Purchaser shall provide a disclaimer or release from such lienholder.

iii. **Fixture Disclaimer**. Purchaser consents to the filing of a disclaimer of the System as a fixture of the Premises in the office where real estate records are customarily filed in the jurisdiction where the Premises are located. If, at any point after the Effective Date, Purchaser is not the fee owner of the Premises, Purchaser shall obtain such consent from such fee owner. For the avoidance of doubt, in either circumstance Seller has the right to file such disclaimer.

iv. **SNDA**. Upon request, Purchaser shall deliver to Seller a subordination and non-disturbance agreement in a form mutually acceptable to Seller and Purchaser, any mortgagee with a Lien on the Premises, and other Persons holding a similar interest in the Premises.

v. **Eviction Notice**. Purchaser hereby represents and warrants that it is the legal owner of the Premises. To the extent that Purchaser does not own the Premises or any Improvement on which the System is installed after the Effective Date, Purchaser shall provide to Seller immediate written notice of any such change in ownership and receipt of notice of eviction from the Premises or applicable Improvement or termination of Purchaser's lease of the Premises and/or Improvement.

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b. **Option to Purchase**.

i. Exercise of Option. At the end of the Initial Term and each Additional Term, so long as Purchaser is not in default under this Agreement and it is beyond the date that is the sixth (6th) anniversary of the Commercial Operation Date, Purchaser may purchase the System from System Owner on any such date for a purchase price equal to the Fair Market Value of the System applicable as of the date of the transfer of title to the System. Purchaser shall notify Seller of its intent to purchase at least ninety (90) days and not more than one hundred eighty (180) days prior to the end of the Initial Term or Additional Term, as applicable, and the purchase shall be completed prior to the end of the Initial Term or Additional Term, as applicable.

ii. Fair Market Value. The "**Fair Market Value**" of the System shall be determined by mutual agreement of the Parties; provided, however, if the Parties cannot agree to a Fair Market Value within thirty (30) days after Purchaser has delivered to Seller a notice of its intent to purchase the System, the Parties shall select a nationally recognized independent appraiser with experience and expertise in the solar photovoltaic industry to determine the Fair Market Value of the System. Such appraiser shall act reasonably and in good faith to determine the Fair Market Value of the System on an installed basis and shall set forth such determination in a written opinion delivered to the Parties. The valuation made by the appraiser will be binding upon the Parties in the absence of fraud or manifest error. The costs of the appraisal shall be borne by the Parties equally.

iii. Title Transfer; Warranties; Manuals. If Purchaser exercises its purchase option pursuant to Section 14(b)(i) above, title to the System and manufacturers' warranties shall transfer to Purchaser upon System Owner's receipt of the purchase price and execution by System Owner and Purchaser of a written instrument or agreement to effect such transfer to be negotiated between System Owner and Purchaser. The System will be sold "as is, where is, with all faults." Upon purchase of the System, Purchaser shall assume complete responsibility for the operation and maintenance of the System and liability for the performance of (and risk of loss for) the System, and, except for any Seller obligations that survive termination under Section 19(d), System Owner will have no further liabilities or obligations hereunder for the System.

15. **Indemnification and Limitations of Liability**.

a. **General**. Each Party (the "**Indemnifying Party**") shall defend, indemnify and hold harmless the other Party, its affiliates and the other Party's and its affiliates' respective directors, officers, shareholders, partners, members, agents and employees (collectively, the "**Indemnified Parties**"), from and against any loss, damage, expense, liability and other claims, including court costs and reasonable attorneys' fees (collectively, "**Liabilities**") resulting from (i) any Claim (as defined in Section 15(c)) relating to the Indemnifying Party's breach of any representation or warranty set forth in Section 12 and (ii) injury to or death of persons, and damage to or loss of property to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, the Indemnifying Party (or its contractors, agents or employees) in connection with this Agreement; provided, however, that nothing herein will require the Indemnifying Party to indemnify the Indemnified Parties for any Liabilities to the extent caused by or arising out of the negligent acts or omissions of, or the willful misconduct of, an Indemnified Party. This Section 15(a) does not apply to Liabilities arising out of or relating to any form of Hazardous Substances or other environmental contamination, such matters being addressed exclusively by Section 15(d).

b. **Permission to Operate Indemnification**. Purchaser shall defend, indemnify and hold harmless Seller Indemnified Parties from and against any Liabilities resulting from Purchaser's breach of Purchaser's obligations under Section 15(c).

c. **Notice and Participation in Third-Party Claims**. The Indemnified Party shall give the Indemnifying Party written notice with respect to any Liability asserted by a third-party (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party may settle any Claim covered by this Section 15(c) unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party has no liability under this Section 15(c) for any Claim for which such notice is not provided if the failure to give notice prejudices the Indemnifying Party.

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d. **Environmental Indemnification**.

i. Seller Indemnity. Seller shall indemnify, defend and hold harmless all of Purchaser's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance (as defined in Section 15(d)(iii)) to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees.

ii. Purchaser Indemnity. Purchaser shall indemnify, defend and hold harmless all of Seller's Indemnified Parties from and against all Liabilities arising out of or relating to the existence at, on, above, below or near the Premises of any Hazardous Substance, except (A) to the extent deposited, spilled or otherwise caused by Seller or any of its contractors, agents or employees or, (B) where the deposit, spill, or existence of the Hazardous Substance is not caused by Seller or any of its contractors or agents, to the extent the condition is known by Seller or any of its contractor or agents and is worsened as a result of the negligent acts or omissions, willful misconduct, or breach of Contract by Seller or any of its contractors, agents or employees.

iii. Notice. Each Party shall promptly notify the other Party if it becomes aware of any Hazardous Substance on or about the Premises generally or any deposit, spill or release of any Hazardous Substance. "**Hazardous Substance**" means any chemical, waste or other substance (a) which now or hereafter becomes defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "pollution," "pollutants," "regulated substances," or words of similar import under any laws pertaining to the environment, health, safety or welfare, (b) which is declared to be hazardous, toxic, or polluting by any Governmental Authority, (c) exposure to which is now or hereafter prohibited, limited or regulated by any Governmental Authority, (d) the storage, use, handling, disposal or release of which is restricted or regulated by any Governmental Authority, or (e) for which remediation or cleanup is required by any Governmental Authority.

e. **Limitations on Liability**.

i. No Consequential Damages. Except with respect to indemnification of third-party claims pursuant to Section 15, fraud or willful misconduct, neither Party nor its directors, officers, shareholders, partners, members, agents and employees subcontractors or suppliers will be liable for any indirect, special, incidental, exemplary, or consequential loss or damage of any nature (including, without limitation, lost revenues, lost profits, lost business opportunity or any business interruption) arising out of their performance or non-performance hereunder even if advised of such. Notwithstanding the previous sentence, the Purchaser Termination Payment set forth in Section 6 of **Exhibit 1** shall be deemed to be direct, and not indirect or consequential damages for purpose of this Section 15(e)(i).

ii. Actual Damages. Except with respect to indemnification of Claims pursuant to this Section 15, and except as otherwise limited in Section 12(d), Seller's aggregate liability under this Agreement arising out of or in connection with the performance or non-performance of this Agreement cannot exceed $1,000,000. The provisions of this Section 15(e)(ii) will apply whether such liability arises in contract, tort, strict liability or otherwise.

f. **EXCLUSIVE REMEDIES**. TO THE EXTENT THAT THIS AGREEMENT SETS FORTH SPECIFIC REMEDIES FOR ANY CLAIM OR LIABILITY, SUCH REMEDIES ARE THE AFFECTED PARTY'S SOLE AND EXCLUSIVE REMEDIES FOR SUCH CLAIM OR LIABILITY, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE.

g. **Comparative Negligence**. Where negligence is determined to have been joint, contributory or concurrent, each Party shall bear the proportionate cost of any Liability.

16. **Change in Law**.

a. **Impacts of Change in Law**. If Seller determines that a Change in Law has occurred or will occur that has or will have a material adverse effect on Seller's rights, entitlement, obligations or costs under this Agreement, then Seller may so notify the Purchaser in writing of such Change in Law. Within thirty (30) days following receipt by the Purchaser of such notice, the Parties shall meet and attempt in good faith to negotiate such amendments to this Agreement as are reasonably necessary to preserve the economic value of this Agreement to both Parties. If the Parties are unable to agree upon such amendments within such thirty (30) day period, then Seller may terminate this Agreement and cause

the System to be removed and the Premises to be restored in accordance with Section 9 without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

b. **Illegality or Impossibility**. If a Change in Law renders this Agreement, or Seller's performance of this Agreement, either illegal or impossible, then Seller may terminate this Agreement immediately upon notice to Purchaser without either Party having further liability under this Agreement except with respect to liabilities accrued prior to the date of termination.

c. **"Change in Law"** means (i) the enactment, adoption, promulgation, modification or repeal after the Effective Date of any applicable law or regulation, (ii) the imposition of any material conditions on the issuance or renewal of any applicable permit after the Effective Date (notwithstanding the general requirements contained in any applicable Permit at the time of application or issue to comply with future laws, ordinances, codes, rules, regulations or similar legislation), or (iii) a change in any utility rate schedule or tariff approved by any Governmental Authority that materially alters the financial obligations of Seller under this Agreement.

17. **Assignment and Financing**.

a. **Assignment**.

i. Restrictions on Assignment. Subject to the remainder of this Section 17(a), this Agreement may not be assigned in whole or in part by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld or delayed. Purchaser may not withhold its consent to an assignment proposed by Seller where the proposed assignee has the financial capability and experience necessary to operate and maintain solar photovoltaic systems such as the System in accordance with prudent solar industry practices in the State of California.

ii. Permitted Assignments. Notwithstanding Section 17(a)(i), Seller may, without the prior written consent of Purchaser, assign, mortgage, pledge or otherwise directly or indirectly assign its interests in this Agreement to (A) any Financing Party (as defined in Section 17(b)), (B) any entity through which Seller is obtaining financing from a Financing Party, or (C) any affiliate of Seller or any person succeeding to all or substantially all of the assets of Seller; provided, that, the assignment does not negatively affect the terms of this Agreement or Seller's ability to perform hereunder or thereunder. Seller is not released from liability hereunder as a result of any assignment to an affiliate unless the assignee assumes Seller's obligations hereunder by binding written instrument.

iii. Successors and Permitted Assignees. This Agreement is binding on and inures to the benefit of successors and permitted assignees. The restrictions on assignment contained herein do not prohibit or otherwise limit changes in control of Seller.

b. **Financing**. The Parties acknowledge that Seller and/or System Owner may obtain debt or equity financing or other credit support from lenders, investors or other third parties (each, a "**Financing Party**") in connection with the installation, construction, ownership, operation and maintenance of the System. In furtherance of Seller's and/or System Owner's financing arrangements and in addition to any other rights or entitlements of Seller or System Owner's under this Agreement, Purchaser shall timely execute any consents to assignment (which may include notice, cure, attornment and step-in rights) or estoppels and negotiate any amendments to this Agreement that may be reasonably requested by Seller and/or System Owner or the Financing Parties; provided, that such estoppels, consents to assignment or amendments do not alter the fundamental economic terms of this Agreement.

c. **Termination Requires Consent**. Seller and Purchaser agree that any right of Seller to terminate this Agreement is subject to the prior written consent of any Financing Party.

18. **Confidentiality**.

a. **Confidential Information**. To the maximum extent permitted by applicable law, if either Party provides confidential information ("**Confidential Information**") to the other or, if in the course of performing under this Agreement or negotiating this Agreement a Party learns Confidential Information of the other Party, the receiving or learning Party shall (i) protect the Confidential Information from disclosure to third parties with the same degree of care accorded its own confidential and proprietary information, and (ii) refrain from using such Confidential Information, except in the negotiation, performance, enforcement and, in the case of Seller, financing, of this Agreement. Subject to Section 18(b)(iii), the Parties hereby agree to treat Sections 3 and 6 of **Exhibit 1** as Confidential Information of each Party for

purposes of this Section 18 and to redact the numbers set forth in such Sections from any publication or disclosure of this Agreement.

b. **Permitted Disclosures**. Notwithstanding Section 18(a):

i. A Party may provide such Confidential Information to its affiliates and to its and its affiliates' respective officers, directors, members, managers, employees, agents, contractors, consultants and Financing Parties (collectively, "**Representatives**"), and potential direct or indirect assignees of this Agreement if such potential assignees are first bound by a written agreement or legal obligation restricting use and disclosure of Confidential Information. Each Party is liable for breaches of this provision by any person to whom that Party discloses Confidential Information.

ii. Confidential Information does not include any information that (A) becomes publicly available other than through breach of this Agreement, (B) is required to be disclosed to a Governmental Authority under applicable law or pursuant to a validly issued subpoena, (C) is independently developed by the receiving Party, or (D) becomes available to the receiving Party without restriction from a third party under no obligation of confidentiality. If disclosure of information is required by a Governmental Authority, the disclosing Party shall, to the extent permitted by applicable law, notify the other Party of such required disclosure promptly upon becoming aware of such required disclosure and shall reasonably cooperate with the other Party's efforts to limit the disclosure to the extent permitted by applicable law.

iii. Each Party hereto acknowledges and agrees that this Agreement and information and documentation provided in connection with this Agreement may be subject to the California Public Records Act (Government Code Section 6250 et seq.). Upon request or demand from any third person not a Party to this Agreement for production, inspection and/or copying of this Agreement or other Confidential Information, the recipient of such request or demand shall, to the extent permissible, notify the other Party in writing in advance of any disclosure that the request or demand has been made and shall take all reasonably necessary and customary steps to protect Confidential Information that is the subject of any California Public Records Act request submitted by a third person to Purchaser, including, but not limited to, applicable exceptions described by Cal. Gov't Code Sections 6254 and 6255.

iv. A Party may be required to make portions of this Agreement available to the public in connection with the process of seeking approval from its respective governing board of its entry into this Agreement. Such Party shall provide prior, written approval of the other Party prior to such disclosure, and shall provide such other Party the opportunity to review any redacted version of this Agreement to be so disclosed.

v. Confidential Information may be disclosed by either Party to any nationally recognized credit rating agency (e.g., Moody's Investors Service, Standard & Poor's, or Fitch Ratings) in connection with the issuance of a credit rating for that Party, provided that any such credit rating agency agrees in writing to maintain the confidentiality of such Confidential Information.

c. **Miscellaneous**. All Confidential Information remains the property of the disclosing Party and will be returned to the disclosing Party or destroyed (at the receiving Party's option) after the receiving Party's need for it has expired or upon the request of the disclosing Party. Each Party acknowledges that the disclosing Party would be irreparably injured by a breach of this Section 18 by the receiving Party or its Representatives or other person to whom the receiving Party discloses Confidential Information of the disclosing Party and that the disclosing Party may be entitled to equitable relief, including injunctive relief and specific performance, for breaches of this Section 18. To the fullest extent permitted by applicable law, such remedies shall not be deemed to be the exclusive remedies for a breach of this Section 18, but will be in addition to all other remedies available at law or in equity. The obligation of confidentiality will survive termination of this Agreement for a period of two (2) years.

d. **Goodwill and Publicity**. Neither Party may (A) make any press release or public announcement of the specific terms of this Agreement or the use of solar or renewable energy involving this Agreement (except for filings or other statements or releases as may be required by applicable law), or (B) use any name, trade name, service mark or trademark of the other Party in any promotional or advertising material without the prior written consent of the other Party which consent shall not be unreasonably withheld. The Parties shall coordinate and cooperate with each other when making public announcements regarding this Agreement, the System and its use, and each Party may promptly, and in any case within 14 days, review, comment upon and approve any publicity materials, press releases or other public statements before they are made. Notwithstanding the above, Seller is entitled to publish the name of Purchaser, System location, System size without obtaining the prior, written consent of Purchaser and to place signage on the

Premises reflecting its association with the System.

19. General Provisions.

a. Definitions and Interpretation. Unless otherwise defined or required by the context in which any term appears: (i) the singular includes the plural and vice versa, (ii) the words "herein," "hereof" and "hereunder" refer to this Agreement as a whole and not to any particular section or subsection of this Agreement, (iii) references to any agreement, document or instrument mean such agreement, document or instrument as amended, restated, modified, supplemented or replaced from time to time, and (iv) the words "include," "includes" and "including" mean include, includes and including "without limitation." The captions or headings in this Agreement are strictly for convenience and will not be considered in interpreting this Agreement. As used in this Agreement, "dollar" and the "$" sign refer to United States dollars.

b. Choice of Law; Dispute Resolution. This Agreement and the rights and duties of the Parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the State of California, without regard to principles of conflict of laws. In the event of a dispute, controversy, or claim arising out of or relating to this Agreement, the Parties shall confer and attempt to resolve such matter informally. If such dispute or claim cannot be resolved in this matter, then the dispute or claim shall be referred first to executive officers of the Parties for their review and resolution. If the dispute or claim still cannot be resolved by such officers, then any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California. The prevailing Party in any dispute arising out of this Agreement is entitled to reasonable attorneys' fees and costs.

c. Notices. All notices under this Agreement shall be in writing and delivered by hand, electronic mail, overnight courier, or regular, certified, or registered mail, return receipt requested, and will be deemed received upon personal delivery, acknowledgment of receipt of electronic transmission, the promised delivery date after deposit with overnight courier, or five (5) days after deposit in the mail. Notices must be sent to the person identified in this Agreement at the addresses set forth in this Agreement or such other address as either Party may specify in writing.

d. Survival. Section 6 of **Exhibit 1**, and Sections 3, 4, 5(c), 11, 12(c), 14, 15, 17, 18 and 19 of this **Exhibit 3** shall survive termination of this Agreement.

e. Further Assurances. Each Party shall provide such information, execute and deliver any instruments and documents and to take such other actions as may be reasonably requested by the other Party to give full effect to this Agreement and to carry out the intent of this Agreement.

f. Waivers. No provision or right or entitlement under this Agreement may be waived or varied except in writing signed by the Party to be bound. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, nor will such waiver constitute a continuing waiver unless otherwise expressly provided.

g. Non-Dedication of Facilities. Nothing in this Agreement may be construed as the dedication by either Party of its facilities or equipment to the public or any part thereof. Neither Party may knowingly take any action that would subject the other Party, or other Party's facilities or equipment, to the jurisdiction of any Governmental Authority as a public utility or similar entity. Neither Party may assert in any proceeding before a court or regulatory body that the other Party is a public utility by virtue of such other Party's performance under this Agreement. If Seller is reasonably likely to become subject to regulation as a public utility, then the Parties shall use reasonable efforts to restructure their relationship under this Agreement in a manner that preserves their relative economic interests while ensuring that Seller does not become subject to any such regulation. If the Parties are unable to agree upon such restructuring, Seller may terminate this Agreement without further liability under this Agreement except with respect to liabilities accrued prior to the date of termination and remove the System in accordance with Section 9.

h. Service Contract. The Parties intend this Agreement to be a "service contract" within the meaning of Section 7701(e)(3) of the Code. Purchaser shall not take the position on any tax return or in any other filings suggesting that it is anything other than a purchase of electricity from the System.

i. No Partnership. No provision of this Agreement may be construed or represented as creating a partnership, trust, joint venture, fiduciary or any similar relationship between the Parties. No Party is authorized to act on behalf of the other Party, and neither may be considered the agent of the other.

j. Entire Agreement, Modification, Invalidity, Captions. This Agreement constitutes the entire agreement of the Parties regarding its subject matter and supersedes all prior proposals, agreements, or other communications between

the Parties, oral or written. This Agreement may be modified only by a writing signed by both Parties.

k. **Severability**. If any provision of this Agreement is held by a court of competent jurisdiction to be in conflict with any statute, constitutional provision, regulation or other rule of law, or is otherwise held by such court to be unenforceable for any reason whatsoever, such provision shall not be read to render and shall not have the effect of rendering this Agreement or the other provisions herein unenforceable, inoperative or invalid to any extent whatsoever. In such event, such provision shall be deemed severable from the remaining provisions of this Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

l. **No Third-Party Beneficiaries**. Except as otherwise expressly provided herein, this Agreement and all rights hereunder are intended for the sole benefit of the Parties hereto, and the Financing Parties to the extent provided herein or in any other agreement between a Financing Party and Seller or Purchaser, and do not imply or create any rights on the part of, or obligations to, any other Person.

m. **Counterparts**. This Agreement may be executed in any number of separate counterparts and each counterpart will be considered an original and together comprise the same Agreement.

n. **Electronic Signatures**. If the Parties agree, electronic signatures may be used in place of original signatures on this Agreement. Each Party intends to be bound by the signatures on the electronic document, is aware that the other Party will rely on the electronic signatures, and hereby waives any defenses to the enforcement of the terms of this Agreement based on the use of an electronic signature. After both Parties agree to the use of electronic signatures, both Parties must sign the document electronically.

o. **No Recourse to Members of Seller**. Seller is organized as a Joint Powers Authority in accordance with the Joint Exercise of Powers Act of the State of California (Government Code Section 6500, et seq.) pursuant to its Joint Powers Agreement and is a public entity separate from its constituent members. Seller shall solely be responsible for all debts, obligations and liabilities accruing and arising out of this Agreement. Purchaser shall have no rights and shall not make any claims, take any actions or assert any remedies against any of Seller's constituent members, or the employees, directors, officers, consultants or advisors of Seller or of its constituent members, in connection with this Agreement.

End of **Exhibit 3**

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Exhibit 4

Performance Guaranty

In consideration for Purchaser's entering into the Solar Power Purchase Agreement between Peninsula Clean Energy Authority ("**Seller**") and the [Purchaser] related to the System at the Premises (the "**PPA**"), this Performance Guaranty (this "**Guaranty**") is entered into by the parties listed below (each a "**Party**" and collectively the "**Parties**") as of the date signed by Guarantor below (the "**Effective Date**").

Purchaser:		**Guarantor:**	
Name and Address		Name and Address	
Phone		Phone	
E-mail		E-mail	
Project Name			

This Guaranty sets forth the terms and conditions of a guaranty provided by Guarantor in conjunction with the PPA. Capitalized terms not otherwise defined herein have the meanings given such terms in the PPA. The term of this Guaranty will be concurrent with the term of the PPA; except that it will not exceed the Initial Term. This Guaranty will be updated by Guarantor to reflect the as-built specifications of the System.

1. **Guaranty.** Guarantor guarantees that during the term of the PPA the System will generate not less than [_____] percent ([__]%) of the estimated generation of the System based on PVSyst ("**Estimated PVSyst Production (Annual kWh)**") as set forth in **Table 1.A** below (such guaranteed generation, the "**Guaranteed Production (Annual kWh)**" set forth on **Table 1.A** below); provided that the Guaranteed Production values are subject to reasonable downward adjustment for extreme weather conditions.

   A. Guarantor will use local weather data to adjust the System's Guaranteed kWh, based on the following methods if available and in descending order of preference: (i) satellite data provided by a third-party vendor of Seller; or (ii) available data from a locally installed weather station at the Premises owned and properly maintained by Purchaser.

Table 1.A, projected production values assuming average weather conditions:

Contract Year	**Estimated PVSyst Production (Annual kWh)**	**Guaranteed Production (Annual kWh)**
Year 1		
Year 2		
Year 3		
Year 4		
Year 5		
Year 6		
Year 7		
Year 8		
Year 9		
Year 10		
Year 11		
Year 12		
Year 13		
Year 14		
Year 15		
Year 16		

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Year 17		
Year 18		
Year 19		
Year 20		

B. If at the end of each successive Contract Year the AC electricity produced by the System as measured and recorded by Seller (the "**Actual kWh**") is ***less*** than the Guaranteed kWh for that Contract Year, then Guarantor shall pay Purchaser an amount equal to (i) the difference between the Guaranteed kWh and the Actual kWh, multiplied by (ii) the Performance Guarantee Payment Rate (as defined in Section 1(E)), in each case with respect to the affected Contract Year.

C. If at the end of each successive Contract Year the AC electricity produced by the System as measured and recorded by Seller (the "**Actual kWh**") is ***more*** than the Guaranteed kWh for that Contract Year, then an amount equal to (i) the difference between the Actual kWh Guaranteed kWh and the Guaranteed kWh, multiplied by (ii) the Performance Guarantee Payment Rate, in each case with respect to the affected Contract Year, shall be credited against and shall reduce by such amount any payments owed by Guarantor to Purchaser in the following Contract Year pursuant to Section 1(B) of this **Exhibit 4**. The amount under Section 1(C)(i) above shall be capped at one hundred and five percent (105%) of the Guaranteed kWh for the applicable Contract Year.

D. If a payment of greater than fifty dollars ($50) is due under Section 1(B), after subtracting any credits pursuant to Section 1(C), (i) Guarantor will deliver a statement to Purchaser detailing the Guaranteed kWh and the calculation of the payment due; and (ii) the payment shall be due within ninety (90) days after the end of the Contract Year. If no payment is due, then no statement or payment will be issued.

E. "**Performance Guarantee Payment Rate**" means the Contract Price.

2. **Exclusions.** The Guaranty set forth in Section 1 does not apply to the extent of any reduced generation from the System due to the following (including the downtime required for repair, replacement or correction):

A. a Force Majeure Event, which includes (i) destruction or damage to the System or its ability to safely produce electricity not caused by Seller or its approved service providers while servicing the System (e.g., vandalism); (ii) a power or voltage surge caused by someone other than Seller, including a grid supply voltage outside of the standard range specified by the Utility; and (iii) theft of the System; and (iv) curtailment or reduction of energy production required by the Utility or grid operator.

B. Purchaser's failure to perform, or breach of, Purchaser's obligations under the PPA.

3. **Liquidated Damages; Waiver of Cost Savings**. The Parties agree that the payment described in Section 1(B) is a reasonable approximation of the damages suffered by Purchaser as a result of underperformance of the System, is bargained-for by the Parties, and shall be the Purchaser's sole and exclusive remedy hereunder for underperformance of the System. Purchaser hereby disclaims, and any beneficiary of this Guaranty hereby waives, any warranty with respect to any cost savings from using the System.

4. **Incorporation of PPA Provisions**. Section 5(c) (Force Majeure), Section 17 (Assignment and Financing) and Section 19 (General Provisions) of **Exhibit 3** of the PPA and any Sections referenced therein are incorporated into this Guaranty as if any reference therein to "Agreement" were to this Guaranty and any reference to "Parties" were to the Parties to this Guaranty.

Guarantor:

Signature: _____

Purchaser:

Signature: _____

Printed Name: _____ Printed Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

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RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,

STATE OF CALIFORNIA

*** * * * * ***

AUTHORIZE CHIEF EXECUTIVE OFFICER TO EXECUTE POWER PURCHASE AGREEMENTS (PPAS) WITH PARTICIPATING JURISDICTIONS (COUNTERPARTIES) FOR A TERM OF 20 YEARS TO SELL THE ENERGY GENERATED BY SOLAR AND SOLAR + STORAGE SYSTEMS TO BE OWNED BY PENINSULA CLEAN ENERGY AND SITED AT THE COUNTERPARTIES' PUBLIC FACILITIES

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

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, the Board of Directors of Peninsula Clean Energy approved a deployment target of 20 MW of new local power in Peninsula Clean Energy territory; and

WHEREAS, Peninsula Clean Energy has been approached by the County of San Mateo and other public partners for support in developing solar and storage at public facilities; and

WHEREAS, solar and solar + energy storage systems were designed for a portfolio of public facilities at Participating Jurisdictions in Peninsula Clean Energy territory with corresponding authorization from these jurisdictions' governing bodies to

enter into a Power Purchase Agreement (PPA) with Peninsula Clean Energy if the PPA would provide financial and/or community benefits to the jurisdiction; and

WHEREAS, the Board approved in March 2022 the Local Government Solar and Storage Program, recently renamed the Solar and Storage for Public Buildings Program, for the deployment of the Pilot Portfolio and future portfolios of solar and solar + energy storage system at customer sites; and

WHEREAS, Peninsula Clean Energy is negotiating and plans to execute an Engineering, Procurement, and Construction (EPC) contract for construction, installation, and maintenance of the solar and solar + storage systems; and

WHEREAS, Peninsula Clean Energy is negotiating Power Purchase Agreements with each of the Participating Jurisdictions where the systems will be sited to purchase the energy delivered by those systems over a 20-year term.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to finalize and execute the

Power Purchase Agreements (PPAs) with Participating Jurisdictions (counterparties) in a form approved by the General Counsel.

* * * * * *

RESOLUTION NO. _____

PENINSULA CLEAN ENERGY AUTHORITY, COUNTY OF SAN MATEO,

STATE OF CALIFORNIA

*** * * * * ***

AUTHORIZE CHIEF EXECUTIVE OFFICER TO EXECUTE ENGINEERING, PROCUREMENT, AND CONSTRUCTION (EPC) CONTRACT WITH MCMILLAN ELECTRIC IN AN AMOUNT NOT TO EXCEED $23,000,000 FOR THE DEPLOYMENT OF SOLAR AND SOLAR + STORAGE SYSTEMS AT CUSTOMER PUBLIC FACILITIES

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

WHEREAS, PCE was formed on February 29, 2016; and

WHEREAS, the Board of Directors of Peninsula Clean Energy approved a deployment target of 20 MW of new local power in Peninsula Clean Energy territory; and

WHEREAS, Peninsula Clean Energy has been approached by the County of San Mateo and other public partners for support in developing solar and storage at public facilities; and

WHEREAS, solar and solar + energy storage systems were designed for a portfolio of public facilities at Participating Jurisdictions in Peninsula Clean Energy territory with corresponding authorization from these jurisdictions' governing bodies to

enter into a Power Purchase Agreement (PPA) with Peninsula Clean Energy if the PPA would provide financial and/or community benefits to the jurisdiction; and

WHEREAS, the Board approved in March 2022 the Local Government Solar and Storage Program, renamed the Solar and Storage for Public Buildings Program, for the deployment of portfolios of solar and solar + energy storage system at customer sites; and

WHEREAS, in August, 2023, Peninsula Clean Energy conducted a Request for Proposals for a vendor to engineer, procure, and construct solar and solar + storage systems and selected McMillan Electric for a contract award based on the relative competitiveness of its proposal's pricing and terms; and

WHEREAS, Peninsula Clean Energy in parallel is negotiating Power Purchase Agreements with each of the Participating Jurisdictions where the systems will be sited to purchase the energy delivered by those systems over a 20-year term; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to finalize and execute the agreement with McMillan Electric in an amount not to exceed $23,000,000 in a form approved by the General Counsel.

* * * * * *

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Marc Hershman, Director of Government Affairs

SUBJECT: Approval of 2024 Regulatory / Legislative Policy Platform (Action)

RECOMMENDATION

Recommend Approval of 2024 Regulatory / Legislative Policy Platform

BACKGROUND

The Peninsula Clean Energy Authority Board of Directors has adopted a Legislative and Regulatory Policy Platform that is updated annually, which provides direction to the organization and enables the Board and staff to take expedient action in support of or opposition to legislation, regulation, or other initiatives related to Peninsula Clean Energy's mission and operations.

DISCUSSION

Peninsula Clean Energy staff identified the need to update the Agency's Legislative and Regulatory Policy Platform to reflect its regulatory/legislative positions and engagement for CY 2024. The modified version of the platform attached to this memo was shared with the Peninsula Clean Energy ad hoc Legislative Committee earlier this month. Suggestions from committee members included a request for the reordering of the platform to present support positions first and oppose positions last in order.

PCE staff members have suggested several modifications of existing planks, noted by underlines in the attached draft, as follows:

Section II Decarbonization (b) has been amended to add opposition to investment in the use of hydrogen for light duty vehicles.

Section III now includes support for the containment of transmission and distribution rate increases and other associated fees.

Section V on Environmental Justice and Affordability now includes support for not only rate designs but other policies that could lower costs and improve the economics of

decarbonization.

Staff has also added two new clauses to Section VIII of the platform. Section VIII (c) addresses ongoing regional transmission discussions and section VIII (d) addresses interconnection issues.

1. Engage in discussions and track policy efforts to create a multi-state regional transmission system to ensure that it increases supply availability and reliability for California energy customers, recognizes California's influence in its governance structure, and advances California's clean energy policies and goals.

Discussions among several Western States are taking place under the framework of the West-Wide Governance Pathways Initiative.

https://www.westernenergyboard.org/wwgpi/

At its July 2023 Board meeting, Peninsula Clean Energy directors participated in a study session centered on enhanced reliability and diversity of resources on California's grid by partnering with other western states. The Board did not take a position at that time but identified issues that it viewed as important to its support of any such effort, including supply availability and reliability for California energy customers and the advancement of California's clean energy goals.

CalCCA is an active participant in the West-Wide Pathways discussions. Peninsula Clean Energy is able to weigh-in on the initiative through Cal-CCA and seeks Board approval for a policy plank that will enable us to engage as needed and represent PCE and CCA interests in these discussions.

2. Support policies that expedite grid interconnections and energization of electrical services including utility scale and distributed interconnections to new generation sources, and new and existing service upgrades for utility customers.

Delays in interconnection and energization of new and existing electrical services continue to plague California's utility customers. Delays frustrate customers, hinder the electrification of built projects, add regulatory costs associated with project delays, and inhibit the advancement of new electrical development.

The revised 2024 platform attached to this memo is presented to the Board for consideration and adoption.

ATTACHMENTS:

Peninsula Clean Energy Authority 2024 Policy Platform - Clean.pdf
Peninsula Clean Energy Authority 2024 Policy Platform - Redline.pdf

Peninsula Clean Energy Authority 2024 Policy Platform

Overview and Purpose

Peninsula Clean Energy Authority's Policy Platform (Platform) serves as a guide to the Peninsula Clean Energy Board of Directors (Board) and Peninsula Clean Energy Staff (Staff) in their advocacy efforts and engagement on policy matters of interest to Peninsula Clean Energy.

The Platform provides a framework and guidance that allows both Board members and Staff to pursue and engage in legislative, regulatory, and administrative actions at the local, regional, state, and federal levels in a consistent manner and with the understanding that they are pursuing and engaging in actions in the best interest of Peninsula Clean Energy and its mission, its member agencies, and its customers.

The Platform also enables Peninsula Clean Energy to move swiftly to raise and respond to issues before the federal and state Legislative and Executive Branch agencies including the California Public Utilities Commission, the California Energy Commission, California Independent System Operator, and the California Air Resources Board so that Peninsula Clean Energy's views can be heard on important matters in a timely fashion.

The Platform also provides guidance to Peninsula Clean Energy's Chief Executive Officer on support or oppose positions that should be taken on legislative matters identified by the Staff regulatory lead, the Staff legislative lead, and the California Community Choice Association (CalCCA) Board of Directors.

The Platform will be reviewed and updated annually and presented to the Board for consideration at its January Board meeting.

I. Governance and Authority

a. Support policies that make it easier for cities and counties to form a CCA, become members of Peninsula Clean Energy or other CCAs, and oppose policies that restrict that ability.
b. Support policies that level the playing field and improve access of CCAs within state programs, including permitting CCAs to elect to administer funding overseen by state agencies.
c. Support policies that encourage and expand public access to Peninsula Clean Energy meetings and enhance the attendance and participation of Peninsula Clean Energy's Directors at Peninsula Clean Energy meetings.
d. Oppose policies that limit the local decision-making authority for Community Choice Aggregators (CCAs), including rate-setting authority and procurement of energy and capacity to serve their customers.
e. Oppose policies that limit Peninsula Clean Energy's ability to effectively serve its customers.

II. Decarbonization

a. Advocate for and support policy efforts to accelerate decarbonization of the energy sector, transportation, and the built environment.
b. Advocate for and support the abolishment of ratepayer or taxpayer funded subsidies for fossil fuel production, distribution, equipment installation, and usage and oppose marginally greening fossil fuel supplies such as adding hydrogen in the methane gas system or investment in hydrogen for light duty vehicles.

c. Advocate for and support policies to support and expand access to transportation electrification and building electrification, including funding for said electrification.
d. Support policies that incorporate the social costs of carbon.
e. Advocate for and support efforts to ensure flexibility in state and IOU program design so that local data and local needs directly inform program offerings.
f. Advocate for and support legislative and regulatory efforts to provide incentives, including financial support, that enable and support underserved communities in achieving decarbonization.
g. Support and advocate for policies to expand affordable customer financing options, such as tariff on-bill financing and credit enhancements, that promote the decarbonization and electrification of buildings. Support efforts to improve, streamline, expedite, and provide more cost-efficient electrical capacity upgrades for customers electrifying building and transportation uses.

III. Rates, IOU Charges and Exit Fees (Power Charge Indifference Adjustment (PCIA))

a. Support efforts to ensure energy affordability and equity in customer rates, including containment of transmission and distribution rate increases and other added fees.
b. Support efforts that seek to eliminate exit fees including the PCIA or wind down exit fees within a reasonable time frame.
c. Support efforts to minimize the cost of the PCIA generally and minimize its impact on Peninsula Clean Energy's rates.
d. Support efforts, including CalCCA's efforts, to increase the transparency of IOU electricity contracts that provide the basis for PCIA charges.
e. Support policies that would bring stability to the PCIA and/or provide new mechanisms for CCAs to securitize PCIA charges.
f. Advocate for policies that do not penalize ratepayers for taking service from a CCA over another load-serving entity (LSE).
g. Oppose policies that would increase or expand exit fees and regressive fees on CCA customers.

IV. Power Procurement & Grid Reliability

a. Support reform of the CPUC resource adequacy program to allow for stability in the resource adequacy value of existing resources.
b. Support policies that advance and accelerate the delivery of carbon free and renewable energy on a 24/7 basis.
c. Support policies that value the resource adequacy contribution of solar, wind and storage resources.
d. Advocate for and support efforts to remove barriers to demand response, microgrids and behind the meter resources to provide Resource Adequacy.
e. Support policies that help proliferate Long Duration Energy Storage, including adequate planning for variation in weather patterns.
f. Oppose policies that would supplant or reduce CCAs' procurement authority.
g. Oppose unreasonable fixed charges and support measures that make solar affordable and decrease customer's bills.

V. Environmental Justice & Affordability

a. Support rate designs and other policies that lower customer costs and improve the economics of decarbonization.
b. Support policies that improve the ability of underserved communities in the Peninsula Clean Energy service territory to have affordable, reliable, and clean energy.
c. Support policies that strengthen the resilience of vulnerable communities to the impacts of climate change.
d. Support policies that enable all communities, including emerging and historically marginalized communities in California, to participate in and benefit from decarbonization efforts.

VI. Community Resilience

a. Advocate for and support funding for programs implemented by CCAs and their member jurisdictions to increase community resilience to wildfires, PSPS events, other potential service disruptions, and climate change impacts.
b. Support policies that reduce barriers to microgrid development by CCAs.
c. Support policies that increase development of community-level resources and distributed energy resources that improve resilience and reduce the need for new transmission and distribution infrastructure, including expansion of rooftop and community solar.
d. Oppose policies that would enable IOUs to be the sole developer of microgrids.

VII. Local Economic Development

a. Support policies that are consistent with and oppose policies that are not consistent with Peninsula Clean Energy's commitment to a sustainable workforce.
b. Support policies that enhance opportunities for CCAs to promote local economic development through locally designed programs that meet the unique needs of their member agencies, communities, and customers.
c. Support policies that assist transitioning workforces and new workforce development into clean energy fields.
d. Support efforts to enhance the development of local and regional sources of renewable energy, including but not limited to solar, wind, offshore wind, small hydro, and geothermal energy.
e. Support policies that enable CCAs to collaborate with their member jurisdictions on local energy resources and projects to advance environmental objectives.
f. Advocate for and support efforts to direct federal economic stimulus/recovery funding to CCAs to deliver local energy resources and projects, as appropriate.

VIII. California Energy Market Structure

a. Support policies that would create renewable content and environmental standards for electric service providers to match the products offered by CCAs.

b. Support policies that change California's market structures towards innovative models that reduce costs of energy service and supports the expansion of carbon-free resources.
c. Engage in discussions and track policy efforts to create a multi-state regional transmission system to ensure that it increases supply availability and reliability for California energy customers, recognizes California's influence in its governance structure, and advances California's clean energy policies and goals.
d. Support policies that expedite grid interconnections and energization of electrical services including utility scale and distributed interconnections to new generation sources, and new and existing service upgrades for utility customers.
e. Support policies that fully value distributed energy resources.
f. Support policies that provide flexibility in renewable energy tracking systems and modernize tracking system technology.
g. Support policies that allow for more timely availability of load data to CCAs.
h. Support policies to streamline regulatory reporting and reduce duplicative reporting requests.
i. Oppose policies that expand direct access or the ability or economic incentives for electric service providers to selectively recruit CCA or IOU customers.

Peninsula Clean Energy Authority 202~~3~~4 Policy Platform

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PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

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

SUBJECT: Strategic Accounts Initiatives for 2024 (Discussion)

BACKGROUND

Peninsula Clean Energy continues to have great success in its mission to reduce greenhouse gas emissions in San Mateo County and the city of Los Banos. Approximately 4% of customers opt out to return to bundled generation service with PG&E, and an additional 3% of non-residential customers receive electric generation service from Energy Service Providers (ESPs) under the state's Direct Access program (described in more detail below).

PG&E's default service in 2022 was 38% renewable and had a greenhouse gas (GHG) emissions intensity of 56 lbs CO^2e/MWh. Meanwhile, PCE's default service in 2022 was 52% renewable with a GHG intensity of 9 lbs CO^2e/MWh. Renewable content and emissions intensity vary for services provided by ESPs to customers, but a California Public Utilities Commission (CPUC) staff report found that most ESPs' procurement practices rely on CAISO system power to meet all energy needs beyond their state renewable portfolio standard (RPS) requirements. The GHG emissions factor for CAISO system power is slightly higher than gas generation. Thus, commercial customers who do not take generation service from Peninsula Clean Energy generally have higher emissions factors and also do not qualify for PCE programs and incentives that are driving emission reductions through energy efficiency and electrification.

Enrolling bundled service and Direct Access commercial customers is imperative for Peninsula Clean Energy to fully achieve its mission. This memo discusses some of the work of the Strategic Accounts Manager, Justin Pine, to acquire some of our service territory's large customers not currently served by Peninsula Clean Energy.

Direct Access

Direct Access is a retail electric service option available to non-residential commercial customers, whereby customers may purchase electricity from a competitive non-utility entity called an Energy Service Provider (ESP). The Direct Access program was originally adopted

in 1996 as part of California's restructuring initiative and authorized by P.U. Code Section 365.1. Assembly Bill (AB) 82 (Keely, 2001) closed the program to new customers following the 2001 energy crisis, and it wasn't until 2010 that Senate Bill (SB) 695 (Kehoe, 2009) re-opened Direct Access to a limited amount of non-residential customer load.

SB 237 (Hertzberg, 2018) increased the Direct Access cap by 4,000 GWh, making the statewide cap roughly 28,800 GWh (approximately 16% of the three major investor owned utilities load). SB 237 also directed the CPUC to provide recommendations to the Legislature on implementing further expansion of Direct Access based on specific requirements such as maintaining grid reliability and greenhouse gas emissions goals. In 2019, the CPUC issued decisions related to increasing the cap on the amount of demand that can be serviced by ESPs (Decision (D.) 19-05-043, D. 19-08-004) by 4,000 GWh. In D. 21-06-033, the Commission recommended against further Direct Access expansion because it was unable to make the statutory findings showing that expansion of the program would meet the state's requirements. Specifically, the Commission's staff report found that increasing the cap of allowable load to be served by ESPs under Direct Access would increase risk to system reliability and may increase greenhouse gas emissions.

DISCUSSION

There are 148 service agreements in Peninsula Clean Energy's service area that, due to their maximum monthly demand, must take PG&E service on the B19 or B20 rate schedules. These service agreements represent the largest 148 individual commercial accounts, customers on the B20 rate schedule being the largest. A breakdown of service agreements by load serving entity can be found in Table 1 below.

Table 1: Breakdown of Largest 148 Service Agreements by Load Serving Entity in Peninsula Clean Energy Service Territory

Load serving Entity	**# of Service Agreements**
Peninsula Clean Energy	105
PG&E	5
Energy Service Provider (Direct Access)	39
Total	**148**

Some large commercial customers make better candidates than others for enrollment into Peninsula Clean Energy service, which is discussed in greater detail below. Customers of this size often have multiple decision makers and stakeholders and require considerable analysis of costs and benefits before electing to change electric generation service provider. Additionally, PCE must ensure customer acquisition is financially prudent through coordination with our power resources staff, since it can result in the need for new power resources to serve large load. While no one customer, inclusive of all aggregate service agreements, is larger than 2.5% of Peninsula Clean Energy load, the Finance and Power Resources teams are consulted for any impacts on power resource planning and costs.

PG&E Bundled Customers

Only 5 of the largest 148 service agreements in Peninsula Clean Energy service area are served by PG&E bundled service. In 2023, PCE staff approached the two B20 accounts that had previously opted out of Peninsula Clean Energy and successfully re-enrolled one of them

back to Peninsula Clean Energy service. The other B20 account remains opted out due to transition in tenant occupied space, but we hope to enroll this account in 2024. The remaining three PG&E service accounts do not make good candidates for re-enrollment due to the customer's corporate policy directing energy decisions across the state.

Direct Access Customers

Energy Service Providers serve 39 of the 148 largest electric accounts in Peninsula Clean Energy service area. Many of these accounts belong to national chains, such as grocery stores, convenience stores, or retail. These accounts do not make good candidates for enrollment into Peninsula Clean Energy service because the ESPs often serve the customer throughout the state or nationally. While Peninsula Clean Energy service may be the best option for all San Mateo County and city of Los Banos premises, the benefits Peninsula Clean Energy provides likely do not outweigh the cost savings ESPs provide across all corporate accounts, and energy decisions are typically centralized.

Good candidates for re-enrollment are large loads based locally in territory or in the Bay Area where other CCAs provide service; Peninsula Clean Energy is currently positioned well to attract these particular Direct Access customers. Contracts with ESPs often pass through costs of resource adequacy, which have risen drastically over the past two years. Additionally, customers are approaching their own greenhouse gas emissions goals that ESPs may not be ready to provide, especially given that most ESPs buy power in the CAISO spot market. Over the past four months, staff have had conversations with four direct access customers about re-enrolling into Peninsula Clean Energy. At the beginning of January, one customer with three large commercial buildings migrated from their ESP to Peninsula Clean Energy service.

New Construction and Service

Through the construction process, large new loads are typically more aware of or focused on their electricity options. Projects must budget for electricity cost, meet building code requirements, and often may be pursuing LEED certification or other sustainability certification. This provides a unique opportunity for Peninsula Clean Energy to build a relationship with future customers, share the benefits of Peninsula Clean Energy service, and identify opportunities for partnership. One publicly visible example of this is Caltrain's electrification project.

To improve Caltrain system performance and curtail long-term environmental impacts, Caltrain is electrifying its service. The $1.9 billion investment will reduce noise, improve regional air quality, and lower greenhouse gas emissions on the Peninsula, in direct alignment with Peninsula Clean Energy's mission. Caltrain will have two traction power stations, one in San Jose at the Diridon Station and the other at the South San Francisco Station.

In a recent presentation to the Caltrain Board of Directors, consultants reported that transitioning from diesel to electric trains will increase fuel supply costs for the agency. These budget assumptions account for revenue that Caltrain can earn from the generation and sale of Low Carbon [JP1] Fuel Standard (LCFS) credits, a program operated by the California Air Resource Board (CARB). Strategic Accounts Manager, Justin Pine, and Director of Accounts Services, Leslie Brown, have been meeting with Caltrain's consultants since Spring of 2023 providing updated cost analysis, identifying opportunities to help Caltrain maximize LCFS revenues with qualifying product offerings, and exploring additional opportunities for

collaboration. Additionally, Caltrain consultants have provided Peninsula Clean Energy with updated load forecasts to help the Power Supply team plan for an increased load once Caltrain begins offering passenger service in September 2024. Based on these load estimates, Caltrain's load will rank in the top 10 largest customer loads served by Peninsula Clean Energy.

The Strategic Accounts Manager will continue to work closely with Caltrain and other incoming large electric loads as they plan for electric service in 2024 and beyond. Through thoughtful engagement and education, the Strategic Accounts Manager aims to position Peninsula Clean Energy as the electric generation service provider of choice, and ultimately, to create future opportunity for partnership with these large strategic accounts.

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Rafael Reyes, Senior Director of Energy Programs

SUBJECT: Community Programs Quarterly Report

BACKGROUND

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

Buildings	
Appliance	2,230 measures rebated (+100 M/M); 376 loans issued
Home Upgrade	271 homes completed as of December 31, 2023
GovBE	(Approved. Design Phase.)
Reach Codes	19 of 22 with new construction codes, 2 with existing construction electrification.
Distributed Resources	
Residential Solar + Storage	597 installs. Enrollment in the program is closed. New concept under development.
FLEXmarket	274 residential projects submitted in tracking (+224 M/M), 3 commercial projects tracking (+1 M/M)
GovPV	Rnd 1: 12 sites / 1.7MW in installation. Rnd 2: RFP released for 42 sites / 15MW solar & 6MWh of storage
Transportation	
EV Charging	Ports to date: 724 (+150 M/M). Pipeline: 3,500+
Used EV	386 EVs since 2021. (+24 M/M)
E-Bikes	Total 790, 265 e-bikes in 2023.
GovEV (fleets)	8 agencies enrolled. 31 chargers in progress with Menlo Park and 8 chargers in progress with Burlingame.
Managed Charging	700+ enrolled. kW impact TBD

DISCUSSION

1 Building and EV Reach Codes

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

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

Status

- **City Progress**: Most cities with reach codes from the prior cycle have re-adopted or adopted for the first time. Two cities have adopted existing building codes (San Mateo, Portola Valley).
- Berkeley Ninth Circuit ruling – In April 2023, the Ninth Circuit Court of Appeals ruled against the City of Berkeley in a case brought by the California Restaurant Association and funded by Sempra (SoCalGas.) Berkeley's request for an *en banc* rehearing was denied this month.
    - Two alternative model codes have been created to allow cities to adopt codes that would represent a distinctly different legal approach than the Berkeley approach.
    - Three San Mateo jurisdictions are considering updating their reach codes using alternative model code approaches. San Jose and San Luis Obispo have already adopted alternative codes.

2 Buildings Programs

2.1 Appliance Rebates and Zero Percent Loans

Background: In May 2020, the Board approved an initial four-year plan for electrifying existing buildings. This included implementing an appliance rebate program. Peninsula Clean Energy launched the heat pump water heater (HPWH) rebates in January 2021. Additionally, in August 2021, the Board approved an On-Bill Financing program (now referred to as the Zero Percent Loan program) to be treated as a balance sheet asset and not part of the annual budget. The program offers qualified residential customers a 0% interest loan up to $10,000 to fund the cost of eligible electrification and complementary electrical and energy efficiency upgrades.

On October 17, 2022, Peninsula Clean Energy launched its Zero Percent Loan program and

rolled out modifications and enhancements to the Appliance Rebates Program. This included: (1) increasing its HPWH rebate, launching a new heat pump heating ventilation and air conditioning (HVAC) rebate, (2) adjusting the eligibility criteria for its electrical panel upgrade bonus rebate, and (3) creating a rebate application process for customers not working with BayREN contractors while maintaining the integrated application process with the BayREN Home+. On October 1, 2023, Peninsula Clean Energy rolled out another set of modifications to the rebate and loan program, including reducing the rebate amounts for all measures and reducing the maximum repayment term to five years from its previous ten years. These changes were made in response to new statewide incentives and to allow Peninsula Clean Energy to serve more customers by making its budget more sustainable given the strong demand for the programs.

Status: The summary table at the top of this memo summarizes the number of rebates and loans issued as of January 10, 2024. Development of a turnkey electrification service to provide greater customer support and complement the incentives is under development. The turnkey service will be a unified service with the low-income direct-install program. See below for details.

2.2 (Low-Income) Home Upgrade Program

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

Status: The program launched on September 28, 2021. As of December 31, 2023, the program has served 271 homes and an additional 33 homes are fully enrolled into the program and awaiting installation. This includes 5 homes who will receive whole home electrification as part of a pilot to be completed by March. This phase of the program is now oversubscribed, and new applicants are being added to a waitlist to be served in this phase in case of customer drop off, or in the next phase of the program expected to launch in spring 2024. On August 28, 2023, PCE released a request for proposals (RFP) for an implementation partner for the next phase of the program, which will include: (1) scaling up the number of low-income homes served with whole home electrification upgrades at no cost to these residents, (2) offering turnkey electrification services to non-income-qualified residents at a low cost, and (3) launching an emergency heat pump water heater replacement service. Staff has completed the RFP evaluation and selection process and chosen a recommended implementation partner for the program. Staff expects to bring the contract with the selected implementation partner to the Board for approval at its February 2024 meeting.

2.3 Local Government Building Electrification Program (GovBE)

Background: In August 2023, the Board approved a local government building electrification program to help fund building electrification at local government facilities. The program will offer roughly $1 million per year in incentives and creates a $10 million dollar revolving loan fund. Incentives are based on therms saved at a given facility. Incentives and loans are

capped at $600,000 per jurisdiction per year, each. The program requires a 25% cost-share from non-PCE funds, and will have a streamlined, annual application process.

Status: The program is currently being designed with the goal of opening applications later this year, with FY24 projects being selected and funds being distributed in Q1 2024.

3 Distributed Energy Programs

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

3.1 Solar and Storage for Public Buildings

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

Staff is running the second round of the program. Staff expects to increase the size of the portfolio from round one and help our customers lock in NEM 2.0 for their projects.

Status: As of January 11, 2024, 1 system is operational (Brisbane Mission Blue Center, 11/1/23). San Carlos Youth Center, Millbrae Rec Center, Hillsborough Public Works Yard, and Pacifica Community Center are complete and will begin operations following some final completion work and PG&E inspection. PG&E is running behind their typical approval and inspection timelines due to the rush of NEM2 grandfathering applications.

A total of 23 agencies expressed interest in the second round of the program, providing staff with 120 facilities to evaluate for their solar potential. Site walks have were executed in Q2 with engineering firms NV5 and SepiSolar. 38 interconnection applications for >16 MWdc were submitted by the April 14th deadline to grandfather them into the more favorable NEM 2.0 rules. Other sites considered were disqualified for technical reasons.

Staff is currently developing the energy contract, construction contract, and financial proposal. A competitive solicitation for the procurement of EPC services was launched in August 2024.

3.2 Residential Solar + Battery Backup

Background: The Residential Solar + Battery Backup offers an energy resiliency program in partnership with Sunrun. This program provides energy storage systems paired with solar power to single-family customers. Customers who sign up for this program receive an incentive of up to $500. At Peninsula Clean Energy's direction, Sunrun will dispatch the stored energy during evening hours when renewable generation on the California grid is low and electricity prices are high. This will also help Peninsula Clean Energy to reduce its peak load and thereby reduce our resource adequacy requirements. The program is dispatching customer batteries in the evening to help reduce Peninsula Clean Energy's net peak. Sunrun and staff included distributed battery storage in the 2024 load forecast submission, which will result in a lower net peak and smaller RA allocation for calendar year 2024.

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

3.3 FLEXmarket

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

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

Status: Approximately half of the approximately $4.6 million allocated to the program has been reserved. Operational refinements to the program are ongoing.

3.4 Community Solar, DAC-GT & CSGT

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

Peninsula Clean Energy began enrolling DAC-GT customers in San Mateo County in January 2022 and customers in Los Banos in April 2022. Those customers are currently served by an

interim resource procured from Marin Clean Energy (MCE) pending Peninsula Clean Energy's procurement of a new renewable resource for the program.

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

Status: The program is currently serving approximately 1,000 customers. Peninsula Clean Energy signed a PPA with Renewable America, LLC for a 3MW solar resource located in Dos Palos, CA, approximately 15 miles southeast of the City of Los Banos. The Dos Palos Clean Power solar project has a Commercial Operation Date of August 1, 2023. In June, staff expanded their contract with MCE's interim resource Goose Lake Solar to 3.74MWdc. This will allow more customers to subscribe to the program and receive on-bill benefits.

Staff launched a Request for Proposals for 402kW of solar as part of their Community Solar Green Tariff ("CSGT"). Staff is nearing a selection of one project that is approximately the size of the program's total capacity.

4 Transportation Programs

4.1 Used Electric Vehicle (EV) Rebate Program

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

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

1. Vehicle and income requirements have been harmonized with new federal Clean Vehicle Credit and prior pre-approval processes have been removed so that customers can seamlessly combine both the federal credit and the PCE incentive for a combined $6,000 in down payment assistance when purchasing at participating dealerships. Customer can also apply for a post-purchase reimbursement if buying outside of the participating dealership network.
2. The general rebate has been removed so that the PCE program is low- to moderate-income only.

4.2 "EV Ready" Charging Design Assistance & Incentive Program

Background: In December 2018, the Board approved $16 million over four years for EV charging infrastructure incentives ($12 million), technical assistance ($2 million), workforce development ($1 million), and administrative costs ($1 million). The California Energy

Commission (CEC) invested an additional $12 million in San Mateo County for EV charging infrastructure. Of Peninsula Clean Energy's $12 million in incentives, $8 million was previously administered through the CEC's California Electric Vehicle Incentive Project (CALeVIP) and $4 million under a dedicated, complementary Peninsula Clean Energy incentive fund. The dedicated Peninsula Clean Energy incentives address Level 1 charging, assigned parking in multi-family dwellings, affordable housing new construction, and public agency new construction. In addition to incentives, PCE offers free project design assistance, facilitated through CLEAResult. There are currently over 200 active projects receiving this assistance and, on average, projects receiving assistance more than double the overall size of their EV charging projects.

Status: The program has installed 700+ chargers with over 3,500 additional chargers in progress. Recent notable projects include 63 chargers installed across two apartment properties in San Mateo. The January Board agenda includes an item on Consent calendar to approve a customer incentives agreement for a 100-charger project at an apartment property in Daly City.

4.3 E-Bikes for Everyone Rebate Program

Background: The Board initially approved the income-qualified E-Bikes Rebate program in July 2020 with a budget of $300,000, approved an increase of an additional $300,000 in December 2022, and approved a further increase of $150,000 in August 2022, bringing the total program budget to $750,000.

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

Status: This program reopened in June for income-qualifying customers and has recently closed. This program was marketed to CARE/FERA customers and through Peninsula Clean Energy's Outreach Grant partners. Staff are evaluating options for future program cycles.

4.4 Public EV Fleet Program (GovEV)

Background: The Board approved the GovEV Fleet Program in November 2020. This program will run for three years with a total budget of $900,000 and is comprised of three components to help local agencies begin their fleet electrification efforts: hands-on technical assistance, gap funding, and a vehicle to building resiliency demonstration that will assess the costs and benefits of utilizing fleet EVs as backup power resources for agencies in grid failures and other emergencies. In August 2022, the Board of Directors approved a contract with Optony to assist in the administration of this program.

Status: The program has now started. Menlo Park, Burlingame, San Mateo, South San Francisco, Daly City, San Carlos, Foster City, and East Palo Alto are now receiving technical assistance. Menlo Park plans to install 30+ charging stations for fleet vehicles at the City Hall, Police Department, and Corporation Yard, and Burlingame is moving forward with 8 chargers at their Corporation Yard. Other agencies are encouraged to apply, when ready, at https://www.peninsulacleanenergy.com/public-ev-fleets-program/.

4.5 EV Managed Charging Pilot

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

Status: The project began development in December, including platform and data warehouse systems preparation. 700+ participants have joined after the recruitment phase. A Technical Advisory Committee, consisting of staff from CEC, CPUC, CCAs, and NGOs, is also informing the pilot, with the final meeting scheduled for January 30. Staff anticipates presenting results from the pilot and recommendations for a future program at the February Board meeting.

FISCAL IMPACT

Expenditures are consistent with approved budget.

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Gwendolyn Rose, Director Marketing & Community Relations

SUBJECT: Marketing, Outreach Activities, and Media Relations Quarterly Report

BACKGROUND

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

DISCUSSION

The following is a quarterly update of activities taking place from October to December 2023. Please refer to the "Strategic Plan" section below for further information/explanation as to how these activities support Peninsula Clean Energy's strategic plan objectives.

Brand

Our Marketing RFP process for brand strategy and campaign was completed and ID Lab Global was selected and approved at the Board of Directors meeting in December. Work under this contract began in earnest at the start of the month.

Program Marketing

- Zero Percent Loan Program and Appliance Rebates: These programs are being promoted in our Energy Programs Bulletin, which is emailed every-other-month to about 200,000 residential customers, and in paid search. In the last 30 days, 311 users visited the Zero Percent Loan webpage, 1,042 visited the heat pump water heater program page, and 1,006 visited the heat pump heating and cooling program page.
- Used Electric Vehicle (EV) Campaign: In the past 30 days, 2,177 users visited the main EV page on our web site. A search advertising campaign addressing barriers and benefits of electric vehicles is currently achieving a click-through rate of 6.78% at a cost of $2.38 per click.
- Electrification: We are encouraging electrification in email communications and online advertising. In the last 30 days, 3,860 users have visited our all-electric web page. Our

search ads for this campaign are currently achieving a click-through rate of 13.0% at a cost of $1.17 per click.

Events

In 2023, the Community Relations team facilitated and/or participated in 88 tabling events and presentations. We estimate that we reached 3750 people. Highlights from Q4 2023 include:

- On October 14, we sponsored two community events, including Climate Resilient Communities Bilingual EV Showcase and the Electric Home Tour, where 500+ people visited the open houses in San Mateo County, with nearly 300 going on the full tour.
- We are co-sponsors of the Green Building Award with American Institute of Architects (AIA) and Sustainable San Mateo County (SSMC) and are delighted to partner with these organizations and connecting the importance of good design, electrification and decarbonization together. Applications were accepted between November 2023 - January 19, 2024. The awards ceremony is April 10, 2024.

Outreach Grants

The Call for Applications for the 2024 Outreach Grant Program was open from August 30 to October 6, 2023. In December, we finalized work plans for 16 outreach grants. Exciting new grants in 2024 will focus on outreach to schools, farmers markets, and building contractors.

Schools and Youth Programs

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

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

Los Banos Update

We welcomed Viridiana Rentaria to the team as the new Community Relations Sr Specialist in Los Banos. Communications in December focused on the $300 CARE/FERA bill credit with newspaper, radio ads and social media.

News & Media

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

- First-of-its-kind analysis showing on-bill savings from electrifying: We jointly announced with Silicon Valley Clean Energy our first-of-its-kind joint analysis that found on-bill savings of roughly $380 annually ($32 monthly) for single-family homes that switch from existing gas appliances to standard efficiency electric appliances.
- Canary Media article on electrification on 100amp service: An article by Canary Media's Alison Takemura discussed Peninsula Clean Energy's findings that building electrification upgrades can be done with existing 100-amp wiring. The article features Blake Hershafft and as well as one of our customers Wayne Szeto regarding his full

100-amp home electrification conversion.

- Community Reinvestment Announcement: We announced the details of the $68 million community reinvestment package the board approved, including a $300 income-qualified bill credit, financing for residential energy battery storage, loans for local government and school electrification, and funding for energy storage at public buildings and other efforts to reduce local greenhouse gas emissions. Angela Swartz of Embarcadero Media wrote up an article, which ran in several local newspapers, including The Almanac and Redwood City Pulse. We also separately announced our one-time $300 credit for approximately 5,800 Los Banos customers who currently receive discounted rates through either the CARE or FERA programs.
- COO-CFO Announcement: We announced our new COO Shalini Swaroop and new CFO Nick Bijur. Coverage included in The Almanac and PV Magazine.
- NREL Announcement: We announced being named by the National Renewable Energy Laboratory as a top US green power provider.
- Customized Energy Solutions Release: Customized Energy Solutions highlighted its partnership with Peninsula Clean Energy in a press release.

STRATEGIC PLAN

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

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

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

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 25, 2024
MEETING DATE: January 25, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Marc Hershman, Director of Government Affairs

SUBJECT: Update on Legislative Activities

DISCUSSION

SACRAMENTO SUMMARY – Beginning of the 2024 Session:

The 2024 half of the 2023-24 state legislative session convened on January 3, 2024. This was the first opportunity for legislators to file new bills. Two-year bills from 2023 that have not yet been voted out of their house of origin are on a tight timeframe and must be moved to the second house by the end of the month.

Noteworthy Changes in the Legislature

Assembly Speaker Robert Rivas, who took the Speaker's gavel on July 1, 2023, has appointed Cottie Petrie-Norris (D-Irvine/Costa Mesa/Tustin) as chair of the Assembly Committee on Utilities and Energy, replacing Eduardo Garcia (D-Coachella). Orange County Power Authority serves many of the Assemblymember's Irvine constituents.

Of local interest, Assemblymember Diane Papan of San Mateo has been named chair of the Committee on Water, Parks, and Wildlife. Assemblymember Jesse Gabriel (D-Encino) takes over as Chair of the Assembly Committee on Budget from Assemblymember Phil Ting (D-San Francisco/Daly City).

Asm. Esmeralda Soria (D-Fresno/Los Banos) remains as Chair of the Committee on Agriculture and Asm. Marc Berman (D-Palo Alto/Menlo Park) retains his position as chair of the Business and Professions Committee.

February 5, 2024 has been set as the date upon which the Senate leadership gavel will pass from Pro Tem Toni Atkins to Senator Mike McGuire. Senator McGuire represents coastal California from Marin through Sonoma to the Oregon border, which includes 3 CCAs. It is possible that changes to Senate leadership and committee organization could follow the February 5 change in the Pro Tem's office.

2024 Legislative Activity in Sacramento

As of this writing, relatively few bills on energy issues have been introduced. We will be tracking bills of interest through a matrix addendum to the monthly legislative update. We would appreciate any feedback you would like to share regarding the matrix and this approach.

FY 2024-25 State Budget

Of great interest to all Californians is the state budget situation. The Legislative Analyst's Office was forecasting as much as a $68 billion deficit for fiscal year 2024-25. On January 10, Governor Newsom unveiled his $291.5 billion proposed 2024-25 budget which acknowledges a $37.9 billion deficit.

While there have been many reasons advanced for such a significant shortfall it is notable that due to climate conditions in 2023 the state delayed the deadline for filing tax returns until long after the June state constitutional deadline for passing a budget.

The Governor's 2024-25 budget proposal is about $77 billion more than the first budget Governor Newsom signed in 2019, but about $20 billion less than the budget he signed in 2023.

The state accumulated significant reserves in recent years and the Governor has chosen to close part of the deficit by using $13.1 billion from the states reserve fund.

Climate funding was reduced in the Governor's recent proposal.

In the 2022 budget cycle the Governor had pushed for a climate package of $54 billion. Last year that was cut back to $52.3 billion, a 3% reduction. The Governor's current proposal would pare the climate package further, to $48.3 billion, down 11% from the 2022 budget. As compared to the 2023 budget the current proposal would slash about $2.9 billion from climate programs (in addition to $5.6 billion in cuts from other programs) and delay an additional $1.9 billion in climate program spending by stretching payments out to future budget cycles.

The Governor has pointed to $10 billion in federal funding that could help shore up funding for climate programs and advances the case that funding remains relatively robust in the face of declining state revenues.

Among the reductions proposed by the Governor would be a funding delay of 3 years for $600 million intended for the Clean Cars 4 All program and other equity programs. That program provides incentives to help lower-income consumers replace their high-polluting vehicles. Also included in this delay are grants for electric fueling infrastructure.

Additionally, there is a shift of $473.5 million in funding support from the General Fund to the Greenhouse Gas Reduction Fund for Zero Emission Vehicle Infrastructure grants and funding for trucks, busses and off-road equipment and the infrastructure that would support those types of vehicles.

The Governor's recent proposal also seeks a reduction in funding of $283 million from the General Fund and a shift of $87 million from the Greenhouse Gas Reduction Fund that had been intended to help fund the Equitable Building Decarbonization Program administered by the California Energy Commission. After the funds shift the budget proposal maintains $639 million in funding for this program.

We note that Governor Newsom is term limited and voters will elect a new Governor in 2026, so any budget decision after that date would be made by the Governor and Legislators in place in 2027 and beyond.

A revised budget will be advanced by the Governor in May, after receipt of the April tax revenues. The Legislature must adopt the budget for the next fiscal year in June.

ATTACHMENTS:

1.17.25 Bill Matrix.pdf

Status of 2024 Legislative Session Bills

With Peninsula Clean Energy and CalCCA Adopted Positions

Bill	Summary	Status	PCE Position	CalCCA Position
AB 1550 (Bennett)	Would define green hydrogen as hydrogen produced utilizing non biogas/biomass renewable electricity to electrolyze water into hydrogen. Also defines renewable hydrogen as hydrogen produced utilizing renewable electricity, except for dairy biogas, to electrolyze water into hydrogen The bill would require all hydrogen used in transportation and energy sectors to be green or renewable by 2045.	2-year bill currently pending on the Assembly Floor, which it must pass by Jan. 31, 2024	None	None
AB 1567 (Garcia)	Proposes a $15.9 billion climate resilience bond to fund programs responding to drought/flood, wildfire, sea-level rise, etc. The bond proposes $2 billion for energy resilience programs such as zero-emission vehicle infrastructure and clean energy transmission projects.	2-year bill currently pending in Senate Natural Resources & Water	None	None
SB 867	Proposes a $15.5 billion climate resilience bond to fund programs responding to drought/flood, wildfire, sea-level rise, etc. The bond proposes $2 billion for energy resilience programs such as zero-emission vehicle infrastructure and clean energy transmission projects.	2-year bill currently pending in Assembly Natural Resources	None	None

California Community Power

901 H St, Ste 120 PMB 157, Sacramento, CA 95814 | cacommunitypower.org

TO: CC Power Board of Directors and Alternates **DATE:** 12/06/2023
FROM: Alex Morris – General Manager
SUBJECT: **Report on CC Power Regular Board of Directors Meeting – November 15, 2023**

The CC Power Board of Directors held its regularly scheduled meeting on November 15, 2023, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: Meetings and Agendas – ca community power

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.

- **Public Comment.** None.

- **Consent Agenda** - The Board approved the following items:
  - Minutes of the Regular Board Meeting held on August 16, 2023.
  - Resolution 23-11-02 *Approval of Execution of Joint Defense and Common Interest Agreement with California Community Choice Association*.
  - Resolution 23-11-03 *Appointment of the General Manager as Personnel Manager.*

- **Regular Agenda Voting Items**:
  - The Board adopted Resolution 23-11-01 *Delegation of Authority to the General Manager to Execute Agreements on Behalf of CC Power.* The Board discussed a preference for further definition on policies related to limitations on this authority, *e.g.* limits on General Manager authority to sign contracts that exceed a certain spending threshold, and for the General Manager to bring such policies to the Board for consideration. While such policies are in development, and perhaps in ongoing fashion, CC Power will disclose at Board Meetings any relevant contracts that have been signed pursuant to Resolution 23-11-01. This item was moved off the consent agenda to allow for discussion by the Board, prior to adoption.
  - The Board adopted Resolution 23-11-04 *Approval of Acquisition of Shared Services Resource Adequacy Report*. The Board approved the purchase of a report on Resource Adequacy to be shared amongst participating members. This Report, deemed valuable and of interest to members, provided an opportunity to use 'bulk-buy' capabilities of CC Power, yielding cost-savings for participating members.

- **General Manager Report –** the Board reviewed updates regarding multiple areas of CC Power's operations, including: i) CC Power's financial updates ii) Getting It Built Right event debrief and discussion iii) Inflation Reduction Act project updates and possible next steps iv) draft membership policies by which the Board could consider and respond to parties interested in membership in CC Power.

- **Upcoming General Manager Performance Review –** the Board will undertake a performance review of the General Manager and will take steps to adopt a go-forward performance review process for the General Manager.

- **Discussion of Any Individual Member Items –** none

California Community Power

901 H St, Ste 120 PMB 157, Sacramento, CA 95814 | cacommunitypower.org

TO: CC Power Board of Directors and Alternates **DATE:** 12/15/2023
FROM: Alex Morris – General Manager
SUBJECT: **Report on CC Power Regular Board of Directors Meeting – December 13, 2023**

The CC Power Board of Directors held its regularly scheduled meeting on December 13, 2023, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: Meetings and Agendas – ca community power

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.

- **Public Comment.** Agenda-specific public comments were made as noted below.

- **Consent Agenda** - The Board approved the following items:
  - Minutes of the Regular Board Meeting held on November 15, 2023
  - Resolution 23-12-01 *Resolution Setting the Regular Meeting Dates for 2024*

- **Regular Agenda Voting Items**:
  - The Board adopted Resolution 23-12-02 *Approval of Acquisition of Share Services North America Power and Renewables Service and Technology Reports*. Interested members will opt-in, and no purchase of the reports or services will occur if members do not opt-in at the available shared-service price.

- **Discussion of Upcoming 2024 Board Officer Elections –** Chair Balachandran called for nominations for the 2024 Officers election, to occur on January 17, 2024. Interest was noted from Geof Syphers (Sonoma), Lori Mitchell (San Jose), Mitch Sears (Valley), and Rob Shaw (3CE) for the Chair, Vice-Chair, Treasurer, and Secretary respectfully.

- **Discussion of Draft 2024 Goals** - The Board reviewed and discussed possible 2024 goals. Goals relating to follow-up on to the Getting It Built Right event were suggested. Goals specific to the General Manager will be considered at the January 17, 2024 Board meeting (closed session). Public Comment was made by Eric Veium, SLO Climate Coalition, regarding support for Getting It Built Right-related goals.

- **General Manager Report –** the Board heard updates on multiple areas of CC Power's operations, including: i) upcoming organizational policy development and adoption ii) Inflation Reduction Act project iii) CC Power staff Working Groups iv) General Manager activities, and v) Getting It Built Right event follow-up. Public Comment was made by Eric Veium, SLO Climate Coalition regarding interest in public input into the Getting It Built Right matters and next steps.

- **Discussion of Any Individual Member Items –** none

COMMONLY USED ACRONYMS AND KEY TERMS

AB xx – Assembly Bill xx
ALJ – Administrative Law Judge
AMP- Arrears Management Plans
AQM – Air Quality Management
BAAQMD – Bay Area Air Quality Management District
BLPTA – Buyer Liability Pass Through Agreement
CAC – Citizens Advisory Committee
CAISO – California Independent System Operator
CalCCA – California Community Choice Association
CAM – Cost Allocation Mechanism
CAP – Climate Action Plan
CAPP – California Arrearage Payment Program
CARB – California Air Resources Board, or California ARB
CARE- California Alternative Rates for Energy Program
CBA – California Balancing Authority
3CE- Central Coast Community Energy (Formerly Monterey Bay Community Power-MBCP)
CCA – Community Choice Aggregation (aka Community Choice Programs (CCP) or
CCE – Community Choice Energy (CCE)
CCP – Community Choice Programs
CEC – California Energy Commission
CPP- Critical Peak Pricing
CPSF – Clean Power San Francisco
CPUC – California Public Utility Commission (Regulator for state utilities) (Also PUC)
CSD – California Department of Community Services and Development
CSGT - Community Solar Green Tariff
DA – Direct Access
DAC-GT - Disadvantaged Communities Green Tariff
DER – Distributed Energy Resources
DG – Distributed Generation
DOE – Department of Energy
DR – Demand Response
DRP – Demand Response Provider
DRP/IDER – Distribution Resources Planning / Integrated Distributed Energy Resources
EBCE – East Bay Community Energy
ECOplus – PCE's default electricity product, 50% renewable and 50% carbon-free (in 2021)
ECO100 – PCE's 100% renewable energy product
EDR – Economic Development Rate
EE – Energy Efficiency
EEI – Edison Electric Institute; Standard contract to procure energy & RA
EIR – Environmental Impact Report
ELCC – Effective Load Carrying Capability
ESP – Electric Service Provider

ESS – Energy Storage Systems
ESSA – Energy Storage Services Agreement
ERRA – Energy Resource Recovery Account
EV – Electric Vehicle
EVSE – Electric Vehicle Supply Equipment (Charging Station)
FERA- Family Electric Rate Assistance Program
FERC – Federal Energy Regulatory Commission
FFS – Franchise Fee Surcharge
GHG – Greenhouse gas
GHG-Free – Greenhouse gas free
GTSR – Green Tariff Shared Renewables
GWh – Gigawatt Hours (Energy) = 1000 MWh
IDER – Integrated Distributed Energy Resources
IOU – Investor-Owned Utility (e.g. PG&E, SCE, SDG&E)
IRP – Integrated Resource Plan
IVR – Interactive Voice Response
ITC – Investment Tax Credit (it's a solar tax credit)
JCC – Joint Cost Comparison
JPA – Joint Powers Authority
JRC – Joint Rate Comparison
JRM – Joint Rate Mailer
kW – kilowatt (Power)
kWh – Kilowatt-hour (Energy)
LDS – Long Duration Storage
LDES – Long Duration Energy Storage
LIHEAP- Low Income Home Energy Assistance Program
Load Shaping – changing when grid energy is used
LSE – Load Serving Entity
MCE – Marin Clean Energy
Methane Gas - formerly known as 'natural gas'
Microgrid – building or community energy system
MW – Megawatt (Power) = 1000 kW
MWh – Megawatt-hour (Energy) = 1000 kWh
MUD – Multi-unit Dwelling
NBCs – non-bypassable charges
NEM – Net Energy Metering
NERC – North American Electric Reliability Corporation
NDA – Non-Disclosure Agreement
NG – Natural Gas
OBF – On-bill Financing
OBR – On-bill Repayment
OES – Office of Emergency Services
OIR – Order Instituting Rulemaking
PACE – Property Assessed Clean Energy
PCC – Portfolio Content Category (aka "buckets") – categories for RPS compliance
PCC1 – Portfolio Content Category 1 REC (also called bucket 1 REC)
PCC2 – Portfolio Content Category 2 REC (also called bucket 2 REC)
PCC3 – Portfolio Content Category 3 REC (also called bucket 3 REC or unbundled REC)

PCE – Peninsula Clean Energy Authority
PCIA – Power Charge Indifference Adjustment
PCL – Power Content Label
PLA – Project Labor Agreement
POU – Publicly Owned Utility
PPA – Power Purchase Agreement
PPSA – Project Participation Share Agreement (CC Power)
PSPS – Public Safety Power Shutoff
PV – Photovoltaics (solar panels)
RA – Resource Adequacy
RE – Renewable Energy
REC – Renewable Energy Credit/Certificate
RICAPS - Regionally Integrated Climate Action Planning Suite
RPS – California Renewable Portfolio Standard
SB xx – Senate Bill xx
SCP – Sonoma Clean Power
SJCE – San Jose Clean Energy
SJVAPCD - San Joaquin Valley Air Pollution Control District
SMD – Share My Data, interval meter data
SQMD – Settlement Quality Meter Data
SVCE – Silicon Valley Clean Energy
TEF – Transportation Electrification Framework (CPUC Proceeding)
TNCs – Transportation Network Companies (ridesharing companies)
TOB – Tariff on Bill
TOU RATES – Time of Use Rates
VGI – Vehicle-Grid Integration
V2G – Vehicle-to-Grid
VPP – Virtual Power Plant
WECC – Western Energy Coordinating Council
WREGIS – Western Renewable Energy Generation Information System
WSPP – Western Systems Power Pool; standard contract to procure energy and RA