

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

**Monday, July 14, 2025
10:00 am**

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

In-Person Meeting Location:

**PCEA Lobby, 2075 Woodside Road, Redwood City, CA 94061
611 Gateway Blvd, Suite 1000, South San Francisco, CA 94080**

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

This meeting of the Peninsula Clean Energy Executive Committee will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Committee are expected to attend the meeting in person** and should reach out to our 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/meetings-events> following the meeting.

Public Participation

The PCEA Executive Committee meeting may be accessed through Zoom online at <https://pencleanenergy.zoom.us/j/83252507093>. The meeting ID is: 832 5250 7093 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 832 5250 7093, then press #. (Find your local number: <https://pencleanenergy.zoom.us/u/kTIH1Ocod>). Peninsula Clean Energy uses best efforts to ensure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

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

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

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

Please note that Peninsula Clean Energy Executive Committee meetings are a limited public forum, and

all public comment must relate to something that is within the subject matter jurisdiction of the Committee. If comments do not relate to the subject matter jurisdiction of the Committee, we will stop the comment and move on to the next speaker. General Counsel will assist in identifying comments that are not related to the subject matter jurisdiction of the Committee.

ADA Requests

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

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

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

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

PUBLIC COMMENT

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

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

1. [Approval of Minutes from the June 9, 2025 Executive Committee Meeting](#)

REGULAR AGENDA

2. Chair Report (Discussion)
3. CEO Report (Discussion)
4. [Discussion of HB-1 Reconciliation Bill and Trump Administration Executive Order 14315: Impacts on PCE Procurement and Programs \(Discussion\)](#)
5. [PCE Brand Refresh and Naming Process Update \(Discussion\)](#)
6. [Residential Finance and Solar Program \(Discussion\)](#)
7. Committee Members' Reports (Discussion)

ADJOURNMENT

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

Instructions for Joining a Zoom Meeting via Computer or Phone

Best Practices:

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

Options for Joining

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

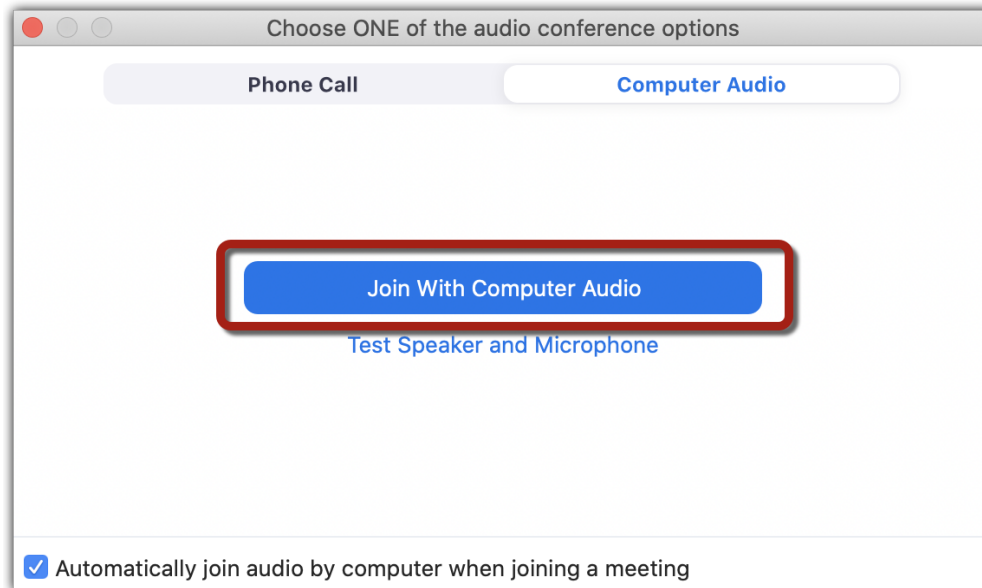
Videoconference Options:

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

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

Option 1 Videoconference with Computer Audio:

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

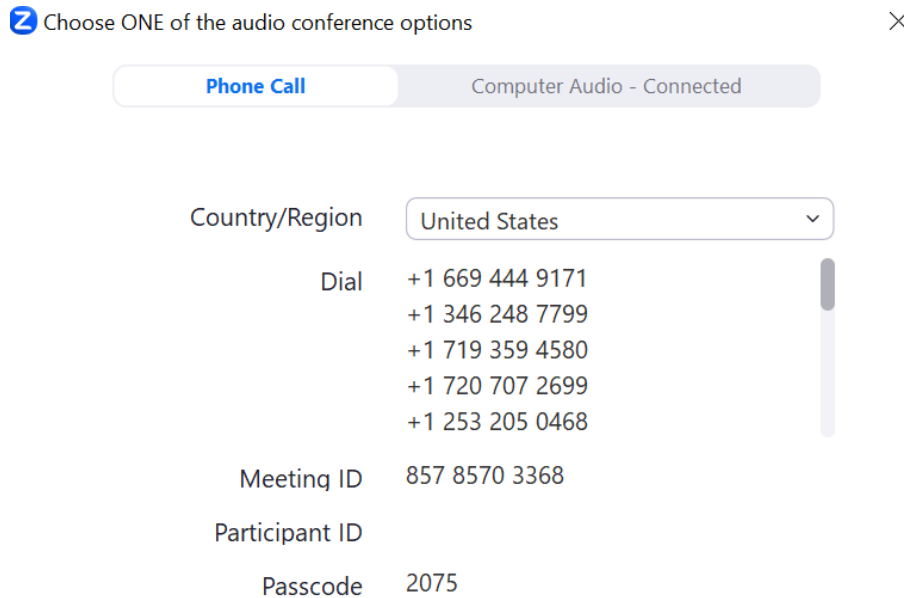


- Click the blue, "Join with Computer Audio" button.
- In order to enable video, click on "Start Video" in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Option 2 Videoconference with Phone Call Audio

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

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



Choose ONE of the audio conference options

Phone Call Computer Audio - Connected

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Meeting ID 857 8570 3368

Participant ID

Passcode 2075

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

Audio Only Options:

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

Option 3: Calling in via Telephone/Landline:

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



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: July 11, 2025
MEETING DATE: July 14, 2025
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Nelly Wogberg, Board Clerk
SUBJECT: Approval of Minutes from the June 9, 2025 Executive Committee Meeting

RECOMMENDATION

Approval of Minutes from the June 9, 2025 Executive Committee Meeting

ATTACHMENTS:

[06-09-25 EC Draft Minutes.pdf](#)

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

Monday, June 09, 2025
10:00 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER



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

ROLL CALL



Participating:

Rick DeGolia, Atherton,
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Chair*
Leslie Ragsdale, Hillsborough
Betsy Nash, Menlo Park
Anders Fung, Millbrae, arrived at 10:07 a.m.
Marty Medina, San Bruno, *Vice Chair*

Absent:

Lisa Gauthier, San Mateo County
Adam Loraine, San Mateo

A quorum was established.

PUBLIC COMMENT: None

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS



Public Comment: None

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

1. Approval of the Minutes for the May 12, 2025 Executive Committee Meeting.

MOTION PASSED: 6-0 (Absent: San Mateo County, Millbrae, San Mateo)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Gauthier				X
Atherton	Director DeGolia	X			
Brisbane	Director Mackin	X			

Burlingame	Director Colson	X			
Hillsborough	Director Ragsdale	X			
Menlo Park	Director Nash	X			
Millbrae	Director Fung				X
San Bruno	Director Medina	X			
San Mateo	Director Loraine				X
Totals		6			3

REGULAR AGENDA

2. [Chair Report](#)

Chair Colson gave a brief report including a timeline on the Review Committee that will begin in July.

3. [CEO Report](#)

Shawn Marshall, Chief Executive Officer, provided a report that covered the following topics: California Independent System Operators (CAISO) Tour in May, Reach Code Dinner, a delay in Wright Battery Energy Storage System, an update from the Peninsula Clean Energy naming committee, and a note that staff is working on AI Guidelines and training.

Public Comment: None

4. [Recommend to the Board of Directors Approval of the Fiscal Year 2025-2026 Budget \(Action\)](#)

Nick Bijur, Chief Financial Officer provided an overview of the Fiscal Year 2025-2026 budget.

Public Comment: None

MOTION: Director Ragsdale moved, seconded by Director Mackin to Recommend approval by the Board of Directors of the Fiscal Year 2025-2026 budget (July 1, 2025 through June 30, 2026) with the understanding that staff review the \$100,000 emergency fund and look at the buildings expense during the out years.

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

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Gauthier				X
Atherton	Director DeGolia	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Hillsborough	Director Ragsdale	X			
Menlo Park	Director Nash	X			

Millbrae	Director Fung	X			
San Bruno	Director Medina	X			
San Mateo	Director Loraine				X
	Totals	7			2

5. [Discussion of Rate Stabilization Fund \(Discussion\)](#) [YouTube](#)

Nick Bijur, Chief Financial Officer provided an overview of the Rate Stabilization Fund.

Public Comment: None

6. [Discussion Regarding General Counsel Services at Peninsula Clean Energy \(Discussion\)](#) [YouTube](#)

Jennifer Stalzer, General Counsel, voluntarily recused herself from discussion and participation on this item.

Shawn Marshall, Chief Executive Officer provided a report on general counsel services at Peninsula Clean Energy and prospective plans for future services.

Public Comment: None

7. Committee Members' Reports

None

ADJOURNMENT

Meeting was adjourned at 12:14 p.m.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: July 10, 2025
MEETING DATE: July 14, 2025
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Mike Mielke, Policy and Government Affairs

SUBJECT: Discussion of HB-1 Reconciliation Bill and Trump Administration Executive Order 14315: Impacts on PCE Procurement and Programs (Discussion)

BACKGROUND

H.R. 1, also known as the One Big Beautiful Bill Act passed the U.S. House with a 218-214 vote and was then signed by President Trump on July 4, 2025. This memo provides a high-level summary of the legislation. The \$4 trillion bill, taken together with the Executive Order (E.O.) 14315 President Trump signed on July 7, 2025, titled “Ending Market Distorting Subsidies for Unreliable, Foreign Controlled Energy Sources”, will have far-ranging impacts across the U.S. economy, affecting every aspect of the national effort to address climate change and environmental justice.

DISCUSSION

Overview

The core of H.R. 1 is a permanent extension of the 2017 Tax and Jobs Act, which is an effective \$4.5 trillion reduction in federal revenues that was partially offset by \$1.2 billion in spending reductions—including ending many clean energy tax credits—required to meet Congressional budget reconciliation rules. The 887-page legislation rolls back the landmark investment in clean energy, jobs, and communities that a Democratic-led Congress made only three years ago with the passage of the Inflation Reduction Act (IRA). The HR 1 legislation states that clean energy projects must begin construction by mid-2026 or be placed in service by the end of 2027 in order to qualify for tax credits. This is a rapid phaseout compared to the previous law that had a phaseout scheduled to begin in 2032. The E.O., which reiterates measures included in the recently passed budget reconciliation bill, directs the Treasury department, within the next 45 days to: issue new guidance on "beginning construction" standards to "prevent artificial acceleration/manipulation of eligibility", and to restrict the "use of broad safe harbors unless a substantial portion of the facility has been built", and take actions to implement FEOC restrictions. It also directs the Interior Department, within the next 45 days to review and revise any policies that favor renewables over other energy sources.

In summary, the bill halts incentives for purchasing electric vehicles and efficient appliances. It accelerates phase out of tax credits for wind and solar energy. It opens federal land and water

for oil and gas drilling, while creating new federal support for coal. It also ends the historic investment in poor and minority communities that bear a disproportionate burden from energy-related pollution. And finally, it wipes out any spending meant to help green the federal government.

Specifically, H.R. 1's significant changes to, and reductions in, clean energy tax credits for utility scale and commercial distributed generation (DG), as well as for residential clean energy projects, will impact procurement portfolios and local resource development. In particular, the near-term changes to the availability of tax credits for wind and solar projects will have pricing implications for future power purchase agreements (PPAs). The new foreign entity of concern (FEOC) restrictions on all clean energy technologies seeking tax credit eligibility will also pose a new barrier. The end of customer-level tax credits—for rooftop solar and residential storage, for example—could impact the pace and scale of customer adoption of clean energy technologies. The new law also reduces the availability of previously appropriated funding for certain clean energy and climate related efforts.

High-Level Impact Summary

H.R. 1 includes significant changes to the IRA clean energy tax credits, including many early phaseouts and new restrictions. Below are some highlights¹:

- Clean electricity: The final bill provides a carveout from the new 2027 “placed in service” deadline for the §45Y and §48E clean electricity credits, allowing wind and solar projects that begin construction less than one year after the bill's enactment to receive the credit, but still requiring other solar and wind projects to be placed in service by the end of 2027. For all other types of projects — such as hydropower, nuclear, geothermal, and energy storage — the credit starts decreasing in 2034 until zeroing out in 2036. The new “material assistance” FEOC restrictions will apply to facilities that commence construction after 2025.
- Advanced manufacturing: The Sec. 45X advanced manufacturing credit phases out for critical minerals production by 2034, and it is phased out even earlier — after 2027 — for wind components.
- Clean hydrogen: The Sec. 45V clean hydrogen credit will be phased out after 2027, though this is an improvement upon previous versions of the legislation where the credit was slated to be terminated in short order.
- Terminations for EVs and refueling credits: Many other tax credits, including the 30D clean vehicles and 30C alternative refueling property credits, are being terminated early.
- Extensions or other changes: The Sec. 45Z clean fuel credit is extended through 2029 and the Sec. 45U nuclear credit and Sec. 45Q carbon oxide sequestration credits expiration dates were left unchanged, though new restrictions related to FEOCs, foreign resources, and other changes were enacted.
- Transferability: Transferability (i.e., the ability of a clean energy project developer to sell their tax credit to a third party, often in exchange for cash) was largely preserved in the final text, though taxpayers are now prohibited from transferring credits to certain foreign entities.
- FEOC restrictions: The bill contains several new FEOC² restrictions on Sec. 45Y/48E — both at the ownership and the component level — and on Sec. 45X that prevent taxpayers from claiming these credits according to the conditions and timelines noted in the table below. In addition, projects commencing construction after December 31, 2025, are ineligible for certain tax credits if they receive “material assistance” from a FEOC.

This broadly applies to components, subcomponents, and critical minerals sourced, processed, or manufactured by a FEOC:, as follows:

Credit	Taxpayer is a “specified foreign entity”	Taxpayer is a “foreign-influenced entity”	Taxpayer receives “material assistance from a prohibited foreign entity”	Taxpayer holds a licensing agreement with a prohibited foreign entity
Sec. 45Y/48E	2026 , taxable years after enactment	2026 , taxable years after enactment	Facilities that start construction after 2026	Applies to arrangements entered into or modified after enactment
Sec. 45X	2026 , taxable years after enactment	2026 , taxable years after enactment	2026 , taxable years after enactment	Applies to arrangements entered into or modified after enactment

For additional detail regarding HR 1 impacts to the ITC and PTC, please see the attached memo dated Jul 3, 2025 from PCE's Washington DC Lobbyist, ThornRun Partners. Jim Davenport from ThornRun will join the Executive Committee meeting by zoom to provide a DC update and answer any questions that Directors may have.

In addition, there is a background document also included in your packet that has more details on the various impacts to the ITC and PTC tax credits.

Finally, select PCE staff will provide an assessment of the direct and indirect/downstream impacts of HR 1 and Trump's recent Executive Order with particular focus on power procurement and energy programs impacts.

1 Taken from Thorn Run Partners Memo of July 3, 2025

2 North Korea, or Russia, or those significantly influenced by them through ownership, debt holdings, or control over a project or technology licensing. Specific battery manufacturers like CATL and Gotion are also identified as FEOCs.

ATTACHMENTS:

[TRP Memo IRA Tax Credits OBBBA Changes 7.3.25 FINAL.pdf](#)
[ITC and PTC Backgrounder Document.docx](#)

CHANGES TO IRA TAX CREDITS IN THE ONE BIG BEAUTIFUL BILL ACT

INTRODUCTION

On July 3, the House passed the One Big Beautiful Bill Act ([H.R.1](#)), sending the reconciliation package to President Trump's desk to be signed into law. Ultimately, the bill either terminates or phases out several of the Inflation Reduction Act (IRA) clean energy tax credits and enacts new restrictions related to foreign entities of concern (FEOC). Some highlights:

- **Transferability** — Transferability was largely preserved in the final text, though taxpayers are now prohibited from transferring credits to certain foreign entities.
- **Clean electricity** — The final bill provides a carveout from the new 2027 “placed in service” deadline for the 45Y and 48E clean electricity credits, allowing wind and solar projects that begin construction less than one year after the bill's enactment to receive the credit, but still requiring other solar and wind projects to be placed in service by the end of 2027. For all other types of projects — such as hydropower, nuclear, geothermal, and energy storage — the credit starts decreasing in 2034 until zeroing out in 2036. The new “material assistance” FEOC restrictions will apply to facilities that commence construction after 2025.
- **Advanced manufacturing** — The 45X advanced manufacturing credit phases out for critical minerals production by 2034, and it is phased out even earlier — after 2027 — for wind components.
- **Clean hydrogen** — The 45V clean hydrogen credit will be phased out after 2027, though this is an improvement upon previous versions of the legislation where the credit was slated to be terminated in short order.
- **Extensions or other changes** — The 45Z clean fuel credit is extended through 2029 and the 45U nuclear credit and 45Q carbon oxide sequestration credits expiration dates were left unchanged, though new restrictions related to FEOCs, foreign resources, and other changes were enacted.
- **Terminations** — Many other tax credits, including the 30D clean vehicles and 30C alternative refueling property credits, are being terminated early.

The Trump administration will now look to implement the various provisions of the One Big Beautiful Bill Act, and the Treasury Department and Internal Revenue Service (IRS) will begin pushing out guidance that outlines new rules for the IRA tax credits in the coming weeks and months. Notably, during a news interview earlier today, Rep. Ralph Norman (R-SC) said that the president has promised to aggressively enforce the phaseout of the 45Y and 48E credits for wind and solar as he sought to convince conservative Freedom Caucus holdouts to vote for the package. Additionally, House Republicans are already teasing the idea of a second reconciliation bill to advance President Trump’s agenda, with some lawmakers calling for further cuts to the IRA. However, with midterm elections right around the corner, it is unclear whether a second package can come together before members turn their attentions to campaigning season.

This memorandum describes the tax credits under current law and outlines the changes that were made in the reconciliation package.

FOREIGN ENTITIES OF CONCERN

The bill contains several new FEOC restrictions on 45Y/48E — both at the ownership and the component level — and on 45X that prevent taxpayers from claiming these credits according to the conditions and timelines below:

Credit	Taxpayer is a “specified foreign entity”	Taxpayer is a “foreign-influenced entity”	Taxpayer receives “material assistance from a prohibited foreign entity”	Taxpayer holds a licensing agreement with a prohibited foreign entity
45Y/48E	2026 , taxable years after enactment	2026 , taxable years after enactment	Facilities that start construction after 2026	Applies to arrangements entered into or modified after enactment
45X	2026 , taxable years after enactment	2026 , taxable years after enactment	2026 , taxable years after enactment	Applies to arrangements entered into or modified after enactment

- **Prohibited foreign entity (PHE)** includes the following:
 - ↳ **Specified foreign entity (SFE)**
 1. Certain entities designated as threats to national security
 2. Foreign control entities (FCE):

- a. Governments of covered nations
 - b. Citizen or national of a covered nation
 - c. Entity or qualified business incorporated in or organized under the laws of a covered nation
 - d. Entity or qualified business with principle place of business in a covered nation
 - e. Any entity controlled by such entities, with “control” meaning ownership of more than 50 percent of stock, profits, capital, or other interests in a corporation, partnership, or any other entity
3. For all publicly traded companies — except those companies traded on exchanges in covered nations — different FCE rules apply. Publicly traded companies are considered FCEs if “controlled” by one or more SFEs (excluding FCEs), or one or more of the first three types of FCEs which are required to report their beneficial ownership to the Securities and Exchange Commission (SEC) or similar agency.

↳ **Foreign-influenced entity (FIE)**

1. During the taxable year:
 - a. An SFE can appoint a covered officer, such as board member of C-suite executive
 - b. A single SFE owns at least 25 percent
 - c. One or more SFEs own 40 percent
 - d. One SFE holds 15 percent of debt
2. SFE has “effective control,” meaning SFE holds contractual rights that confer specific authority over key aspects of component production or electricity generation at the facility to the SFE
 - ↳ Carveout for “bona fide purchase or sale” wherein a purchaser is not on notice that an SFE retains certain rights

• **Material assistance from a prohibited foreign entity**

- ↳ A material assistance cost ratio in excess of certain threshold amounts set for 45Y and 48E, as well as for 45X.
- **45Y/48E** — The material assistance cost ratio is the percentage of total direct costs to the taxpayers attributable to manufactured products incorporated into the facility or energy storage technology upon completion of construction. that are not from a PFE.
 - **45X** — The material assistance cost ratio is the percentage of total direct material costs paid or incurred by the taxpayer for non-PFE eligible components.

$$\frac{\text{Total Cost}(-)\text{Cost of PFE components}}{\text{Total Cost}} = \text{Cost Ratio}$$

- ↳ A taxpayer does not include in the calculation of the material assistance cost ratio, the cost of manufactured products, eligible components, or constituent element, material, or subcomponent of an eligible component if the taxpayer entered into a binding written contract for those items prior to June 16, 2025, and if:
 - The wind or solar facility is placed in service by January 1, 2028, or for all other technologies the facility is placed in service by January 1, 2030, and the construction of the facility began before August 1, 2025.
 - For eligible components, the constituent element, material, or subcomponent, was used in a product sold before January 1, 2030.
 - ↳ Includes safe-harbor tables for determining total costs attributable to a PFE, which the Department of Energy (DOE) is instructed to provide no later than December 31, 2026. The tables will identify the percentage of total direct material costs of any manufactured product or eligible component which is attributable to a PFE to make the material cost ratio calculation easier.
- **Licensing**
 - ↳ Bars credit for projects where taxpayer has any form of licensing agreement or other IP contract with a PFE entered into after the date of enactment, even if no express contractual right to control, influence, or facility's production exists.

BREAKDOWN

Provision	Current Law	One Big Beautiful Bill Act
45Y Clean Electricity Production Credit	Effective 2025 onward with no fixed end date. ↳ A per-kilowatt-hour tax credit for electricity generated by qualifying zero-emission facilities (technology-neutral replacement for the traditional renewable PTC)	Terminates for wind and solar by 2028; projects that begin construction within 12 months are carved out from the 2027 “placed in service” deadline. Phased out for nuclear, geothermal, battery storage, and hydropower by 2036. ↳ Credit phases out for wind and solar projects by 2028. Provides a carve-out for solar and wind projects that begin construction less than 12 months after enactment but would still require other wind and solar projects to be “placed in service” by the end of 2027. ↳ Does not codify IRS start of construction safe-harbor guidance, which states that projects must be placed in service at least 4 years after start of construction.

		↳ For all other projects, such as hydropower, nuclear, geothermal, and energy storage, keeps 100% of the credit until 2033 before decreasing to 75% in 2034, 50% in 2035, and then zero in 2036. ↳ Denies eligibility of expenditures for wind and solar leasing arrangements upon enactment. ↳ No credit is allowed for a facility that commences construction after 2025 that includes any material assistance from a PFE. No credit allowed after enactment if the taxpayer is a PFE. ↳ Limits existing contract safe harbor for material assistance to facilities the construction of which begins before August 1, 2025. ↳ Preserves transferability.
48E Clean Electricity Investment Credit	Effective 2025 onward with no fixed end date. ↳ An investment tax credit for clean electricity projects and energy storage, providing a percentage of the project's cost as a credit (technology-neutral replacement for the traditional ITC).	Terminates for wind and solar by 2028; projects that begin construction within 12 months are carved out from the 2027 "placed in service" deadline. Phased out for nuclear, geothermal, battery storage, and hydropower by 2026. ↳ Credit phases out for wind and solar projects by 2028. Provides a carve-out for solar and wind projects that begin construction less than 12 months after enactment but would still require other wind and solar projects to be "placed in service" by the end of 2027. ↳ For all other projects, such as hydropower, nuclear, geothermal, and energy storage, keeps 100% of the credit until 2033 before decreasing to 75% in 2034, 50% in 2035, and then zero in 2036. ↳ No credit is allowed for a facility that commences construction after 2025 that includes any material assistance from a PFE. No credit allowed after enactment if the taxpayer is a PFE. ↳ Preserves transferability.
45U Zero-Emission Nuclear Power PTC	Available until 2032. ↳ A production tax credit for electricity generated by existing nuclear power	Preserved until 2032. ↳ Disqualifies facilities owned by FEOCs two years after enactment.

plants (to support continued operation of zero emission nuclear facilities)

↳ Preserves transferability.

45X Advanced Manufacturing Credit

Available until 2032.

- ↳ A tax credit to incentivize domestic manufacturing of certain clean energy components (e.g. solar panels, wind turbine parts, batteries). Credit is claimed per unit of eligible component produced and sold.
- ↳ Scheduled to phase down in the last years: under current law, credit drops to 75% in 2030, 50% in 2031, 25% in 2032, terminating after 2032.

Phased out by 2034.

- ↳ Phases out for producing critical minerals, with 75% in 2031, 50% in 2032, 25% in 2033, and no credit beginning in 2034.
- ↳ Phases out early for wind components after 2027.
- ↳ Establishes a new metallurgical coal production tax credit at 2.5% that can be claimed from 2026 through 2029.
- ↳ Preserves “stackability,” meaning that manufacturers can claim credit for eligible components incorporated into other eligible components. However, starting in 2027, the components must be made at the same factory and at least 65% of the direct material costs “paid or incurred” by the manufacturer must be for inputs mined, produced, or manufactured domestically.
- ↳ Adds requirement that, to qualify as a battery module, an article must be “comprised of all other essential equipment needed for functionality, such as current collector assemblies and voltage sense harnesses, thermal collection assemblies, or other essential energy collection equipment.”
- ↳ Exempts publicly traded companies from many of the FIE rules.
- ↳ Preserves transferability.

45V Clean Hydrogen PTC

Available to projects commencing construction before 2032.

- ↳ A production tax credit for clean hydrogen fuel, up to \$3 per kilogram of hydrogen produced, for the first 10 years of operation of a qualifying facility.

Terminates credit for projects that begin construction after 2027.

- ↳ Only projects that begin construction by December 31, 2027 qualify for the credit, an improvement upon the previous versions of the bill.

45Z Clean Fuel Production Credit

Available through 2027.

- ↳ Tax credit for domestic production of low carbon transportation fuels (such

Extends through 2029.

- ↳ Adds two more years of eligibility.

	as biodiesel, renewable diesel, sustainable aviation fuel), based on the fuel's lifecycle emissions (available starting in 2025) ↳ Applies to eligible fuel produced and sold for use in 2025, 2026, 2027, after which it expires.	↳ Imposes a 20% decrease on the value of the credit for fuel produced from feedstocks produced or grown outside the U.S. after 2025. ↳ Excludes indirect land use changes for the purposes of lifecycle greenhouse gas emissions and provides Treasury authority to establish distinct emission rates for specific manure feedstocks after 2025. Prevents negative emissions rates for fuels after 2025. ↳ Disallows the credit for SFEs after enactment and FIEs two years after enactment. ↳ Preserves transferability.
45Q Carbon Oxide Sequestration Credit	Available to projects commencing construction before 2033. ↳ Provides a credit per metric ton of qualified carbon oxide captured and disposed of or used by a taxpayer.	Establishes parity for different CO2 uses. ↳ Conforms credit values for captured carbon oxide that is disposed of in secure geological storage and that which is utilized first and then sequestered, effective for equipment placed in service after 2022. ↳ Disallows the credit for SFEs after enactment and FIEs two years after enactment.
30D Clean Vehicles Tax Credit	Available through 2032. ↳ Tax credit up to \$7,500 for consumers purchasing a new plug in electric or fuel-cell vehicle. IRA introduced income and price eligibility limits and battery sourcing requirements, but removed the prior manufacturer sales cap.	Terminates after 3 months. ↳ Terminates the credit for vehicles acquired after September 30, 2025.
45W Commercial Clean Vehicles Tax Credit	Available through 2032. ↳ Tax credit for businesses and tax exempt entities to purchase new electric or fuel-cell vehicles. Credit of up to \$7,500 for light duty vehicles or \$40,000 for heavy trucks.	Terminates after 3 months. ↳ Terminates the credit for vehicles acquired after September 30, 2025.
25D Residential Clean Energy Credit	Available through 2034, with a phase down. ↳ Tax credit for homeowners installing residential solar panels, solar water heaters, wind turbines, geothermal heat	Terminates after 2025. ↳ Terminates the credit with respect to expenditures made after December 31, 2025.

	pumps, or battery storage. Currently 30% of the cost. ↳ Credit is 30% for installations through 2032, then drops to 26% in 2033 and 22% in 2034; expires end of 2034.	
25E Used Clean Vehicles Tax Credit	Available through 2032. ↳ Tax credit for buying a used electric vehicle, up to \$4,000 (with income and vehicle price limitations).	Terminates after 3 months. ↳ Terminates the credit for vehicles acquired after September 30, 2025.
30C Alternative Refueling Property Tax Credit	Available through 2032. ↳ Tax credit for installation of electric vehicle charging stations or other alternative fuel refueling property (e.g. hydrogen fueling), generally 30% of the cost up to a cap	Terminates after 12 months. ↳ Terminates the credit with respect to property placed in service after June 30, 2026.
25C Energy Efficiency Home Improvement Credit	Available through 2032. ↳ Tax credit for energy efficient home upgrades (insulation, windows, doors, HVAC, etc.), up to \$1,200 per year (30% of qualified improvement costs, with specific item caps)	Terminates after 180 days. ↳ Terminates the credit with respect to property placed in service after December 31, 2025.
179D Energy Efficient Commercial Buildings Deduction	Effective 2023 onward with no fixed end date. ↳ A tax deduction (not a credit) for energy efficiency enhancements in commercial buildings. Allows qualifying building owners or designers to deduct an amount (up to \$5 per square foot, depending on energy savings and wage requirements) for efficiency improvements.	Terminates after 12 months. ↳ Terminates the deduction with respect to property constructed after the date that is 12 months after enactment.
Transferability	Effective 2023 onward with no fixed end date. ↳ Allows certain business taxpayers to sell or transfer their tax credits to unrelated parties for cash. This IRA	Preserved, FEOC restrictions added. ↳ Maintains transferability for credits being phased out, preserved, or extended. ↳ Prohibits transfers to SFEs.

provision helps monetization of credits
(especially for entities with limited tax
liability).

PENINSULA CLEAN ENERGY BACKGROUNDER

July 11, 2025

Detailed Overview of Impacts to ITC and PTC

I. Investment Tax Credits (ITC)

1. Clean Electricity Investment Credit (Sec. 48E)

- Overview: Under current law, 48E provides a base investment tax credit of 6% for expenditures on zero-emission electricity or standalone energy-storage facilities. If prevailing-wage and apprenticeship requirements (or applicable exceptions) are satisfied, the credit rises to 30%.
- H.R. 1 Changes: H.R. 1 terminates the eligibility of wind and solar projects placed in service after December 31, 2027, for 48E credits, with an exception for wind and solar projects that begin construction *within twelve months of enactment* of the legislation. By contrast, other qualifying facilities, such as nuclear, geothermal, and clean-hydrogen projects, remain on the original statutory timeline, phasing down after 2032 at 100% in 2033, 75% in 2034, 50% in 2035, and 0% in 2036.

H.R. 1 also disallows the credit for residential solar-water-heating or small wind installations leased to third-party customers. Taxpayers who begin construction on qualified facilities after December 31, 2025, are not permitted to receive material assistance from a Prohibited Foreign Entity (PFE). Taxpayers that are considered a PFE are no longer eligible for 48E for tax year beginning after enactment. Finally, H.R. 1 adjusts the domestic content percentages that qualified facilities and energy storage technology must satisfy to qualify for the domestic content bonus as follows:

- 40% (20% for an offshore wind facility) if construction began before June 16, 2025.
- 45% (27.5% for an offshore wind facility) if construction begins on or after June 16, 2025, and before January 1, 2026.
- 50% (35% for an offshore wind facility) if construction begins during the calendar year of 2026.
- 55% if construction begins after December 31, 2026.

Note: These percentages are consistent with the current domestic content requirements under current 45Y.

2. Qualifying Advanced Energy Project Credit (Sec. 48C)

- Overview: Under 48C as previously enacted, taxpayers may claim a 30% investment credit for certified “advanced energy” projects. Congress capped total allocations at \$10 billion, including \$4 billion reserved for projects in low-income or disadvantaged areas, and required applicants to secure Treasury certification within two years and place their project in service within two years thereafter.
- H.R. 1 Changes: OBBBA stipulates that any 48C allocation withdrawn for missing the two-year in-service deadline will be permanently retired from the \$10 billion pool, rather than reissued to another project.

II. Production Tax Credits

1. Clean Electricity Production Credit (Sec. 45Y)

- Overview: 45Y provides a production tax credit of 0.3 ¢ per kWh for electricity generated by zero-emitting facilities for ten years after they are placed in service. Meeting prevailing-wage and apprenticeship rules raises the rate to 1.5 ¢ per kWh.
- H.R. 1 Changes: Wind and solar projects that begin construction more than one year after enactment must be placed in service by December 31, 2027, to claim any 45Y credit. Accordingly, those wind and solar facilities that start construction within the first post-enactment year do not face a placed in-service deadline. Wind and solar projects starting on January 1, 2025, until July 4, 2025, (i.e., the date of enactment) will receive credits at the full rate. Non-wind/solar facilities follow the existing post-2033 phase-out: 100% credit for 2033 starts, 75% for 2034, 50% for 2035, and zero thereafter. The credit no longer applies to residential solar-water-heating or small wind installations leased to third parties. Additionally, new measurement methods for capacity additions grant developers greater flexibility in calculating eligible output. Taxpayers who begin construction on qualified facilities after December 31, 2025, are not permitted to receive material assistance from a PFE (as defined above). Taxpayers that are considered a PFE are no longer eligible for 45Y for tax years beginning after enactment.

2. Advanced Manufacturing Production Credit (Sec. 45X)

- Overview: 45X offers a production tax credit for manufacturing certain eligible components and critical minerals within the United States. Credit amounts differ by component type. Under current law, component credits phase down after 2029 on a five-year schedule (100% for sales before 2030; 75% in 2030; 50% in 2031; 25% in 2032; and 0% thereafter), while credits for critical mineral extraction remain available indefinitely.

- H.R. 1 Changes:
 - *Critical minerals*: The permanent credit for critical minerals (other than metallurgical coal) would instead taper off beginning in 2030 as follows: 100% credit for 2030; 75% for 2031, 50% for 2032, 25% for 2033; and zero in 2034.
 - *Wind Component Sunset*: All wind-related component credits would be eliminated for items produced and sold in 2028 and beyond.
 - *Foreign-Entity Exclusions*: Any component made with material assistance from a prohibited foreign entity after December 31, 2025, is ineligible, and taxpayers classified as specified foreign entities or foreign-influenced entities lose 45X eligibility for tax years beginning after enactment.

3. Clean Hydrogen Production Credit (Sec. 45V)

- Overview: Qualified clean hydrogen produced by the taxpayer is eligible for a per kilogram credit percentage of \$0.60 that ranges from 20% to 100% depending on the lifecycle greenhouse gas emissions rate that occurs in the process. The credit applies to the hydrogen produced during the ten-year period that the facility is placed in service.
- H.R. 1 Changes: Facilities that commence construction after December 31, 2027, would no longer be eligible for any 45V credit. No new FEOC rules would apply to 45V.

4. Zero-Emission Nuclear Power Production Credit (Sec. 45U)

- Overview: Electricity produced by existing nuclear power plants is eligible for a credit equal to 0.3¢ per kWh or, if prevailing wage and apprenticeship requirements or exceptions in constructing, repairing, or altering the facility are met, 1.5¢ per kWh with the credit being reduced as power prices rise above \$25 per MWh.
- H.R. 1 Changes: Beginning in 2028, taxpayers must certify that any nuclear fuel they use was not sourced from “covered nations” or covered entities—unless acquired under a binding contract in force prior to January 1, 2023. In addition, OBBBA bars SFEs from claiming 45U for tax years beginning after enactment and disqualifies FIEs from claiming 45U for tax years beginning two years after enactment.

5. Clean Production Fuel Credit (Sec. 45Z)

- Overview: Certain transportation fuel is eligible for a credit equal to the applicable amount multiplied by an emissions factor. The applicable amount for transportation fuel is \$0.20 per gallon, and the applicable amount for sustainable aviation fuel is \$0.35 per gallon. If prevailing wage and apprenticeship requirements or exceptions are met, the credit is increased by a factor of five (\$1 per gallon for transportation fuel and \$1.75 per gallon for sustainable aviation fuel). The credit applies to fuel sold before 2028.

- H.R. 1 Changes: The proposed legislation extends the availability of the 45Z credit through the end of 2029 but introduces a suite of significant eligibility and calculation changes starting in 2026. Most notably, the credit would no longer be available for fuel derived from feedstocks sourced outside of the United States, Mexico, or Canada, narrowing the geographic scope of eligible inputs. Additionally, the credit value for fuels derived from foreign feedstocks would be reduced by 20% beginning in 2026. The enhanced rates for sustainable aviation fuel are eliminated for fuel sold after December 31, 2025. In a move to standardize emissions accounting, the proposal bars the use of negative lifecycle emissions rates for most fuels starting in 2026, except in the case of animal-manure-based fuels. For those

fuels, the Treasury Department is directed to issue specific lifecycle greenhouse gas emissions rates tailored to the type of manure feedstock (e.g., dairy, swine, or poultry). Further, lifecycle emissions calculations would be required to exclude emissions attributable to indirect land use changes, thereby aligning more closely with international sustainability standards. To prevent double-dipping, the credit is reduced by the amount of any excise tax credit under Sec. 6426(k)(1) for fuel sold after 2024, and the Sec. 6426(k)(1) credit itself would sunset on September 30, 2025. OBBBA also directs Treasury to issue guidance clarifying how related-party sales of qualifying fuel should be treated under Sec. 45Z. Finally, the credit would no longer be available to SFEs for tax years beginning after the date of enactment. FIEs would lose eligibility for 45Z in tax years beginning two years after enactment. These changes reinforce broader FEOC compliance themes present throughout the legislation and could significantly affect multinational producers and joint ventures operating in the biofuels space.

6. Clean Vehicle Credits

- Overview: Taxpayers may claim a credit for previously owned clean vehicles (Sec. 25E), new clean vehicles (Sec. 30D), and qualified commercial clean vehicles (Sec. 45W).
- H.R. 1 Changes: H.R. 1 eliminates these clean-vehicle credits for vehicles acquired after September 30, 2025, and taxpayers may only claim them for purchases completed by that date.

7. Residential Energy Credits

- Overview: Taxpayers may claim several credits or a deduction related to residential clean energy expenditures. The currently available tax incentives are the Energy Efficient Home Improvement Credit (Sec. 25C), the Residential Clean Energy Credit (Sec. 25D), the Energy Efficient Commercial Buildings Deduction (Sec. 179D), and the New Energy Efficient Home Credit (Sec. 45L).

- H.R. 1 Changes: The Sec. 25C and Sec. 25D credits terminate for property placed in service or cost paid after December 31, 2025. The Sec. 179D deduction now terminates for property the construction of which begins after June 30, 2026. The Sec. 45L credit terminates for qualified property acquired after June 30, 2026.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: June 27, 2025

MEETING DATE: July 14, 2025

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Gwen Rose, Director of Marketing & Community Relations and Kennedy Placek, Lexicon Branding

SUBJECT: PCE Brand Refresh and Naming Process Update (Discussion)

BACKGROUND

As Peninsula Clean Energy continues to mature, serving load outside of San Mateo and seeking to differentiate itself from Pacific Gas and Electric, it's critical that our brand supports our mission and connects with the customers and audiences PCE needs to reach. Over time, feedback from customers, partners, and staff has raised questions about whether our current name and its acronym "*PCE*"—is still serving the agency well now and into the future. In response to these questions and with direction from the Board, staff launched a structured naming exploration process to evaluate whether a new name would better support PCE's long-term goals.

DISCUSSION

In March 2025, Peninsula Clean Energy engaged Lexicon Branding to lead a structured process to explore whether a new name could help strengthen our brand, eliminate confusion with PG&E, and build a deeper emotional connection with our customers and communities. The goal is to determine whether a new name can better support PCE's long-term participation goals, brand awareness, and strategic mission.

The naming process is being guided by a cross-functional 'Naming Committee' that includes Board members currently serving on the Marketing Committee, Executive leadership, and Staff. The work is structured in four phases:

Discovery and Strategy

Lexicon conducted interviews and surveys with Board members, staff, CAC and community partners to understand how Peninsula Clean Energy is currently perceived and what a new name must convey. These insights were distilled into a Creative Framework—a strategic guide for name development—that was reviewed and approved by the Naming Committee.

Name Development and Review

Lexicon is currently developing name options grounded in that framework. These names are being shared with the Naming Committee in two creative review sessions to gather feedback and explore different tonal and strategic directions.

Legal and Linguistic Screening

Preliminary legal and linguistic reviews are conducted to ensure names are legally viable for use across our service territory and audiences.

Customer Testing and Final Review

A shortlist of names will be tested with the naming committee and Board leadership and key customer groups to assess first impressions and alignment with our values. Final names will then undergo deeper legal review before the Committee recommends the finalist for Board consideration.

The process ensures early stakeholder input, multiple opportunities for feedback, and careful evaluation of names for strategic fit and public resonance.

Approximate Timeline

The work is being carefully paced to allow for stakeholder input and legal diligence. Below is an estimated timeline, with flexibility built in to accommodate additional review or refinement as needed:

- March–April 2025: Discovery, interviews, surveys
- May–June 2025: Creative development and Naming Committee reviews
- July–August 2025: Customer testing and second-round legal screening
- September 2025: Final review and recommendation
- Fall 2025: Board decision on new name
- Late 2025–2026: Rollout planning and implementation (pending decision)

FISCAL IMPACT

The naming work is being conducted under a contract with Lexicon Branding for an amount not to exceed \$144,000. This amount is included in the approved FY25 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



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: July 1, 2025
MEETING DATE: July 14, 2025
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee
FROM: Rafael Reyes, Senior Director of Energy Programs
SUBJECT: Residential Finance and Solar Program (Discussion)

RECOMMENDATION

Information and discussion only.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. In 2018, PCE initiated community programs, which have been developed within three major pillars: Building decarbonization, Transportation decarbonization, and Distributed Energy Resources. In September 2021, the Board adopted a new aspirational target supporting the region in reaching 100% decarbonization in buildings and transportation by 2035 and directed staff to analyze the feasibility of that target and return with an assessment and plan. The detailed analysis was delivered to the Board in September 2022 which assessed current market conditions, funding and financing availability, economics, and policy status. The plan also provided guidance on strategies to deliver significant emissions reductions within a scope that the agency is well positioned to affect.

The core strategy was defined as follows: To decarbonize buildings and transportation, align energy use with renewables, and deliver community benefits in segments PCE is best positioned to influence, primarily electrification of private vehicles and single-family homes. To do so, the plan recommends progressively developing and adapting programs that inform customer preference, innovation, and policy to demonstrate scalable, sustainable business models and mobilize market forces state-wide. However, the Decarbonization Plan also identified major barriers in scaling decarbonization and a special need to develop new business models to achieve scalability. The need for a more comprehensive plan on how to foster distributed energy resource (DER) development in PCE's service area was also confirmed in subsequent Board discussions regarding PCE's Strategic Plan for 2026 – 2030.

On April 24, 2025 staff presented the DER Framework the Board. The DER Framework includes 7 goals to foster the development of DERs in its service area under a customer-focused approach during the 2025 – 2030 timeframe. Two of the goals are as follows:

1. PCE will expand its behind-the-meter local power portfolio by 15 MW of solar and 35 MWh of storage via two core initiatives – (1) developing a General Market Residential Solar + Storage Program and (2) expanding PCE’s Solar + Storage for Public Buildings Program (GovPV). Scalable and self-sustaining financial solutions are central to this Goal.
2. PCE will initially strive towards integrating additional DERs such as solar + storage and EV readiness under PCE’s existing residential electrification program, the Home Upgrade Program. In a second step, PCE will also work towards providing integrated program offerings across the breadth of DERs to local government and commercial customers.

DISCUSSION

These goals provide direction for the program under development. Reflecting the Decarbonization Plan and DER Framework, PCE aims to integrate third-party finance services with the following objectives:

1. Improve customer access to capital for sustained scalable decarbonization
2. Accelerate deployment of distributed residential solar and storage to reduce customer bills and improve the financial benefit of electrification
3. Develop a business model that enhances PCE’s long-run ability to support customers and produce beneficial grid services

While PCE currently offers incentives and finance through its Zero Percent Loan, third-party financial service – from private banks or other financial services – are substantially larger capital pools than PCE can offer on its own. The larger capital pool will be necessary as electrification grows in total projects. Currently projects in PCE territory number from the 1,000 to 2,000 projects per year. However, approved rules by the Bay Area Air District set to begin in 2027 would likely result in upwards of ten thousand project per year, and total funds needed per project, from \$5,000 to \$20,000 to \$40,000 to \$60,000 for comprehensive electrification and solar. Numerous options are available in the market such as home equity lines of credit from banks, solar finance such as PPAs or leases from solar companies, and home upgrade finance from a variety of “fintech” companies. However, costs and complexity for customers remains very high. This includes very high rates from commercial lenders and many private finance providers have high friction processes – slow approvals, high rates, and/or requirements challenging for contractors and customers.

PCE is developing an RFP for third-party financial services in coordination with peer CCAs in the Bay Area with the intention of bringing financing services that are easier to use and provide terms that are better than that available in the current market. Such third-party finance can support both solar and storage, as well as home electrification, enabling unified whole-home projects. The service is also envisioned to be structured to secure for PCE grid services from the batteries and other devices such as thermostats and water heaters. These would be actuated through the PCE distributed energy resource management platform (DERMS) the Board approved in May. An additional RFP for a solar developer is also under consideration to be able to offer turnkey installation services.

For residential solar and storage, an intermediate step was taken with the Board approved Solar and Battery Savings program launched last year which will secure state funds through the Self-Generation Incentive Program (SGIP) to deploy solar and storage systems to income-

qualified homes. In this program, PCE contracted with solar developer Haven Energy Services to manage customer engagement, financing, tax credits, and installations. The solar and storage systems will also offer grid services, connected through the DERMS being put into place. This program is ongoing.

PCE plans to release RFPs in the summer to address the agency's strategic goals for the residential sector:

1. Financial Services: This partner would offer optional financing to customers interested in securing financing services. The services would be aimed at streamlined, low-friction transaction with beneficial terms. PCE's objective is to secure superior terms and process by providing marketing and program support. Multiple CCAs may participate in this RFP.
2. Solar and Storage Developer: This partner would be responsible for delivering installations, manage financing and tax credits, and ensure services are delivered to PCE specifications for customers selecting turnkey installations. This service provider is intended to reduce equipment and installation complexity for customers.

For the financial services, in addition to the programmatic features listed above, PCE is exploring a possible role for credit enhancements to improve the financing terms. The general concept is that PCE would offer a pool of funds to support the financing, improving the interest rate and/or other loan terms. Specific approaches vary such as interest rate buydowns, loan loss reserves, and loan participations. Some approaches also enable revenue generation which can offset lost revenue from loss of generation sales.

Credit enhancements are widely used in a number of arenas such as affordable housing and economic development. As part of the financial services exploration, PCE may explore the potential for use of credit enhancement using PCE funds to improve customer terms and potentially generate program revenues.

FISCAL IMPACT

The partnership is envisioned to have no net cost or potentially favorable revenues to PCE. If PCE elects to utilize credit enhancement, it would be with funds the Board authorized for residential solar and storage out of the 2023 surplus funds allocation.