



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)**

REVISED AGENDA

Thursday, October 24, 2024

5:30 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

Dakota Dunes Country Club, 960 S Dakota Dunes Blvd, Dakota Dunes, SD 57049

Zoom, Virtual Meeting Link:

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 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/j/87496649657>). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

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

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

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

Please note that Peninsula Clean Energy 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 the Audited Financial Statements for Fiscal Year 2023-2024](#)
2. [Approval of Peninsula Clean Energy's Participation in PG&E Dynamic Pricing Pilots](#)
3. [Approval of "GovBE" Agreements for Building Electrification Grants and Financing with the Cities of Brisbane, Los Banos, East Palo Alto, Menlo Park and Half Moon Bay.](#)
4. [Approval of a Contract Amendment with BlastPoint for Marketing Services ending on September 30, 2025 in an Amount Not-to-Exceed \\$264,000](#)
5. [Approval of Contract with Haven Energy for Deployment of Solar+Storage Systems for the Residential Low-Income Self-Generation Incentive Program \(SGIP\) Assistance Program for a total of \\$1,000,000.](#)
6. [Approval of Minutes from the September 26, 2024 Board of Directors Meeting](#)

REGULAR AGENDA

7. [Chair Report \(Discussion\)](#)
8. [CEO Report \(Discussion\)](#)
9. [Organizational Strategy for the Peninsula Clean Energy Strategic Plan 2025-2030 \(Discussion\)](#)

10. Board Members' Reports (Discussion)

INFORMATIONAL REPORTS

11. 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

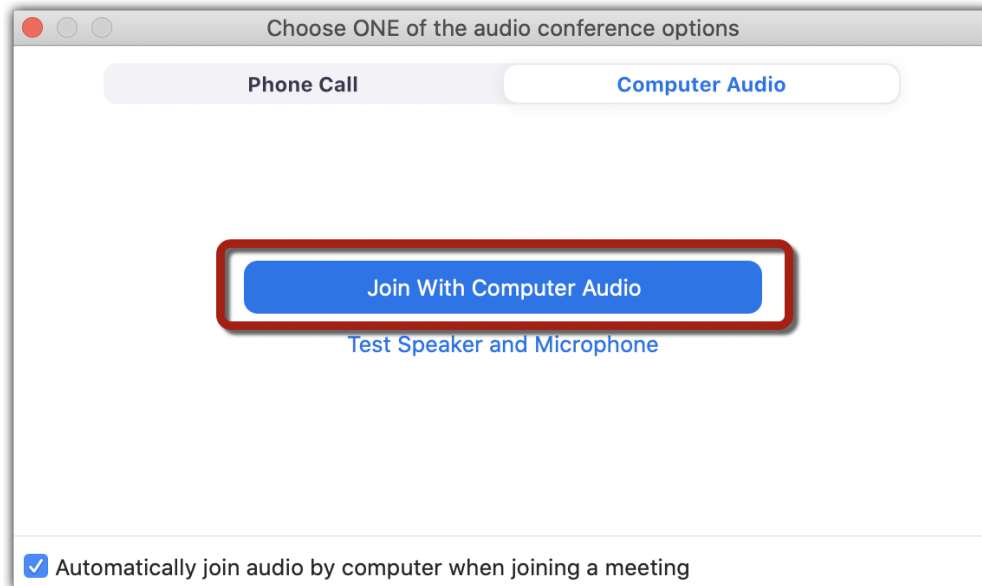
Videoconference Options:

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

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

Option 1 Videoconference with Computer Audio:

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



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

Option 2 Videoconference with Phone Call Audio

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

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

Choose ONE of the audio conference options

Phone Call Computer Audio - Connected

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Participant ID

Passcode 2075

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

Audio Only Options:

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

Option 3: Calling in via Telephone/Landline:

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



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: October 18, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Nicholas Bijur, Chief Financial Officer
SUBJECT: Approval of the Audited Financial Statements for Fiscal Year 2023-2024

RECOMMENDATION

Approval of the Audited Financial Statements for Fiscal Year 2023-2024.

BACKGROUND

The financial statements for Fiscal Year 2023-2024 have been prepared by Peninsula Clean Energy's (PCE) finance team, with support from Maher Accountancy, and audited by Pimenti & Brinker, an independent auditing firm based in Petaluma, CA. Pimenti & Brinker has provided auditing services to PCE since 2017. In order to abide by California rules that require a change in audit partner at least every seven year, Kellin Gilbert recently assumed the role of engagement partner for PCE this year.

Draft audited financial statements were reviewed by the Audit and Finance Committee on October 15, 2024, at which time Kellin Gilbert provided an overview of their audit process, summary findings and required communications (see attachment). Pimenti & Brinker has issued an unmodified audit opinion with no significant deficiencies. The Audit and Finance Committee recommended that the Board of Directors approve the audited financial statements for Fiscal Year 2023-2024.

ATTACHMENTS:

[P&B Presentation - Peninsula Clean Energy Board Meeting 10.24.2024.pptx](#)
[Peninsula Clean Energy 6.30.2024 Financial Statements.pdf](#)

RESOLUTION NO. _____

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

APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2023-2024

RESOLVED, by the Board of Directors of Peninsula Clean Energy Authority (PCEA) of the County of San Mateo, State of California, that

WHEREAS, Pisenti & Brinker, LLP, certified public accountants and advisors, were selected as independent auditors to audit PCEA's financials for the fiscal years ending June 30, 2018, June 30, 2019, June 30, 2020, June 30, 2021, June 30, 2022, June 30, 2023 and June 30, 2024; and

WHEREAS, Pisenti & Brinker, LLP conducted the fieldwork to audit the financial statements for the fiscal year ending June 30, 2024; and

WHEREAS, Pisenti & Brinker, LLP presented the draft audited financial statements to PCE's Audit and Finance Committee at its meeting on October 15, 2024 with a clean opinion, and

WHEREAS, the Audit and Finance Committee of PCEA recommended that the Board of Directors approve the audited financial statements for the fiscal year ending June 30, 2024.

NOW, THEREFORE, IT IS HEREBY RESOLVED that the PCEA Board of Directors approves the audited financial statements for Fiscal Year 2023-2024.



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

*Peninsula Clean Energy
Report to the Board of Directors
October 24, 2024*

Introduction

- Kellin Gilbert, CPA
 - Audit Partner
 - 17 years in public accounting and performing audits of government entities
 - Currently working with several CCA's throughout California
- Aliandra Schaffer
 - Engagement Manager
 - 5 years in public accounting and performing audits of governments (CCA's)



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

Results of current year audit:

- The audit is complete. We reported:
 - Unmodified opinion – Based on our audit, the financial statements are materially accurate.
 - No significant deficiencies or material weakness in internal control noted.



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

Audit of the year ended June 30, 2024

Financial Statements

Relative Roles & Responsibilities

- Management is responsible for preparing the Financial Statements and establishing a system of internal control.
- Auditor is responsible for auditing the Financial Statements
 - Considering risks of material misstatement in the Financial Statements
 - Considering internal controls relevant to the Financial Statements
 - Performing tests of year-end balances based on risk assessment
 - Evaluating adequacy of disclosures



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

Risk Assessment for the year ended June 30, 2024

Financial Statements

Our audit is a risk-based audit. Risk assessment procedures include:

- Gain understanding of the entity's operating characteristics, practices, and procedures.
- Compare to our knowledge of similar entities, industry and professional guidance.
- Review procedures and controls surrounding significant transaction cycles and business processes.



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Audit Procedures

Significant Areas of Focus

- Revenue recognition
 - Accounts receivable and revenue
 - Test a sample of customer billings
 - Relate total cash received during the year to revenue
 - Look at cash received subsequent to year-end and relate to A/R
 - Review revenue recognition through year-end and the method for determining (accrued revenue)
- Cash
 - Confirmations sent to financial institutions



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Audit Procedures

Significant Areas of Focus

- Accrued Cost of Electricity
 - Review subsequent bills from electricity providers and cash payments
- Supplier Security Deposits
 - Reviewed contracts and determined completeness of amounts recorded
- Financial Statement Note Disclosures – Complete and without bias



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Required Board Communications

- There were no new material accounting policies adopted by Peninsula Clean Energy throughout the period audited.
- No alternative treatments of accounting principles for material items in the financial statements have been discussed with management.



PISENTI & BRINKER LLP
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Required Board Communications (continued)

- We did not propose any adjustments to the financial statements.
- We have not identified any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.



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Required Board Communications (continued)

- There have been no disagreements with management concerning the scope of our audit, the application of accounting principles, or the basis for management's judgments on any significant matters.
- We have not encountered any difficulties in dealing with management during the performance of our audit.



PISENTI & BRINKER LLP
Certified Public Accountants & Advisors

Questions?

Kellin Gilbert: 707-577-1511



PISENTI & BRINKER LLP

Certified Public Accountants & Advisors

FINANCIAL STATEMENTS
FISCAL YEARS ENDED JUNE 30, 2024 AND 2023
WITH REPORT OF
INDEPENDENT AUDITORS



PENINSULA
CLEAN ENERGY

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Independent Auditor's Report

To the Board of Directors
Peninsula Clean Energy

Report on the Audits of the Financial Statements

Opinion

We have audited the accompanying financial statements of Peninsula Clean Energy (PCE), which comprise the statements of net position as of June 30, 2024 and 2023, the related statements of revenue, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PCE as of June 30, 2024 and 2023, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PCE and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about PCE's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued, including any currently known information that may raise substantial doubt shortly thereafter.

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PCE's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PCE's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink that reads "Pimentel & Brinkman LLP". The signature is written in a cursive, flowing style.

Santa Rosa, California
October 17, 2024

**PENINSULA CLEAN ENERGY AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

The purpose of management’s discussion and analysis (MD&A) is to help stakeholders and other readers understand what the financial statements and notes in this report say about Peninsula Clean Energy’s (PCE) financial health and why it has changed since last year. It contains information drawn from other parts of the report, accompanied by explanations informed by the finance staff’s knowledge of PCE’s finances.

Overview of the Financial Statements

PCE’s financial report contains basic financial statements, which include:

- The *Statements of Net Position* include all of PCE’s assets, liabilities, and net position and provides information about the nature and amount of resources and obligations at a specific point in time.
- The *Statements of Revenues, Expenses, and Changes in Net Position* report all of PCE’s revenue and expenses for the years shown.
- The *Statements of Cash Flows* report the cash provided and used by operating activities, as well as other sources and uses, such as capital and investing activities.
- The notes to the Basic Financial Statements provide additional details and information related to the basic financial statements.

**PENINSULA CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Financial Summary

PCE's Net Position

	2024	2023	2022
Current assets	\$203,029,376	\$230,229,924	\$ 94,350,493
Noncurrent assets:			
Capital assets, net	7,192,785	3,245,102	2,355,826
Other noncurrent assets	264,984,028	115,190,369	107,941,671
Total noncurrent assets	272,176,813	118,435,471	110,297,497
Total assets	475,206,189	348,665,395	204,647,990
Current liabilities	55,478,759	37,979,864	33,563,898
Noncurrent liabilities	2,527,330	3,059,539	3,413,358
Total liabilities	58,006,089	41,039,403	36,977,256
Deferred inflows of resources	68,000,000	-	-
Net position			
Net Investment in capital assets	5,455,117	399,493	126,979
Unrestricted	343,744,983	307,226,499	167,543,755
Total net position	\$349,200,100	\$307,625,992	\$167,670,734

As of June 30, 2024, PCE's total net position was approximately \$349,000,000, an increase of \$42,000,000 or 14% as compared to June 30, 2023. Most of the increase in net position was in increases in cash and investments, as a result of PCE's operating surplus discussed below.

PCE's Changes in Net Position

	2024	2023	2022
Operating revenues	\$ 388,612,693	\$ 428,218,199	\$ 237,898,558
Nonoperating revenues - grants	-	789,539	1,824,346
Nonoperating revenues - investments	14,844,423	2,164,071	(6,153,368)
Total revenues	403,457,116	431,171,809	233,569,536
Operating expenses	361,835,489	291,154,063	246,539,330
Nonoperating expenses	47,519	62,488	76,525
Total expenses	361,883,008	291,216,551	246,615,855
Change in net position	\$ 41,574,108	\$ 139,955,258	\$ (13,046,319)

Electricity sale increases in 2024 were offset by the \$68,000,000 voluntary deferral into the new Rate Stabilization Fund. The cost of electricity, a component of operating expenses, increased from fiscal year 2023 to fiscal year 2024 due to increases in renewable energy and resource adequacy market costs.

**PENINSULA CLEAN ENERGY AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis

Current assets decreased from \$230,000,000 at the end of fiscal year 2023 to \$203,000,000 at the end of fiscal year 2024. This decrease was due to transferring funds to the Rate Stabilization Fund, reported on the Statement of Net Position as noncurrent cash and cash equivalents, offset by operating surpluses primarily driven by increased electricity rates charged to customers. Current assets at the end of fiscal year 2024 were primarily comprised of cash and investments of \$129,00,000, accounts receivable of \$32,000,000, and accrued revenue of \$26,000,000.

Capital assets are reported net of depreciation and amortization. Each year, the change is mostly due to capital asset acquisitions less depreciation and amortization expense. Capital assets include construction in progress, leasehold improvements, furniture, equipment and roof top solar and battery storage.

Other noncurrent assets include investments of \$192,000,000 and \$114,000,000 at the end of fiscal years 2024 and 2023, respectively. Also included in other noncurrent assets at the end of fiscal year 2024 is cash of \$68,000,000 segregated in a Rate Stabilization Fund used to defer revenue for later years when financial results necessitate draws on reserves. By postponing revenue recognition to future years, PCE will be positioned to avoid sudden rate increases to address unanticipated spikes in energy costs and other unforeseen circumstances.

The largest component of current liabilities is the cost of electricity delivered to customers that is not paid by PCE at the end of the fiscal year. Current liabilities for the cost of energy increased each year due to changes in payment terms of certain energy products, as well as the prices of those products. Accrued cost of electricity was approximately \$44,000,000 and \$26,000,000 at the end of fiscal years 2024 and 2023, respectively.

Noncurrent liabilities consist of supplier security deposits and the long-term portion of lease liability related to PCE's office premises. The reduction each year is the result of amortization of the lease liability.

Except for the effect of the deferral to the Rate Stabilization Fund, operating revenues increased each year from fiscal years 2022 to 2024, primarily from territory expansions and increases in rates charged to customers. PCE also receives revenues from sources other than retail customer sales. These sources include liquidated damage revenue resulting from supplier noncompliance with contract provision and grant income used to assist with various customer programs. Revenue from liquidated damages increased from fiscal year 2023 to fiscal year 2024 primarily due to delays in the operations of certain energy supplier facilities.

**PENINSULA CLEAN ENERGY AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Detailed Analysis (continued)

Grant income from the California Arrearage Payment Plan (CAPP) was included in nonoperating revenues for fiscal years 2022 and 2023. This grant was applicable for two years and did not recur in fiscal year 2024. Investment income increased each year due to changes in market interest rates as well as increases in invested assets.

Operating expenses increased each year primarily due to market forces that resulted in increases in the cost of electricity, PCE’s largest expense. PCE procures energy from a variety of sources to reduce market risk and to maintain a balanced renewable power portfolio. The primary driver of the increase in energy costs from 2023 to 2024 was the rising costs in the resource adequacy market.

Significant Capital Asset and Long-Term Financing Activity

Included in capital assets are office equipment, such as computers, furniture, leasehold improvements and rooftop solar and battery backup systems.

PCE reached agreements with several cities and the County of San Mateo to install solar and battery storage on public buildings. Costs associated with this agreement are shown as capital assets.

Assets that are leased by PCE, such as office premises, are recorded in the Statement of Net Position with a related liability for future obligations.

PCE does not have any outstanding financing debt.

**PENINSULA CLEAN ENERGY AUTHORITY
MANAGEMENT’S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2024 AND 2023**

Currently Known Facts, Decisions, or Conditions

PCE expects to experience steady load growth over the next 10 years due to organic load growth, addition of new customers, increase in building electrification, and higher electric vehicle (EV) adoption rates. At the same time, rising costs for procurement of renewable energy and storage projects, Resource Adequacy (RA), and environmental attributes will increase the cost of energy. Despite these challenges, PCE remains committed to its goal of delivering 100% renewable energy by 2030 while maximizing renewable energy matching against load on a time-coincident basis. Currently, 56% of PCE's energy mix is sourced from renewable resources, and PCE is focused on balancing sustainability, affordability, and reliability as demand continues to grow.

PCE has a portfolio of energy programs supporting electrification of buildings and transportation, load shaping, and fostering local solar and storage. In fiscal year 2024-25, PCE is investing over \$25 million in programs including technical assistance for solar and EV charging installations, finance support for electrification and solar systems, and financial incentives for EVs, EV charging, and electric appliances. Adoption of clean energy technologies is in a period of accelerating adoption contributing to customer load growth. In addition, local and regional agencies continue to adopt policies accelerating the transition to clean electric buildings and transportation systems.

In the past, PCE’s rates were linked to PG&E’s, consistently offering a 5% discount compared to PG&E’s generation rates. However, PCE recently decoupled from PG&E, allowing greater flexibility in setting PCE’s rates. PCE’s current rates are designed to cover the full cost of energy delivery, including RA, operating expenses, and funding for customer programs. Additionally, this change enables PCE to better meet its financial goals, such as maintaining reserves and liquidity.

Requests for Information

This financial report is designed to provide PCE’s board members, stakeholders, customers, and creditors with a general overview of PCE’s finances and to demonstrate PCE’s accountability for the funds under its stewardship.

Please address any questions about this report or requests for additional financial information to the finance department at 2075 Woodside Road, Redwood City, CA 94061 or contact info@PenCleanEnergy.com.

BASIC FINANCIAL STATEMENTS

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023

ASSETS	2024	2023
Current assets		
Cash and cash equivalents	\$ 111,932,959	\$ 130,225,289
Accounts receivable, net of allowance	32,381,329	37,224,799
Accrued revenue	25,740,350	22,224,560
Investments	16,828,861	9,473,416
Other receivables	6,315,467	6,273,418
Prepaid expenses	4,611,128	8,566,209
Deposits and other assets	5,219,282	16,242,233
Total current assets	<u>203,029,376</u>	<u>230,229,924</u>
Noncurrent assets		
Cash and cash equivalents - unrestricted	68,000,000	-
Investments	192,300,331	113,806,280
Other receivables	4,493,035	1,195,215
Deposits and other assets	190,662	188,874
Construction in progress	5,322,353	1,433,434
Capital assets, net of depreciation and amortization	1,870,432	1,811,668
Total noncurrent assets	<u>272,176,813</u>	<u>118,435,471</u>
Total assets	<u>475,206,189</u>	<u>348,665,395</u>
LIABILITIES		
Current liabilities		
Accrued cost of electricity	43,668,621	25,646,569
Accounts payable	2,950,037	1,161,115
Other accrued liabilities	899,037	1,829,885
Deferred revenue	4,372,157	4,844,063
User taxes and energy surcharges due to other governments	1,166,699	1,240,296
Deposits - energy suppliers	1,889,999	2,758,099
Lease liability	532,209	499,837
Total current liabilities	<u>55,478,759</u>	<u>37,979,864</u>
Noncurrent liabilities		
Deposits - energy suppliers	1,799,451	1,799,451
Lease liability	727,879	1,260,088
Total noncurrent liabilities	<u>2,527,330</u>	<u>3,059,539</u>
Total liabilities	<u>58,006,089</u>	<u>41,039,403</u>
DEFERRED INFLOWS OF RESOURCES		
Rate Stabilization Fund	<u>68,000,000</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	5,455,117	399,493
Unrestricted	343,744,983	307,226,499
Total net position	<u>\$ 349,200,100</u>	<u>\$ 307,625,992</u>

**PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
OPERATING REVENUES		
Electricity sales, net	\$ 442,203,020	\$ 423,844,350
Green electricity premium	2,980,743	3,011,461
Rate stabilization	(68,000,000)	-
Liquidated damages revenue	6,555,711	252,060
Grant revenue	3,270,369	1,110,328
Other income	1,602,850	-
Total operating revenues	<u>388,612,693</u>	<u>428,218,199</u>
OPERATING EXPENSES		
Cost of electricity	325,171,050	265,207,567
Contract services	12,534,557	10,726,493
Staff compensation	9,841,887	8,001,779
Other operating expenses	13,709,671	6,650,426
Depreciation and amortization	578,324	567,798
Total operating expenses	<u>361,835,489</u>	<u>291,154,063</u>
Operating income	<u>26,777,204</u>	<u>137,064,136</u>
NONOPERATING REVENUES (EXPENSES)		
Grant revenue	-	789,539
Investment income	14,844,423	2,164,071
Finance costs	(47,519)	(62,488)
Nonoperating revenues (expenses), net	<u>14,796,904</u>	<u>2,891,122</u>
CHANGE IN NET POSITION	41,574,108	139,955,258
Net position at beginning of year	<u>307,625,992</u>	<u>167,670,734</u>
Net position at end of year	<u>\$ 349,200,100</u>	<u>\$ 307,625,992</u>

PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 457,426,586	\$ 427,757,814
Receipts from grantors	3,270,369	5,788,891
Receipts of supplier security deposits	14,735,000	16,363,798
Other operating receipts	8,158,561	-
Payments to suppliers for electricity	(305,666,849)	(273,473,707)
Payments for other goods and services	(30,617,940)	(19,025,668)
Payments for deposits and collateral	(2,238,725)	(26,743,771)
Payments of staff compensation	(9,643,002)	(7,970,572)
Payments of taxes and surcharges to other governments	(6,346,905)	(6,064,477)
Net cash provided by operating activities	<u>129,077,095</u>	<u>116,632,308</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Grant revenue	-	789,539
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments of lease obligation	(547,354)	(531,409)
Payments to acquire capital assets	<u>(5,113,486)</u>	<u>(371,391)</u>
Net cash used by capital and related financing activities	(5,660,840)	(902,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from investment sales	57,048,636	42,294,286
Investment income received	9,947,512	3,440,698
Purchase of investments	<u>(140,704,733)</u>	<u>(41,806,194)</u>
Net cash provided (used) by investing activities	<u>(73,708,585)</u>	<u>3,928,790</u>
Net change in cash and cash equivalents	49,707,670	120,447,837
Cash and cash equivalents at beginning of year	<u>130,225,289</u>	<u>9,777,452</u>
Cash and cash equivalents at end of year	<u>\$ 179,932,959</u>	<u>\$ 130,225,289</u>
Reconciliation to the Statement of Net Position		
Cash and cash equivalents (current)	\$ 111,932,959	\$ 130,225,289
Cash and cash equivalents (noncurrent)	68,000,000	-
Cash and cash equivalents	<u>\$ 179,932,959</u>	<u>\$ 130,225,289</u>
NONCASH CAPITAL FINANCING ACTIVITIES		
Capital acquisitions included in accounts payable and other liabilities	\$ 477,580	\$ -
NONCASH INVESTING ACTIVITIES		
Unrealized appreciation (depreciation) and timing differences in investment income	\$ 4,896,911	\$ (1,276,627)

**PENINSULA CLEAN ENERGY AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2024 AND 2023**

**RECONCILIATION OF OPERATING INCOME TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

	<u>2024</u>	<u>2023</u>
Operating income	\$ 26,777,204	\$ 137,064,136
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization expense	578,324	567,798
(Increase) decrease in:		
Accounts receivable, net of allowance	4,843,470	(4,355,420)
Accrued revenue	(3,515,790)	(1,502,579)
Other receivables	(1,418,862)	(4,337,373)
Prepaid expenses	3,955,081	(3,589,638)
Deposits and other assets	11,783,042	(10,660,000)
Increase (decrease) in:		
Accrued cost of electricity	18,022,051	(1,492,350)
Accounts payable	1,311,342	(10,688)
Other accrued liabilities	154,836	(60,633)
Deferred revenue	(471,906)	4,570,563
User taxes and energy		
surcharges due to other governments	(73,597)	158,465
Deposits - energy suppliers	(868,100)	280,027
Rate Stabilization Fund	68,000,000	-
Net cash provided by operating activities	<u>\$ 129,077,095</u>	<u>\$ 116,632,308</u>

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Peninsula Clean Energy (PCE) is a joint powers authority created on February 29, 2016. As of June 30, 2024, parties to its Joint Powers Agreement consist of the following local governments:

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

PCE is separate from and derives no financial support from its members. PCE is governed by a Board of Directors whose membership is composed of elected officials representing the member governments.

A core function of PCE is to provide electric service that includes renewable sources, and it operates as a Community Choice Aggregation Program subject to California Public Utilities Code Section 366.2.

PCE began its energy delivery operations in October 2016. Electricity is acquired from electricity suppliers and delivered through existing physical infrastructure and equipment managed by Pacific Gas and Electric Company.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

BASIS OF ACCOUNTING

PCE's financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements.

PCE's operations are accounted for as a governmental enterprise fund and are reported using the economic resources measurement focus and the accrual basis of accounting – similar to business enterprises. Accordingly, revenues are recognized when they are earned, and expenses are recognized at the time liabilities are incurred. Enterprise fund-type operating statements present increases (revenues) and decreases (expenses) in total net position. Reported net position is segregated into three categories – investment in capital assets, restricted and unrestricted.

When both restricted and unrestricted resources are available for use, it is PCE's policy to use restricted resources first, and then unrestricted resources as they are needed.

CASH AND CASH EQUIVALENTS

For purposes of the Statements of Cash Flows, PCE defines cash and cash equivalents to include cash on hand, demand deposits and short-term investments with an original maturity of three months or less. For the purpose of the Statements of Net Position, restricted cash balances are presented separately.

INVESTMENTS

Investments are stated at fair value based on prices listed on a national exchange for debt securities. Certificates of deposits are stated at cost. PCE intends to hold its securities to maturity. Investments with a maturity of less than one year are shown as current assets in the Statement of Net Position. Investments with a maturity of one year or more are shown as noncurrent assets in the Statement of Net Position.

PCE's Investment Policy permits the following types of investments:

U.S. Treasury obligations	Repurchase agreements
Obligations of the State of California	Local Agency Investment Fund
Bonds of any of the other 49 states	San Mateo County Pool
Commercial paper	Local Government Investment Pools
Negotiable certificates of deposits	Bankers' acceptances
Demand deposits	Medium-term notes
Passbook savings accounts	Asset-backed securities
Money market funds	Supranationals

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

PREPAID EXPENSES

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid expenses.

DEPOSITS

Contracts to purchase energy may require PCE to provide the supplier with advanced payments or security deposits. Deposits are generally held for the term of the contract and are classified as current or noncurrent assets depending on the length of time the deposits will be outstanding.

LEASE ASSET AND LEASE LIABILITY

PCE recognizes an asset and liability when it enters into certain leasing arrangements. The leased asset is amortized over the term of the lease. The lease liability is the present value of payments expected to be paid to the lessor during the lease term. PCE's only leased asset and liability relate to its office premises.

CAPITAL ASSETS AND DEPRECIATION

PCE's policy is to capitalize furniture and equipment valued over \$5,000 that is expected to be in service for over one year. Depreciation is computed according to the straight-line method over estimated useful lives of three years for electronic equipment, seven years for furniture, ten years for leasehold improvements and twenty years for roof top solar and battery storage.

DEFERRED REVENUE

Deferred revenue consists of payments received in advance from customers for which revenue has not been earned and is shown as a current liability in the Statement of Net Position.

DEPOSITS – ENERGY SUPPLIERS

Various energy contracts entered into by PCE require the supplier to provide PCE with a security deposit. These deposits are generally held for the term of the contract or until the completion of certain benchmarks. Deposits are classified as current or noncurrent depending on the length of time the deposits will be held.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RATE STABILIZATION FUND

In May 2024, PCE created a Rate Stabilization Fund (RSF) in accordance with GASB Statement No. 62 to allow PCE to defer revenue in years when financial results are strong for use in future years when financial results may decline. PCE's RSF allows a deferral of revenues into the RSF when the projected addition to net position is greater than 3% of total budgeted revenues. Deposits can be made into the RSF until the balance equals 15% of the total budgeted revenues in the then-current fiscal year. Additionally, withdrawals of revenues from the RSF can be made in a fiscal year when change in net position is projected to be negative or if necessary to satisfy any covenants, and contractual obligations. The amount deposited into the fund is shown as a reduction of operating revenues and reported on the statements of net position as a deferred inflow of resources. Transfers to this fund were \$68,000,000 and \$0 in fiscal years 2024 and 2023, respectively.

NET POSITION

Net position is presented in the following components:

Net Investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding borrowings that are attributable to the acquisition, construction, or improvement of those assets. PCE did not have any such outstanding borrowings as of June 30, 2024 and 2023.

Unrestricted: This component of net position consists of net position that does not meet the definition of "investment in capital assets" or "restricted."

OPERATING AND NONOPERATING REVENUES

Revenues that are derived from or related to the delivery of energy or other programs are classified as operating revenues. This includes revenue derived from the provision of energy to retail and wholesale customers, liquidated damages resulting from energy suppliers that fail to fulfill contract provision, and reimbursable grant revenues. Many of PCE's retail customers have opted to purchase a 100% renewable electricity product and pay a \$0.01 per kilowatt hour premium. Revenues derived from this premium are reported throughout these financial statements as "Green electricity premium."

Investment income and grants that are not earned from the delivery of program activities are considered "nonoperating revenues".

REVENUE RECOGNITION

PCE recognizes revenue according to the accrual basis. This includes invoices issued to customers during the reporting period and electricity estimated to have been delivered but not yet billed. Management estimates that a portion of the billed amounts will be uncollectible. Accordingly, an allowance for uncollectible accounts has been recorded.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

OPERATING AND NONOPERATING EXPENSES

Operating expenses include the costs of electricity, services, administrative expenses, and depreciation of capital assets. Expenses not meeting this definition are reported as nonoperating expenses.

ELECTRICAL POWER PURCHASED

During the normal course of business, PCE purchases electrical power from numerous suppliers. Electricity costs include the cost of energy and capacity arising from bilateral contracts with energy suppliers as well as generation credits, and load and other charges arising from PCE's participation in the California Independent System Operator's centralized market. The cost of electricity and capacity is recognized as "Cost of Electricity" in the Statements of Revenues, Expenses and Changes in Net Position.

To comply with the State of California's Renewable Portfolio Standards (RPS) and self-imposed benchmarks, PCE acquires RPS eligible renewable energy evidenced by Renewable Energy Certificates (Certificates) recognized by the Western Renewable Energy Generation Information System (WREGIS). PCE obtains Certificates with the intent to retire them and does not sell or build surpluses of Certificates with a profit motive.

PCE purchases capacity commitments from qualifying generators to comply with the California Public Utilities Commission's Resource Adequacy Program. The goals of the Resource Adequacy Program are to provide sufficient resources to the California Independent System Operator to ensure the safe and reliable operation of the electrical grid in real-time and to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future.

STAFFING COSTS

PCE pays employees semi-monthly and fully pays its obligation for health benefits and contributions to its defined contribution retirement plan each month. PCE is not obligated to provide post-employment healthcare or other fringe benefits and, accordingly, no related liability is recorded in these financial statements. PCE provides compensated time off, and the related liability is recorded in these financial statements.

INCOME TAXES

PCE is a joint powers authority under the provision of the California Government Code and is not subject to federal or state income or franchise taxes.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RECLASSIFICATIONS

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation of the current-year financial statements. These reclassifications did not result in any change in previously reported net position or change in net position.

2. CASH AND CASH EQUIVALENTS

PCE maintains its cash in both interest-bearing and non-interest-bearing deposit accounts in several banks. PCE's deposits are subject to California Government Code Section 16521, which requires banks to collateralize public funds in excess of the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000 by 110%. Certain short-term investments with original maturities of less than three months are classified as cash and cash equivalents, which are not subject to the collateral requirement or FDIC coverage. Accordingly, the amount of risk is not disclosed. PCE monitors its risk exposure on an ongoing basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable were as follows as of June 30:

	2024	2023
Accounts receivable from customers	\$37,763,313	\$40,713,367
Allowance for uncollectible accounts	(5,381,984)	(3,488,568)
Net accounts receivable	<u>\$32,381,329</u>	<u>\$37,224,799</u>

The majority of account collections occur within the first few months following the issuance of customer invoices. PCE estimates that a portion of the billed accounts will not be collected. PCE continues collection efforts on accounts in excess of *de minimis* balances regardless of the age of the account. Although collection success generally decreases with the age of the receivable, PCE continues to have success in collecting older accounts. The allowance for uncollectible accounts at the end of a period includes amounts billed during the current and prior fiscal years. During 2024 and 2023, PCE recorded \$2,797,000 and \$3,162,000, respectively, as an increase to the allowance for uncollectible accounts due to bad debt expense. Amounts estimated to be uncollectable are reported as a reduction in electricity sales in the Statement of Revenues, Expenses and Changes in Net Position. Other changes in the allowance for uncollectible accounts from year to year are the result of account write-offs.

PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

4. INVESTMENTS

During the years ended June 30, 2024 and 2023, PCE purchased investments with original maturities of three months or more. As of June 30, the fair value of investments was as follows:

	<u>2024</u>	<u>2023</u>
Current Investments:		
U.S. Treasury Securities	\$ 8,608,553	\$ 9,227,405
Corporate bonds	7,154,986	246,011
Municipal bonds	1,065,322	-
Total current investments	<u>\$ 16,828,861</u>	<u>\$ 9,473,416</u>
	<u>2024</u>	<u>2023</u>
Noncurrent Investments:		
U.S. Treasury Securities	\$ 133,062,721	\$ 73,316,271
Corporate bonds	56,311,594	34,176,492
Municipal bonds	2,926,016	6,313,517
Total noncurrent investments	<u>\$ 192,300,331</u>	<u>\$ 113,806,280</u>

FAIR VALUE MEASUREMENT

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. PCE's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

As of June 30, 2024 and 2023, PCE's investments are considered Level 1 inputs. Quoted prices in active markets were used for determining fair value measurement.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

4. INVESTMENTS (continued)

CREDIT RISK

Credit risk is the risk an issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2024 and 2023, PCE's investments were rated as follows:

	Moody's Investors Service	
	2024	2023
U.S. Treasury Securities	NR and Aaa	NR and Aaa
Certificates of Deposit	NR	NR
Corporate Bonds	NR & Baa1 to Aaa	A3 to Aaa
Municipal Bonds	NR & Aa3 to Aaa	NR & Aa2 to Aaa

PCE's investment policy addresses this risk. PCE limits investments to those allowed by Section 53601 of the California Government Code that addresses the risk allowable for each investment.

CUSTODIAL CREDIT RISK

Cash and cash equivalents

Custodial credit risk is the risk that in the event of a financial institution failure, PCE's deposits may not be returned to PCE. PCE's deposits fully insurance or collateralized.

As of June 30, 2024 and 2023, none of PCE's bank balances are known to be individually exposed to credit risk.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, PCE would not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. All of PCE's investments are exposed to credit risk.

PCE's investment policy addresses custodial credit risk. All investments owned by PCE shall be held in safekeeping by a third-party custodian, acting as an agent for PCE under the terms of a custody agreement.

PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

4. INVESTMENTS (continued)

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Duration is a measure of the price sensitivity of a fixed income portfolio to changes in interest rates. It is calculated as the weighted average time to receive a bond's coupon and principal payments. The longer the duration of a portfolio, the greater its price sensitivity to changes in interest rates. PCE manages its exposure to declines in fair values by limiting the weighted average maturity of its investments.

Following is a summary of investment maturities as of June 30, 2024:

Investment Type	Fair Value	Investment Maturities		
		Less Than 1 Year	1-5 Years	More than 5 years
U.S. Treasury Securities	\$ 141,671,274	\$ 8,608,553	\$ 131,786,566	\$ 1,276,155
Corporate bonds-U.S.	59,795,065	7,154,986	52,640,079	-
Corporate bonds-foreign	3,671,515	-	3,671,515	-
Municipal bonds	3,991,338	1,065,322	2,926,016	-
	<u>\$ 209,129,192</u>	<u>\$ 16,828,861</u>	<u>\$ 191,024,176</u>	<u>\$ 1,276,155</u>

Following is a summary of investment maturities as of June 30, 2023:

Investment Type	Fair Value	Investment Maturities	
		Less Than 1 Year	1-5 Years
U.S. Treasury Securities	\$ 82,543,676	\$ 9,227,405	\$ 73,316,271
Corporate bonds-U.S.	33,478,162	246,011	33,232,151
Corporate bonds-foreign	944,341	-	944,341
Municipal bonds	6,313,517	-	6,313,517
	<u>\$ 123,279,696</u>	<u>\$ 9,473,416</u>	<u>\$ 113,806,280</u>

PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets not being depreciated:				
Construction in progress	\$ 1,433,434	\$ 4,494,918	\$ (606,000)	\$ 5,322,352
Capital assets being depreciated and amortized:				
Furniture and equipment	444,402	-	(13,868)	430,534
Leasehold improvements	236,873	31,541	-	268,414
Roof top solar and battery storage	-	606,000	-	606,000
Lease asset	3,079,488	-	-	3,079,488
Total capital assets being depreciated and amortized	3,760,763	637,541	(13,868)	4,384,436
Less accumulated depreciation and amortization:				
Furniture, equipment and leasehold improvements	(470,939)	(85,604)	13,415	(543,128)
Lease asset	(1,478,156)	(492,720)	-	(1,970,876)
Total accumulated depreciation and amortization	(1,949,095)	(578,324)	13,415	(2,514,004)
Total capital assets, net of depreciation and amortization	\$ 3,245,102	\$ 4,554,136	\$ (606,453)	\$ 7,192,785

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 1,433,434	\$ -	\$ 1,433,434
Capital assets being depreciated and amortized:				
Furniture and equipment	444,402	-	-	444,402
Leasehold improvements	213,233	23,640	-	236,873
Lease asset	3,079,488	-	-	3,079,488
Total capital assets being depreciated and amortized	3,737,123	23,640	-	3,760,763
Less accumulated depreciation and amortization:				
Furniture, equipment and leasehold improvements	(395,861)	(75,078)	-	(470,939)
Lease asset	(985,436)	(492,720)	-	(1,478,156)
Total accumulated depreciation and amortization	(1,381,297)	(567,798)	-	(1,949,095)
Total capital assets, net of depreciation and amortization	\$ 2,355,826	\$ 889,276	\$ -	\$ 3,245,102

PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023

6. LEASE

A lease asset is reported in accordance with Governmental Accounting Standards Board No. 87 (GASB 87).

On August 1, 2017, PCE entered into an 86-month non-cancelable lease for its office premises. The rental agreement includes an option to renew the lease for two additional five-year terms. In September 2019, the lease was extended an additional two years to September 30, 2026. As part of the extension, PCE leased additional office space through the same termination date.

Rental payments under this lease were \$573,000 and \$543,000 for the years ended June 30, 2024 and 2023, respectively.

As of June 30, 2024, future minimum lease payments under this lease were projected as follows:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 532,209	\$ 31,563	\$ 563,772
2026	566,100	14,586	580,686
2027	161,779	877	162,656
Total	<u>\$ 1,260,088</u>	<u>\$ 47,026</u>	<u>\$ 1,307,114</u>

7. GRANTS

PCE participates in a grant programs of the California Public Utilities Commission (CPUC) for the Disadvantaged Communities Green Tariff (DAC-GT) and the FLEXmarket program. The DAC-GT grant provides bill discounts for eligible customers while FLEXmarket provides incentives for customers to install various energy saving equipment in their homes or business.

PCE administered a grant from the California Arrearage Payment Program (CAPP) that offers financial assistance for California energy utility customers to help reduce past due energy bill balances that increased during the COVID-19 pandemic. This program is funded through the federal American Rescue Plan Act (ARPA) with Coronavirus State and Local Fiscal Recovery Funds.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

7. GRANTS (continued)

The following is a summary of grant revenue for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Operating grants:		
DAC-GT	\$ 1,182,963	\$ 1,110,328
FLEXmarket	2,087,406	-
	<u>3,270,369</u>	<u>1,110,328</u>
Nonerating grant:		
CAPP	-	789,539
Total grant revenue	<u>\$ 3,270,369</u>	<u>\$ 1,899,867</u>

8. DEFINED CONTRIBUTION RETIREMENT PLAN

PCE provides retirement benefits through the County of San Mateo 401(a) Retirement Plan (Plan). The Plan is a defined contribution (Internal Revenue Code 401(a)) retirement plan established to provide benefits at retirement to employees of certain qualified employers admitted by the Plan. The Plan is administered by Empower. As of June 30, 2024, there were 53 plan participants. PCE is required to contribute 6% of the annual covered payroll and up to an additional 4% of annual covered payroll to match employee contributions. PCE contributed \$698,000 and \$574,000 during the years ended June 30, 2024 and 2023, respectively. Plan provisions and contribution requirements are established and may be amended by the Board of Directors.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

9. RISK MANAGEMENT

PCE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and errors and omissions. During the year, PCE purchased insurance policies from investment-grade commercial carriers to mitigate risks that include those associated with earthquakes, theft, general liability, errors and omissions, and property damage. Settled claims have not exceeded coverage in the last two years. There were no significant reductions in coverage compared to the prior year. PCE has general liability coverage of \$2,000,000 as well as a \$10,000,000 umbrella policy. Deductibles on the various policies range from \$0 to \$25,000.

From time to time, PCE may be party to various pending claims and legal proceedings. PCE has no current litigation or claims pending that are expected to have a material adverse effect on PCE's financial position or results of operations.

PCE maintains risk management policies, procedures and systems that help mitigate credit, liquidity, market, operating, regulatory and other risks that arise from participation in the California energy market. Credit guidelines include a preference for transacting with investment-grade counterparties, evaluating counterparties' financial condition and assigning credit limits as applicable. These credit limits are established based on risk and return considerations under terms customarily available in the industry. In addition, PCE enters into netting arrangements whenever possible and where appropriate obtains collateral and other performance assurances from counter parties.

**PENINSULA CLEAN ENERGY AUTHORITY
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2024 AND 2023**

10. PURCHASE COMMITMENTS

In the ordinary course of business, PCE enters into various power purchase agreements to acquire renewable and other energy and electric capacity. The price and volume of purchased power may be fixed or variable. Variable pricing is generally based on the market price of either natural gas or electricity at the date of delivery. Variable volume is generally associated with contracts to purchase energy from as-available resources such as solar, wind, and hydro-electric facilities.

The following table details the obligations to purchase existing energy, renewable, and resource adequacy (RA) contracts as of June 30, 2024:

Year ending June 30,	
2025	\$ 373,100,000
2026	253,800,000
2027	261,600,000
2028	246,700,000
2029	234,800,000
2030-2046	<u>2,184,200,000</u>
Total	<u><u>\$3,554,200,000</u></u>

11. FUTURE GASB PRONOUNCEMENTS

The requirements of the following GASB Statements are effective for years ending after June 30, 2024:

GASB has approved GASB No. 102, Certain Risk Disclosures, and GASB No. 103, Financial Reporting Model Improvements.

Management is evaluating the effect of implementation of these statements.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: October 15, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Jana Kopyciok-Lande, Associate Director of Innovation Strategy
SUBJECT: Approval of Peninsula Clean Energy's Participation in PG&E Dynamic Pricing Pilots

RECOMMENDATION

Approval of PCE's participation in two Dynamic Pricing Pilots administered by Pacific Gas & Electric Company (PG&E) – the "Expanded Pilot 2" and the "Commercial Vehicle to Grid (VGI)" Pilot – to meet compliance with the California Energy Commission's (CEC) Load Management Standards (LMS).

BACKGROUND

Pursuant to the California Energy Commission's (CEC) Load Management Standards (LMS) and the California Public Utilities Commission (CPUC)'s Demand Flexibility and Transportation Electrification proceedings, California load serving entities are developing and implementing dynamic pricing pilots. Dynamic pricing would enact hourly rates (or other pricing incentives) for electricity that reflect the current conditions of the wholesale market. The CEC envisions that dynamic pricing would empower demand response devices – such as smart thermostats or electric vehicles – to reduce peak electric demand in a more effective way than existing time-of-use (TOU) rates.

Per the CEC's LMS regulations [1], each large Community Choice Aggregator (CCA) [2] must:

1. **By April 1, 2024**, submit an LMS compliance plan to the CCA Board that describes the CEC's peak load management strategies, as well as related programs and rates. The PCE Board received the LMS Plan at its March 2024 meeting and approved it at its April 25, 2024 Board meeting.
2. **By July 1, 2025**, a CCA shall apply to its Board for approval of *at least one* marginal cost-based rate for which the Board determines that such a rate will materially reduce peak load. CCAs may use marginal cost-based rates that are offered by the investor-owned utility (IOU) in their service area.
3. **By July 1, 2027**, a CCA shall offer voluntary participation in a marginal cost-based rate or a cost-effective program *to each of its electricity customers*.

Simultaneous to the CEC's LMS requirements, the CPUC has been pushing forward the development of Dynamic Pricing Pilots via two proceedings – the Demand Flexibility proceeding (R.22-07-005) and the Transportation Electrification proceeding (R.18-12-006). The pilot rates developed in that proceeding provide a practical way to meet the requirements of the CEC Load Management Standards.

Under the **Demand Flexibility proceeding**, PG&E was directed to expand a pilot program developed by Valley Clean Energy (VCE) and PG&E in response to the 2021 grid reliability challenges. PG&E must now extend the pilot developed with VCE to serve residential, commercial and industrial customers. This pilot is named "**Expanded Pilot 2.**" The pilots are being rolled out via "Automation Service Providers" (ASPs), who currently provide automation services to existing devices installed in homes and businesses. PG&E has an enrollment target of 50 MWs under the pilots, which are currently scheduled to conclude by December 31, 2027.

Under the **Transportation Electrification proceeding**, PG&E was directed to develop two VGI pilots with a dynamic pricing rate to serve residential and commercial customers. Both pilots provide upfront incentives for bidirectional EV charging equipment in phase 1 of the pilot and then require customers to enroll under a dynamic pricing rate during phase 2 of the pilot. Across its entire service territory, PG&E is planning on enrolling 200 commercial customers under the "**VGI Commercial Pilot.**" The dynamic rate is expected to be available for 12 months under both pilots or until funding is exhausted.

All Dynamic Pricing Pilots currently under development by PG&E are operated under a subscription-based dynamic rate structure that operates as follows:

- The customer is billed as usual at their existing pre-pilot rates.
- A dynamic pricing signal is determined for generation (credited by PCE) and distribution (credited by PG&E) based on existing market signals, such as wholesale energy prices, marginal capacity costs, and marginal distribution pricing.
- The customer's usage from the previous year is used to establish a baseline shape of expected usage. A performance report is generated that measures deviations from this baseline, and rebills them using dynamic pricing, which may result in both credits and debits.
- At the end of the year, the customer receives a summary of their usage behavior and any resulting credits or debits. Customers with net credits will receive an incentive payment, while customers with net debits will have the debit forgiven and have their billing unchanged.

This rate structure empowers price signals to shift load and performance-based incentives, while limiting exposure of customers and load serving entities (LSEs) to market prices.

[1] See California Code of Regulations [1621-1623.1](#)

[2] "Large CCA" is defined as an list of six CCAs including Peninsula Clean Energy and meant to apply to "any community choice aggregator that provides in excess of 700 GWh of electricity to customers in any calendar year." 20 Cal. Code Regs § 1621(c)(10).

DISCUSSION

As described above, PCE must implement at least one marginal cost-based rate that the

Board determines materially reduces peak load by July 2025. PCE staff recommends that these requirements can best be met by participating in two pilots that are currently being developed by PG&E - the “Expanded Pilot 2” and the “Commercial VGI Pilot”. PG&E is also developing two additional Dynamic Pricing Pilots which PCE staff is not recommending participating in – the “Expanded Pilot 1” and the “Residential VGI Pilot”.

Staff recommends that PCE participate in the **Expanded Pilot 2** and the **VGI Commercial Pilot** for the following reasons:

- Customer retention: if PCE were not to participate in the pilot, PCE customers would have to opt out of receiving PCE generation services to be able to participate in the pilots. This is particularly relevant for the VGI Commercial Pilot which includes commercial electric vehicle charging installations. Retaining these customer accounts has strategic value to PCE.
- Compliance: help PCE meet the July 2025 LMS compliance requirement with minimal effort involved. The two pilots are administered by PG&E and therefore have a minimal administrative burden for PCE. Participation in two pilots covering most of PCE’s customer classes aligns with the objectives of the Load Management Standard and sets a better foundation for compliance in coming years.
- Thought partner and innovator: Participation in Dynamic Pricing Pilots will demonstrate PCE’s commitment to testing new rate structures that regulators are strongly pushing forward as an area of innovation in California.
- Small revenue stream: PCE will likely have a small revenue stream by participating in the pilots through enrollment bonuses provided by PG&E. See more in the section on Fiscal Impact below.
- Data collection: enables PCE to access data from PG&E about Dynamic Pricing Pilots to inform program effectiveness and to develop future program options.
- Supply cost savings: Customer behavioral changes created by these programs could result in savings to PCE power supply costs, but these are likely limited.

There are some disadvantages to participating in the pilots. First, the pilots are unlikely to be a long-term solution that policymakers are seeking. Second, in these pilots, CCAs function as marketing agents for IOU programs instead of having full control over their own program design and implementation. Third, the pilots stop short of developing a true hourly dynamic rate (and instead rely on a subscription model). However, PCE staff believes that these temporary disadvantages are outweighed by the risk of losing strategic commercial accounts and therefore recommends participation in these two pilots.

On the other hand, staff recommends against participating in **Expanded Pilot 1** which targets agricultural customers as it would not result in material peak load reduction or be cost-effective, based on the following factors:

- Lack of shiftable peak load: PCE has only 129 agricultural customers which represent 0.4% of PCE’s peak load.
- Admin burden: The administrative burden of implementing the Expanded Pilot 1 would very likely exceed the benefits gained from the program.

Staff also recommends against participating in the **Residential VGI Pilot** based on the following factors:

- Limited impact: there is no clear path to broad VGI implementation beyond the pilot as PG&E has established limitations on DERs exporting energy to the grid
- Customer participation: PG&E only intends to enroll up to 1,000 customers in this pilot across its entire service territory
- Competitive with PCE programs: may compete with, or complicate, other PCE EV programs

Although the PG&E pilots provide a practical way to meet LMS requirements, they are currently expected to conclude by 2027 at the latest. Unless the pilots get extended, PCE must identify an alternative pathway for meeting **LMS compliance in 2027**. At this time, PCE is planning on incorporating dynamic pricing signals under the Distributed Energy Resource Management System (DERMS) platform that it is currently procuring. This DERMS platform would be a key component for programs that PCE could use to meet LMS compliance in 2027 and beyond. PCE staff will continue to monitor the development and potential extension of the PG&E Dynamic Pricing Pilots and determine next steps regarding the development of dynamic pricing signals under its future DERMS platform by mid-2026.

FISCAL IMPACT

Under the PG&E pilots, CCAs have the following potential revenue streams and cost obligations:

1. CCA enrollment bonus (revenue stream)
2. Customer generation incentive (cost)

Staff estimates that PCE could receive approximately \$34,000 annually in enrollment bonus for the Expanded Pilot 2, and likely \$44,000 annually in enrollment bonus for the Commercial VGI Pilot.^[1]

As mentioned above, customer incentives under the PG&E pilots are paid both by PG&E and the CCA (i.e., the distribution component is paid by PG&E and the generation component is paid by the CCA). Generation incentive costs will depend on market conditions and customer responsiveness.

- Staff estimates~ \$5,000 in annual customer incentives for the Expanded Pilot 2, with an average estimated annual incentive of \$8.45 per residential customer and \$15.67 per non-residential customer.
- Staff estimates ~\$1,700 in annual customer incentives for the VGI Commercial Pilot, assuming 30% of the eligible load participates and using randomized charging behavior.

In sum, both pilots would be marginally revenue positive for PCE (~\$29,000 in annual revenue for the Expanded Pilot 2 and ~\$42,000 in annual revenue for the Commercial VGI Pilot). The pilots are estimated to generate a total of ~\$71,000 in net revenue to PCE annually.

^[1] See Draft Resolution E-5358, expected to be voted out by the CPUC on November 7, 2024.

STRATEGIC PLAN

The proposed program supports the following elements of the PCE 2020-2025 Strategic Plan:

Goal 3 – Community Energy Programs

Objective B: Distributed Energy Resources: Support strategic decarbonization and local power

- Key Tactic 2: Support distributed energy resources to lower costs, support reliability, and advance distributed and grid decarbonization
 - *Develop rates initiatives that reduce load during peak times and support grid reliability.*

Goal 3 – Community Energy Programs

Objective C: Community Benefits

- Key Tactic 2: Develop programs that support the satisfaction and retention of residential and key commercial account
 - *Retain strategically important commercial electric vehicle (EV) customers on the Business EV (BEV) rate.*

Goal 3 – Community Energy Programs

Objective D: Innovation and Scale

- Key Tactic 1: Identify, pilot, and develop innovative solutions for decarbonization
 - *Test if dynamic pricing pilots can successfully reduce load during peak times for future program and rate design.*

RESOLUTION NO. _____

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

**APPROVAL OF PENINSULA CLEAN ENERGY'S PARTICIPATION IN PG&E DYNAMIC
PRICING PILOTS**

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

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

WHEREAS, PCE's goal is to develop rates and programs that reduce load during peak times and support grid reliability; and

WHEREAS, the California Energy Commission's Load Management Standards (LMS) require community choice aggregators (CCAs) to develop at least one cost-based rate by July 1, 2025; and

WHEREAS, the "Expanded Pilot 2" and "VGI Commercial Pilot" developed by Pacific Gas & Electric (PG&E) provide a practical way for PCE to meet its LMS compliance requirements; and

WHEREAS, participation in the PG&E pilots supports the satisfaction and retention of allows PCE to retain strategically important customers; and

WHEREAS, participation in the PG&E pilots establishes PCE as a thought partner with regulators and an innovator for our customers and communities; and

WHEREAS, participation in the PG&E pilots enables PCE access to important data about dynamic pricing initiatives to inform effectiveness and develop future program and rate options.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves PCE's participation in the "Expanded Pilot 2" and the "VGI Commercial Pilot", two Pilots administered by PG&E.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: October 15, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Blake Herrschaft, Building Electrification Programs Manager

SUBJECT: Approval of "GovBE" Agreements for Building Electrification Grants and Financing with the Cities of Brisbane, Los Banos, East Palo Alto, Menlo Park and Half Moon Bay.

RECOMMENDATION

Approval of agreements with five member agencies for an amount totaling \$989,895 in incentives and \$1.8 million in loans for clean energy projects under the Government Building Electrification (GovBE) Program's annual 2024 solicitation.

BACKGROUND

Peninsula Clean Energy's mission is to expand access to sustainable and affordable energy solutions. As part of that mission, in August 2023 the Board of Directors approved a program to assist in funding electrification at local government buildings in Peninsula Clean Energy's service territory ("GovBE").

Funding includes a \$10 million-dollar revolving loan fund, and incentives budgeted at \$1 million per year in the current and upcoming Energy Programs annual budgets. The loan (which carries a low 1% interest rate) and the incentives are each capped at \$600,000 per project and require a 25% match of non-PCE funds. Awards are made annually on a competitive basis. Incentive funds are based on annual methane gas savings of the project, and equivalent to \$16 per therm saved per year. The value per therm saved is similar to the dollars per therm provided in our residential heat pump rebate program.

In May 2023, PCE held a solicitation for local governments to apply for GovBE funding. A selection committee made up of two members of PCE staff and one member of the Community Advisor Committee (CAC) reviewed the project applications based the following criteria: urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity, Equity, Inclusion, and Accessibility (DEIA) benefit. The selection committee recommended five projects for funding.

For additional background, PCE is also providing funding to local agencies through the Member Agency Energy Grant program, which is a separate program from the GovBE

program. The Member Agency Energy Grants are a one-time fund, with applications closing at the end of 2024.

DISCUSSION

Five local government projects as outlined below were approved in this year's funding round. Although two of them, the cities of East Palo Alto and Menlo Park, fall below the \$250,000 contract threshold for Board approval, staff has included all projects in this year's cohort for full visibility into the projects funded. The table below summarizes the proposed awards, and the amounts which are included in the agreements for approval.

Government Agency / Jurisdiction	Project Name	Incentive Award	Loan Request
Los Banos	City of Los Banos Portfolio-wide HVAC and Water Heating Decarbonization	\$357,040	\$600,000
Brisbane	Community Pool Electrification Project	\$548,384	\$600,000
East Palo Alto	HPWH Replacement at Multiple Facilities	\$21,700	\$0
Menlo Park	Belle Haven Child Development Center Electrification	\$21,308	\$0
Half Moon Bay	Portfolio-wide Municipal Electrification Project	\$41,463	\$600,000

The agreements are in various stages of review and approval by staff at each member agency and are expected to be executed within the next few months.

FISCAL IMPACT

Funding for this program is within the Board-approved Community Energy Programs budget.

STRATEGIC PLAN

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

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 4: Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders
- o 5. Develop technical assistance and incentive program for existing municipal facilities to transition to all-electric appliances

Goal 3 – Community Energy Programs, Objective C:

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

ATTACHMENTS:

[GovBE Loan Agreement - Brisbane 2024.docx](#)

[GovBE Incentive Agreement - Brisbane 2024.docx](#)

[GovBE Loan Agreement - Half Moon Bay 2024.docx](#)

[GovBE Loan Agreement - Los Banos 2024.docx](#)

[GovBE Incentive Agreement - Los Banos 2024.docx](#)
[GovBE Incentive Agreement - Half Moon Bay 2024.docx](#)
[GovBE Incentive Agreement - Menlo Park - 2024.docx](#)
[GovBE Incentive Agreement - 2024 - East Palo Alto.docx](#)

RESOLUTION NO. _____

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

**APPROVAL OF "GOVBE" AGREEMENTS FOR BUILDING ELECTRIFICATION GRANTS
AND FINANCING WITH THE CITIES OF BRISBANE, LOS BANOS, EAST PALO ALTO,
MENLO PARK AND HALF MOON BAY.**

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

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

WHEREAS, reducing greenhouse gasses to reduce the adverse public wellbeing and economic impacts of climate change is an organizational priority for PCE; and

WHEREAS, natural gas usage in buildings account for nearly 30% of directly inventoried GHG emissions within the service territory; and

WHEREAS, local governments have requested access to incentive and revolving loan funds to assist with decarbonization efforts at a variety of municipal facilities;

WHEREAS, on August 24, 2023 the Peninsula Clean Energy Board of Directors approved a Government Building Electrification program including incentives and loans for electrification at local government buildings; and

WHEREAS, five (5) projects in the cities of Brisbane, Los Banos, East Palo Alto, Half Moon Bay, and Menlo Park, have been competitively selected by Peninsula Clean Energy to be awarded incentives and/or loans for electrification at local government facilities throughout the Peninsula Clean Energy service territory.

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board delegates authority to the Chief Executive Officer to finalize and execute five (5) Agreements with member agencies for an amount not to exceed \$989,895 in incentives and \$1,800,000 in loan financing for building electrification projects under the Government Building Electrification (GovBE) Program, in a form approved by the General Counsel.

LOAN AGREEMENT
BETWEEN PENINSULA CLEAN ENERGY AND
City of Brisbane

This Agreement (“Agreement”) is entered into as of the Effective Date (defined herein) by and between the Peninsula Clean Energy Authority (“PCEA”), and City of Brisbane (PCEA and Borrower may be collectively referred to herein as “Parties” and individually as “Party”).

* * *

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

WHEREAS, PCE was formed to support decarbonization, provide local electricity services, and to reduce the adverse impacts of climate change in its member jurisdictions; and

WHEREAS, PCE has created a program to incentivize its Customer Agencies, those entities served by an electric meter and currently receiving electricity as a PCEA customer, to undertake projects that replace fossil fuel equipment with electric equipment; and

WHEREAS, PCE invited Customer Agencies to apply for PCE-provided funding for such projects in the form of its GovBE Loan Program; and

WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Program Terms & Conditions

Exhibit B—Project Scope of Work

Exhibit C—Budget Summary

2. Loan

Subject to the terms and conditions specified herein and the Loan Documents (defined herein), PCEA shall loan to Borrower the principal amount of Six Hundred Thousand (\$600,000) (the “Loan”) which amount is to be repaid by Borrower at interest on unpaid principal from the date set forth Loan herein until paid in full, at the rate of one percent (1%) per annum for a maximum loan term of seven (7) years, provided that (i) in no event shall PCE’s total fiscal obligation under this Agreement exceed the amount of the Loan; and (ii) Borrower shall only use the Loan for the Loan Purpose, as defined below.

3. Loan Purpose

The Parties agree that the purpose of the Loan is to fund City of Brisbane Pool Electrification in accordance with the Project Description contained in Exhibit A, dated by Borrower on June 21, 2024 (“Loan Purpose”). The Loan shall not be used for any other purpose without the prior written consent of PCE.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall commence XXX and shall extend through XXX. This Agreement will not automatically renew, be assigned in any manner by Borrower, nor shall it create any reliance on the possibility of future loans. Borrower understands and agrees that, if Borrower does not proceed with the Project, Borrower must promptly return all Loan funds to PCE, and any

unexpended or undisbursed funds at the time of termination shall be forfeited and returned to PCE.

5. Termination

PCEA may suspend and/or terminate this Agreement if Borrower fails to comply with the terms of this Agreement (including breach of any representation and warranty provided herein) and may, at its sole discretion, withhold or cancel pending and future disbursements of funds and/or require Borrower to return some or all funds disbursed under this Agreement.

6. Loan Disbursement

a. Fund availability and distribution

Loan funds will be available upon contract execution. Funds will be provided upon written request by the Agency. In order to avoid instances of repayment due to cancelled projects, the Agency should consider waiting to request funds until the project is assured to move forward.

b. Loan terms

Loans will be based on the terms as described in Section (1) above and as described in Exhibit A to this Agreement.

c. Quarterly loan repayments

Loans repayments will commence once funds have been transferred from PCE to the Borrower (see Exhibit A Terms and Conditions.) Loan payments shall be transmitted to PCE by Borrower on a quarterly basis. PCE will provide an invoice in advance of the first day of each quarter. Funds will be paid to PCE within 30 days of the date of invoice and shall be submitted via Electronic Funds Transfer (ETF) or another mutually agreed upon method.

d. Early repayment

Early repayments can be made in part or in full at any time during the loan period. If the Agency seeks to repay the loan in its entirety before the end of the term, please request

an early repayment calculation from PCE in advance of making the full payment. Contact programs@peninsulacleanenergy.com.

e. **Return of funds for cancelled projects**

If funds have been distributed to a participating agency, but the project has been cancelled due to unforeseen circumstances, the funds shall immediately be returned to PCE. If any funding has spent on project costs, and can no longer be returned to PCE, the agency shall provide an itemized documentation of spending.

7. Borrower's Representations and Warranties

Borrower represents and warrants the following:

- a. Borrower shall use the Loan for purposes consistent with its filing status under the United States Internal Revenue Code during the term of this Agreement.
- b. Borrower agrees that at no time will any Loan funds be used: (i) to attempt to influence the outcome of any specific public election, or to participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office; (ii) to attempt to influence the selection, nomination, election or appointment of any individual to any public office or office in a political organization within the meaning of Internal Revenue Code Section 527(e)(2); and/or (iii) for any activity that is in violation of federal, state, or local law or any effort to induce or encourage violations of law or public policy.
- c. Borrower shall ensure that the Loan is expended in compliance with applicable law and regulations.
- d. Borrower has full power, authority, and legal right to execute and deliver this Agreement and all other agreements, documents, and instruments contemplated hereby or thereby and to incur and perform its obligations hereunder and thereunder.
- e. Borrower is not in default under or in violation of any indenture or agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority. No creditor has given Borrower a notice or threatened to give it any notice of default under any material agreement. No event has occurred and is continuing and no condition exists that would constitute an event of default or an event which, with the lapse of time or the giving of notice, or both, would become an event of default.

- f. No action, suit or proceeding (and to its knowledge, no investigation) is pending against Borrower before any court or administrative agency, (i) the outcome of which, by itself or taken together with other such litigation, would be reasonably expected to have a material adverse effect on Borrower's business, assets, operations, or financial condition, or (ii) which purports to affect the legality, enforceability, or validity of this Agreement.
- g. Borrower is in material compliance with all federal, state and local laws, rules, regulations, ordinances, and orders applicable to it, including, without limitation, all applicable health and safety, environmental, and building and zoning laws.
- h. Borrower will submit an IRS W-9 Form to PCE and such other documentation as reasonably requested by PCE to facilitate disbursement of the Loan.

Borrower agrees to provide records sufficient to substantiate its representations and warranties upon PCE's request. Borrower understands and agrees that the foregoing representations and warranties are material to PCE's approval of the Loan.

8. Reporting Requirements

Borrower shall provide PCE with annual reports to the attention of the person identified by PCE in Section 18 of this Agreement, or their designee(s), providing: (a) documentation of any reporting reasonably requested by PCE to effectuate the terms and conditions of the Agreement.

9. Repayment Compliance

In the event that Borrower violates the terms this Agreement, including but not limited to Exhibit A and the responsibility of the Borrower to make timely repayments to PCE for a period of six (6) months or longer, Customer authorizes PCE to issue a charge or charges for the full amount due on the Loan on the Customer's utility bill and/or submission of the debt to a collection's agency.

Borrower is solely responsible for repayment of the Loan and termination of this Agreement does not discharge or negate the obligation of Borrower to repay its debt to PCE.

a. Acceleration of Loan Repayment

In the event that the Borrower breaches any of the terms and conditions of the Loan Documents, Borrower shall be in default of the terms and conditions of the Loan and the

remaining unpaid principal balance and any accrued interest shall become due immediately at the option of PCE.

10. Non-Liability, Duty to Defend, Indemnify and Hold Harmless

PCEA shall not be liable for damage associated with the Loan or to any damage or injury of any kind alleged by Borrower or any third party in relation to the Loan, including any damage or injury alleged to be caused by a dangerous condition of property or improvements funded by or other otherwise associated with the Loan.

Borrower shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services funded under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- a. injuries to or death of any person, including as to Borrower or its respective employees/officers/agents;
- b. damage to any property of any kind whatsoever and to whomsoever belonging;
- c. any sanctions, penalties, or claims of damages resulting from the Borrower's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- d. any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Borrower's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Borrower to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

11. Payment of Permits/Licenses

Borrower bears responsibility to obtain any license, permit, or approval required from any agency for activity to be funded under this Agreement prior to commencement of said work/services. Failure to do so will result in forfeit of any right to reimbursement under this Agreement.

12. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

13. Assignability and Subcontracting

Borrower shall not assign this Agreement or any portion of it to a third party. Any such assignment or subcontract without PCEA's prior written consent shall give PCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice and PCE shall have the right to a refund of all funds disbursed under this Agreement.

14. Compliance With Laws

Borrower agrees that its activities funded under this Agreement shall be performed in accordance with all applicable Federal, State, PCEA, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or PCEA financial assistance. Utilization of the Grant shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, and provisions pertaining to confidentiality of records. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, PCEA, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement. Borrower will timely and accurately complete, sign, and submit all necessary documentation of compliance.

15. Retention of Records/Right to Monitor and Audit

- a. Borrower shall maintain all required records relating to this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Borrower shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.
- b. Borrower shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.
- c. Borrower agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of the Project work.

16. Merger Clause/Amendments

The Agreement, including any exhibits to the Agreement and incorporated by reference and including the Loan Documents, constitutes the sole Agreement of the parties to the Agreement and correctly states the rights, duties, and obligations of each party as of the Agreement's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of the Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any exhibit and/or attachment to the Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the Parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the Parties.

17. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Superior Court or in the United States District Court for the Northern District of California. In the event of

breach or other dispute arising out of this Agreement, PCEA reserves the right to pursue all remedies, legal, contractual, administrative or otherwise against Borrower, including the recovery of any sanctions and penalties authorized by law.

18. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Borrower, to:

Name/Title:
Address:
Telephone:
Email:

The Parties may change their contact information in this section by giving the other Party written notice of the change in the manner permitted under this section.

19. Dispute Resolution/Governing Law

The validity of this Agreement (including the Loan Documents) and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Superior Court or in the United States District Court for the Northern District of California. In the event of breach or other dispute arising out of this Agreement,

PCEA reserves the right to pursue all remedies, legal, contractual, administrative or otherwise against Borrower, including the recovery of any sanctions and penalties authorized by law.

20. Electronic Signature

PCEA and Borrower wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

21. No Recourse Against PCEA's Member Agencies

Borrower acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Borrower waives any recourse against PCEA's member agencies.

22. Effective Date

This Agreement shall be effective upon the date that all signatories have executed the Agreement (the "Effective Date").

* * *

THIS AGREEMENT IS NOT VALID UNTIL SIGNED BY ALL PARTIES. NO GRANT FUNDS WILL BE DISTRIBUTED UNTIL THIS DOCUMENT HAS BEEN SIGNED BY PCE'S AUTHORIZED DESIGNEE.

[Signatures on following page]

PENINSULA CLEAN ENERGY
AUTHORITY

CITY OF BRISBANE

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A
Terms and Conditions

1. Definitions

- Customer Agency – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
- Project – a planned electrification retrofit construction project at an Agency's building, facility, or group of buildings and/or facilities.
- Project Site – The physical address or addresses, and/or facilities where the Project will occur.
- Therm – a unit of measure for the sale of methane gas is equivalent to 100,000 British Thermal Units.
- Fossil Fuel – a greenhouse gas emitting fuel, including methane gas, propane, fuel oil, diesel, or gasoline
- GHG – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
2. Projects must be located at an existing local government building, facility, or group of buildings and/or facilities.
3. Project construction may not have commenced prior to the date of application of the project,
4. The Project must replace fossil fuel equipment on-site used for space heating, water heating, cooking, clothes drying, pool heating, lab processes, or other use types with heat pump or electric equipment. Replacement of backup gas generators or cogeneration systems is an ineligible measure.
5. The Project must be past the concept phase and can feasibly begin construction in the 18-month period following submission of the application.

3. Customer Eligibility

Customer Agency must meet the following criteria:

1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

5. Loan Funding

- Loan funding will be issued electronically following execution of the agreement
- Customer Agency EFT/ACH details for transfers:
 - o [account name]
 - o [financial institution]
 - o [routing number]
 - o [account number]
 - o [account type]

Exhibit B

Project scope of work and timeline.

Project Description

The City of Brisbane's Community Pool Electrification Project will tackle the largest source of municipal operations greenhouse gas emissions for the City. The outdoor pool, located at 2 Solano Street in Brisbane, is approximately 4,000 square feet, and an average depth of approximately six feet. It is heated to approximately 80°F year-round, with a pool cover in use during non-operating hours.

The project will install three electric air-source heat pumps as the primary heating system for the pool, replacing the existing gas-fired pool heater currently in use as the primary heating source. A small gas-fired condensing pony heater will be installed to provide supplemental heating to the heat pump systems when outdoor temperatures fall below 50°F. The project will require the installation of a new 800 amp PG&E electrical service and associated site changes to accommodate a transformer as well as the new switchboard and equipment.

The project was originally conceived through a 2018 BayREN Zero Net Energy Study. It is a high priority due to the existing gas boiler being beyond its expected useful life, and the emissions impact of the equipment. Electrifying the primary heating source will eliminate a projected 34,274 Therms of natural gas per year, or 86% of the City of Brisbane's annual municipal natural gas usage across all facilities. Using today's energy costs, it is expected to reduce operational utility costs \$15,034 per year. As one of the first projects of its kind, this project will help inform local governments and other pool operators pursuing electrification of existing swimming pool water heating systems.

Project Timeline

MILESTONE	DATE
PG&E Design/Cost Estimate Start*	10/11/2024
PG&E Design/Cost Estimate Complete	4/11/2025
Council Approval/Notice to Proceed	4/17/2025
Permitting/100% Construction Documents/Equipment Submittals	4/21/2025
Equipment Procured/Start Installation	6/21/2025
Substantial Completion	Oct 2026
Final Completion	Nov 2026

*actual, all subsequent dates estimated accordingly – PG&E has estimated 6 months to complete the design/engineering and cost estimate, with a total time to completion of 12-14 months

Exhibit C

Project Budget Summary

- Total project cost: \$1,761,778
- Match funding amount from non-PCEA dollars: \$623,934 (35%)
- Source of match funding: PG&E incentive: \$230,000, Canepa Measure K Funds: \$200,000, City Capital Improvement Plan Funds: \$183,394. [Note that the City may utilize the PCE Local Agency Grant for contingencies, if the full \$205,664 allocated to Brisbane were used for the project, it would bring the PCE funding to ~69%.

INCENTIVE AGREEMENT
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND
City of Brisbane

This Agreement is entered into this [day] day of [month], [year], by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called “PCEA,” and City of Brisbane hereinafter called “Customer Agency.”

* * *

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

WHEREAS, PCE was formed to support decarbonization, provide local electricity services, and to reduce the adverse public wellbeing and economic impacts of climate change in its member jurisdictions; and

WHEREAS, PCE has created a program to incentivize its Customer Agencies, those being served by an electric meter and currently receiving electricity as a PCEA customer, to undertake projects that replace fossil fuel equipment with electric equipment; and

WHEREAS, PCE invited Customer Agencies to apply for PCE-provided funding for such projects in the form of its GovBE Loan Program; and

WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Program Terms & Conditions
Exhibit B—Funding
Exhibit C—Project Description

2. Project Performance by Customer Agency

In consideration of the funding set forth in this Agreement and in Exhibit B, Customer Agency shall perform the Project defined in Exhibit C in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Funding

For each Project PCEA shall make incentive payments to Customer Agency as specified in Exhibit B. The total not to exceed amount for this Agreement shall not exceed five hundred forty-eight thousand, three hundred eight four dollars (\$548,384). In the event that the PCEA makes any advance payments, Customer Agency agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration. PCEA reserves the right to withhold payment if PCEA determines that the Customer Agency has not complied with the provisions of this Agreement, inclusive of all Exhibits.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from [date], through [date].

5. Termination; Availability of Funds

This Agreement may be terminated by Customer Agency or by the Chief Executive Officer of the PCEA or his/her designee at any time in the event that Customer Agency terminates the Project or Customer Agency exceeds the timeline to complete the Project.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits in the event of unavailability of PCEA funds by providing written

notice to Customer Agency as soon as is reasonably possible after PCEA learns of said unavailability funding.

6. Relationship of Parties

Customer Agency understands and agrees that it is solely responsible for all aspects of the Project, including, but not limited to, design, consultation, maintenance, and operations. Customer Agency is responsible for securing industry professionals for all aspects of their Project and PCEA shall not provide, select, or hire professional staff for the completion of the Project. In addition, Customer Agency agrees and understands that the work services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Customer Agency nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

7. Hold Harmless

a. General Hold Harmless

Customer Agency shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Customer Agency under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- (A) injuries to or death of any person, including Customer Agency or its employees/officers/agents;
- (B) damage to any property of any kind whatsoever and to whomsoever belonging;
- (C) any sanctions, penalties, or claims of damages resulting from Customer Agency's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Customer Agency's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Customer Agency to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Payment of Permits/Licenses

Customer Agency bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Customer Agency's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

9. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

10. Goodwill and Publicity

Either Party may make any press release or public announcement of the specific terms of this Agreement or the Project including, but not limited to, regarding the financing or building systems thereunder (except for filings or other statements or releases as may be required by applicable law) without the prior written consent of the other Party. Both Parties shall make reasonable efforts to coordinate with the other regarding publicity under this paragraph. The Customer Agency shall credit Peninsula Clean Energy in any and all publicity, notices, and announcements regarding the Project and/or this Agreement.

11. Right to Inspect

Peninsula Clean Energy has a right to inspect the physical location of the Project upon twenty-four (24) hours written notice to the Customer Agency.

12. Compliance With Laws

The Project to be performed by Customer Agency pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. The Project shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law

or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

13. Retention of Records; Right to Monitor and Audit

(a) Customer Agency shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Customer Agency shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Customer Agency shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Customer Agency agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

14. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

15. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. 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.

16. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Customer Agency, to:

Name/Title:
Address:
Telephone:
Email:

17. Electronic Signature

PCEA and Customer Agency wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

18. No Recourse Against PCEA's Member Agencies

Customer Agency acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Customer Agency waives any recourse against PCEA's member agencies.

* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY
AUTHORITY

City of Brisbane

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A

Terms and Conditions

1. Definitions

- **Customer Agency** – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
- **Project** – a planned electrification retrofit construction project at an Agency's building, facility, or group of buildings and/or facilities.
- **Project Site** – The physical address or addresses, and/or facilities where the Project will occur.
- **Therm** – a unit of measure for the sale of methane gas is equivalent to 100,000 British Thermal Units.
- **Fossil Fuel** – a greenhouse gas emitting fuel, including methane gas, propane, fuel oil, diesel, or gasoline
- **GHG** – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
2. Projects must be located at an existing local government building, facility, or group of buildings and/or facilities.
3. Project construction may not have commenced prior to the date of application of the project,
4. The Project must replace fossil fuel equipment on-site used for space heating, water heating, cooking, clothes drying, pool heating, lab processes, or other use types with heat pump or electric equipment. Replacement of backup gas generators or cogeneration systems is an ineligible measure.
5. The Project must be past the concept phase and can feasibly begin construction in the 18-month period following submission of the application.

3. Customer Eligibility

Customer Agency must meet the following criteria:

1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

Exhibit B

In consideration of the project by Customer Agency described in Exhibit C and subject to the terms of the Agreement and Exhibit A, PCEA shall pay Customer Agency based on the following fee schedule and terms:

GovBE incentive amount and therm savings

GovBE program incentives

- Maximum incentive based on projected methane savings at a rate of \$16 per therm saved per year
- The maximum amount of incentive support available for each jurisdiction is \$600,000 per year
- Must meet minimum 25% match requirements

Project fossil fuel savings and associated incentive

- Estimated Therm Savings: 34,274 therms per year
- GovBE incentive value: \$548,384

Project cost and match funding

- Total project cost: \$1,761,778
- Match funding amount from non-PCEA dollars: \$623,934 (35%)
- Source of match funding: PG&E incentive: \$230,000, Canepa Measure K Funds: \$200,000, City Capital Improvement Plan Funds: \$183,394. [Note that the City may utilize the PCE Local Agency Grant for contingencies, if the full \$205,664 allocated to Brisbane were used for the project, it would bring the PCE funding to ~69%.

Payment schedule and invoicing

- Payments will be made upon completed project installation
- Invoicing will be initiated by Customer Agency via email to PCEA to email address as determined by PCEA. Invoice will include verification of completed installation as signified by ribbon-cutting, certificate of occupancy, final invoice from contractor, or other verification as determined by PCEA.
- Customer Agency EFT/ACH details for transfers:
 - o [account name]
 - o [financial institution]

- o [routing number]
- o [account number]
- o [account type]

Documentation of Therms savings calculation

Calculation Methodology

The energy savings calculation is performed using a custom monthly simulation simulation; **the unlocked Excel workbook will be provided via email.** Daily, weekly, and monthly simulation approaches were all evaluated, and the monthly model was pursued due to it correlating best with the historical meter data.

The normalized monthly simulation uses weather inputs from the CALMAC California Weather Files CZ2022 data set for San Francisco Int'l AP³. Other inputs are derived from PG&E gas meter data, site inspection observations, and the proposed equipment performance specifications.

Daily gas consumption data for the main gas meter at the site was obtained from PG&E. This data was converted to monthly gas consumption totals, then months with atypical COVID related operation were removed from the analysis (April 2020 to September 2020 data was removed). Data for December 2021 was also removed because it was not included in the most recent export from PG&E to the Implementer (outside of 3-year window). Ultimately 54 months of data was used in the analysis. A regression analysis was conducted alongside monthly average NOAA outside air dry-bulb temperature data.

Non-pool gas use prior to October 2023 consisted of domestic hot water for the locker room showers and sinks. The estimate of domestic water consumption conservatively assumes that every pool user makes use of the shower and sink facilities while at the pool. Assuming an average of 55 pool users per day, approximately 20 gallons of hot water per shower, and 10 gallons per sink use, it was determined that conservatively 7% of the overall gas use at the site is used for domestic hot water purposes. This initial assumption of 7% is supported by the observed change in facility gas usage after the gas water heaters were removed from operation.

After October 2023, this non-pool gas use went to zero when the DHW system was converted to all-electric heat pumps. For the purposes of analysis, the data for months prior to October 2023 were adjusted down based on the above-described analysis to reflect the current operation of the site. Electric load profiles did not require adjustment, because the savings analysis is only based on the regression analysis of the gas profile (i.e., base case system only uses gas for pool heating.)

The result of the regression analysis is a model of the total gas consumption of the site as a function of average daily temperature. The modeled relationship is as follows:

$$y = 1.013 * x^2 - 321.3 * x + 18,268$$

where,

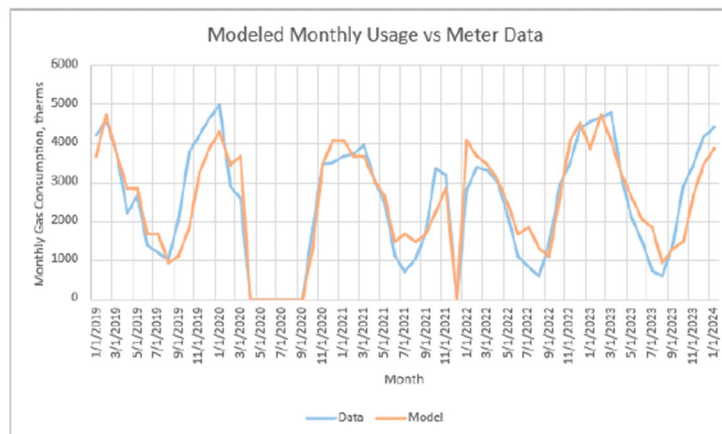
y = Site Monthly Gas Consumption in therms per month

x = monthly average outside air dry bulb temperature

Using this model, the total site gas consumption was predicted during a normalized weather year using CZ2022 CALMAC weather data as indicated above. Currently, all gas consumed at the site is used for pool heating.

The savings calculation then simulates serving this normalized monthly pool heat load using a code-compliant gas-fired heater⁴, as well as the proposed electric heat pump system with pony gas fired heater. These two scenarios are then compared to determine the estimated gas savings and electricity consumption increase resulting from the implementation of the proposed measure.

Figure 4. Gas Consumption Model vs Meter Data (Note that consumption from April to September of 2020 is not shown, when the site was shut down due to COVID-19, and for December 2021, when data was not available).



Estimated Savings

This measure saves natural gas by significantly reducing the amount of pool heat that is generated using the baseline natural gas boiler from year-round operation to only approximately 4 weeks per year. During these 4 weeks, the savings estimate conservatively assumes that the electric heat pumps support 20% of the load, and the new pony gas heater supports 80% of the load. During the other 48 weeks of the year, the pool heat will be generated using efficient electric heat pumps. The customer's electricity consumption will rise due to this added heat pump load, but due to the efficiency of the heat pump units, there will be a net saving on the overall energy bills.

Table 1 below presents historic existing system usage, proposed system usage, and first year estimated project energy and utility cost savings:

Table 1. First Year Energy Savings and Cost Overview

Measure Application Type		Normal Replacement
Standard Practice Applicable		Yes
Effective Useful Life (years)		10
EUL Source		DEER ID: WtrHt-HtPmp
Historical Existing System Usage	kWh	0
	Therms/yr	37,484 ⁵
Proposed System Usage	kWh	175,104
	Therms/yr	3,210
Estimated Project Savings	kWh	-175,104
	Therms/yr	34,274

Exhibit C

Project scope of work and timeline

Project Description

The City of Brisbane's Community Pool Electrification Project will tackle the largest source of municipal operations greenhouse gas emissions for the City. The outdoor pool, located at 2 Solano Street in Brisbane, is approximately 4,000 square feet, and an average depth of approximately six feet. It is heated to approximately 80°F year-round, with a pool cover in use during non-operating hours.

The project will install three electric air-source heat pumps as the primary heating system for the pool, replacing the existing gas-fired pool heater currently in use as the primary heating source. A small gas-fired condensing pony heater will be installed to provide supplemental heating to the heat pump systems when outdoor temperatures fall below 50°F. The project will require the installation of a new 800 amp PG&E electrical service and associated site changes to accommodate a transformer as well as the new switchboard and equipment.

The project was originally conceived through a 2018 BayREN Zero Net Energy Study. It is a high priority due to the existing gas boiler being beyond its expected useful life, and the emissions impact of the equipment. Electrifying the primary heating source will eliminate a projected 34,274 Therms of natural gas per year, or 86% of the City of Brisbane's annual municipal natural gas usage across all facilities. Using today's energy costs, it is expected to reduce operational utility costs \$15,034 per year. As one of the first projects of its kind, this project will help inform local governments and other pool operators pursuing electrification of existing swimming pool water heating systems.

Project Timeline

MILESTONE	DATE
PG&E Design/Cost Estimate Start*	10/11/2024
PG&E Design/Cost Estimate Complete	4/11/2025
Council Approval/Notice to Proceed	4/17/2025
Permitting/100% Construction Documents/Equipment Submittals	4/21/2025
Equipment Procured/Start Installation	6/21/2025
Substantial Completion	Oct 2026
Final Completion	Nov 2026

*actual, all subsequent dates estimated accordingly – PG&E has estimated 6 months to complete the design/engineering and cost estimate, with a total time to completion of 12-14 months

LOAN AGREEMENT
BETWEEN PENINSULA CLEAN ENERGY AND
City of Half Moon Bay

This Agreement (“Agreement”) is entered into as of the Effective Date (defined herein) by and between the Peninsula Clean Energy Authority (“PCEA”), and **the City of Half Moon Bay** (PCEA and Borrower may be collectively referred to herein as “Parties” and individually as “Party”).

* * *

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

WHEREAS, PCE was formed to support decarbonization, provide local electricity services, and to reduce the adverse impacts of climate change in its member jurisdictions; and

WHEREAS, PCE has created a program to incentivize its Customer Agencies, those entities served by an electric meter and currently receiving electricity as a PCEA customer, to undertake projects that replace fossil fuel equipment with electric equipment; and

WHEREAS, PCE invited Customer Agencies to apply for PCE-provided funding for such projects in the form of its GovBE Loan Program; and

WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Program Terms & Conditions

Exhibit B—Project Scope of Work

Exhibit C—Budget Summary

2. Loan

Subject to the terms and conditions specified herein and the Loan Documents (defined herein), PCEA shall loan to Borrower the principal amount of six hundred thousand dollars (\$600,000) (the “Loan”) which amount is to be repaid by Borrower at interest on unpaid principal from the date set forth Loan herein until paid in full, at the rate of one percent (1%) per annum for a maximum loan term of seven (7) years, provided that (i) in no event shall PCE’s total fiscal obligation under this Agreement exceed the amount of the Loan; and (ii) Borrower shall only use the Loan for the Loan Purpose, as defined below.

3. Loan Purpose

The Parties agree that the purpose of the Loan is to fund full building portfolio decarbonization for Half Moon Bay’s municipal buildings] in accordance with the Project Description contained in Exhibit A, dated by Borrower on XXX, 2024 (“Loan Purpose”). The Loan shall not be used for any other purpose without the prior written consent of PCE.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall commence XXX and shall extend through XXX. This Agreement will not automatically renew, be assigned in any manner by Borrower, nor shall it create any reliance on the possibility of future loans. Borrower understands and agrees that, if Borrower does not

proceed with the Project, Borrower must promptly return all Loan funds to PCE, and any unexpended or undisbursed funds at the time of termination shall be forfeited and returned to PCE.

5. Termination

PCEA may suspend and/or terminate this Agreement if Borrower fails to comply with the terms of this Agreement (including breach of any representation and warranty provided herein) and may, at its sole discretion, withhold or cancel pending and future disbursements of funds and/or require Borrower to return some or all funds disbursed under this Agreement.

6. Loan Disbursement

a. Fund availability and distribution

Loan funds will be available upon contract execution. Funds will be provided upon written request by the Agency. In order to avoid instances of repayment due to cancelled projects, the Agency should consider waiting to request funds until the project is assured to move forward.

b. Loan terms

Loans will be based on the terms as described in Section (1) above and as described in Exhibit A to this Agreement.

c. Quarterly loan repayments

Loans repayments will commence once funds have been transferred from PCE to the Borrower (see Exhibit A Terms and Conditions.) Loan payments shall be transmitted to PCE by Borrower on a quarterly basis. PCE will provide an invoice in advance of the first day of each quarter. Funds will be paid to PCE within 30 days of the date of invoice and shall be submitted via Electronic Funds Transfer (ETF) or another mutually agreed upon method.

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Early repayments can be made in part or in full at any time during the loan period. If the Agency seeks to repay the loan in its entirety before the end of the term, please request

an early repayment calculation from PCE in advance of making the full payment. Contact programs@peninsulacleanenergy.com.

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If funds have been distributed to a participating agency, but the project has been cancelled due to unforeseen circumstances, the funds shall immediately be returned to PCE. If any funding has spent on project costs, and can no longer be returned to PCE, the agency shall provide an itemized documentation of spending.

7. Borrower's Representations and Warranties

Borrower represents and warrants the following:

- a. Borrower shall use the Loan for purposes consistent with its filing status under the United States Internal Revenue Code during the term of this Agreement.
- b. Borrower agrees that at no time will any Loan funds be used: (i) to attempt to influence the outcome of any specific public election, or to participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office; (ii) to attempt to influence the selection, nomination, election or appointment of any individual to any public office or office in a political organization within the meaning of Internal Revenue Code Section 527(e)(2); and/or (iii) for any activity that is in violation of federal, state, or local law or any effort to induce or encourage violations of law or public policy.
- c. Borrower shall ensure that the Loan is expended in compliance with applicable law and regulations.
- d. Borrower has full power, authority, and legal right to execute and deliver this Agreement and all other agreements, documents, and instruments contemplated hereby or thereby and to incur and perform its obligations hereunder and thereunder.
- e. Borrower is not in default under or in violation of any indenture or agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority. No creditor has given Borrower a notice or threatened to give it any notice of default under any material agreement. No event has occurred and is continuing and no condition exists that would constitute an event of default or an event which, with the lapse of time or the giving of notice, or both, would become an event of default.

- f. No action, suit or proceeding (and to its knowledge, no investigation) is pending against Borrower before any court or administrative agency, (i) the outcome of which, by itself or taken together with other such litigation, would be reasonably expected to have a material adverse effect on Borrower's business, assets, operations, or financial condition, or (ii) which purports to affect the legality, enforceability, or validity of this Agreement.
- g. Borrower is in material compliance with all federal, state and local laws, rules, regulations, ordinances, and orders applicable to it, including, without limitation, all applicable health and safety, environmental, and building and zoning laws.
- h. Borrower will submit an IRS W-9 Form to PCE and such other documentation as reasonably requested by PCE to facilitate disbursement of the Loan.

Borrower agrees to provide records sufficient to substantiate its representations and warranties upon PCE's request. Borrower understands and agrees that the foregoing representations and warranties are material to PCE's approval of the Loan.

8. Reporting Requirements

Borrower shall provide PCE with annual reports to the attention of the person identified by PCE in Section 18 of this Agreement, or their designee(s), providing: (a) documentation of any reporting reasonably requested by PCE to effectuate the terms and conditions of the Agreement.

9. Repayment Compliance

In the event that Borrower violates the terms this Agreement, including but not limited to Exhibit A and the responsibility of the Borrower to make timely repayments to PCE for a period of six (6) months or longer, Customer authorizes PCE to issue a charge or charges for the full amount due on the Loan on the Customer's utility bill and/or submission of the debt to a collection's agency.

Borrower is solely responsible for repayment of the Loan and termination of this Agreement does not discharge or negate the obligation of Borrower to repay its debt to PCE.

a. Acceleration of Loan Repayment

In the event that the Borrower breaches any of the terms and conditions of the Loan Documents, Borrower shall be in default of the terms and conditions of the Loan and the

remaining unpaid principal balance and any accrued interest shall become due immediately at the option of PCE.

10. Non-Liability, Duty to Defend, Indemnify and Hold Harmless

PCEA shall not be liable for damage associated with the Loan or to any damage or injury of any kind alleged by Borrower or any third party in relation to the Loan, including any damage or injury alleged to be caused by a dangerous condition of property or improvements funded by or other otherwise associated with the Loan.

Borrower shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services funded under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- a. injuries to or death of any person, including as to Borrower or its respective employees/officers/agents;
- b. damage to any property of any kind whatsoever and to whomsoever belonging;
- c. any sanctions, penalties, or claims of damages resulting from the Borrower's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- d. any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Borrower's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Borrower to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

11. Payment of Permits/Licenses

Borrower bears responsibility to obtain any license, permit, or approval required from any agency for activity to be funded under this Agreement prior to commencement of said work/services. Failure to do so will result in forfeit of any right to reimbursement under this Agreement.

12. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

13. Assignability and Subcontracting

Borrower shall not assign this Agreement or any portion of it to a third party. Any such assignment or subcontract without PCEA's prior written consent shall give PCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice and PCE shall have the right to a refund of all funds disbursed under this Agreement.

14. Compliance With Laws

Borrower agrees that its activities funded under this Agreement shall be performed in accordance with all applicable Federal, State, PCEA, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or PCEA financial assistance. Utilization of the Grant shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, and provisions pertaining to confidentiality of records. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, PCEA, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement. Borrower will timely and accurately complete, sign, and submit all necessary documentation of compliance.

15. Retention of Records/Right to Monitor and Audit

- a. Borrower shall maintain all required records relating to this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Borrower shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.
- b. Borrower shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.
- c. Borrower agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of the Project work.

16. Merger Clause/Amendments

The Agreement, including any exhibits to the Agreement and incorporated by reference and including the Loan Documents, constitutes the sole Agreement of the parties to the Agreement and correctly states the rights, duties, and obligations of each party as of the Agreement's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of the Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any exhibit and/or attachment to the Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the Parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the Parties.

17. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Superior Court or in the United States District Court for the Northern District of California. In the event of

breach or other dispute arising out of this Agreement, PCEA reserves the right to pursue all remedies, legal, contractual, administrative or otherwise against Borrower, including the recovery of any sanctions and penalties authorized by law.

18. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Borrower, to:

Name/Title:
Address:
Telephone:
Email:

The Parties may change their contact information in this section by giving the other Party written notice of the change in the manner permitted under this section.

19. Dispute Resolution/Governing Law

The validity of this Agreement (including the Loan Documents) and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Superior Court or in the United States District Court for the Northern District of California. In the event of breach or other dispute arising out of this Agreement,

PCEA reserves the right to pursue all remedies, legal, contractual, administrative or otherwise against Borrower, including the recovery of any sanctions and penalties authorized by law.

20. Electronic Signature

PCEA and Borrower wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

21. No Recourse Against PCEA's Member Agencies

Borrower acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Borrower waives any recourse against PCEA's member agencies.

22. Effective Date

This Agreement shall be effective upon the date that all signatories have executed the Agreement (the "Effective Date").

* * *

THIS AGREEMENT IS NOT VALID UNTIL SIGNED BY ALL PARTIES. NO GRANT FUNDS WILL BE DISTRIBUTED UNTIL THIS DOCUMENT HAS BEEN SIGNED BY PCE'S AUTHORIZED DESIGNEE.

[Signatures on following page]

PENINSULA CLEAN ENERGY
AUTHORITY

City of Half Moon Bay

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A

Terms and Conditions

1. Definitions

- **Customer Agency** – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
- **Project** – a planned electrification retrofit construction project at an Agency's building, facility, or group of buildings and/or facilities.
- **Project Site** – The physical address or addresses, and/or facilities where the Project will occur.
- **Therm** – a unit of measure for the sale of methane gas is equivalent to 100,000 British Thermal Units.
- **Fossil Fuel** – a greenhouse gas emitting fuel, including methane gas, propane, fuel oil, diesel, or gasoline
- **GHG** – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
2. Projects must be located at an existing local government building, facility, or group of buildings and/or facilities.
3. Project construction may not have commenced prior to the date of application of the project,
4. The Project must replace fossil fuel equipment on-site used for space heating, water heating, cooking, clothes drying, pool heating, lab processes, or other use types with heat pump or electric equipment. Replacement of backup gas generators or cogeneration systems is an ineligible measure.
5. The Project must be past the concept phase and can feasibly begin construction in the 18-month period following submission of the application.

3. Customer Eligibility

Customer Agency must meet the following criteria:

1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

5. Loan Funding

- Loan funding will be issued electronically following execution of the agreement
- Customer Agency EFT/ACH details for transfers:
 - o [account name]
 - o [financial institution]
 - o [routing number]
 - o [account number]
 - o [account type]

Exhibit B

Project scope of work and timeline.

The five buildings slated for upgrades are the backbone of what the City of Half Moon Bay offers its residents and are vital for city services, emergency operations, and community vitality.

These buildings provide residents the opportunity to meet with staff on their projects, ask questions about what is happening in their community, build friendships with their neighbors, play pickleball on their lunch breaks, ensure that the roads are safe and that the sewer lines operate - all while creating the policies we all live by.

City Hall -

City Hall is a historic building located in the heart of downtown Main Street, and it is where all City business takes place. It is both customer-facing and it houses behind-the-scenes administration ensuring that City services run smoothly. Building permits are reviewed, building inspections are scheduled, voting ballots are dropped off, public record requests are made, and so much more. It offers residents a place to direct questions and find answers to the services they need. During an emergency, the electrification project would allow to the City to extend its operational capacity in this building, which would enable more staff to mobilize during emergencies and respond in a timely manner. The EV chargers would also be critical to powering first responder vehicles as the City transitions to an EV fleet.

Ted Adcock Community Center -

The Ted Adcock Community Center (TACC) hosts civic meetings, recreational programming, and is rented for private events. Meetings of the City Council and Planning Commission take place here, and it is where community members gather to learn about their local government's policies that will impact their daily lives. Residents of all ages enjoy recreational opportunities such as pickleball, dog training, cooking classes, and summer camps. It is also a space that affords flexibility of use depending on the community's needs. For example, it was converted to a COVID testing site in during the epidemic; it served as a Temporary Evacuation Point during the severe winter weather storms of 2023 - serving both Half Moon Bay and unincorporated residents of the broader Coastsides region. The Community Center's ability to be functional and reliable off the grid would extend its operational capacity. An all-electric commercial kitchen would also provide a demonstration site for other commercial kitchens and for PCE customers looking for proof of concept.

Emergency Operations Center -

The Emergency Operations Center serves as a central hub to monitor and maintain situational awareness of critical events. In 2023, the City Manager declared a local state of emergency due to extreme weather events and a mass casualty incident. An activated EOC convened staff from the City, Sheriff's Office, CalFIRE, CERT, Red Cross, and other first responders to coordinate emergency response activities. This site also houses a Sheriff's Office substation where residents can report a crime, pay a ticket, report abandoned vehicles, and get questions answered. This location houses

community meetings regularly, including gatherings of the Bicycle and Pedestrian Advisory Committee and Architectural Advisory Committee. Like City Hall, electric infrastructure would extend the hours per gallon for the existing generator and better prepare the building to operate during an emergency, which is timely given the frequency of extreme weather events that have broken records in the last two years.

Corporation Yard -

The Corporation Yard is the base of operations for the city fleet and plant maintenance facility, street maintenance, water and wastewater maintenance crews, plus the electric utility maintenance crew. While the public is more likely to interface with public works maintenance staff on the street as opposed to the Corporation Yard, the physical hub provides the foundation for basic civic services that maintain critical infrastructure. This location can benefit from a transition from a gas-split system to an electric heat pump split system.

Train Depot -

The historic Train Depot is used for small community meetings; it is available for rent, and residents celebrate life events such as weddings, funerals, and birthdays at this location. During the rainy season, the Train Depot parking lot offers sandbags to accommodate potential flooding mitigation opportunities for residents.

All facilities in this project are part of the fabric of the community and ensure the safety and well-being of residents.

hello

Exhibit C

Project Budget Summary (to be added by City)

LOAN AGREEMENT
BETWEEN PENINSULA CLEAN ENERGY AND
City of Los Banos

This Agreement (“Agreement”) is entered into as of the Effective Date (defined herein) by and between the Peninsula Clean Energy Authority (“PCEA”), and **City of Los Banos** (PCEA and Borrower may be collectively referred to herein as “Parties” and individually as “Party”).

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WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

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3. Loan Purpose

The Parties agree that the purpose of the Loan is to fund Los Banos Facility Decarbonization in accordance with the Project Description contained in Exhibit A, dated by Borrower on XXX, 2024 (“Loan Purpose”). The Loan shall not be used for any other purpose without the prior written consent of PCE.

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Borrower represents and warrants the following:

- a. Borrower shall use the Loan for purposes consistent with its filing status under the United States Internal Revenue Code during the term of this Agreement.
- b. Borrower agrees that at no time will any Loan funds be used: (i) to attempt to influence the outcome of any specific public election, or to participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office; (ii) to attempt to influence the selection, nomination, election or appointment of any individual to any public office or office in a political organization within the meaning of Internal Revenue Code Section 527(e)(2); and/or (iii) for any activity that is in violation of federal, state, or local law or any effort to induce or encourage violations of law or public policy.
- c. Borrower shall ensure that the Loan is expended in compliance with applicable law and regulations.
- d. Borrower has full power, authority, and legal right to execute and deliver this Agreement and all other agreements, documents, and instruments contemplated hereby or thereby and to incur and perform its obligations hereunder and thereunder.
- e. Borrower is not in default under or in violation of any indenture or agreement to which it is a party or by which it is bound, or any order, regulation, ruling, or requirement of a court or other public body or authority. No creditor has given Borrower a notice or threatened to give it any notice of default under any material agreement. No event has occurred and is continuing and no condition exists that would constitute an event of default or an event which, with the lapse of time or the giving of notice, or both, would become an event of default.

- f. No action, suit or proceeding (and to its knowledge, no investigation) is pending against Borrower before any court or administrative agency, (i) the outcome of which, by itself or taken together with other such litigation, would be reasonably expected to have a material adverse effect on Borrower's business, assets, operations, or financial condition, or (ii) which purports to affect the legality, enforceability, or validity of this Agreement.
- g. Borrower is in material compliance with all federal, state and local laws, rules, regulations, ordinances, and orders applicable to it, including, without limitation, all applicable health and safety, environmental, and building and zoning laws.
- h. Borrower will submit an IRS W-9 Form to PCE and such other documentation as reasonably requested by PCE to facilitate disbursement of the Loan.

Borrower agrees to provide records sufficient to substantiate its representations and warranties upon PCE's request. Borrower understands and agrees that the foregoing representations and warranties are material to PCE's approval of the Loan.

8. Reporting Requirements

Borrower shall provide PCE with annual reports to the attention of the person identified by PCE in Section 18 of this Agreement, or their designee(s), providing: (a) documentation of any reporting reasonably requested by PCE to effectuate the terms and conditions of the Agreement.

9. Repayment Compliance

In the event that Borrower violates the terms this Agreement, including but not limited to Exhibit A and the responsibility of the Borrower to make timely repayments to PCE for a period of six (6) months or longer, Customer authorizes PCE to issue a charge or charges for the full amount due on the Loan on the Customer's utility bill and/or submission of the debt to a collection's agency.

Borrower is solely responsible for repayment of the Loan and termination of this Agreement does not discharge or negate the obligation of Borrower to repay its debt to PCE.

a. Acceleration of Loan Repayment

In the event that the Borrower breaches any of the terms and conditions of the Loan Documents, Borrower shall be in default of the terms and conditions of the Loan and the

remaining unpaid principal balance and any accrued interest shall become due immediately at the option of PCE.

10. Non-Liability, Duty to Defend, Indemnify and Hold Harmless

PCEA shall not be liable for damage associated with the Loan or to any damage or injury of any kind alleged by Borrower or any third party in relation to the Loan, including any damage or injury alleged to be caused by a dangerous condition of property or improvements funded by or other otherwise associated with the Loan.

Borrower shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services funded under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- a. injuries to or death of any person, including as to Borrower or its respective employees/officers/agents;
- b. damage to any property of any kind whatsoever and to whomsoever belonging;
- c. any sanctions, penalties, or claims of damages resulting from the Borrower's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- d. any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Borrower's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Borrower to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

11. Payment of Permits/Licenses

Borrower bears responsibility to obtain any license, permit, or approval required from any agency for activity to be funded under this Agreement prior to commencement of said work/services. Failure to do so will result in forfeit of any right to reimbursement under this Agreement.

12. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

13. Assignability and Subcontracting

Borrower shall not assign this Agreement or any portion of it to a third party. Any such assignment or subcontract without PCEA's prior written consent shall give PCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice and PCE shall have the right to a refund of all funds disbursed under this Agreement.

14. Compliance With Laws

Borrower agrees that its activities funded under this Agreement shall be performed in accordance with all applicable Federal, State, PCEA, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or PCEA financial assistance. Utilization of the Grant shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, and provisions pertaining to confidentiality of records. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, PCEA, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement. Borrower will timely and accurately complete, sign, and submit all necessary documentation of compliance.

15. Retention of Records/Right to Monitor and Audit

- a. Borrower shall maintain all required records relating to this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Borrower shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.
- b. Borrower shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.
- c. Borrower agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of the Project work.

16. Merger Clause/Amendments

The Agreement, including any exhibits to the Agreement and incorporated by reference and including the Loan Documents, constitutes the sole Agreement of the parties to the Agreement and correctly states the rights, duties, and obligations of each party as of the Agreement's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of the Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any exhibit and/or attachment to the Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the Parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the Parties.

17. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Superior Court or in the United States District Court for the Northern District of California. In the event of

breach or other dispute arising out of this Agreement, PCEA reserves the right to pursue all remedies, legal, contractual, administrative or otherwise against Borrower, including the recovery of any sanctions and penalties authorized by law.

18. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Borrower, to:

Name/Title:
Address:
Telephone:
Email:

The Parties may change their contact information in this section by giving the other Party written notice of the change in the manner permitted under this section.

19. Dispute Resolution/Governing Law

The validity of this Agreement (including the Loan Documents) and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the Superior Court or in the United States District Court for the Northern District of California. In the event of breach or other dispute arising out of this Agreement,

PCEA reserves the right to pursue all remedies, legal, contractual, administrative or otherwise against Borrower, including the recovery of any sanctions and penalties authorized by law.

20. Electronic Signature

PCEA and Borrower wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

21. No Recourse Against PCEA's Member Agencies

Borrower acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Borrower waives any recourse against PCEA's member agencies.

22. Effective Date

This Agreement shall be effective upon the date that all signatories have executed the Agreement (the "Effective Date").

* * *

THIS AGREEMENT IS NOT VALID UNTIL SIGNED BY ALL PARTIES. NO GRANT FUNDS WILL BE DISTRIBUTED UNTIL THIS DOCUMENT HAS BEEN SIGNED BY PCE'S AUTHORIZED DESIGNEE.

[Signatures on following page]

PENINSULA CLEAN ENERGY
AUTHORITY

City of Los Banos

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A
Terms and Conditions

1. Definitions

- **Customer Agency** – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
- **Project** – a planned electrification retrofit construction project at an Agency's building, facility, or group of buildings and/or facilities.
- **Project Site** – The physical address or addresses, and/or facilities where the Project will occur.
- **Therm** – a unit of measure for the sale of methane gas is equivalent to 100,000 British Thermal Units.
- **Fossil Fuel** – a greenhouse gas emitting fuel, including methane gas, propane, fuel oil, diesel, or gasoline
- **GHG** – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
2. Projects must be located at an existing local government building, facility, or group of buildings and/or facilities.
3. Project construction may not have commenced prior to the date of application of the project,
4. The Project must replace fossil fuel equipment on-site used for space heating, water heating, cooking, clothes drying, pool heating, lab processes, or other use types with heat pump or electric equipment. Replacement of backup gas generators or cogeneration systems is an ineligible measure.
5. The Project must be past the concept phase and can feasibly begin construction in the 18-month period following submission of the application.

3. Customer Eligibility

Customer Agency must meet the following criteria:

1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

5. Loan Funding

- Loan funding will be issued electronically following execution of the agreement
- Customer Agency EFT/ACH details for transfers:
 - o [account name]
 - o [financial institution]
 - o [routing number]
 - o [account number]
 - o [account type]

Exhibit B

Project scope of work and timeline

The project will replace old gas burning hot water heaters and HVAC units. The City of Los Banos has facilities that have not been upgraded or maintained in over 20 years. This funding source will allow the city the opportunity to take a step in the right direction, eliminating gas burning equipment and installing electric equipment. This will eliminate thousands of therms of natural gas and replace it with electric equipment that is powered by clean energy.

The city of Los Banos has HVAC equipment that has exceeded its life cycle. The equipment is no longer functioning properly and has lost all of its efficiency. With the new facilities maintenance division being developed in the city, this funding source will offset the cost of replacement and cover the differential cost of the more expensive heat pump units. The city is planning on replacing over 60 gas burning HVAC equipment systems.

Replacements will be at Community center, City Hall, Fire station 1, Fire station 2, Old police station, Annex Building, Madison yard, F St. yard, Miller and Lux Building, College greens hall, Animal shelter, Pacheco park.

Exhibit C

Project Budget Summary

INCENTIVE AGREEMENT
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND
City of Los Banos

This Agreement is entered into this [day] day of [month], [year], by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and City of Los Banos, hereinafter called "Customer Agency."

* * *

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

WHEREAS, PCE was formed to support decarbonization, provide local electricity services, and to reduce the adverse public wellbeing and economic impacts of climate change in its member jurisdictions; and

WHEREAS, PCE has created a program to incentivize its Customer Agencies, those being served by an electric meter and currently receiving electricity as a PCEA customer, to undertake projects that replace fossil fuel equipment with or electric equipment; and

WHEREAS, PCE invited Customer Agencies to apply for PCE-provided funding for such projects in the form of its GovBE Loan Program; and

WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Program Terms & Conditions
Exhibit B—Funding
Exhibit C—Project Description

2. Project Performance by Customer Agency

In consideration of the funding set forth in this Agreement and in Exhibit B, Customer Agency shall perform the Project defined in Exhibit C in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Funding

For each Project PCEA shall make incentive payments to Customer Agency as specified in Exhibit B. The total not to exceed amount for this Agreement shall not exceed three hundred fifty-seven thousand, forty dollars (\$357,040). In the event that the PCEA makes any advance payments, Customer Agency agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration. PCEA reserves the right to withhold payment if PCEA determines that the Customer Agency has not complied with the provisions of this Agreement, inclusive of all Exhibits.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from [date], through [date].

5. Termination; Availability of Funds

This Agreement may be terminated by Customer Agency or by the Chief Executive Officer of the PCEA or his/her designee at any time in the event that Customer Agency terminates the Project or Customer Agency exceeds the timeline to complete the Project.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits in the event of unavailability of PCEA funds by providing written

notice to Customer Agency as soon as is reasonably possible after PCEA learns of said unavailability funding.

6. Relationship of Parties

Customer Agency understands and agrees that it is solely responsible for all aspects of the Project, including, but not limited to, design, consultation, maintenance, and operations. Customer Agency is responsible for securing industry professionals for all aspects of their Project and PCEA shall not provide, select, or hire professional staff for the completion of the Project. In addition, Customer Agency agrees and understands that the work services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Customer Agency nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

7. Hold Harmless

a. General Hold Harmless

Customer Agency shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Customer Agency under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- (A) injuries to or death of any person, including Customer Agency or its employees/officers/agents;
- (B) damage to any property of any kind whatsoever and to whomsoever belonging;
- (C) any sanctions, penalties, or claims of damages resulting from Customer Agency's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Customer Agency's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Customer Agency to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Payment of Permits/Licenses

Customer Agency bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Customer Agency's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

9. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

10. Goodwill and Publicity

Either Party may make any press release or public announcement of the specific terms of this Agreement or the Project including, but not limited to, regarding the financing or building systems thereunder (except for filings or other statements or releases as may be required by applicable law) without the prior written consent of the other Party. Both Parties shall make reasonable efforts to coordinate with the other regarding publicity under this paragraph. The Customer Agency shall credit Peninsula Clean Energy in any and all publicity, notices, and announcements regarding the Project and/or this Agreement.

11. Right to Inspect

Peninsula Clean Energy has a right to inspect the physical location of the Project upon twenty-four (24) hours written notice to the Customer Agency.

12. Compliance With Laws

The Project to be performed by Customer Agency pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. The Project shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law

or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

13. Retention of Records; Right to Monitor and Audit

(a) Customer Agency shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Customer Agency shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Customer Agency shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Customer Agency agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

14. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

15. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. 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.

16. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Customer Agency, to:

Name/Title:
Address:
Telephone:
Email:

17. Electronic Signature

PCEA and Customer Agency wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

18. No Recourse Against PCEA's Member Agencies

Customer Agency acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Customer Agency waives any recourse against PCEA's member agencies.

* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY
AUTHORITY

City of Los Banos

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A

Terms and Conditions

1. Definitions

- **Customer Agency** – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
- **Project** – a planned electrification retrofit construction project at an Agency's building, facility, or group of buildings and/or facilities.
- **Project Site** – The physical address or addresses, and/or facilities where the Project will occur.
- **Therm** – a unit of measure for the sale of methane gas is equivalent to 100,000 British Thermal Units.
- **Fossil Fuel** – a greenhouse gas emitting fuel, including methane gas, propane, fuel oil, diesel, or gasoline
- **GHG** – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
2. Projects must be located at an existing local government building, facility, or group of buildings and/or facilities.
3. Project construction may not have commenced prior to the date of application of the project,
4. The Project must replace fossil fuel equipment on-site used for space heating, water heating, cooking, clothes drying, pool heating, lab processes, or other use types with heat pump or electric equipment. Replacement of backup gas generators or cogeneration systems is an ineligible measure.
5. The Project must be past the concept phase and can feasibly begin construction in the 18-month period following submission of the application.

3. Customer Eligibility

Customer Agency must meet the following criteria:

1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

Exhibit B

In consideration of the project by Customer Agency described in Exhibit C and subject to the terms of the Agreement and Exhibit A, PCEA shall pay Customer Agency based on the following fee schedule and terms:

GovBE incentive amount and therm savings

GovBE program incentives

- Maximum incentive based on projected methane savings at a rate of \$16 per therm saved per year
- The maximum amount of incentive support available for each jurisdiction is \$600,000 per year
- Must meet minimum 25% match requirements

Project fossil fuel savings and associated incentive

- Estimated Therm Savings: 22,000
- GovBE incentive value: 357,040

Project cost and match funding

- Total project cost: \$1,257,040
- Match funding amount from non-PCEA dollars: \$300,000
- Source of match funding: \$300,000 have been allocated by the city of Los Banos city council via resolution 6757 for facilities HVAC replacements.

Payment schedule and invoicing

- Payments will be made upon completed project installation
- Invoicing will be initiated by Customer Agency via email to PCEA to email address as determined by PCEA. Invoice will include verification of completed installation as signified by ribbon-cutting, certificate of occupancy, final invoice from contractor, or other verification as determined by PCEA.
- Customer Agency EFT/ACH details for transfers:
 - o [account name]
 - o [financial institution]
 - o [routing number]
 - o [account number]

- o [account type]

Documentation of Therms savings calculation

Los Banos plans to electrify all end uses in the following buildings. The total therm savings associated with the projects is based on annual therm usage at each site for the 2023 calendar year.

Address	Annual Therms at Site
333 7th St.	6,022
411 MADISON AVE	718
444 J ST	0
520 J ST	2,287
535 J ST	2,489
645 7TH ST	3,897
803 PACHECO BLVD	302
830 6TH ST	874
905 PACHECO BLVD	1,116
945 5TH ST	2,265
1000 G ST	2,727
1150 W I ST	0
1217 D ST	0
1815 COLLEGE GREENS DR	96
Total Therm Savings per Year	22,793

Exhibit C

Project scope of work

The project will replace old gas burning hot water heaters and HVAC units. The City of Los Banos has facilities that have not been upgraded or maintained in over 20 years. This funding source will allow the city the opportunity to take a step in the right direction, eliminating gas burning equipment and installing electric equipment. This will eliminate thousands of therms of natural gas and replace it with electric equipment that is powered by clean energy.

The city of Los Banos has HVAC equipment that has exceeded its life cycle. The equipment is no longer functioning properly and has lost all of its efficiency. With the new facilities maintenance division being developed in the city, this funding source will offset the cost of replacement and cover the differential cost of the more expensive heat pump units. The city is planning on replacing over 60 gas burning HVAC equipment systems.

Replacements will be at Community center, City Hall, Fire station 1, Fire station 2, Old police station, Annex Building, Madison yard, F St. yard, Miller and Lux Building, College greens hall, Animal shelter, Pacheco park.

INCENTIVE AGREEMENT
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND
City of Half Moon Bay

This Agreement is entered into this [day] day of [month], [year], by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and the City of Half Moon Bay, hereinafter called "Customer Agency."

* * *

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

WHEREAS, PCE was formed to support decarbonization, provide local electricity services, and to reduce the adverse public wellbeing and economic impacts of climate change in its member jurisdictions; and

WHEREAS, PCE has created a program to incentivize its Customer Agencies, those being served by an electric meter and currently receiving electricity as a PCEA customer, to undertake projects that replace fossil fuel equipment with heat pump or electric equipment; and

WHEREAS, PCE invited Customer Agencies to apply for PCE-provided funding for such projects in the form of its GovBE Loan Program; and

WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Program Terms & Conditions
Exhibit B—Funding
Exhibit C—Project Description

2. Project Performance by Customer Agency

In consideration of the funding set forth in this Agreement and in Exhibit B, Customer Agency shall perform the Project defined in Exhibit C in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Funding

For each Project PCEA shall make incentive payments to Customer Agency as specified in Exhibit B. The total not to exceed amount for this Agreement shall not exceed forty one thousand, four hundred sixty two dollars and eighty one cents (\$41,462.81.) In the event that the PCEA makes any advance payments, Customer Agency agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration. PCEA reserves the right to withhold payment if PCEA determines that the Customer Agency has not complied with the provisions of this Agreement, inclusive of all Exhibits.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from [date], through [date].

5. Termination; Availability of Funds

This Agreement may be terminated by Customer Agency or by the Chief Executive Officer of the PCEA or his/her designee at any time in the event that Customer Agency terminates the Project or Customer Agency exceeds the timeline to complete the Project.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits in the event of unavailability of PCEA funds by providing written

notice to Customer Agency as soon as is reasonably possible after PCEA learns of said unavailability funding.

6. Relationship of Parties

Customer Agency understands and agrees that it is solely responsible for all aspects of the Project, including, but not limited to, design, consultation, maintenance, and operations. Customer Agency is responsible for securing industry professionals for all aspects of their Project and PCEA shall not provide, select, or hire professional staff for the completion of the Project. In addition, Customer Agency agrees and understands that the work services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Customer Agency nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

7. Hold Harmless

a. General Hold Harmless

Customer Agency shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Customer Agency under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Customer Agency or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Customer Agency's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Customer Agency's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Customer Agency to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Payment of Permits/Licenses

Customer Agency bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Customer Agency's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

9. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

10. Goodwill and Publicity

Either Party may make any press release or public announcement of the specific terms of this Agreement or the Project including, but not limited to, regarding the financing or building systems thereunder (except for filings or other statements or releases as may be required by applicable law) without the prior written consent of the other Party. Both Parties shall make reasonable efforts to coordinate with the other regarding publicity under this paragraph. The Customer Agency shall credit Peninsula Clean Energy in any and all publicity, notices, and announcements regarding the Project and/or this Agreement.

11. Right to Inspect

Peninsula Clean Energy has a right to inspect the physical location of the Project upon twenty-four (24) hours written notice to the Customer Agency.

12. Compliance With Laws

The Project to be performed by Customer Agency pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. The Project shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law

or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

13. Retention of Records; Right to Monitor and Audit

(a) Customer Agency shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Customer Agency shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Customer Agency shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Customer Agency agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

14. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

15. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. 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.

16. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Customer Agency, to:

Name/Title:
Address:
Telephone:
Email:

17. Electronic Signature

PCEA and Customer Agency wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

18. No Recourse Against PCEA's Member Agencies

Customer Agency acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Customer Agency waives any recourse against PCEA's member agencies.

* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY
AUTHORITY

City of Half Moon Bay

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A

Terms and Conditions

1. Definitions

- **Customer Agency** – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
- **Project** – a planned electrification retrofit construction project at an Agency's building, facility, or group of buildings and/or facilities.
- **Project Site** – The physical address or addresses, and/or facilities where the Project will occur.
- **Therm** – a unit of measure for the sale of methane gas is equivalent to 100,000 British Thermal Units.
- **Fossil Fuel** – a greenhouse gas emitting fuel, including methane gas, propane, fuel oil, diesel, or gasoline
- **GHG** – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
2. Projects must be located at an existing local government building, facility, or group of buildings and/or facilities.
3. Project construction may not have commenced prior to the date of application of the project,
4. The Project must replace fossil fuel equipment on-site used for space heating, water heating, cooking, clothes drying, pool heating, lab processes, or other use types with heat pump or electric equipment. Replacement of backup gas generators or cogeneration systems is an ineligible measure.
5. The Project must be past the concept phase and can feasibly begin construction in the 18-month period following submission of the application.

3. Customer Eligibility

Customer Agency must meet the following criteria:

1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

Exhibit B

In consideration of the project by Customer Agency described in Exhibit C and subject to the terms of the Agreement and Exhibit A, PCEA shall pay Customer Agency based on the following fee schedule and terms:

GovBE incentive amount and therm savings

GovBE program incentives

- Maximum incentive based on projected methane savings at a rate of \$16 per therm saved per year
- The maximum amount of incentive support available for each jurisdiction is \$600,000 per year
- Must meet minimum 25% match requirements

Project fossil fuel savings and associated incentive

- Estimated Therm Savings: 2,506 therms of natural gas and 85.43 therm-equivalent of propane per year.
- GovBE incentive value: \$41,462.81

Project cost and match funding

- Total project cost: estimated \$1.5 million
- Match funding amount from non-PCEA dollars: estimated \$1 million
- Source of match funding: The majority of the project funding will come from non PCE funds. The City of Half Moon Bay is providing \$200,000 from its Capital Improvement Program (CIP)FY 2024-25 budget. The 'matching' funds and the majority of the total project funding will be from a combination of CIP funds, TELP financing, and incentives from PG&E and the Federal government. This funding approach has been approved by Council.

Payment schedule and invoicing

- Payments will be made upon completed project installation
- Invoicing will be initiated by Customer Agency via email to PCEA to email address as determined by PCEA. Invoice will include verification of completed installation as signified by ribbon-cutting, certificate of occupancy, final invoice from contractor, or other verification as determined by PCEA.
- Customer Agency EFT/ACH details for transfers:

- o [account name]
- o [financial institution]
- o [routing number]
- o [account number]
- o [account type]

Documentation of Therms savings calculation

[Projected therm savings documentation will be attached here]

Exhibit C

Project scope of work and timeline.

The five buildings slated for upgrades are the backbone of what the City of Half Moon Bay offers its residents and are vital for city services, emergency operations, and community vitality.

These buildings provide residents the opportunity to meet with staff on their projects, ask questions about what is happening in their community, build friendships with their neighbors, play pickleball on their lunch breaks, ensure that the roads are safe and that the sewer lines operate - all while creating the policies we all live by.

City Hall -

City Hall is a historic building located in the heart of downtown Main Street, and it is where all City business takes place. It is both customer-facing and it houses behind-the-scenes administration ensuring that City services run smoothly. Building permits are reviewed, building inspections are scheduled, voting ballots are dropped off, public record requests are made, and so much more. It offers residents a place to direct questions and find answers to the services they need. During an emergency, the electrification project would allow to the City to extend its operational capacity in this building, which would enable more staff to mobilize during emergencies and respond in a timely manner. The EV chargers would also be critical to powering first responder vehicles as the City transitions to an EV fleet.

Ted Adcock Community Center -

The Ted Adcock Community Center (TACC) hosts civic meetings, recreational programming, and is rented for private events. Meetings of the City Council and Planning Commission take place here, and it is where community members gather to learn about their local government's policies that will impact their daily lives. Residents of all ages enjoy recreational opportunities such as pickleball, dog training, cooking classes, and summer camps. It is also a space that affords flexibility of use depending on the community's needs. For example, it was converted to a COVID testing site in during the epidemic; it served as a Temporary Evacuation Point during the severe winter weather storms of 2023 - serving both Half Moon Bay and unincorporated residents of the broader Coastside region. The Community Center's ability to be functional and reliable off the grid would extend its operational capacity. An all-electric commercial kitchen would also provide a demonstration site for other commercial kitchens and for PCE customers looking for proof of concept.

Emergency Operations Center -

The Emergency Operations Center serves as a central hub to monitor and maintain situational awareness of critical events. In 2023, the City Manager declared a local state of emergency due to extreme weather events and a mass casualty incident. An activated EOC convened staff from the City, Sheriff's Office, CalFIRE, CERT, Red Cross, and other first responders to coordinate emergency response activities. This site also houses a Sheriff's Office substation where residents can report a crime, pay a ticket, report abandoned vehicles, and get questions answered. This location houses

community meetings regularly, including gatherings of the Bicycle and Pedestrian Advisory Committee and Architectural Advisory Committee. Like City Hall, electric infrastructure would extend the hours per gallon for the existing generator and better prepare the building to operate during an emergency, which is timely given the frequency of extreme weather events that have broken records in the last two years.

Corporation Yard -

The Corporation Yard is the base of operations for the city fleet and plant maintenance facility, street maintenance, water and wastewater maintenance crews, plus the electric utility maintenance crew. While the public is more likely to interface with public works maintenance staff on the street as opposed to the Corporation Yard, the physical hub provides the foundation for basic civic services that maintain critical infrastructure. This location can benefit from a transition from a gas-split system to an electric heat pump split system.

Train Depot -

The historic Train Depot is used for small community meetings; it is available for rent, and residents celebrate life events such as weddings, funerals, and birthdays at this location. During the rainy season, the Train Depot parking lot offers sandbags to accommodate potential flooding mitigation opportunities for residents.

All facilities in this project are part of the fabric of the community and ensure the safety and well-being of residents.

INCENTIVE AGREEMENT
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND
CITY OF MENLO PARK

This Agreement is entered into this [day] day of [month], [year], by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and the City of Menlo Park, hereinafter called "Customer Agency."

* * *

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

WHEREAS, PCE was formed to support decarbonization, provide local electricity services, and to reduce the adverse public wellbeing and economic impacts of climate change in its member jurisdictions; and

WHEREAS, PCE has created a program to incentivize its Customer Agencies, those being served by an electric meter and currently receiving electricity as a PCEA customer, to undertake projects that replace fossil fuel equipment with heat pump or electric equipment; and

WHEREAS, PCE invited Customer Agencies to apply for PCE-provided funding for such projects in the form of its GovBE Loan Program; and

WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Program Terms & Conditions
Exhibit B—Funding
Exhibit C—Project Description

2. Project Performance by Customer Agency

In consideration of the funding set forth in this Agreement and in Exhibit B, Customer Agency shall perform the Project defined in Exhibit C in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Funding

For each Project PCEA shall make incentive payments to Customer Agency as specified in Exhibit B. The total not to exceed amount for this Agreement shall not exceed **Twenty one thousand, three hundred and eight dollars (\$21,308)**. In the event that the PCEA makes any advance payments, Customer Agency agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration. PCEA reserves the right to withhold payment if PCEA determines that the Customer Agency has not complied with the provisions of this Agreement, inclusive of all Exhibits.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from **[date], through [date]**.

5. Termination; Availability of Funds

This Agreement may be terminated by Customer Agency or by the Chief Executive Officer of the PCEA or his/her designee at any time in the event that Customer Agency terminates the Project or Customer Agency exceeds the timeline to complete the Project.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits in the event of unavailability of PCEA funds by providing written

notice to Customer Agency as soon as is reasonably possible after PCEA learns of said unavailability funding.

6. Relationship of Parties

Customer Agency understands and agrees that it is solely responsible for all aspects of the Project, including, but not limited to, design, consultation, maintenance, and operations. Customer Agency is responsible for securing industry professionals for all aspects of their Project and PCEA shall not provide, select, or hire professional staff for the completion of the Project. In addition, Customer Agency agrees and understands that the work services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Customer Agency nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

7. Hold Harmless

a. General Hold Harmless

Customer Agency shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Customer Agency under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Customer Agency or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Customer Agency's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Customer Agency's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Customer Agency to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Payment of Permits/Licenses

Customer Agency bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Customer Agency's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

9. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

10. Goodwill and Publicity

Either Party may make any press release or public announcement of the specific terms of this Agreement or the Project including, but not limited to, regarding the financing or building systems thereunder (except for filings or other statements or releases as may be required by applicable law) without the prior written consent of the other Party. Both Parties shall make reasonable efforts to coordinate with the other regarding publicity under this paragraph. The Customer Agency shall credit Peninsula Clean Energy in any and all publicity, notices, and announcements regarding the Project and/or this Agreement.

11. Right to Inspect

Peninsula Clean Energy has a right to inspect the physical location of the Project upon twenty-four (24) hours written notice to the Customer Agency.

12. Compliance With Laws

The Project to be performed by Customer Agency pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. The Project shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law

or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

13. Retention of Records; Right to Monitor and Audit

(a) Customer Agency shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Customer Agency shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Customer Agency shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Customer Agency agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

14. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

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The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. 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.

16. **Notices**

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Customer Agency, to:

Name/Title:
Address:
Telephone:
Email:

17. **Electronic Signature**

PCEA and Customer Agency wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

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* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY
AUTHORITY

City of Menlo Park

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A

Terms and Conditions

1. Definitions

- **Customer Agency** – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
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- **GHG** – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
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1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

Exhibit B

In consideration of the project by Customer Agency described in Exhibit C and subject to the terms of the Agreement and Exhibit A, PCEA shall pay Customer Agency based on the following fee schedule and terms:

GovBE incentive amount and therm savings

GovBE program incentives

- Maximum incentive based on projected methane savings at a rate of \$16 per therm saved per year
- The maximum amount of incentive support available for each jurisdiction is \$600,000 per year
- Must meet minimum 25% match requirements

Project fossil fuel savings and associated incentive

- Estimated Therm Savings: 1,332 therms per year
- GovBE incentive value: \$21,308

Project cost and match funding

- Total project cost: \$686,840
- Match funding amount from non-PCEA dollars: \$665,532
- Source of match funding: Capital Improvement Plan Budget

Payment schedule and invoicing

- Payments will be made upon completed project installation
- Invoicing will be initiated by Customer Agency via email to PCEA to email address as determined by PCEA. Invoice will include verification of completed installation as signified by ribbon-cutting, certificate of occupancy, final invoice from contractor, or other verification as determined by PCEA.
- Customer Agency EFT/ACH details for transfers:
 - o [account name]
 - o [financial institution]
 - o [routing number]
 - o [account number]
 - o [account type]

Documentation of Therms savings calculation

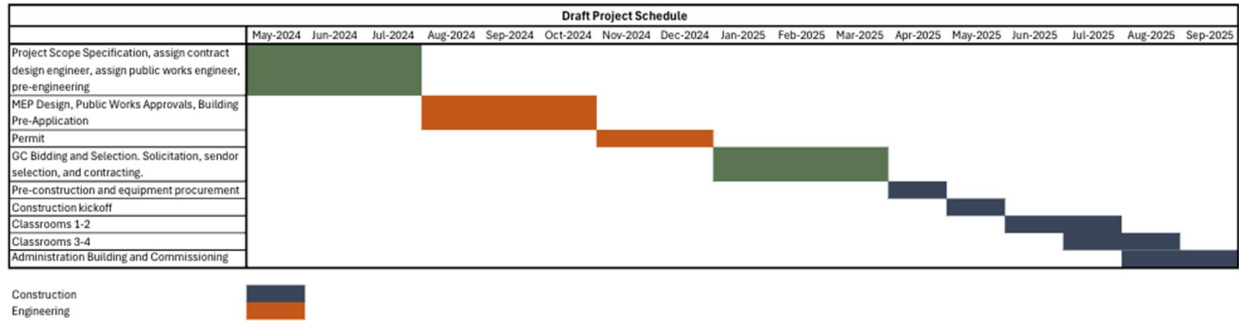
PCE - Load Usage Lookup Tool (I

AcctId	Sald	rtsched	Name	Address	City	Date	therms per year
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Jan-23	273.1
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Feb-23	292.8
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Mar-23	304.5
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Apr-23	189.3
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-May-23	65.1
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Jun-23	22.9
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Jul-23	15.7
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Aug-23	13.2
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Sep-23	12.1
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Oct-23	3.1
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Nov-23	28.2
2074663712	2074663766	null	CITY OF MENLO PARK	410 IVY DR	MENLO PARK	1-Dec-23	111.7
						Total	1331.8
						Incentive at \$16/therm	\$21,308.50

Exhibit C

Project scope of work and timeline.

This project will identify and install all necessary infrastructure improvements and equipment to electrify the Belle Haven Child Development Center. The project scope would include new HVAC equipment to replace five furnaces and all-electric cooking equipment to replace a residential style gas range.



INCENTIVE AGREEMENT
BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND
City of East Palo Alto

This Agreement is entered into this [day] day of [month], [year], by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and the City of East Palo Alto, hereinafter called "Customer Agency."

* * *

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

WHEREAS, PCE was formed to support decarbonization, provide local electricity services, and to reduce the adverse public wellbeing and economic impacts of climate change in its member jurisdictions; and

WHEREAS, PCE has created a program to incentivize its Customer Agencies, those being served by an electric meter and currently receiving electricity as a PCEA customer, to undertake projects that replace fossil fuel equipment with heat pump or electric equipment; and

WHEREAS, PCE invited Customer Agencies to apply for PCE-provided funding for such projects in the form of its GovBE Loan Program; and

WHEREAS, PCE has selected projects from the Customer Agency applicants that have applied for funding based on urgency, shovel-readiness, total fossil fuel savings, community visibility, and Diversity Equity and Inclusion (DEAI) benefit; and, if required, these Agreements have been approved by the PCEA Board of Directors; and

NOW, THEREFORE, in consideration of the mutual promises and benefits set forth herein, the sufficiency of which is hereby acknowledged, it is agreed by the Parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Program Terms & Conditions
Exhibit B—Funding
Exhibit C—Project Description

2. Project Performance by Customer Agency

In consideration of the funding set forth in this Agreement and in Exhibit B, Customer Agency shall perform the Project defined in Exhibit C in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Funding

For each Project PCEA shall make incentive payments to Customer Agency as specified in Exhibit B. The total not to exceed amount for this Agreement shall not exceed twenty-one thousand, seven hundred dollar (\$21,700). In the event that the PCEA makes any advance payments, Customer Agency agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration. PCEA reserves the right to withhold payment if PCEA determines that the Customer Agency has not complied with the provisions of this Agreement, inclusive of all Exhibits.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from [date], through [date].

5. Termination; Availability of Funds

This Agreement may be terminated by Customer Agency or by the Chief Executive Officer of the PCEA or his/her designee at any time in the event that Customer Agency terminates the Project or Customer Agency exceeds the timeline to complete the Project.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits in the event of unavailability of PCEA funds by providing written

notice to Customer Agency as soon as is reasonably possible after PCEA learns of said unavailability funding.

6. Relationship of Parties

Customer Agency understands and agrees that it is solely responsible for all aspects of the Project, including, but not limited to, design, consultation, maintenance, and operations. Customer Agency is responsible for securing industry professionals for all aspects of their Project and PCEA shall not provide, select, or hire professional staff for the completion of the Project. In addition, Customer Agency agrees and understands that the work services performed under this Agreement are performed as an independent contractor and not as an employee of PCEA and that neither Customer Agency nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

7. Hold Harmless

a. General Hold Harmless

Customer Agency shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Customer Agency under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- (A) injuries to or death of any person, including Customer Agency or its employees/officers/agents;
- (B) damage to any property of any kind whatsoever and to whomsoever belonging;
- (C) any sanctions, penalties, or claims of damages resulting from Customer Agency's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Customer Agency's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Customer Agency to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Payment of Permits/Licenses

Customer Agency bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Customer Agency's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

9. Insurance

PCE shall not be responsible for the provision of any insurance policy on behalf of the Customer Agency.

The parties understand and agree that Customer Agency shall not commence work without insurance coverage appropriate to its specific project and as reviewed by Grantee's own legal counsel and/or Risk Manager.

10. Goodwill and Publicity

Either Party may make any press release or public announcement of the specific terms of this Agreement or the Project including, but not limited to, regarding the financing or building systems thereunder (except for filings or other statements or releases as may be required by applicable law) without the prior written consent of the other Party. Both Parties shall make reasonable efforts to coordinate with the other regarding publicity under this paragraph. The Customer Agency shall credit Peninsula Clean Energy in any and all publicity, notices, and announcements regarding the Project and/or this Agreement.

11. Right to Inspect

Peninsula Clean Energy has a right to inspect the physical location of the Project upon twenty-four (24) hours written notice to the Customer Agency.

12. Compliance With Laws

The Project to be performed by Customer Agency pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. The Project shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law

or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

13. Retention of Records; Right to Monitor and Audit

(a) Customer Agency shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Customer Agency shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Customer Agency shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Customer Agency agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

14. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

15. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. 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.

16. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shawn Marshall, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-474-5002
Email: smarshall@peninsulacleanenergy.com

In the case of Customer Agency, to:

Name/Title:
Address:
Telephone:
Email:

17. Electronic Signature

PCEA and Customer Agency wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

18. No Recourse Against PCEA's Member Agencies

Customer Agency acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Customer Agency waives any recourse against PCEA's member agencies.

* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY
AUTHORITY

[CUSTOMER AGENCY NAME]

Chief Executive Officer, Peninsula Clean
Energy Authority

Title: _____

Date: _____

Date: _____

Exhibit A

Terms and Conditions

1. Definitions

- **Customer Agency** – For the GovBE Program, a Local Government Agency Customer (Agency) is defined as an agency or county, or local government, within the jurisdiction of PCE, that is governed by publicly elected officials. Such Customers may include but are not limited to, city or town offices and facilities, County of San Mateo offices and facilities, public schools, and public libraries.
- **Project** – a planned electrification retrofit construction project at an Agency's building, facility, or group of buildings and/or facilities.
- **Project Site** – The physical address or addresses, and/or facilities where the Project will occur.
- **Therm** – a unit of measure for the sale of methane gas is equivalent to 100,000 British Thermal Units.
- **Fossil Fuel** – a greenhouse gas emitting fuel, including methane gas, propane, fuel oil, diesel, or gasoline
- **GHG** – greenhouse gasses

2. Customer and Project Eligibility

Eligible Projects must meet the following criteria:

1. Projects must be located at facilities currently served by PCE, and the proposed equipment must be served by electric meters which are served by PCE.
2. Projects must be located at an existing local government building, facility, or group of buildings and/or facilities.
3. Project construction may not have commenced prior to the date of application of the project,
4. The Project must replace fossil fuel equipment on-site used for space heating, water heating, cooking, clothes drying, pool heating, lab processes, or other use types with heat pump or electric equipment. Replacement of backup gas generators or cogeneration systems is an ineligible measure.
5. The Project must be past the concept phase and can feasibly begin construction in the 18-month period following submission of the application.

3. Customer Eligibility

Customer Agency must meet the following criteria:

1. Is a current Peninsula Clean Energy customer
2. The customer must be a, county or local government Agency (see Definitions)
3. The Customer currently receives service from Peninsula Clean Energy at the location of the retrofit project and meters to serve the equipment to be installed.
4. The Customer must be in good credit standing from when the Customer's program application is approved through the funding of the loan. A Customer's credit standing will be determined according to a Payment History Screening, which may be based upon the existence of any 24-hour disconnection notices and payment plans in the last 12 months.

4. Eligible Costs

Eligible electrification project costs that may be covered under the incentive or loan may include projects costs may include:

- Electrification equipment costs
- Implementation costs, such as material costs, labor, lift rentals, etc.
- Engineering and Design
- Costs associated with building code compliance which must be addressed in direct relation to electrification measures
- Initial and ongoing Measurement & Verification (M&V) expenses, only if paid upfront
- under the loan disbursement
- Training, if paid upfront under the loan disbursement
- Quality Assurance (QA) Provider costs

The following charges are not eligible for project funding

- In-house labor or project management costs for electrification measure installation
- Equipment installed prior to project application
- Efficiency projects that save electricity usage but do not result in fuel switching or reduce methane gas usage
- User behavioral activities: behavioral measures, e.g., customer staffing or occupant behavior programs
- Add-ons to existing renovation projects

Exhibit B

In consideration of the project by Customer Agency described in Exhibit C and subject to the terms of the Agreement and Exhibit A, PCEA shall pay Customer Agency based on the following fee schedule and terms:

GovBE incentive amount and therm savings

GovBE program incentives

- Maximum incentive based on projected methane savings at a rate of \$16 per therm saved per year
- The maximum amount of incentive support available for each jurisdiction is \$600,000 per year
- Must meet minimum 25% match requirements

Project fossil fuel savings and associated incentive

- Estimated Therm Savings: 1,356 therms per year
- GovBE incentive value: \$21,700

Project cost and match funding

- Total project cost: \$55,758
- Match funding amount from non-PCEA dollars: \$34,058
- Source of match funding: CPUC/PG&E GK12 Program

Payment schedule and invoicing

- Payments will be made upon completed project installation
- Invoicing will be initiated by Customer Agency via email to PCEA to email address as determined by PCEA. Invoice will include verification of completed installation as signified by ribbon-cutting, certificate of occupancy, final invoice from contractor, or other verification as determined by PCEA.
- Customer Agency EFT/ACH details for transfers:
 - o [account name]
 - o [financial institution]
 - o [routing number]
 - o [account number]
 - o [account type]

Documentation of Therms savings calculation

From application:

8,986 therms/yr is the estimated therm savings calculated by Willdan based on the water heater capacities at our facilities (see attachment, page 4).

Even using the baseline estimate from the GovBE handbook of 258 therms/yr for smaller residential-type water heaters, our project totals a reduction of 1,806 therms/yr.

It is difficult to provide a more exact estimate of therm savings since none of the projects are transitioning to all electric (due to gas heating).

However, both estimates far exceed the therms requirement for the requested funding, making this a cost effective project for gas-use reduction.

Exhibit C

From application:

Replacing seven water heaters across four city facilities with electric heat pump water heaters.

This project is a high-impact, cost-effective project to help our city take a crucial first step towards increasing the sustainability of our built infrastructure in support of community and government priorities.

Increasing the sustainability of our built environment has been previously identified as a priority in our recent Climate Action Plan, a synthesis of extensive community input and a community vulnerability assessment led by Climate Resilient Communities. Water heater electrification is a cost effective way to reduce emissions, and it is crucial to replace them sooner to maximize the benefits to the community and environment.

Pursuing support for this project, we have secured guaranteed funding from PG&E to partially cover the cost of water heater replacement. However, due to the high upfront cost, we are seeking additional gap funding from PCE to help expedite the project and ensure that we are able to fully electrify all water heaters in city facilities as soon as possible.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: October 15, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Gwendolyn Rose, Director of Marketing & Community Relations
SUBJECT: Approval of a Contract Amendment with BlastPoint for Marketing Services ending on September 30, 2025 in an Amount Not-to-Exceed \$264,000

RECOMMENDATION

Delegate authority to the CEO to sign a contract with BlastPoint for marketing services in an amount not to exceed \$264,000.

BACKGROUND

The Marketing & Community Relations Teams is responsible for enhancing Peninsula Clean Energy's brand reputation, educating and engaging customers, driving participation in programs, and ensuring customer satisfaction and retention.

Peninsula Clean Energy (PCE) is committed to transitioning toward a more customer-centric approach, recognizing that deepening relationships with our customers is essential to achieving long-term decarbonization goals. However, PCE currently faces significant challenges that prevent us from fully realizing this vision. Our existing marketing technologies are fragmented and prevent us from delivering a unified customer experience. As a result, our communications can feel disconnected, limiting their relevance and impact on our customers' journeys toward electrification.

This transition requires a change in how we engage with our customers, listen to their needs, and tailor our offerings to provide value. To support this, PCE must implement new infrastructure and systems that facilitate data sharing across all channels and departments, enabling a more comprehensive view of the customer. This would create a seamless experience that builds trust, encourages participation, and enhances overall satisfaction.

BlastPoint is a customer intelligence platform that will support this transition by offering capabilities to better understand and communicate with our customers. The platform will allow PCE to tailor communications to specific customer segments, enabling personalized interactions that resonate with individual needs.

DISCUSSION

While PCE's team is dedicated to solving decarbonization challenges and helping our customers, we lack the systems to fully support a customer-centric approach. Our current tools are not connected, which prevents effective data sharing and the ability to develop a unified view of the customer. This has led to functional silos that make it difficult for channel owners to coordinate communications, track engagement throughout a customer's journey and inhibit the ability to provide a consistent experience. Additionally, we miss opportunities for providing communications that are personalized for customers with clear, relevant, and timely information that matters to them.

From March through September 2024, PCE had a pilot engagement with BlastPoint to test their platform. The original contract amount was \$99,000. The BlastPoint platform provided actionable insights by integrating existing data to create a unified customer view. This improved visibility allowed PCE to personalize messaging, better match communications with customer needs, and increase engagement across customer segments. As we expand our services, the ability to connect the right message to the right customer at the right time becomes critical to building long-term relationships. PCE now wishes to amend the Agreement and increase the not to exceed amount by \$165,000. This contract amendment will allow for full engagement and access to the Blastpoint platform as well as facilitate the expansion of the term of the agreement through September 30, 2025.

Additionally, BlastPoint will enhance internal efficiencies by acting as a force multiplier across teams. It simplifies the process of gathering and sharing insights, enabling each department to coordinate more effectively on customer outreach initiatives. By reducing the time and effort needed to manage disparate data sources, PCE will be able to focus more resources on improving the customer experience.

Overall, integrating BlastPoint's customer intelligence capabilities will not only improve the effectiveness of our communications but also strengthen PCE's position as a trusted partner in our customers' transition to clean energy solutions.

FISCAL IMPACT

The contract with BlastPoint has a not-to-exceed contract amount of \$264,000 through September 30, 2025. It includes \$99,000 for the pilot engagement and \$165,000 for moving to full engagement and use of the platform. This is included in PCE's FYE 2025 marketing budget.

STRATEGIC PLAN

STRATEGIC PLAN GOAL

Develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs and ensures customer satisfaction and retention.

OBJECTIVES

1. Brand Reputation: Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry.
2. Engagement: Educate and engage stakeholders in order to gather input, inspire action,

and drive program participation

ATTACHMENTS:

[BLASTPOINT CONTRACT Amendment PCE Template 10182024.docx](#)

RESOLUTION NO. _____

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

**APPROVAL OF A CONTRACT AMENDMENT WITH BLASTPOINT FOR MARKETING
SERVICES ENDING ON SEPTEMBER 30, 2025 IN AN AMOUNT NOT-TO-EXCEED
\$264,000**

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

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

WHEREAS, Peninsula Clean Energy is committed to enhancing customer engagement and delivering a more personalized, customer-centric experience; and

WHEREAS, the BlastPoint Customer Platform offers a solution to enhance the customer-centric experience by improving data integration, enabling personalized communications, and enhancing internal efficiencies;

WHEREAS, the parties entered into an original Agreement for services on December 23, 2023 for \$99,000 to from a pilot engagement for use of the customer intelligence platform;

WHEREAS, the parties now wish to amend the Agreement to expand access to the BlastPoint platform, increase the not to exceed amount from \$99,000 to \$264,000, and extend the contract term to September 30, 2025;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED by the Board of Directors that the CEO is authorized to execute an Amendment to the Agreement with BlastPoint, Inc for its customer intelligence platform in an amount not to exceed \$264,000 with a term through September 30, 2025.

**AMENDMENT NO. 1 TO AGREEMENT BETWEEN PENINSULA CLEAN ENERGY
AUTHORITY AND BLASTPOINT, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this 24th day of
October, 2024 by and between PENINSULA CLEAN ENERGY AUTHORITY, a
California joint powers authority, hereinafter called "PCE," and **BlastPoint, Inc.**
hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, the parties entered into an Agreement on December 22, 2023, for the
purpose of Contractor's customer intelligence platform which enables PCE to deliver
personalized and relevant information to the right customers, through the right channels,
with the right messaging, at the right times ("Agreement"); and

WHEREAS, the parties wish to amend the Agreement to increase the maximum amount
by \$165,000 to an amount not to exceed \$264,000.

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

1. The text of Section 3 Payment shall be amended such to replace: "In no
event shall PCEA's total fiscal obligation under this Agreement exceed
Ninety-nine Thousand Dollars (\$99,000)" with the following:

**"In no event shall be amended to replace no event shall PCEA's total fiscal
obligation under this Agreement exceed Two-Hundred and Sixty Four Thousand
Dollars (\$264,000)"**

2. The text of Section 4 Term shall be amended to replace "Subject to
compliance with all terms and conditions, the term of this Agreement shall
be from January 1, 2024, through September 30, 2024." With the following:

**"Subject to compliance with all terms and conditions, the term of this Agreement
shall be from January 1, 2024, through September 30, 2025."**

3. The text of Exhibit A shall be replaced in its entirety with "Exhibit A -
Amended October 15, 2024"
4. The text of Exhibit B shall be replaced in its entirety with "Exhibit B -
Amended October 15, 2024"
5. Except as expressly amended herein, all other provisions of the Agreement
shall remain in full force and effect.
6. This Amendment No. 1 shall take effect upon the date of execution by both
parties.

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

Peninsula Clean Energy Authority

By: _____
Shawn E. Marshall, CEO

Dated: _____

By: _____

Name: _____

Title: _____

Dated: _____

Exhibit A – Amended October 15, 2024

In consideration of the payments set forth in Exhibit B, Contractor shall provide the following services:

Scope

The scope of this engagement includes the following:

- Access to BlastPoint's Customer Platform for a duration of 12 months for an unlimited number of users at PCEA. The BlastPoint Platform includes powerful-yet-intuitive segmentation, modeling, visualization, and automation tools for on-demand, self-serve use.
- 360° Customer View for an estimated ~300,000 customer accounts.
- One new BlastPoint AI Module for customer scoring and insights. This includes propensity scoring models and/or micro-personas for targeting and channel & messaging insights.
- Optional Custom Attributes: PCE customer data capped at 30 custom attributes that PCE would like to have in the BlastPoint PCEA platform.
- Energy Burden Index attribute and Low Income Flag attribute provided for PCE in the BlastPoint Platform.
- Implementation as described by the BlastPoint Onboarding Overview.
- Data Integration as described by the BlastPoint Onboarding Overview.
- 12 hours of online platform training for PCEA users, as determined and directed by PCEA.
- 24 hours of online platform support for PCEA users, as determined by PCEA.

Prerequisites

- PCE will deliver names and addresses of customers to BlastPoint via Secure File Transfer Protocol (SFTP) server for data enrichment. Beyond the pilot, PCEA will send additional data and refer to the auxiliary data onboarding document.

Delivery

- Data and intelligence will be delivered via BlastPoint's Customer Platform cloud application, which also allows for export to .csv files and images. Data and intelligence may also be delivered off-platform as .csv files and images upon request via secure means, such as Secure File Transfer Protocol (SFTP).

Exhibit B – Amended October 15, 2024

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

Cost:

Description	Units	Price
BlastPoint Platform	Unlimited users at Peninsula Clean Energy for a duration of 12 months	\$150,000
New AI Module		\$50,000
Optional Custom Attributes for Platform - additional PCE customer data that PCE would like to have in the platform - capped at 30 attributes		\$25,000
Energy Burden Index platform attribute		
Low Income Flag platform attribute		
Discounts		\$(50,000)
Discounts - Platform discount for auto-renew		\$(10,000)
Total		\$165,000

For the term of the Agreement, deliverable-based payments of:

- 100% of annual payment in advance with purchase order for BlastPoint Platform, not including the Optional Custom Attributes
- If PCEA proceeds with Optional Custom Attributes, an invoice will be issued and payment will be due within 30 days upon receipt of invoice.

All payments for any additional data not included in "Exhibit A" are 100% upfront.
All payments are due within 30 days upon receipt of invoice.

Initial Term and Renewal Term

1. Initial Term - The Engagement shall commence on the Effective Date and shall continue in force for an initial term of one year. ("Initial Term")
2. Renewal Term - Upon the expiration of the Initial Term, this Engagement shall automatically renew for successive one year periods (each a "Renewal Term") at a unless either party provides written notice of non-renewal at least 60 days prior to the expiration of the current term.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: October 15, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Peter Levitt, Manager of Distributed Energy Programs; Rafael Reyes, Sr Director of Energy Programs

SUBJECT: Approval of Contract with Haven Energy for Deployment of Solar+Storage Systems for the Residential Low-Income Self-Generation Incentive Program (SGIP) Assistance Program for a total of \$1,000,000.

RECOMMENDATION

Authorize Chief Executive Officer to Execute Contract with Haven Energy Inc. in an Amount Not to Exceed \$1,000,000 for the Deployment of Solar+Storage Systems for the Residential Low-Income Self-Generation Incentive Program (SGIP) Assistance Program

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions and reinvest in the San Mateo County and Los Banos communities. Outages and high utility costs, especially for low-income customers, are a material concern in PCE's service territory.

The Self-Generation Incentive Program (SGIP) is California's statewide program to incentivize behind-the-meter (BTM) energy storage systems (ESS). AB 209 (2022) and AB 102 (2023) allocated \$280 million of new funding to SGIP for income-qualified residential customers and expanded incentives to also include behind-the-meter solar+storage projects (instead of only standalone storage system like previous years). SGIP provides significant incentives which can fully cover solar and battery systems for eligible low-income customers. Customers are also required to enroll in a qualified demand response program. The program is expected to open in mid to late Q4 of 2024, and incentive funds are expected to be rapidly reserved.

Accessing these incentives is challenging, especially for underserved communities. One primary barrier is the complexity in navigating the SGIP application process. This has led many customers and installers not to apply for SGIP funding for their residential battery energy storage projects. The result is higher costs for customers and inaccessibility for income-qualified customers.

At the June 2024 Board meeting the PCE Board of Directors approved the development of PCE's Residential Low-Income SGIP Assistance Program. The program objectives include recruitment of low-income owner-occupied single-family homes for solar and storage installations that can be fully or nearly fully funded with SGIP funds and the available federal Investment Tax Credit (ITC). In addition, PCE will utilize PCE's on-bill finance program for additional roof repairs that may be needed.

Total homes to be served will depend on recruitment, eligibility, site feasibility and successful reservation of SGIP incentives but may be approximately 200 homes. We project between 20% and 50% of homes may need roof repairs.

Finally, it is also envisioned that the battery storage dispatch of the systems installed under the SGIP Assistance Program would be optimized under a future PCE Virtual Power Plant (VPP) to also provide grid value. This would mean maximizing the dispatch in the evening net peak. In the long-run, PCE plans to put in place a distributed energy resource management system (DERMS) under which these resources would be integrated. However, the PCE DERMS might not be in place in-time for these deployments. The specific near-term method of ensuring grid value is under development and may be contractual with the battery provider or DERMS provider.

DISCUSSION

Following approval of the SGIP Assistance Program by the Board in June 2024, PCE initiated a rapid program development process and initiated both: a) recruitment and pre-qualification of customers, and b) engagement of a partner to manage SGIP applications and solar installations. Rapid execution is essential as SGIP applications are expected to begin being accepted as early as November or December. The exact date is pending CPUC determination on program details and SGIP administrator readiness. PCE's objective is to maximize the potential to secure funds by submitting all qualified applicants on the first day that applications will be accepted. This requires recruiting and qualifying customers, followed by completing initial site assessments, installation project scoping and customer approvals, and finally preparing all submittal materials before SGIP opens.

Outreach to customers was initiated in mid-August 2024. The total estimated pool of candidate homes is approximately 25,000. Initial priority has been placed on customers that have received electrification support from PCE via the Home Upgrade program and customers in outage prone regions, followed by broader outreach. Outreach has included community-based organization door-to-door, public events, mailers, and targeted email. At this time approximately 300 applications have been received, and among those reviewed, over 150 have been accepted. Outreach and eligibility reviews are ongoing and site assessments will follow contracting with the developer we select. Our outreach efforts thus far are placing us close to our goal of providing no-cost solar+storage installations at over 200 low-income customer homes in PCE's service territory.

Partner selection began with the release of an RFP on July 1 for an SGIP administrator to manage submission of rebate applications. However, following additional analysis, it was determined that having a separate, independent partner to solely manage SGIP applications would be inefficient and create challenges. This RFP was closed with no selection. Instead, a separate, comprehensive RFP for a solar developer with application administration capabilities was released August 7, 2024. The subsequent RFP solicited a complete set of services

including SGIP rebate administration, customer management, solar and storage assessment and construction, and securing of investment tax credits. PCE received eight (8) competitive proposals. The proposals were assessed in detail, including in-person interviews with short-listed firms, reference checks and other evaluation measures.

Haven Energy was selected as the awarded developer based on their ability to execute and provide a very high level of customer satisfaction. Haven's leadership team has been present throughout the entire program development process, demonstrating their commitment to working closely with PCE to ensure an effective partnership structure and program roll-out. They have a thorough understanding of the SGIP program, customer eligibility requirements, and system operation requirements. In addition, they remain committed to providing the flexibility we need to quickly onramp a developer who will ensure successful incentive applications, system installations, and subsequent system operations.

PCE's work with Haven will primarily occur in 2025 as the program rolls out. The term of the agreement is through December 31, 2030, with a not-to-exceed amount of \$1,000,000 in order to cover PCE's payments for roof and other home upgrades required to enable the solar+storage installations.

FISCAL IMPACT

The SGIP Assistance program is anticipated to include some financing which would be repaid by customers through zero percent loans, similar to the loans that PCE offers its customers seeking electrification upgrades at their homes. This could result in approximately \$1,000,000 of total loan allocations, which is within our current budget. Other program incentive funds would be entirely from SGIP and the Federal investment tax credit. If PCE enables 200 customers access to SGIP incentives, PCE would bring more than \$5 million in SGIP incentives to our low-income residential customers.

STRATEGIC PLAN

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

Goal 3 – Community Energy Programs, Objective B: Support strategic decarbonization and local power

- Key Tactic 1: Create minimum of 20 MW of new local renewable power sources in PCE service territory by 2025

Reduce barriers to residential solar including methods to drive down installation costs

- Key Tactic 2: Support distributed energy resources to lower costs, support reliability, and advance distributed and grid decarbonization

Develop and implement programs to lower customer energy costs through distributed generation and load shaping

- Key Tactic 3: Foster resilience

Support residential storage

ATTACHMENTS:

[Haven-PCE SGIP Services Agreement_draft 10.6.24 clean.docx](#)

RESOLUTION NO. _____

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

**APPROVAL OF CONTRACT WITH HAVEN ENERGY FOR DEPLOYMENT OF
SOLAR+STORAGE SYSTEMS FOR THE RESIDENTIAL LOW-INCOME SELF-
GENERATION INCENTIVE PROGRAM (SGIP) ASSISTANCE PROGRAM FOR A TOTAL
OF \$1,000,000.**

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

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

WHEREAS, solar and storage systems provide numerous benefits including reducing energy costs and supporting decarbonization; and

WHEREAS, support for residential solar and storage systems is on the PCE program roadmap; and

WHEREAS, support for low-income communities is an identified priority for PCE; and

WHEREAS, the Self-Generation Incentive Program is a high-value opportunity not easily accessed by low-income community members; and

WHEREAS, the Board approved development of the Residential Low-Income SGIP Assistance Program on June 24, 2024; and

WHEREAS, PCE executed a competitive procurement and selected the solar developer for a contract award based on the relative competitiveness of its proposal's pricing and terms; and

WHEREAS, in order to successfully run the Residential Low-Income SGIP Assistance Program, PCE will execute an agreement with Haven Energy in an amount not to exceed \$1,000,000 with a term through December 31, 2030.

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 Haven Energy Inc in an amount not to exceed \$1,000,000 in a form approved by the General Counsel.

AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY AND HAVEN ENERGY SERVICE INC.

This Agreement is entered into this 1 day of November, 2024, by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and Haven Energy Services Inc., hereinafter called "Consultant."

* * *

Whereas, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent consultants for the furnishing of services to or for PCEA; and

Whereas, it is necessary and desirable that Consultant be retained for the purpose of installing solar + battery storage or standalone battery storage systems at customer homes within PCEA service territory. The Consultant will be responsible for fielding PCEA's pre-identified customer leads, designing and installing systems, applying for funds from the Self-Generation Incentive Program (SGIP), managing the SGIP application process in order to successfully garner SGIP incentives, and handling post-install administration. The Consultant will also enroll all systems into a "qualified demand response (DR)" program per the requirements of the SGIP, provide dispatch functionality of the battery storage systems to PCEA, and provide O&M services for a period of no shorter than 20 years following the successful energization of the systems.

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services

Exhibit B—Payments and Rates

2. Services to be performed by Consultant

In consideration of the payments set forth in this Agreement and in Exhibit B, Consultant shall perform services for PCEA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Payments

In consideration of the services provided by Consultant in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Consultant based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed is unacceptable. In no event shall PCEA's total fiscal obligation under this Agreement exceed one million dollars (\$1,000,000). In the event that the PCEA makes any advance payments, Consultant agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from November 1, 2024 through December 31, 2030.

5. Termination; Availability of Funds

This Agreement may be terminated by the Chief Executive Officer of the PCEA or his/her designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or PCEA funds by providing written notice to Consultant as soon as is reasonably possible after PCEA learns of said unavailability of outside funding.

6. Intellectual Property and Ownership of Work Product

PCEA shall and does own all titles, rights, and interests in all materials, tangible or not, created in whatever medium pursuant to this Agreement, including without limitation

publications, promotional or educational materials, reports, manuals, specifications, drawings and sketches, computer programs, software and databases, schematics, marks, logos, graphic designs, notes, matters and combinations therefore, and all forms of intellectual property ("Work Products") created by Consultant and any subcontractors under this Agreement. Consultant hereby assigns all titles, rights, and interests in all Work Products to PCEA. At the end of this Agreement, or in the event of termination, all Work Products shall be promptly delivered to PCEA.

Consultant may not sell, transfer, or permit the use of any Work Products without the express written consent of PCEA. Consultant shall not dispute, directly or indirectly, PCEA's exclusive right and title to the Work Products, nor the validity of the intellectual property embodied therein.

Consultant may (1) retain its rights to and ownership of pre-existing or open-source materials and/or (2) retain one copy of Work Products for archival use, but in either instance must notify PCEA and identify any such materials in writing prior to the commencement of work under this Agreement.

7. Relationship of Parties

Consultant agrees and understands that the work/services performed under this Agreement are performed as an independent consultant and not as an employee of PCEA and that neither Consultant nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

8. Hold Harmless

a. General Hold Harmless

Consultant shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Consultant under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Consultant or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Consultant's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Consultant's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Consultant to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

b. Release and Hold Harmless in Customer/Subcontractor Contracts

PCEA shall have the opportunity to review, prior to their execution, any contracts executed by Consultant to implement this Agreement. In addition, unless waived in advance in writing by PCEA, any such contracts shall contain the following terms:

c. Release of Claims Against, and Hold Harmless of, Peninsula Clean Energy Authority

Customer/Subcontractor also discharges and releases the Peninsula Clean Energy Authority (PCEA) and its officers, employers, employees, and agents from and against any and all claims, demands, liabilities, obligations, damages or chose in action, legal or equitable, of whatever kind or nature, including negligence by PCEA, in which Customer/Subcontractor, and Customer/Subcontractor's successors in interest, heirs, estates or personal representatives, or family members, now may have or assert, or may have had in the past or may have in the future, against PCEA as the result of, based upon, arising out of, or connected with PCEA's involvement with the Project. Customer/Subcontractor is on notice of and hereby specifically and expressly waives the provisions of California Civil Code § 1542, which provides that a "general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Customer/Subcontractor also agrees to indemnify and hold harmless PCEA from any and all claims, actions, suits, procedures, costs, expenses, damages, and liabilities, including attorney's fees and costs, brought as a result of PCEA's involvement with the Project, and to reimburse PCEA for any such expenses incurred.

For purposes of this provision, PCEA is hereby intended to be a third-party beneficiary of any and all contracts executed by Consultant to implement this Agreement, pursuant to California Civil Code § 1559.

9. Assignability and Subcontracting

Consultant shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Consultant under this Agreement without the prior written consent of PCEA.

10. Payment of Permits/Licenses

Consultant bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Consultant's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

11. Insurance

a. General Requirements

Consultant shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by PCEA, and Consultant shall use diligence to obtain such insurance and to obtain such approval. Consultant shall furnish PCEA with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Consultant's coverage to include the contractual liability assumed by Consultant pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to PCEA of any pending change in the limits of liability or of any cancellation or modification of the policy.

b. Workers' Compensation and Employer's Liability Insurance

Consultant shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Consultant certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

c. Liability Insurance

Consultant shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Consultant and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Consultant's operations under this Agreement, whether such operations be by Consultant, any subcontractor,

anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

Yes	Comprehensive General Liability (Applies to all agreements)	\$1,000,000
Yes/No	Motor Vehicle Liability Insurance (Yes, if motor vehicle is used in performing services)	\$1,000,000
Yes/No	Professional Liability Insurance (Yes, if Consultant is a licensed professional)	\$1,000,000

PCEA and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to PCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the PCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, PCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

12. Compliance With Laws

All services to be performed by Consultant pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Consultant will timely and accurately complete, sign, and submit all necessary documentation of compliance.

13. Non-Discrimination and Other Requirements

a. General Non-discrimination

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

b. Equal Employment Opportunity

Consultant shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Consultant's equal employment policies shall be made available to PCEA upon request.

c. Section 504 of the Rehabilitation Act of 1973

Consultant shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to contractors who are providing services to members of the public under this Agreement.

d. Employee Benefits

With respect to the provision of benefits to its employees, Consultant shall ensure that employee benefits provided to employees with domestic partners are the same as those provided to employees with spouses.

e. Discrimination Against Individuals with Disabilities

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Consultant and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

f. History of Discrimination

Consultant must check one of the two following options, and by executing this Agreement, Consultant certifies that the option selected is accurate:

☐ No finding of discrimination has been issued in the past 365 days against Consultant by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.

☐ Finding(s) of discrimination have been issued against Consultant within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Consultant shall provide PCEA with a written explanation of the outcome(s) or remedy for the discrimination.

g. Reporting; Violation of Non-discrimination Provisions

Consultant shall report to the Chief Executive Officer of PCEA the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or Section 12, above. Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Consultant that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Consultant to penalties, to be determined by the Chief Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Consultant from being considered for or being awarded a PCEA contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Chief Executive Officer.

To effectuate the provisions of this Section, the Chief Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Consultant under this Agreement or any other agreement between Consultant and PCEA.

14. Confidential Information

(a) Consultant shall maintain in confidence and not disclose to any third party or use in any manner not required or authorized under this Agreement any and all Confidential Information held by PCEA.

(b) The term “Confidential Information” includes all information, documents, and materials owned by PCEA, including technical, financial, business, or PCEA customer information, which is not available to the general public, as well as information derived from such information. Information received by Consultant shall not be considered Confidential Information if: (i) it is or becomes available to the public through no wrongful act of Consultant; (ii) it is already in the possession of Consultant and not subject to any confidentiality agreement between the Parties; (iii) it is received from a third party without restriction for the benefit of PCEA and without breach of this Agreement; (iv) it is independently developed by Consultant; (v) it is disclosed pursuant to a requirement of law, including, but not limited to, the California Public Records Act (Cal. Gov’t Code Section 6250, et seq.); or (vi) is disclosed to or by a duly empowered government agency, or a court of competent jurisdiction after due notice and an adequate opportunity to intervene is given to PCEA, unless such notice is prohibited.

(c) As practicable, PCEA shall mark Confidential Information with the words “Confidential” or “Confidential Material” or with words of similar import, or, if that is not possible, PCEA shall notify the Consultant (for example, by cover e-mail transmitting an electronic document) that the material is Confidential Information. PCEA’s failure or delay, for whatever reason, to mark or notify Consultant at the time the material is produced shall not take the material out of the coverage of this Agreement.

(d) Consultant is being provided customer data including customer name, residence address, load data, and other related information to use, at its discretion, solely for the purpose of developing, installing, and operating solar + battery systems at customers’ homes, as well as filing for SGIP program rebates for these installations. Under no circumstances may any provided information or its derivatives be used directly or indirectly for any other purposes.

(e) Consultant will direct its employees, contractors, consultants, and representatives who have access to any Confidential Information to comply with the terms of this Section.

(f) Upon termination or expiration of this Agreement, Consultant shall, at PCEA’s exclusive direction, either return or destroy all such Confidential Information and shall so certify in writing, provided, however, any Confidential Information (i) found in drafts, notes, studies, and other documents prepared by or for PCEA or its representatives, or (ii) found in electronic format as part of Consultant’s off-site or on-site data storage/archival process system, will be held by Consultant and kept subject to the

terms of this provision or destroyed at Consultant's option. The obligations of this provision will survive termination or expiration of this Agreement.

15. Data Security

If, pursuant to this Agreement, PCEA shares with Consultant personal information as defined in California Civil Code Section 1798.81.5(d) about a California resident ("Personal Information"), Consultant shall maintain reasonable and appropriate security procedures to protect that Personal Information and shall inform PCEA immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. Consultant shall not use Personal Information for direct marketing purposes without PCEA's express written consent. For purposes of this provision, security procedures are "reasonable and appropriate" when they (i) adequately address all reasonably foreseeable threats to Personal Information, (ii) are appropriate to the quantity, sensitivity, and type of Personal Information accessed and the way that information will be accessed, and (iii) comply with all laws, regulations, and government rules or directives applicable to the Consultant in connection with its access of Personal Information.

16. Retention of Records; Right to Monitor and Audit

(a) Consultant shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Consultant shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Consultant shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Consultant agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

17. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with

any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

18. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. 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.

19. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Shalini Swaroop, Chief Operating Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-381-9543
Email: sswaroop@peninsulacleanenergy.com

In the case of Consultant, to:

Name/Title:
Address:
Telephone:
Email:

20. Electronic Signature

PCEA and Consultant wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such

agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

21. No Recourse Against PCEA's Member Agencies

Consultant acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Consultant waives any recourse against PCEA's member agencies.

* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY AUTHORITY

By: Shalini Swaroop

Signed: _____

Chief Operating Officer, Peninsula Clean Energy Authority

Date: _____

HAVEN ENERGY SERVICES INC.

By: [type name here]

Signed: _____

[Insert title of signatory here], Haven Energy Services Inc.

Date: _____

Exhibit A

In consideration of the payments set forth in Exhibit B, Consultant shall provide the services described below.

Overview

The Self-Generation Incentive Program (SGIP) incentivizes a variety of distributed energy resources (DERs) located at a customer's site, including battery energy storage systems (ESS). AB 209 (2022) and AB 102 (2023) allocated \$280 million of new funding to SGIP for income-qualified residential customers under the new "SGIP Residential Solar and Storage Equity Budget" and expanded incentives to also include solar+storage projects. With the recent updates, SGIP provides significant incentives for income-qualified customers, which are expected to fully cover solar and energy storage systems.

PCE's SGIP Assistance Program objectives:

- Ensure an affordable and easily accessible option for eligible PCE customers to add standalone storage or solar+storage systems at their homes
- Provide customers with lower utility costs and increased energy resilience
- Deliver installed systems with no costs to customers, except for supplemental roofing remediation work where needed
- Incur no added costs to PCE except for financing supplemental roofing remediation work
- Install systems at over 200 low-income customers' homes

Consultant will help with the end-to-end processes involved in qualifying low-income customers, supporting their SGIP rebate applications, providing financial analysis, enabling the design and installation of their systems, capturing all available incentives, and managing the dispatch of the battery storage device in a way that fulfills program requirements and optimizes value.

Consultant Scope of Work

1 Program Design and Set Up

1.1 Kickoff and Check-in Meetings

Consultant will develop an agenda and lead a program kickoff meeting with PCE to review program goals and objectives, budget, timeline, implementation, and administrative processes at a mutually determined date promptly following contract execution.

After the kickoff meeting, the Consultant will set up check-in meetings on a recurring schedule as mutually determined for the duration of the performance period. For check-in meetings, Consultant will work with PCE to determine the agenda at minimum one day prior to the meeting. Meetings will focus on program progress updates, reviewing deliverables, and determining expected milestones for the next meeting.

1.2 Finalize Program Design and Strategy

Consultant will assist PCE in finalizing the program approach and schedule. Prior to program launch, Consultant will:

- a. Establish project team for both Consultant and PCE, delineating the responsibilities across different workstreams (e.g. marketing, project management, rebate admin, etc)
- b. Create an end-to-end operations plan inclusive of each process component required to fulfill the program's goals and objectives
- c. Co-develop with PCE refinements to customer qualification and engagement process
- d. Provide a checklist and samples of all documents required of or delivered to any participating party, including those required to qualify for SGIP funding
- e. Develop a process to receive and respond to customer inquiries with respect to their SGIP applications and installations
- f. Co-develop with PCE protocols for successful rebate reservations, rebate payouts, and process for rejected applications
- g. Determine process for enrolling systems into a Qualified DR Program as required for qualification in the SGIP program
- h. Determine criteria for disqualifying customers for program participation, including a cost cap methodology that is jointly developed with PCE
- i. Identify system hardware, software and integration approach for both on-grid and off-grid (islanded) functionality
- j. Finalize project timeline

2 Administrative Reporting Tasks

2.1 Participate in Program Meetings

Program meeting frequency to be mutually determined but no less than bi-weekly basis during

the customer enrollment and SGIP application period.

2.2 Provide Program Process Reports

- a. Consultant will provide monthly Program Progress Reports. Consultant will share the report findings at the recurring check-in meeting. Program Progress Reports will include at minimum: program performance towards jointly established goals and objectives, customer sites qualified, SGIP applications submitted, SGIP applications accepted, count of installations, count of installed solar kW, count of installed battery storage kW and kWh, total capital lent by PCE through this program, total amount of PCE loans to-date, key program successes, key program challenges (e.g., technical problems, implementation barriers, or customer issues, if any), and next steps.
- b. The Program Process Reports should also include details on the Contractor's expenses. At a minimum this should include the itemized installation cost of each system.

2.3 Provide Quarterly Invoices

- a. The Consultant will provide quarterly Expense Reports for eligible expenses as specified in Exhibit B, including all associated invoices, to receive payment for authorized remediation provided for customers. The Expense Report Template will include at minimum the following: specific customers served and expenses.

2.4 Develop Final Program Report

Consultant will develop a Final Program Report within 3 months after completion of all installations. The Final Report will include at minimum the following:

- a. Executive summary
- b. List of outcomes for each Program Objective
- c. Lessons learned and recommendations for future programs
- d. Spreadsheet of all submitted customers and associated data including:
 - i. List of installed system and specifications (distinguish between standalone storage and solar+storage systems)
 - ii. SGIP rebate confirmation ID and rebate amount received
 - iii. Qualified DR program confirmation
 - iv. Storage system identifications/keys suitable for enrollment in DERMS platform
- e. Electronic copies of any outstanding documents provided to or received from customer and/or SGIP incentive administrator

3 **Project Execution**

3.1 Support Outreach Activities

PCE will be responsible for marketing and outreach to customers via a range of outreach channels. Additionally, PCE will engage with community-based organizations (CBOs) partners to provide pre-qualified customer leads for the program. Consultant will:

- a. Work closely with PCE staff to ensure customer materials are accurate and consistent with the program

3.2 Perform Home Assessment, Confirm SGIP Eligibility, Secure Project Authorization

- a. Reach out to customer via the leads generated by PCE
- b. Confirm customer eligibility for the SGIP Residential Solar and Storage Equity Budget, using checklist. Screen out customers that are not eligible
- c. Perform technical assessment of home to identify (and possibly mitigate) any hurdles for installation
- d. Determine cost of remediation not covered by SGIP, such as roofing repair
- e. Perform sizing analysis for solar and battery storage systems based on customer's historical usage.
- f. Provide system sizing, scope of work, system installation cost, and bill benefit analysis to PCE
- g. Jointly establish PCE loan amount in coordination with PCE, based on bill benefit analysis
- h. Provide to customer and obtain consent for scope of work and bill benefit analysis, inclusive of PCE's loan impact

3.3 Manage SGIP Rebate Submission

The Consultant will manage all aspects of the SGIP application process. Consultant will:

- a. Create a checklist of the necessary documents needed to qualify for SGIP funding
- b. Secure all the necessary documents and signatures required to submit a successful SGIP application, per the SGIP Handbook, in coordination with PCE. Follow frequent updates to the SGIP Handbook and ensure compliance with the latest version
- c. Manage the SGIP application process, including, but not limited to:
 - i. Obtain required documents from customers in coordination with PCE
 - ii. Verify all submitted documents and determine the maximum amount of funding eligible from SGIP
 - iii. Respond to questions and requests from the Program Administrator (PG&E)
- d. Submit complete SGIP Reservation Requests and Incentive Claim Forms in accordance with the SGIP Handbook on behalf of each customer to the SGIP Program Administrator (PG&E) via the SGIP website

- e. Provide PCE with original copies of Reservation Request Forms, Confirmed Reservation Letters, Incentive Claim Forms, Final Rebate Confirmation, and other supporting documents

4 Customer Support

The Consultant will coordinate with PCE to provide customer support prior to system operations as follows. Consultant will:

- a. Co-develop with PCE a customer support plan to answer participating customer questions
- b. Provide on-going up-to-date status information to PCE on all participating customers including, but not limited to, project phase (such as: Site Assessment, Preliminary Design, Scope of Work Presentation, SGIP submission preparation, SGIP submitted, SGIP secured, Agreements Executed, Install Scheduled, Date to Install, Install in Progress, Install Complete, Commissioned, In Operation), lead Consultant contact, Installer assigned, and any other essential status data as mutually determined
- c. Provide a specific point of contact for PCE and customers to contact by phone and email for questions and issues
- d. Determine with PCE communications protocols for participating customer inquiries received directly by PCE

5 Execution of Required Agreements & Disclosures

For each customer for whom an SGIP rebate confirmation is received, the Consultant will:

- a. Execute the Consultant's agreement, as previously reviewed and agreed upon with PCE, with the customer specifying the final project details, liability management, ownership structure, warranties and maintenance, specifying any costs for remediation not eligible for SGIP rebates, and any other required legal terms and conditions.
- b. Manage the execution of the PCE Program Participation Agreement by the customer
- c. Manage the execution of PCE Zero Percent Loan Agreement for customers with remediation not covered by SGIP rebates
- d. Provide a schedule for system installation, including assigned contractor and contact information for customer inquiries
- e. Provide any additional required and mutually agreed upon disclosures

6 Install Solar+Storage Systems

Upon execution of required agreements, the Consultant will complete the following tasks within 12 months of receiving the SGIP rebate confirmation:

- 6.1 Manage all aspects of system installation as specified in the customer-approved Scope of Work including but not limited to:
- a. Submit interconnection application and obtain interconnection agreement from PG&E
 - b. Apply for building permits on behalf of the customer
 - c. Installation photos from subcontractors to ensure a high quality of work
 - d. Test and commission the system for both on-grid and off-grid (islanded) functionality
 - e. Obtain final inspection approval(s)
 - f. Submit final interconnection documents and paperwork to PG&E
 - g. Receive permission to operate (PTO)
 - h. Establish monitoring system and portal: provide PCE and customer access
 - i. Ensure equipment is installed in accordance with all applicable federal, state, and local laws, building and fire codes, manufacturer's specifications and permitting requirements
 - j. Consultant will notify PCE of any delays which may result in an installation start date later than 120 days from the customer's signed PCE Program Participation Agreement
- 6.2 If applicable, provide roof repairs and other remediation, within mutually agreed upon guidelines
- 6.3 Periodically, as mutually determined with PCE, perform quality control procedures to evaluate subcontractors' performance and implement changes as mutually deemed appropriate
- a. Where an inspection has been provided by the local Authority Having Jurisdiction (AHJ), provide inspection report, which will be used as quality control for that installation. Consultant shall perform site visits in up to 10% of homes that didn't have an inspection report and provide reports to PCE on quarterly basis
 - b. Additionally, PCE may request site visits of up to 10 homes receiving services. Consultant shall participate in project site visits with the designated PCE staff member(s) at a mutually determined date
- 6.4 System installations and remediation must be compensated with wages meeting prevailing wage requirements and, if requested, providing audit trail reporting demonstrating wage levels were compliant
- 6.5 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new measure(s) installed
- 6.6 Provide customer with equipment technical manuals, equipment warranty documentation, installation warranty documentation both electronically and in a three-ring binder

7 Operations and Maintenance (“O&M”) Support of Systems

- 7.1 Provide O&M services for a period that matches SGIP program requirements, and in any case for no less than 20 years
- 7.2 Within ten (10) business days of installation, educate customer in successfully operating and maintaining the new systems installed. Provide customer with equipment technical manuals, equipment warranty documentation, and installation warranty documentation both electronically and in a three-ring binder
- 7.3 Monitor solar and battery storage system health compared to expected performance
- 7.4 As underperforming systems are identified, manage the diagnostics process and communicate underperformance details to PCE
- 7.5 Respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues. Address all workmanship and product replacement warranty issues to reasonable customer satisfaction, and communicate any such updates to PCE
- 7.6 Work with PCE to establish alternative plans for under-performing systems that are not eligible for a successful warranty claim

8 Grid Services

- 8.1 Enroll each system in the Qualified DR Program per the SGIP requirements before submission of the Incentive Claim Form
- 8.2 Develop a Grid Services Strategy that includes consideration for how to best use the battery for:
 - a. Dispatch according to the rules of the Qualified DR Program
 - b. Backup power services
 - c. Daily dispatch of the battery to reduce PCE's local peak load
- 8.3 Maintain PCE dispatch requirements
 - a. Review & refine dispatch schedules as directed by PCE for a period of up to 5 years, potentially longer if mutually determined
 - b. Work with PCE to incorporate resources under PCE's overarching DERMS platform if and when requested to do so

9 Data Exchange for Customer, Installation and System Output

All pertinent data related to the customer, their SGIP application, installation and system output must be provided to PCE. Consultant shall:

- 9.1 Coordinate with PCE for electronic data transfers of all installed customer systems through a mutually determined method and frequency and with jointly defined data elements. At a minimum, installation data elements shall include the following:
- a. Customer contact information (name, address, phone, email)
 - b. Customer enrollment status in SGIP and status for receiving services, including whether projects were declined by customer or infeasible with rationale
 - c. Installed equipment and measures (make, model, nameplate power capacity, and nameplate energy capacity)
 - d. Scheduled program activities, including date and time of site assessments, installations, inspections, etc.
 - e. Customer Scope of Work and resulting job orders
 - f. Photos or diagrams of site conditions prior to installation and photos of installed systems
 - g. Installation scope of work and all-in cost (quoted and actual)
 - h. Completed customer forms and records, including all relevant SGIP documents, Program Participation Agreement, Loan agreement, building permits, interconnection agreement, and inspection reports
 - i. Customer payments collected, if any
 - j. Third-party rebate and funding sources utilized (program name, incentive amount, and relevant measure for which funding was secured)
- 9.2 Provide standard system installation performance data for the solar and battery storage system through an industry-standard portal with real time data and capable of continuous electronic data transfers of database capable structured data with:
- a. Expected solar yield per system, on an annual basis
 - b. Actual solar yield per system on a daily basis, rolled up into monthly and annual amounts to compared against expected values
 - c. Expected battery depth of dispatch and number of cycles per year
 - d. Actual meter-generated output for the battery dispatch volume on an hourly interval basis
 - e. Actual annual battery cycles per year
- 9.3 Provide grid services performance data. This includes performance associated with the Qualified DR Program into which each battery will be enrolled, as well as load modification performance. All details of these system operations will be jointly established with Consultant and PCE as part of the Grid Services Strategy. This data may come from a third-party such as an asset management platform or a DERMS provider. The minimum data provisioning requirements include:
- a. Demand response event days and hours

- b. Demand response event performance (these details may be determined with a third-party asset management or DERMS provider)
- c. Load modification performance (these details may be ironed out with a third-party asset management or DERMS provider)
- d. Reductions to load modification volume based on events that trigger the battery resource to proactively prioritize backup power services
- e. Reduction to load modification volume based on demand response events that trigger the battery to proactively prioritize demand response participation

9.4 Ensure data systems meet industry-standard security, including encrypted data when transferred

Exhibit B

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

Eligible Costs

Costs submitted for payment by PCEA must meet all the following criteria:

1. Costs for home remediation not otherwise eligible for SGIP funds
2. Approved by the customer in a scope of work and financial analysis
3. Accompanied by an executed Zero Percent Loan agreement
4. Up to but not exceeding \$10,000 per home, the maximum amount of which is subject to future revision by PCEA

Payment

Payment will be issued by PCEA following submittal of quarterly invoice via EFT/ACH to the account specified below:

- ☐ [account name]
- ☐ [financial institution]
- ☐ [routing number]
- ☐ [account number]
- ☐ [account type]



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: October 15, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Brianna Arroyo, Interim Board Clerk
SUBJECT: Approval of Minutes from the September 26, 2024 Board of Directors Meeting

RECOMMENDATION

Approval of Minutes from the September 26, 2024 Board of Directors Meeting

BACKGROUND

Approval of Minutes from September 26, 2024 Board of Directors Meeting

ATTACHMENTS:

[09-26-2024 BOD Draft Minutes](#)

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

Thursday, September 26, 2024
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 YouTube

Participating:

Effie Verducci, San Mateo County Alternate
Stacy Holland, Atherton Alternate
Tom McCune, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Chair*
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Martha Barragan, East Palo Alto Alternate
Sam Hindi, Foster City
Leslie Ragsdale, Hillsborough
Paul Llanez, Los Banos
Betsy Nash, Menlo Park
Anders Fung, Millbrae
Tygarjas Bigstych, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City, Arrived at 6:40pm
Marty Medina, San Bruno, *Vice Chair*
John Dugan, San Carlos
Adam Loraine, San Mateo

Absent:

Dave Pine, San Mateo County
Harvey Rarback, Half Moon Bay
John Dugan, San Carlos
James Coleman, South San Francisco
Ned Fluet, Woodside

A quorum was established.

Legal Counsel Jennifer Stalzer Swore in Board of Director Alternates Stacy Holland, Atherton, and Martha Barragan, East Palo Alto  YouTube

Motion: Director Fung moved, Seconded by Vice Chair Medina to Approve Director Barragan's AB 2449 Participation.

Motion Passed: 17-0 (San Mateo County, Half Moon Bay, San Carlos, South San Francisco, and Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Verducci	X			
Atherton	Director Holland	X			
Belmont	Director McCune	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Barragan				
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback				X
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Fluet				X
	Total	17			5

PUBLIC COMMENT: None

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS

Public Comment: None

MOTION: Director Bigstyk moved, seconded by Director Loraine to set the Agenda, and approve Agenda Item Numbers 1-2.

1. Approval of 3 EV Ready Program Fund Reservation Agreements, Providing Approximately \$336,000 in Customer Incentives
2. Approval of the Minutes for the August 22, 2024 Meeting

MOTION PASSED: 17-0 (Absent: San Mateo County, Half Moon Bay, San Bruno, South San Francisco, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Verducci	X			
Atherton	Director DeGolia	X			
Belmont	Director McCune	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Barragan			X	
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback				X
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Fluet				X
	Total	17		1	5

REGULAR AGENDA

3. Chair Report

Donna Colson, Chair of the Board provided a brief chair report.

4. [CEO Report](#)

Shawn Marshall, Chief Executive Officer, provided a brief CEO Report.

5. [Community Advisory Committee Report](#)

Jason Mendelson, Community Advisory Committee (CAC) Chair, gave a brief CAC overview.

Public Comment: Valerie Gardener, Atherton, gave a public comment

6. [Update on Peninsula Clean Energy's Legislative Activities in the 2024 Legislative Session \(Discussion\)](#)

Public Comment: Valerie Gardener, Atherton, gave a public comment

7. [Decision Regarding Allocation of Carbon-Free Attributes from the Diablo Canyon Nuclear Power Plant for 2025 - 2030 \(Action\)](#)

Chief Executive Officer Shawn Marshall, Jeremy Waen, Senior Director of Regulatory Policy, and Roy Xu, Senior Director of Power Resources gave a presentation on the Decision Regarding Allocation of Carbon-Free Attributes from the Diablo Canyon Nuclear Power Plant for 2025 – 2030.

Public Comment:

Valerie Gardener, a community member gave a public comment.

Jason Mendelson, chair of the Community Advisory Committee gave a public comment.

Tim Smith with Save Clean Energy California, gave a public comment

MOTION: Director Fung moved, seconded by Director McCune to move forward with option 3 with the addition of the recommendation from the CAC Report. WHEREAS accepting the allocation (in the form of carbon free attributes) would not have any impact on the physical grid, the generation output from Diablo Canyon through 2030, nor the charges that California ratepayers will be assessed starting in January 2025.

MOTION PASSED: 16-1 (Absent: San Mateo County, Half Moon Bay, San Bruno, South San Francisco, Woodside)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine				X
San Mateo County	Director Verducci			X	
Atherton	Director Holland	X			
Belmont	Director McCune	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Barragan	X			
Foster City	Director Hindi	X			
Half Moon Bay	Director Rarback				X
Hillsborough	Director Ragsdale	X			

Los Banos	Director Llanez	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Bigstyk		X		
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Fluet				X
	Total	16	1	1	5

8. [Approval of the Execution and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority \(CCCFA\) Clean Energy Project Revenue Bonds; and Certain Other Actions](#)

Nick Bijur, Chief Financial Officer gave an overview of the Power Purchase Contract.

Public Comment: None

MOTION: Director Fung moved, seconded by Vice Chair Medina to approve the execution of and Delivery of a Clean Energy Purchase Contract and Certain Other Documents in Connection with the Issuance of California Community Choice Financing Authority (CCCFA) Clean Energy Project Revenue Bonds; and Certain Other Actions Required to Ensure the Reduction in the Cost of Renewable Energy.

MOTION PASSED: 18-0 (Absent: San Mateo County, Half Moon Bay, San Bruno, South San Francisco, Woodside)

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

Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Fluet				X
	Total	18			5

9. [Approval of Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" Section 4 and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority \(JPA\) Agreement \(Action\)](#) 

Shawn Marshall, Chief executive officer, gave an overview of the amendments to Policy 16, and the Peninsula Clean Energy Joint Powers Authority Agreement

Public Comment: None

MOTION: Director Fung moved, seconded by Director Hindi to Approve the Amendments to Peninsula Clean Energy Operating Rules and Regulations: "Policy 16, Policies and Procedures for Board of Directors, Committees and Advisory Groups" Section 4 and Associated Amendment to Section 3.9.1 of Peninsula Clean Energy's Third Amended Joint Powers Authority (JPA) Agreement.

MOTION PASSED: 18-5 (Absent: San Mateo County, Half Moon Bay, San Bruno, South San Francisco, Woodside)

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

Pacifica	Director Bigstyk	X			
Portola Valley	Director Aalfs	X			
Redwood City	Director Martinez Saballos	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Fluet				X
	Total	18			5

10. [Board Members' Reports](#) YouTube

Director Bygstick gave a brief board member report
 Director Loraine gave a brief board member report
 Director Daus-Magbual gave a brief board member report
 Director Gonzalez gave a brief board member report
 Chair Colson gave a brief board member report

ADJOURNMENT

Meeting was adjourned at 9:24pm



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: October 15, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: None

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

BACKGROUND

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

DISCUSSION

During the Board meeting, CEO Shawn Marshall will provide an update on a variety of PCE topics, keeping in mind that this month's Board meeting is focused on the Board retreat so the update will be kept brief!

Upcoming Conferences, Industry Events, and Speaking Engagements

October 28	Shawn Marshall , CCPower Directors Forum, Sacramento
October 29	Shawn Marshall , Cal-CCA/CMUA Forum, Sacramento
October 29-30	Shawn Marshall, Jeremy Waen, Roy Xu and members of the Regulatory and Power Resources Teams, Annual CAISO Symposium, Sacramento
Nov 19-20	Peter Levitt , Virtual Power Plant (VPP) Forum, Smart Grid Observer in San Francisco

PCE In the Community

October 24	Pacheco High School Popcorn Making Event
October 26	Pacifica-Coastside Electric Vehicle Exhibition; Half Moon Bay
October 27	Los Banos Chamber of Commerce Halloween Fest
October 29	VERGE 24 Conference; San Mateo County
November 3	Chinese-Language Focus Group with Sound of Hope, Redwood City
November 13	Eco Home Presentation with El Concilio, North Fair Oaks

November 14	Department of Recreation Services Doelger Center Presentation, Daly City
November 14	Pachecho High School Field Trip, Los Banos
November 16	Environmental Youth Summit, San Mateo County
November 17	Wetlands & Watts Tabling, East Palo Alto
November 20	School Assembly Presentation at Mills High School, Millbrae
November 20	School Assembly Presentation at San Mateo High School, San Mateo

CEO Member Agency Briefings

October 22	San Mateo County Board of Supervisors
October 22	Menlo Park
November 13	Portola Valley
November 13	Colma (w/ Marc Hershman)
January 14	Millbrae
Date TBD	Woodside

PCE Staffing Update

Congratulations to **Cassius Gray** who was promoted to IT Manager!

Please Welcome to Our Team...

PCE's new Customer Care/Call Center Team!

- Antonia Kirton, Customer Success Advisor (Started 10/16)
- Cesar Pinto, Customer Success Advisor (Started 10/16)
- Laura Gonzalez, Customer Success Advisor (Started 10/16)



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: October 15, 2024
MEETING DATE: October 24, 2024
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Shalini Swaroop, Chief Operating Officer

SUBJECT: Organizational Strategy for the Peninsula Clean Energy Strategic Plan 2025-2030 (Discussion)

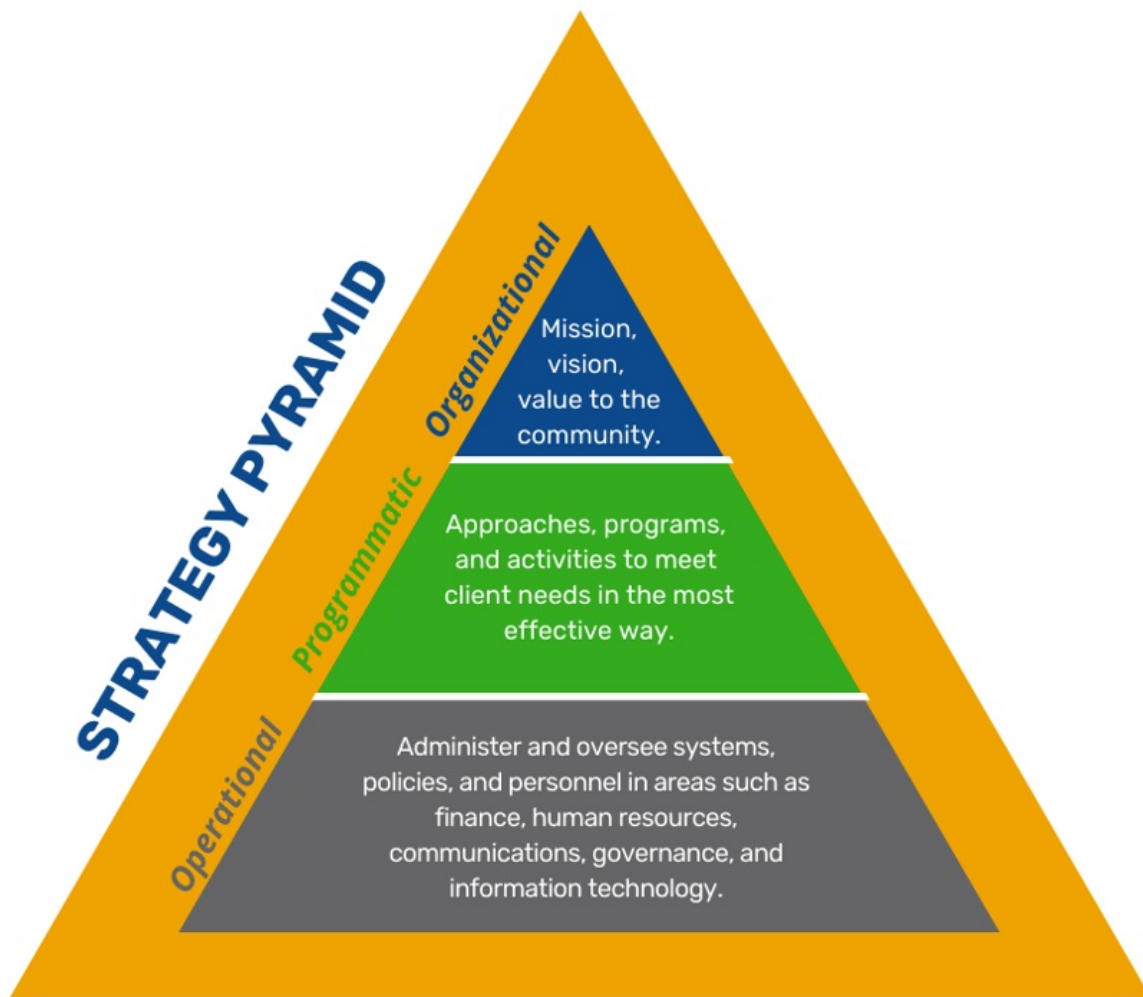
RECOMMENDATION

Engage in strategic feedback and discussion with PCE staff leadership pertaining to the three critical questions listed below. The Board retreat portion of this meeting will be discussion only and will not include specific action items. A supplemental 'Conversation Guide' will be sent to Board members on Monday, October 21, 2024 to review prior to the retreat.

BACKGROUND

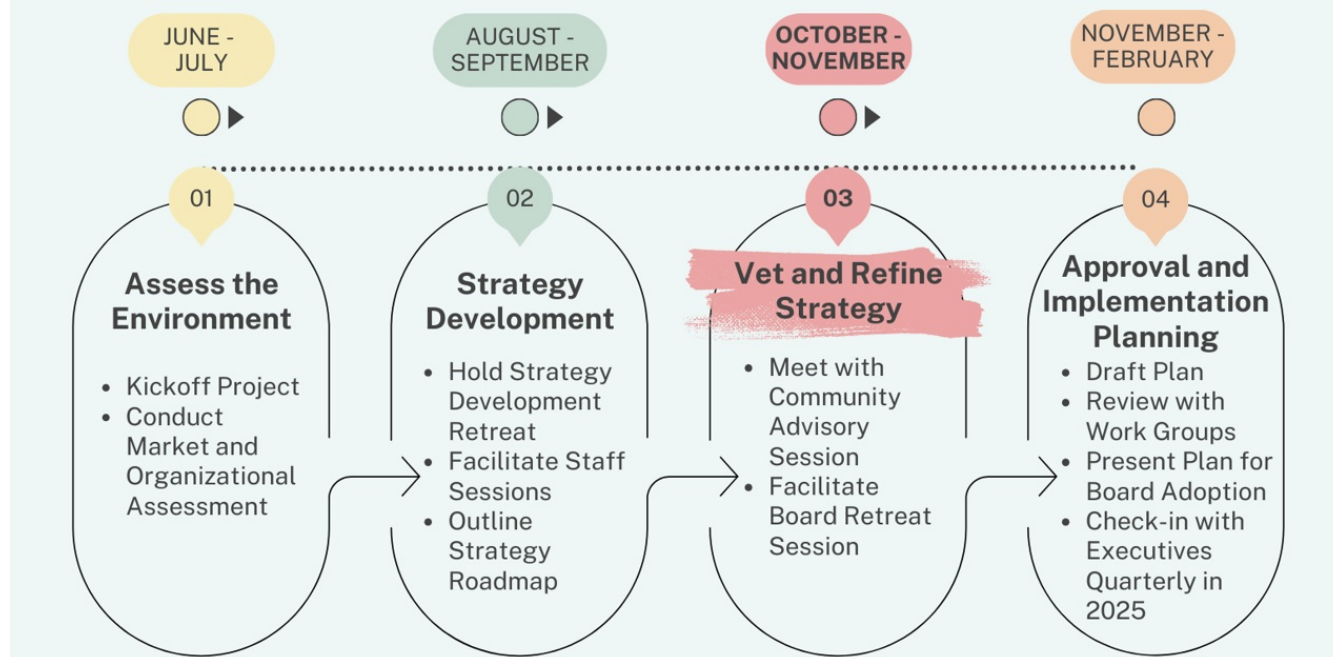
Peninsula Clean Energy (PCE) has held Board Retreats annually since September 2017. The retreat's location, length, and agenda has evolved over the years, most recently focusing on PCE's performance against the Agency's five-year (2020-2025) strategic plan. As we look to close out the existing strategic plan, Staff and the Board Ad Hoc Committee have been hard at work on PCE's 2025-2030 strategic plan. The first stage of this work, or Organizational Strategy, is now being presented to the Board for input and reflection before the conclusion of the existing plan. Please read the attachment in preparation for the discussion at the Board Retreat to ensure maximum feedback opportunities. Stage 1 of PCE's new strategic plan focusing on Organizational Strategy is expected to come to the Board for further discussion, refinement and possible adoption in January 2025.

For its next strategic plan, PCE is working with La Piana Consulting. La Piana Consulting has worked with over 1,500 nonprofit organizations in its 20 years of operation, including numerous government agencies. The La Piana model of strategic planning is reflected in this pyramid structure:



La Piana's work in 2024 has focused exclusively on the top of the pyramid, i.e., PCE's Organizational Strategy. PCE's mission and vision may be addressed after addressing the core critical questions below if it is determined that they require adjustment. La Piana has followed a robust process to get to this point, including multiple meetings with the Board Ad Hoc Committee, facilitating the majority of PCE's staff retreat, and seeking feedback in multiple community meetings. With the direction from the Board at its Board Retreat, La Piana and staff will move forward into finalizing PCE's Organizational Strategy in January 2025. La Piana's process to get to this point is noted in the graphic below:

Strategy Development Process Overview



The overall PCE Strategic Plan 2025-2030 will incorporate the following components:

- PCE's Organizational Strategy defining PCE's strategic policy positions (January 2025)
- PCE's Programmatic Strategy establishing key metrics and milestones to implement the strategic policy positions (Spring 2025)
- PCE's Operational Strategy outlining the operational, processes, and infrastructure needs for reaching the key metrics and milestones (Summer/Fall 2025)

This is a unique style of strategic planning and is a departure from what the Board has seen in other venues, including PCE's previous strategic plan. As PCE has matured as an organization and the market has evolved, PCE requires a more dynamic and rapid-response approach to strategic planning that accounts for the ability to adapt to uncontrollable externalities, such as the pricing of renewable energy or State and Federal policy changes. Although the process is less linear and more organic than in years past, it allows for more alignment between staff, the Board, and community representatives. It also moves beyond an ambitious "to do list" model of strategic planning into creating tools that will be useful methodologies for staff to frame its annual workplans for years to come.

DISCUSSION

The Board Retreat will focus on providing feedback to staff and La Piana on three critical questions that have been identified as key areas for PCE to address in the medium- and long-term.

The three critical questions are:

1. **What are PCE's procurement priorities and how do affordability concerns affect those priorities?**
2. **How can PCE continue to deliver programs and services within an equity framework while also scaling decarbonization?**
3. **Are there any new or modified lines of business that PCE should engage in to further support decarbonization and electrification in California?**

For each critical question outlined in the supplemental **Conversation Guide** which will be sent to the Board on Monday, October 21, 2024, there is background context and key definitions along with some options and key questions to help frame and inform our discussions. For the conversation at the Board Retreat, the Possible Answers given on Critical Questions One and Two are to provide the spectrum of potential possibilities and to spur discussion, and **are not necessarily approaches that PCE would take in the real world**. Instead, the Options are intended to elicit the deepest thinking possible from Directors that may have different approaches to problem-solving and creating generative feedback. For all of the Critical Questions, staff welcomes ideas that are outside of the options and possible answers offered. In addition, La Piana will begin the retreat by providing an overview and discussion on PCE's draft Value Proposition and Decision-Making Criteria.

Next Steps:

After the Retreat, La Piana and staff will synthesize the Board's feedback and community input and begin to generate proposed answers to the three Critical Questions. These answers will be presented to the Board Ad Hoc Committee for feedback in early December, and will be included in the January 2025 Board agenda and packet.

COMMONLY USED ACRONYMS AND KEY TERMS

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

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

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

TOU Rates – Time of Use Rates

Valley Clean Energy

VGI – Vehicle-Grid Integration

V2G – Vehicle-to-Grid

VPP – Virtual Power Plant

WECC – Western Energy Coordinating Council

WREGIS – Western Renewable Energy Generation Information System

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

WWGPI - West-Wide Governance Pathways Initiative