



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

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

**Thursday, January 23, 2025
6:30 pm**

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

In-Person Meeting Locations:

PCEA Lobby, **2075 Woodside Road, Redwood City, CA 94061**
Los Banos City Hall, Conference Room A, **520 J Street, Los Banos, CA 93635**

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

This meeting of the Board of Directors will be held at the Peninsula Clean Energy Lobby: 2075 Woodside Road, Redwood City, CA 94061 and Los Banos City Hall, Conference Room A, 520 J Street, Los Banos, CA 93635 and by teleconference pursuant to California Assembly Bill 2449 and the Ralph M. Brown Act, CA Gov't Code. Section 54950, et seq. **Members of the Board are expected to attend the meeting in person** and should reach out to 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 or **Los Banos City Hall**, Conference Room A, 520 J Street, Los Banos, CA 93635.

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

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

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

ADA Requests

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

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

CALL TO ORDER / ROLL CALL / APPROVAL OF 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. [Resolution to Honor the Service of Community Advisory Committee Member Desiree Thayer](#)
2. [Recommend Continuance of 2025 Regulatory / Legislative Policy Platform](#)
3. [Approval of Minutes from the December 19, 2024 Board of Directors Meeting](#)

REGULAR AGENDA

4. Chair Report (Discussion)
5. [CEO Report \(Discussion\)](#)
6. CAC Report (Discussion)
7. [Approval of Phase One/Strategic Policies of Peninsula Clean Energy's 2026-2030 Strategic Planning Process \(Action\)](#)
8. [Approval of Updates to Peninsula Clean Energy's Rates \(Action\)](#)
9. Board Members' Reports (Discussion)

INFORMATIONAL REPORTS

10. [Update on Community Energy Programs](#)
11. [Update on Legislative Activities](#)
12. [Update on Marketing, Outreach Activities, and Media Relations](#)
13. [Report on California Community Power \(CCP\) Joint Powers Authority](#)
14. [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

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- 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

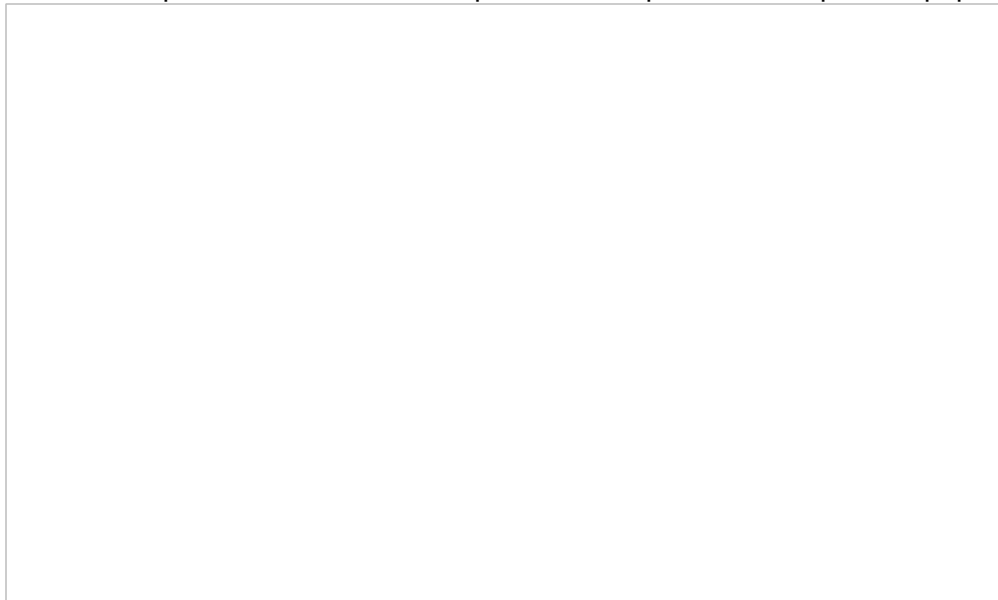
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- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Computer Audio option at the top of the pop-up screen.

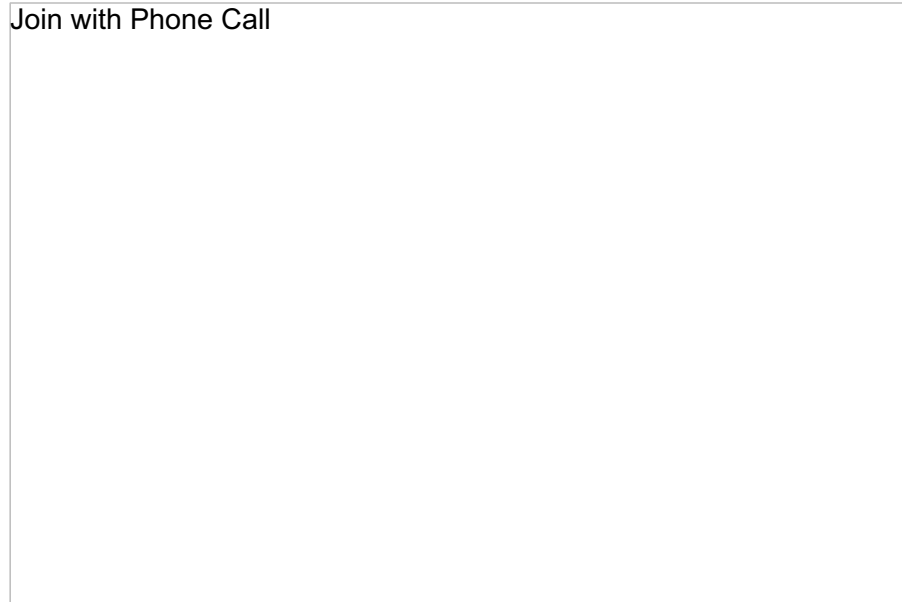


- Click the blue, "Join with Computer Audio" button.
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- After the application opens, the pop-up screen below will appear asking you to choose ONE of the audio conference options. Click on the Phone Call option at the top of the pop-up screen.



- 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 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.

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



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 17, 2025
MEETING DATE: January 23, 2025
VOTE REQUIRED: Majority Vote

TO: Peninsula Clean Energy Authority Community Advisory Committee

FROM: Kirsten Andrews-Schwind, Associate Director of Community Relations and Climate Equity

SUBJECT: Resolution to Honor the Service of Community Advisory Committee Member Desiree Thayer

RECOMMENDATION

Approve resolution honoring Desiree Thayer, former member of the Community Advisory Committee.

BACKGROUND

Peninsula Clean Energy's Community Advisory Committee (CAC) was formed by its Board of Directors in 2017. The Committee is made up of up to 15 community volunteers who give their time and expertise as community liaisons and in an advisory capacity on customer-facing issues and initiatives.

DISCUSSION

Recent CAC member and newly elected Councilwoman from Burlingame, Desiree Thayer, served as a member of the CAC since 2017, assuming leadership roles as the CAC Chair and the lead of several working groups. Desiree lent her expertise to strengthen Peninsula Clean Energy and further the agency's mission across several areas; most recently, she led working groups related to the Strategic Plan; Diversity, Equity, Accessibility, and Inclusion (DEAI); and Education Initiatives. Desiree has also raised awareness and support for clean energy by developing youth education programs and community outreach initiatives.

On January 9, 2025, the Community Advisory Committee adopted the attached resolution to honor and thank Desiree Thayer.

RESOLUTION NO. _____

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

**RESOLUTION TO HONOR THE SERVICE OF COMMUNITY ADVISORY COMMITTEE
MEMBER DESIREE THAYER**

WHEREAS, Peninsula Clean Energy's Community Advisory Committee (CAC) was formed by its Board of Directors in 2017. The Committee is made up of up to 15 dedicated community volunteers who give their time and expertise as community liaisons and advise on customer-facing initiatives since the beginning.

WHEREAS, the Community Advisory Committee (CAC) and Peninsula Clean Energy staff would like to formally recognize and honor Desiree Thayer's key contributions to the organization.

WHEREAS, Desiree Thayer served as an active member of the CAC since 2017, assuming leadership roles as the CAC Chair and the lead of several working groups.

WHEREAS, Desiree lent her expertise to strengthen Peninsula Clean Energy and further PCE's mission across several areas including leading working groups related to the Strategic Plan, Diversity, Equity, Accessibility, and Inclusion (DEAI), and Education Initiatives.

WHEREAS, Desiree has also raised awareness and support for clean energy by developing youth education programs and community outreach initiatives.

Be it resolved that Peninsula Clean Energy expresses their deep gratitude for the contributions of Desiree Thayer to the success of the organization.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 17, 2025
MEETING DATE: January 23, 2025
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Marc Hershman, Director of Government Affairs
SUBJECT: Recommend Continuance of 2025 Regulatory / Legislative Policy Platform

RECOMMENDATION

Recommend continuance of 2025 Regulatory / Legislative Policy Platform to the February 27, 2025 Board of Directors meeting.

BACKGROUND

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

DISCUSSION

Staff is requesting a continuance on this matter to the February 27, 2025 Board meeting to allow for the new Senior Manager of Legislative Policy to join our team at the end of January, and participate in an ad- hoc legislative committee meeting in early February.

FISCAL IMPACT

None



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 17, 2025
MEETING DATE: January 23, 2025
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 December 19, 2024 Board of Directors Meeting

RECOMMENDATION

Approval of Minutes from the December 19, 2024 Board of Directors Meeting

BACKGROUND

Approval of Minutes from the December 19, 2024 Board of Directors Meeting

ATTACHMENTS:

[12-19-2024 BOD Minutes.pdf](#)

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

Thursday, December 19, 2024
6:30 p.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

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

ROLL CALL

Participating:

Effie Verducci, San Mateo County
Rick DeGolia, Atherton
Tom McCune, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Chair*
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Carlos Romero, East Palo Alto
Stacy Jimenez, Foster City
Leslie Ragsdale, Hillsborough
Betsy Nash, Menlo Park
Anders Fung, Millbrae
Christine Boles, Pacifica
Craig Taylor, Portola Valley
Kaia Eakin, Redwood City
Marty Medina, San Bruno, *Vice Chair*
Adam Loraine, San Mateo
Kevin Bryant, Woodside

Absent:

San Mateo County
Half Moon Bay
Los Banos
John Dugan, San Carlos
James Coleman, South San Francisco

A quorum was established.

PUBLIC COMMENT

David Mauro, gave a public comment.

ACTION TO SET THE AGENDA AND APPROVE REMAINING CONSENT AGENDA ITEMS



Public Comment: NONE

MOTION: Director Medina moved, seconded by Director Fung to set the Agenda, and approve Agenda Item Numbers 1-3.

1. Approval of 6 EV Ready Program Fund Reservation Agreements, Providing Approximately \$377,000 in Customer Incentives
2. Approval of Revisions to the Disadvantaged Communities Green Tariff and Community Solar Green Tariff Sheets
3. Approval of the Minutes for the November 21, 2024 Meeting

MOTION PASSED/FAILED: 18-0 (Absent: San Mateo County, Half Moon Bay, Los Banos, San Carlos, South San Francisco)

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

	Total	18			5
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REGULAR AGENDA

4. [Chair Report](#)

Donna Colson, Chair of the Board gave a Chair report.

5. [CEO Report](#)

Shawn Marshall, Chief Executive Officer, gave a CEO Report

6. Community Advisory Committee Report

None

7. [Enhancing Customer Experience: Launching Integrated Support for Clean Energy and Electrification Journeys \(Discussion\)](#)

Gwen Rose, Director of Marketing and Community Relations, Leslie Brown, Director of Account Services, and Rafael Reyes, Senior Manager of Energy Programs gave a presentation on Enhancing the Peninsula Clean Energy Customer Experience through Programs, the in-house call center, and the new website.

Public Comment: None

8. [Approval of Contract Amendment with IDLab Global for Brand and Marketing Services in an Amount Not-To-Exceed \\$975,575 \(Action\) 8:15pm](#)

Gwen Rose, Director of Marketing and Community Relations gave a presentation on the Approval of a contract amendment with IDLab Global.

Public Comment: None

MOTION: Director Taylor moved, seconded by Director Loraine to Approve the contract amendment with IDLab Gloal for brand marketing and services in an amount not-to-exceed \$975,575.

MOTION PASSED/FAILED: 18-0 (Absent: San Mateo County, Half Moon Bay, Los Banos, San Carlos, South San Francisco)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Verducci	X			
San Mateo County	Director Mueller				X
Atherton	Director DeGolia	X			
Belmont	Director McCune	X			

Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
Colma	Director Gonzalez	X			
Daly City	Director Daus-Magbual	X			
East Palo Alto	Director Romero	X			
Foster City	Director Jimenez	X			
Half Moon Bay	Director Rarback				X
Hillsborough	Director Ragsdale	X			
Los Banos	Director Llanez				X
Menlo Park	Director Nash	X			
Millbrae	Director Fung	X			
Pacifica	Director Boles	X			
Portola Valley	Director Taylor	X			
Redwood City	Director Eakin	X			
San Bruno	Director Medina	X			
San Carlos	Director Dugan				X
San Mateo	Director Loraine	X			
South San Francisco	Director Coleman				X
Woodside	Director Bryant	X			
	Total	18			5

9. Board Members' Reports

None

ADJOURNMENT

Meeting was adjourned at 8:29 p.m.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 17, 2025
MEETING DATE: January 23, 2025
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, including but not limited to: a summary of 2024 accomplishments, plans for new Board and alternate member orientation, Committee openings, and other informational items.

PCE In the Community

January 6	City Hall Tabling, Los Banos
January 16	Youth Climate Ambassadors Partner Night, San Mateo County
January 25	Lunar New Year Festival, Millbrae
January 25	Youth Climate Ambassadors Mid-Year Retreat - East Palo Alto
January 28	Community Workshop With Climate Resilient Communities- East Palo Alto
January 29	Thrive Alliance Home Upgrade Program - San Mateo County

CEO Member Agency Briefings

As of January 14, 2025 all member agency briefings are complete! Thank you to Marc Hershman and others on the PCE team who assisted with this effort. Going forward, Marc and other members of PCE's executive team will provide periodic Council briefings and updates.

PCE Staffing Update

Please Welcome to Our Team...

- Michael Mielke, Senior Manager of Legislative Policy

There are no open positions posted at this time.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 10, 2025
MEETING DATE: January 23, 2025
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Shalini Swaroop, Chief Operating Officer
SUBJECT: Approval of Phase One/Strategic Policies of Peninsula Clean Energy's 2026-2030 Strategic Planning Process (Action)

RECOMMENDATION

Approval of Phase One inclusive of three proposed strategic policies for Peninsula Clean Energy's 2026-2030 strategic planning process.

BACKGROUND

For its 2026-2030 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.

La Piana Consulting and staff have been hard at work on Phase One of PCE's 2026-2030 strategic plan, which has focused on the development of three strategic priorities to guide the Agency's work over the next five years. In this phase, there has been significant feedback from various community partners, the Community Advisory Committee, the Board Ad Hoc Committee, PCE staff, and various members of the Board of Directors. The strategic planning process thus far is outlined below:

Strategy Development Process Overview



The Board of Directors reviewed and opined on PCE’s initial “critical questions” at the Board Retreat on October 24, 2024. Since that meeting, relevant staff and PCE leadership have had multiple rounds of feedback on potential answers to the critical questions. These answers then evolved into “strategic policies” that have been further refined with input from the following groups in November 2024 – January 2025:

- Community Advisory Committee
- Board Ad Hoc Strategic Planning Committee
- Board Ad Hoc Procurement Committee
- Board Ad Hoc Programs Committee
- Board Executive Committee
- PCE staff

Full notes on community engagement throughout the process, including feedback from community-based organizations and union representatives, is included in the Appendix of the attached document.

PCE presents three proposed strategic policies to the Board as part of phase one of Plan adoption. The Organizational Strategy completed by La Piana Consulting and staff consists of these three strategic policies that are responsive to the three identified critical questions from the October 24, 2024 Board Retreat. Also included in the Organizational Strategy is the development of two foundational tools: 1) defining PCE’s future value proposition and 2) developing a set of decision-making criteria to guide PCE’s strategic choices during and after this process. This organizational strategy should be stable for five years and act as a “north

star” for PCE from 2026-2030. Upon the adoption of the three strategic policies, staff will begin to formulate PCE’s Programmatic and Operational Strategy as part of phase two - the goals, objectives, and key results that PCE will deliver in alignment with its strategic policies. These elements will be more time-bound and be used to create agency, departmental, and individual annual work plans. The five-year programmatic and operational strategies will be brought to the Board later in 2025 and will look more similar to PCE’s last strategic plan. The La Piana strategy pyramid is below:



Therefore, the final PCE Strategic Plan 2026-2030 will incorporate the following components:

- PCE’s Organizational Strategy defining PCE’s strategic policy positions (January 2025)
- PCE’s future value proposition and decision-making criteria as foundational tools
- PCE’s Programmatic and Operational Strategy establishing Agency goals to implement the strategic policy positions (Summer/early Fall 2025)

DISCUSSION

Strategic Policy 1:

Maintain a 100% zero-carbon power resource portfolio while working towards delivering 100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize PCE’s 24/7 hourly matching of renewable energy*

and load.

This policy statement encompasses the following key elements:

- Continued commitment to achieving industry-leading renewable energy targets.
- Built-in flexibility on the 24/7 hourly matching goal to balance against potential cost impacts on PCE's customers.
- An emphasis on strategic procurement to minimize cost and risk exposure to PCE, minimize cost pressures for customers, and maintain PCE's financial health.
- A target of 60% minimum Renewable Portfolio Standard (RPS) of PCE's annual retail sales prior to 2030, with flexibility on the remaining composition to be determined annually by executive leadership with the Risk Oversight Committee while maintaining cost competitiveness with PG&E.

* During recent discussions with the staff-led Procurement Committee and Strategic Planning Ad-Hoc Subcommittee regarding Strategic Policy 1, comments were raised that zero-carbon resources should be considered when procuring towards meeting PCE's 24/7 hourly matching goal, instead of limiting to only renewable resources. Staff acknowledges the potential lower cost of using zero-carbon resources, namely large-hydro, based on today's market prices. At the same time, Staff identified challenges such as lack of availability in the market and additionality (i.e. new resources) under this approach and the elevated uncertainties around hydro deliveries which would be unsuitable for hourly matching. Given that the next Strategic Plan covers the 5 year period from 2026-2030, during which PCE will continue to procure large-hydro resources to fulfill the annual 100% zero-carbon portfolio, Staff recommends adopting the proposed policy statement as proposed and addressing the zero-carbon versus renewable question for hourly matching in a future procurement strategy update. In the meantime, Staff plans to continue assessing the feasibility of using zero-carbon resources to meet PCE's 24/7 goal and exploring alternative strategies that could maximize carbon emission reductions.

Strategic Policy 2:

Continue to deliver programs and services that benefit a range of PCE customers and provide meaningful greenhouse gas (GHG) reductions. PCE's policy is to reduce GHGs as quickly as reasonably possible in order to mitigate future harms that disproportionately impact more vulnerable communities. In addition, PCE will design its programs and services with equity customers' needs in mind by:

- Prioritizing rate affordability for all customers and delivering targeted discounts for some equity customer segments.
- Providing programs specifically aimed at equity customers and, where programs have broad participation, providing tiered levels of support that enhance equity customer access.
- Ensure that equity efforts truly focus on customers with the greatest need for support on a program-by-program basis.
- Seeking third-party funding to support equity programs through a variety of channels.
- Supporting policy initiatives specifically intended to benefit equity customers.
- Engaging and supporting equity customers and communities through partnerships with community-based organizations.

Strategic Policy 3:

Over the next five years, PCE will prioritize efforts to accelerate the development of carbon-free distributed energy resources (DERs) in order to support further innovation and market transformation of distributed energy technologies, accelerate greenhouse gas (GHG) reductions, and provide customer and community resilience, including:

- Expanded DER project development support.
- Expanded customer access to capital in support of DER/electrification projects.
- Expanded consulting and technical assistance.
- Drive relevant policy development and advocacy.

These draft strategic policies, the PCE value proposition, and the PCE decision-making criteria are included in the draft La Piana Strategy Roadmap attached. In addition, the attachment includes appendices that provide background and context into the strategic planning process that PCE has completed in partnership with La Piana Consulting. These draft strategic policies, the PCE value proposition, and the PCE decision-making criteria were reviewed by the Community Advisory Committee on January 9, 2025 and the Executive Committee on January 13, 2025.

Staff will return to the Executive Committee and Board of Directors this Fall at the conclusion of the Phase two work to adopt the full 2026-2030 Strategic Plan which will include the strategic policies as noted above, PCE's future value proposition, and five-year Agency 'Programmatic and Operational' goals.

ATTACHMENTS:

[PCE DRAFT Strategy Roadmap 01-10-25.pdf](#)

[PCE DRAFT Strategy Roadmap Appendices 12-4-24.pdf](#)

RESOLUTION NO. _____

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

APPROVAL OF PHASE ONE/STRATEGIC POLICIES OF PENINSULA CLEAN ENERGY'S 2026-2030 STRATEGIC PLANNING PROCESS (ACTION)

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

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

WHEREAS, in November of 2016 the Board of Directors established a mission and a set of strategic goals to guide PCE; and

WHEREAS, in 2020 the Board adopted a 2020-2025 Strategic Plan; and

WHEREAS, in May of 2024 La Piana Consulting Group (La Piana) was hired to work with the Board, the Board Strategic Plan Ad Hoc Committee, and staff to create a 2026-2030 Strategic Plan, and;

WHEREAS, La Piana conducted interviews with stakeholders from May 2024 through December 2024 and conducted a Strategic Planning Retreat with the Board in October 2024, and;

WHEREAS, La Piana and staff presented a draft Organizational Strategy to the Board Strategic Planning Ad Hoc Committee in December 2024, the Community Advisory Committee, and the Executive Committee of the Board of Directors in January 2025, and;

WHEREAS, La Piana and staff have crafted an Organizational Strategy as Phase 1 of the 2026-2030 Strategic Plan, and;

WHEREAS, the PCE Organizational Strategy includes three strategic policies, a future value proposition, and decision-making criteria, and;

WHEREAS, staff will complete subsequent phases of the 2026-2030 Strategic Plan, including programmatic and operational strategies, later in 2025, and;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board approves PCE's three strategic policies as described by Phase 1 of the 2026-2030 Strategic Plan, attached hereto.



DRAFT Strategy Roadmap

v 1.13.25



www.lapiana.org



info@lapiana.org



510-601-9056

Executive Summary

Context

Peninsula Clean Energy (PCE) launched a strategic planning process in Spring 2024 to focus its efforts through 2030. This Strategy Roadmap is focused on organizational strategy and represents one-third of a full strategic plan. Organizational strategy describes the key focus for the organization through 2030. Programmatic and Operational Strategies and work plans, to be developed in Spring and Summer 2025, will outline priorities in those areas generally and how organizational activities will align with organizational strategy.

Process Overview

Iterative conversations with staff, Board, and community members were used to, first, identify the critical questions PCE needed to resolve in order to guide it over the coming years and, then, to provide input to potential strategies in response to these questions. The policies proposed in this Roadmap represent PCE's organizational strategy.

Procurement

The question posed was *what are PCE's procurement priorities and how do affordability concerns affect those priorities?*

The proposed updated policy statement is that PCE will:

Maintain a 100% zero-carbon power resource portfolio¹ while working towards delivering 100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize PCE's 24/7 hourly matching of renewable energy and load.

This policy statement encompasses the following key elements:

- Continued commitment to achieving industry-leading renewable energy targets.
- Built-in flexibility on the 24/7 hourly matching goal to balance against potential cost impacts on PCE's customers.
- An emphasis on strategic procurement to minimize cost and risk exposure to PCE, minimize cost pressures for customers, and maintain PCE's financial health.
- A target of 60% minimum Renewable Portfolio Standard (RPS) of PCE's annual retail sales prior to 2030, with flexibility on the remaining composition to be determined annually by executive leadership with the Risk Oversight Committee while maintaining cost competitiveness with PG&E.

¹ A "zero carbon" power resource portfolio might include *de minimus* emissions from geothermal facilities.

Serving Equity Customers

The question posed was *how can PCE continue to deliver services within an equity framework while also scaling decarbonization?*

The proposed policy position is for PCE to:

Continue to deliver programs and services that benefit a range of PCE customers and provide meaningful greenhouse gas (GHG) reductions. PCE's policy is to reduce GHGs as quickly as reasonably possible in order to mitigate future harms that disproportionately impact more vulnerable communities. In addition, PCE will design its programs and services with equity customers' needs in mind by:

- Prioritizing rate affordability for all customers and delivering targeted discounts for some equity customer segments.
- Providing programs specifically aimed at equity customers and, where programs have broad participation, providing tiered levels of support that enhance equity customer access.
- Ensure that equity efforts truly focus on customers with the greatest need for support on a program-by-program basis.
- Seeking third-party funding to support equity programs through a variety of channels.
- Supporting policy initiatives specifically intended to benefit equity customers.
- Engaging and supporting equity customers and communities through partnerships with community-based organizations.

Additional Priority Areas of Work

The question posed was *are there any new or enhanced areas of work that PCE should engage in to further support decarbonization and electrification in California?*

The proposed policy is that:

Over the next five years, PCE will prioritize efforts to accelerate the development of carbon-free distributed energy resources (DERs) in order to support further innovation and market transformation of distributed energy technologies, accelerate greenhouse gas (GHG) reductions, and provide customer and community resilience, including:

- Expanded DER project development support.
- Expanded customer access to capital in support of DER/electrification projects.
- Expanded consulting and technical assistance.
- Drive relevant policy development and advocacy.

Strategic Tools

In addition to its organizational strategy, PCE has developed two tools that will guide its ongoing strategic decision-making.

Future Value Proposition

Historically, PCE's value proposition has been the ability to deliver both "cleaner" (GHG-free) and cheaper electricity. However, in a changing sector, that may no longer be a differentiating strength for PCE in the long-term. Therefore, PCE should extend its current value proposition and also develop its strengths to deliver a future value proposition built around:

- Being recognized as a leader in the communities it serves, leveraging its mission-based purpose that is not profit-driven and that mandates a focus on dramatically reducing emissions, lowering electricity rates, and investing in the communities it serves.
- Putting its customers first by listening to customer needs, acting as a trusted partner, and supporting customers' decisions and actions to address climate change.
- Leading innovation in the clean energy and electrification sectors and innovating solutions that shape and scale the market and add value for its customers.

Decision-Making Criteria

PCE will be faced with a broad array of decisions over the next five years and will need to assess its choices using identified decision-making criteria. Through this process PCE has identified a number of specific criteria to guide these decisions, built around:

- Achieving the greatest mission impact
- Leveraging and building out its future value proposition
- Advancing its commitment to Equity
- Accounting for financial impacts on PCE and its customers

Additionally, PCE has identified several criteria it will refer to when creating implementation plans around major initiatives.

Next Steps

Based on the adopted Organizational Strategy, staff will develop Programmatic and Operational Strategies to bring the Organizational Strategy to fruition. This effort will include describing key metrics and milestones for PCE's range of customer-serving and operational activities including procurement and programs that the Board can use to oversee progress. These will be developed in Spring-Summer 2025 and will come to the Board as part of the organization's ongoing strategic plan updates.

Strategy Roadmap

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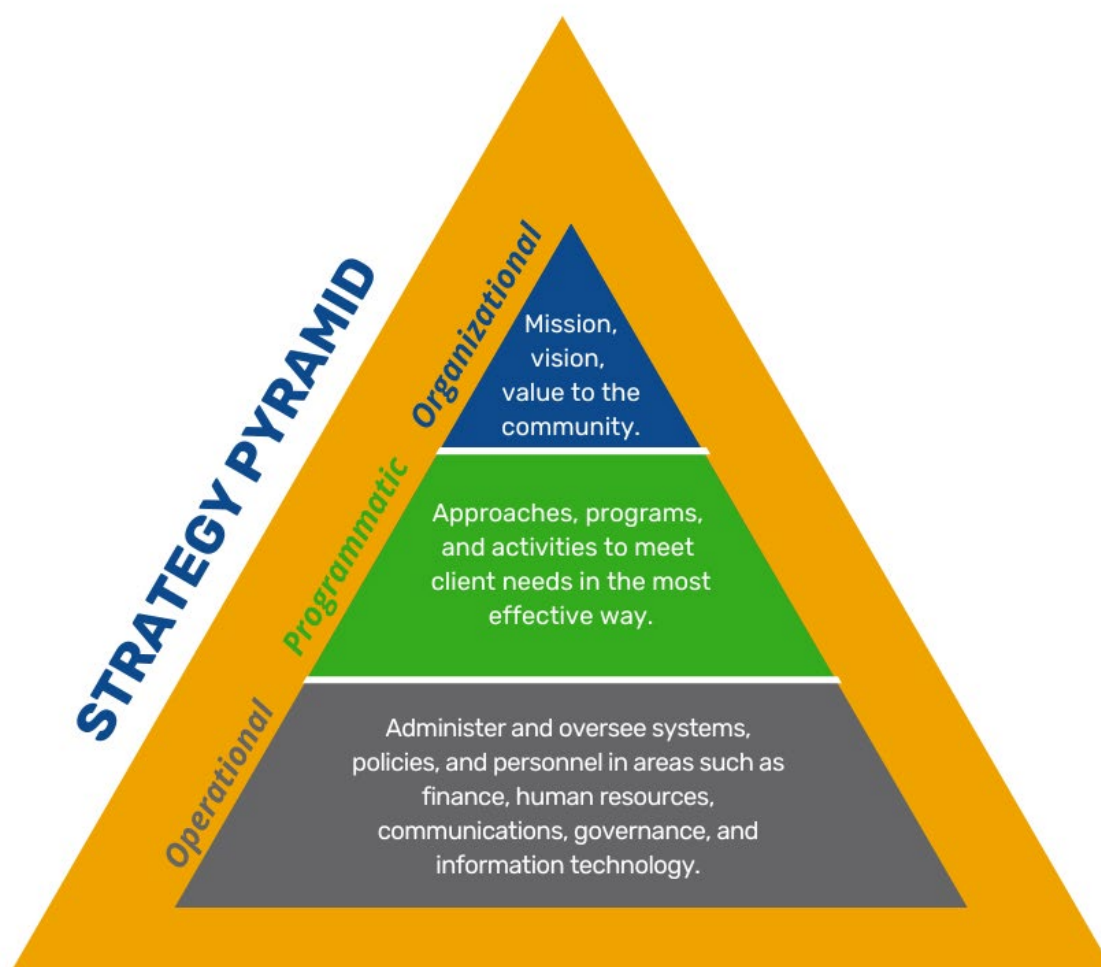
Process Summary

Process Purpose and Overview

Peninsula Clean Energy (PCE) engaged La Piana Consulting in the early Summer of 2024 to lead its strategic planning process. The primary outcomes PCE sought from the process were a strategic framework providing a clear path forward and the flexibility to anticipate and respond to a constantly changing environment.

The Strategy Pyramid and Process Outline

PCE is advancing its strategy development and planning effort through three distinctive stages. These three stages of work align with the graphic below, including Organizational Strategy, Programmatic Strategy, and Operational Strategy.



Organizational Strategy

This document is focused on the description of PCE's proposed Organizational Strategy, to be reviewed and adopted at the January 2025 PCE Board meeting. This document also summarizes the process followed and input received to arrive at PCE's proposed Organizational Strategy.

The proposed Organizational Strategy incorporates *strategic policies* related to three identified critical questions. These three strategic policies describe priorities to be used to guide PCE over the next five years.

Also included in this first stage of work are two foundational activities: defining PCE's future value proposition and developing a set of decision-making criteria to guide PCE's strategic choices throughout and beyond this process.

Programmatic and Operational Strategy

Based on the adopted Organizational Strategy, staff will develop Programmatic and Operational Strategies to bring the Organizational Strategy to fruition. This effort will include describing key metrics and milestones for PCE's range of customer-serving and operational activities including procurement and programs that the Board can use to oversee progress. These will be developed in Spring-Summer 2025 and will come to the Board as part of the organization's ongoing strategic plan updates.

Community and Staff Input

This process has been driven by the extensive engagement of staff, community members, and Board members.

Project Team

A Project Team including two staff members has guided this process as thought partners and logistical guides for La Piana. The Project Team has met approximately every other week during the process.²

Board Ad Hoc Strategic Planning Committee

The Board's *Ad Hoc* Strategic Planning Committee included five members of the Board and provided substantial input into the content of this process — including shaping the critical questions and proposed organizational strategy. The Committee has met three times during the process.³

Staff

All staff have been engaged both in the formative and latter stages of this process through small group conversations and two all-staff meetings.

² Project Team members included Shalini Swaroop and Jana Kopyciok-Lande.

³ *Ad Hoc* Strategic Planning Committee members included Adam Loraine, Donna Colson, Leslie Ragsdale, Marty Medina, and Rick DeGolia.

Senior Staff

Senior staff have been actively involved by participating in all Ad Hoc Committee meetings and meeting independently approximately 3-4 times. Specific senior staff members with primary responsibility for implementing the organizational strategy were responsible for working with their teams to review information gathered and craft policy proposals for *Ad Hoc* Committee review.

Community

Community groups were engaged both in the formative and latter stages of this process through small group conversations. Groups consulted included the Community Advisory Board, partner Community-based Organizations, Labor, and City and County sustainability staffs (including the primary liaison with Los Banos).

Value Proposition

Context

PCE's mission is *to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions*. PCE is able to deliver on this mission through its value proposition — offering a differentiated benefit to the community that appeals to its customers.

Historically, PCE's value proposition has been the ability to deliver both “cleaner” (GHG-free) and cheaper electricity. However, as long-term contracts expire and all load serving entities (LSEs) are mandated to achieve 100% zero-carbon energy by 2045, PCE's value proposition may no longer provide a unique differentiation compared to other LSEs.

To ensure sustained success, PCE will need to extend its current value proposition — delivering cleaner and more affordable energy — while it also develops a new, sustainable value proposition. Appendix B outlines key factors PCE considered related to its future value proposition.

PCE will evaluate the need to update this mission statement following adoption of the organizational strategy.

Future Value Proposition

PCE will develop its strengths into a future value proposition built around:

- Being recognized as a leader in the communities it serves, leveraging its mission-based purpose that is not profit-driven and that mandates a focus on dramatically reducing emissions, lowering energy rates, and investing in the communities it serves.
- Putting its customers first by listening to customer needs, acting as a trusted partner, and supporting customers' decisions that enable actions to address climate change.
- Leading innovation in the clean energy and electrification sectors and innovating solutions that shape and scale the market and add value for its customers.

Decision-Making Criteria

Before making major strategic choices, PCE will need to assess its choices using identified decision-making criteria. These criteria should not be used as a rigid framework or a set of absolute values, but rather as a guide to discussions that ensures decision-makers examine relevant factors, challenge assumptions, and avoid skipping over inconvenient truths. It can be used at various levels and stages of decision-making to ensure PCE maintains its “north star.”

The preliminary list of criteria developed during this process is included as Appendix C. These have been refined into two tiers of considerations.

Initial Decision-Making Criteria

The first tier of criteria should be used as a “first pass” in decision-making, leading to broad strategic choices that outline PCE’s preferred path forward. These criteria are included in the chart below.

<i>Tier One Criteria: Use to Drive Preliminary Decisions</i>	
<i>Does this decision...</i>	
<i>Leverage or build out PCE’s Future Value Proposition: Being a leader in the communities it serves, dramatically reducing emissions, lowering energy rates, and investing in its communities?</i>	
<i>Leverage or build out PCE’s Future Value Proposition: Putting its customers first, acting as a trusted partner, supporting customers to address climate change?</i>	
<i>Leverage or build out PCE’s Future Value Proposition: Leading innovation in the sector that shapes and scales the market and adds value for its customers?</i>	
<i>Advance PCE’s commitment to Equity:</i>	
▫ <i>Enhance equitable access to the benefits of reduced GHG emissions?</i> ▫ <i>Align with PCE’s DEAI Framework?⁴</i>	
<i>Take into account financial impacts to PCE?</i>	
<i>Take into account costs to PCE’s customers?</i>	

Planning Criteria

The second tier of criteria should be applied as a “second pass,” as considerations in PCE’s ongoing planning to advance Programmatic and Operational Strategy. These criteria are included in the chart below.

⁴ The staff-developed DEIA Framework is also included in Appendix C.

Tier Two Criteria: Use in Planning Processes to Advance Programmatic and Operational Strategy

How will the decision be implemented in order to...

Align with or support our organizational strategy?

Enhance or integrate with PCE's current portfolio of services?

Account for operational impacts:

- **Consider PCE's ability to deploy current staff or add new staff to address capacity and expertise needed?**
- **Assess impacts on current load profile?**
- **Create mitigation plans around potential risks, including financial, energy, reputational, and legal risks?**

Meet compliance, policy, and political needs:

- **Meets PCE's compliance requirements?**
- **Enhances PCE's community reputation as a trusted and transparent agent of change?**

Critical Questions

Context

Participants in the strategy development process identified three critical questions to focus on in this process. These questions, if resolved, provide broad guidance for ongoing decision-making by PCE:

1. What are PCE's procurement priorities and how do affordability concerns affect those priorities?
2. How can PCE continue to deliver services within an equity framework while also scaling decarbonization?
3. Are there any new or enhanced lines of business that PCE should engage in to further support decarbonization and electrification in California?

Another question that has been raised is PCE's stance on geographic expansion. Resolving this is not central to this process and can be addressed at a later time.

Critical Question One: Procurement Priorities

Context

PCE's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. PCE's vision is a sustainable world with clean energy for everyone.

PCE's power procurement strategy aims to displace fossil fuel generation on the grid and to serve customers with renewable energy each hour of the day while keeping costs low and meeting all regulatory requirements. PCE has been serving its customers with 100% clean energy on an annual basis since 2021.

Strategic Policy

In April 2024, PCE's Board of Directors approved and adopted the following Strategic Plan Priority, which serves as a general policy-level framework for future power procurement activities:

Deliver 100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize PCE's 24/7 hourly matching of renewable energy and load.

While the current policy statement accurately reflects PCE's forward-looking renewable goals, in an effort to emphasize PCE's commitment to maintain a 100% zero-carbon resource portfolio at all times, the new policy statement is proposed to be:

Maintain a 100% zero-carbon power resource portfolio⁵ while working towards delivering 100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize PCE's 24/7 hourly matching of renewable energy and load.

This policy statement encompasses the following key elements:

- Continued commitment to achieving industry-leading renewable energy targets.
- Built-in flexibility on the 24/7 hourly matching goal to balance against potential cost impacts on PCE's customers.
- An emphasis on strategic procurement to minimize cost and risk exposure to PCE, minimize cost pressures for customers, and maintain PCE's financial health.
- A target of 60% minimum Renewable Portfolio Standard (RPS) of PCE's annual retail sales prior to 2030, with flexibility on the remaining composition to be determined annually by executive leadership with the Risk Oversight Committee while maintaining cost competitiveness with PG&E.

Measurable Expectation (What PCE Is Doing)

Since the adoption of PCE's Strategic Plan Priority earlier in 2024, PCE released two solicitations for long-term renewable and storage resources and received numerous quality project offers. PCE's updated selection criteria focuses on:

- Portfolio fit to advance 24/7 hourly renewable matching
- Maximizing resource value
- Minimizing operational risk
- Providing benefits to communities surrounding project sites

Half a dozen projects have been shortlisted through the solicitation process. Over the next two years, PCE expects to contract an additional 1GW of new renewable and storage capacities to contribute to the renewable transition on the grid.

⁵ A "zero carbon" power resource portfolio might include *de minimis* emissions from geothermal facilities.

Rationale

Maintaining the recently updated renewable goal and clarifying procurement criteria is recommended for the following reasons:

1. Since April 2024, there have been no significant changes in resource availability or pricing. Therefore, the analysis previously performed that justified the adjustment of PCE's renewable target is still valid. Pursuing a more aggressive 24/7 goal immediately could be both costly and risky.
2. The adopted strategic policy continues to focus on the concept of additionality through the 24/7 hourly matching approach, which has been PCE's long-standing strategy to facilitate deployment of new renewable and storage capacities on the grid in order to displace fossil fuel generation and reduce emissions.
3. While the adopted strategic policy is not the lowest cost option, it retains flexibility, maintaining room for adjustment on an annual basis based on market conditions and PCE's financial well-being, which in turn provides opportunities to minimize rate impacts to customers.
4. Accelerating GHG reduction through the 24/7 hourly matching approach is important to push the boundaries for customers interested in achieving rapid carbon reductions or have sustainability goals of their own. Continuing to procure towards a 24/7 target could create opportunities for future products that might be desired by such customers.

Future Policy Considerations

While the proposed strategic policy statement above provides adequate procurement guidance for the next five years, it is imperative for PCE to continue exploring alternatives for future policy considerations as the market keeps on evolving and the political, economic, and regulatory environments change. PCE will continue to look for opportunities to accelerate GHG reduction including considering additional concepts such as:

- How to create an ecosystem that could better facilitate an industry transition from an annual renewable to a hourly renewable framework
- How to adjust PCE's renewable targets if there are major changes to the current tax credit rules and import tariffs
- Whether or not a 24/7 carbon-free approach would be more viable than 24/7 renewable
- Whether minimizing marginal grid emissions should be used as the new metric
- Whether it is feasible to pursue or prioritize carbon-free capacity procurement in addition to electricity procurement

Critical Question Two: Serving Equity Customers

Context

PCE's mission is to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. PCE's vision is a sustainable world with clean electricity for everyone.

PCE's programs and services address multiple goals to reduce climate pollution, lower electricity costs, increase resilience, support economic development and underserved communities, and ensure a sustained customer base and business.

In 2021, PCE's Board of Directors approved and adopted the following Strategic Plan Priority, which serves as a general policy-level framework for program activities:

Contribute to our community reaching a goal of 100% greenhouse gas-free in buildings and transportation by 2035.

PCE's core programmatic goal is to decarbonize our communities by leveraging market forces and policy to drive affordability and ultimately achieve clean energy solutions without the need for market support.

In 2021, PCE's Board of Directors also adopted a strong [DEAI Policy](#), and in 2022 a [DEAI Action Plan](#) to direct staff in how to implement it. This policy requires that staff report to the Board twice a year on progress in implementing the Action Plan.

As part of this Action Plan, PCE developed the [Diversity, Equity, Accessibility and Inclusion \(DEAI\) Decision-Making Framework](#) which establishes guidelines for how different customers should benefit from the organization's investments. It states, "While not all customers will always benefit equally from our expenditures, we should take care to ensure that we are not inadvertently exacerbating inequalities by:

- a. distributing ratepayer funds from less wealthy to wealthier⁶ customers, or
- b. inadvertently discriminating based on race, ethnicity, or country of origin in the distribution of PCE customer benefits (per Title VI of the Civil Rights Act)."

PCE is committed to serving its equity customers with thoughtfulness and intentionality. "Equity customers" is an umbrella term that represents a range of customer groups. PCE will focus its efforts on serving three types of equity customers:

1. *Low-income Customers*: Customers with household incomes at or below 80% of area median income (AMI).⁷
2. *Customers with Greatest Need for Support*. PCE is striving towards supporting vulnerable customers under its self-funded programs. At this time, there is no standard definition available to identify such customers, therefore, these customers will be identified on a program-by-program basis. For example, a potential resiliency program may focus on a coastal area with frequent outages.

⁶ Definition: Wealth, or net worth, is the value of assets owned by a family or an individual (such as a home or a savings account) minus outstanding debt (such as a mortgage or student loan). See <https://www.pewresearch.org/social-trends/2020/01/09/trends-in-income-and-wealth-inequality/>.

⁷ Per the US. Department of Housing (HUD). See at https://www.huduser.gov/portal/datasets/il/il2024/select_Geography.odn. In PCE's service territory there are approximately 56,000 customers that are at or below 80% AMI, which represents about 20% of PCE's residential customer accounts.

3. *Disadvantaged Communities (DACs)*: DACs refer to the areas throughout California that suffer most from a combination of economic, health, and environmental burdens. These burdens include poverty, high unemployment, air and water pollution, presence of hazardous wastes as well as high incidence of asthma and heart disease. California's official definition of DAC is the top 25% of census tract per the CalEnviroScreen (CES) tool.⁸

Equity customers are disproportionately impacted by climate change and experience additional energy burdens and other unique challenges, such as language barriers, distrust, non-ownership of assets, and other issues. PCE's programs provide targeted investments that deliver benefits to equity customers. That said, supporting equity populations through many customer-facing programs is generally more expensive on a per capita basis, often leaves out equity customer segments, may not take into account the difficulty in reaching equity customer segments, and/or emissions reductions can be less certain for more accessible technologies.

Strategic Policy

PCE will continue to deliver programs and services that benefit a range of customers and provide meaningful GHG reductions. PCE's policy is to reduce GHGs as quickly as reasonably possible in order to mitigate future harms that disproportionately impact more vulnerable communities. In addition, PCE will design its programs and services with equity customers' needs in mind by:

- *Rates and discounts for equity customers*: Prioritizing rate affordability for all customers, and delivering targeted discounts for some equity customer segments through expansion of custom programs such as DAC-GT (DAC Green Tariff) and other opportunities where feasible.
- *Targeted programs and tiered support*: Providing programs specifically aimed at equity customers and, where programs have broad participation, providing tiered levels of support levels that enhance equity customer access through increased incentives and technical assistance.
- *Focus on customers with greatest need*: Ensuring that equity efforts truly focus on vulnerable customers with the greatest need for support on a program-by-program basis. Using only income level to define equity customers does not always yield the target audience for specific programs.
- *Seeking third-party funding for Equity programs*: Through its Innovation Strategy and Policy departments, PCE is actively pursuing state and federal funding for existing and new programs for its equity customers.
- *Supporting policy initiatives*: Supporting policies specifically designed to benefit equity customers, improving affordability and access to services and benefits.
- *Engaging and supporting equity customers and communities*: Working with CBOs for identification and enrollment of equity customers and soliciting feedback on ways to improve PCE's equity services.

⁸ See CES tool at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>. Around 23,000 of PCE's customers are located in the top 25% of DACs, which represents around 8% of PCE's residential customer accounts.

Measurable Expectation (What We're Doing)

To reduce GHG emissions quickly, PCE will prioritize applying its self-funded investments in ways that:

- Can be leveraged for scaling
- Are ready to deploy rapidly
- Are cost-effective by delivering relatively high GHG reduction for the dollars provided
- Avoid engaging in PCE self-funded programs in ways that duplicate existing programs operated by community partners or supported by third-party funders

As implied in the policy description above, PCE will incorporate equity considerations into its decision-making in several specific areas:

1. Rates and Discounts
 - Providing cost-competitive rates to enhance community affordability
 - Expanding the DAC-GT program
 - Considering new opportunities to provide rate assistance
2. Targeted programs and tiered support
 - Continuing to maintain current levels of PCE's self-funded program revenues (approximately one-quarter of the total) to support efforts by equity customers to reduce GHG
 - Adhering to PCE's DEAI Decision-Making Framework to ensure that ratepayer funds are not inadvertently distributed from less-wealthy to more-wealthy customers
 - Where feasible, increasing the tiers of support in its broad-based programs so that more support is offered to equity customers to enhance access
3. Greatest need for support as a criterion
 - Identifying which customers need support on a program-by-program basis and identifying ways to provide tailored support for full program access
4. Third-party funding
 - Securing state funding for equity programs such as Equitable Building Decarbonization, Self-Generation Incentive Program, and CPUC energy efficiency funding
 - Identifying and pursuing additional opportunities as opportunities arise
5. Policy initiatives
 - Advocating for policies that center equity customers' interests
 - Advancing affordability policies at the CPUC, CEC, state legislature, and other regulatory bodies
 - Continuing to offer technical and staff support for cities considering reach codes, which benefit equity customers through new affordable housing being built without gas appliances
6. Equity community engagement
 - Creating and implementing community engagement plans to inform program planning, implementation, and evaluation
 - Sustaining the Community Grant program and focus groups

- Engaging in ongoing program review to ensure its programs are as effective as possible at reducing GHG and reducing barriers to access by equity customers
- Identification of equity customers through CBOs

Rationale

This proposed policy retains a strategic emphasis on rapid scaling of GHG reductions while introducing key new concepts in how PCE will support equity customers. Rapid scaling of GHG reduction adheres to PCE's primary mission while also delivering longer-term benefits to all ratepayers including equity customers. equity customers benefit both through GHG reductions and associated impacts as well as by lowering the costs of products and services needed in the transition to GHG-free electricity. This policy aligns with PCE's decision-making criteria by emphasizing GHG reductions while supporting PCE's equity commitments and value proposition.

Relevant Information

During the vetting process, Board and community members asked for more information to support policy decisions made in this process. The information below is not complete and more will be generated when PCE moves into Programmatic and Operational Planning. However, the information here does provide further background so that Board decisions are well informed.

- *What is PCE's current program investment to support equity customers?*

Currently, PCE invests approximately a quarter of its self-funded program budget in serving low-income customers. This percentage does *not* reflect additional funding that PCE is and will seek from external public funding sources that benefit PCE's low-income customers, such as the DAC-GT program, Self-Generation Incentive Program, and Equitable Building Decarbonization program. The financial impact of these public funds targeted toward low income and/or equity programs may be approximately \$9 million in 2025-26. These numbers also do not include any electricity rate initiatives that PCE offers to low-income customers (e.g., freezing rates at previous levels or the December 2023 \$300 bill credit to CARE/FERA customers).

- *What is the level of GHG reduction for dollars invested by different programs?*

Determining the exact level of GHG reduction per dollar invested in PCE's energy programs is a complex task. PCE staff is currently working on a detailed analysis and can only provide initial conceptual trends at this time. The table below presents an overview of PCE's eight existing energy programs and initiatives that benefit residential customers, listed in order of increasing cost for GHG reduction per sector based on historic figures (still under review). The table also describes how quickly GHG reductions are expected (GHG immediacy) and if the concept is scalable (note that "demand-constrained" means the uptake does not exceed available funds (i.e., more funds do not result in more uptake)).

Table 1: Conceptual analysis of PCE's residential programs' GHG benefits and costs.

Program	Market target	Scalability & market dynamic	Benefits & Costs	GHG immediacy
Buildings				
Reach codes	All	High, through replication in state policy	High GHG reduction, very low cost	Not immediate but grows rapidly as new buildings are built and existing ones are being remodeled
Appliance	Mainly owner-occupied single family	High scalability, essential for early market transformation	High GHG, moderate cost	Immediate
Home Upgrade income qualified	Owner-occupied single family	Med-high, core of market transformation	Med GHG, expensive but significant co-benefits (including non-energy home repairs)	Immediate
Distributed Energy Resources (DERs)				
Residential solar & storage (forthcoming)	Owner-occupied single family	Med-high, likely popular to lower bills	Significant financial benefit, makes electrification attractive	Indirect GHG benefits through load shaping
Community Solar	Low-income customers located in DACs	Med-low, highly dependent on state funding	Moderate; customers receiving a material, long-term bill discount	Low; higher when program evolves to include storage
Transportation				
E-Bikes	Broad low-income	Uptake is slowing but could be med-high	Theoretically high GHG at low cost but data is uncertain (self-reported subset of participants)	Depends on usage
Used EV	Broad low-income	Uptake is low such that further investment will not increase uptake (demand-constrained)	Low cost Delivers customer financial benefits	Immediate but low GHG additionality Used vehicles would likely have entered market anyway

Program	Market target	Scalability & market dynamic	Benefits & Costs	GHG immediacy
EV Ready (EV charging)	Multifamily (& other)	Demand-constrained but essential for equity and opening up the EV market	High GHG eventually, moderate cost	Low-med, can take years for vehicles to start using chargers depending on site

- *Do we need or do we have any information about what equity customers say they want/value/need?*

Multiple workshops and focus groups with equity customers in both English and Spanish find that these customers are interested in:

- Lower rates and help enrolling in discount programs
- More program offerings that are accessible for renters
- Improving indoor air quality in their homes
- Resilience, including access to air conditioning during heat emergencies
- Increased access to EVs

Critical Question Three: Additional Priority Areas of Work

Context

The California energy landscape is in a constant state of transition as it advances towards meeting the State's aggressive decarbonization goals.⁹ PCE must continue to be an innovator and thought leader in California's clean energy transition while focusing on its core strengths. Currently, PCE focuses on providing electrical service to its customers while PG&E provides delivery (i.e., transmission and distribution (T&D)) services. PCE's core competencies include (1) the procurement of centralized, large-scale front-of-the-meter (FTM) generation and storage projects (supply-side) and (2) offering beneficial energy programs to its customers for a variety of behind-the-meter (BTM) solutions (demand side). PCE must consider if there are other lines of business that it should engage in, or if its existing lines of business should be modified, to adjust to new and emerging realities during California's transition to a decarbonized and decentralized energy economy.

Through this Strategic Planning process, a variety of possible new or enhanced lines of business were identified and considered for prioritization. Incorporated in these options — as vetted with PCE staff, the Board of Directors, and community members — was the concept of focusing on further fostering the development of distributed energy resources (DERs). DERs are defined as:

"Distributed Energy Resources (DERs) are assets on the distribution grid, either at the consumer's side of the energy meter (behind-the-meter DERs) or in front of the customer meter connected to the

⁹ SB 100 (2018) requires that all retail electricity resources must be renewable or zero carbon by 2045.

▼

distribution grid (front-of-the-meter DERs). They can be used individually or in aggregate to provide value to the grid and individual customers.”

Strategic Policy

Over the next five years, PCE will prioritize efforts to accelerate the development of carbon-free distributed energy resources (DERs) in order to support further innovation and market transformation of distributed energy technologies, accelerate greenhouse gas (GHG) reductions, and provide customer and community resilience.

Measurable Expectation (What We're Doing)

The initiative to foster DERs will include an array of activities to support the diverse needs of different customers (not in order of priority):

- **DER Project Development:** Expanded and new means to support the installation of both BTM and FTM DERs in PCE's service area, such as:
 - Growing PCE's Virtual Power Plant (VPP) by leveraging customer-sited assets for grid flexibility and reliability
 - Developing front-of-meter (FTM), distribution-connected projects such as microgrids or local community solar+storage projects in collaboration with local communities
- **Financial Services:** Expanded and new means of increasing customer access to capital in support of DER/electrification projects to install BTM DER projects, such as:
 - Offering power purchase agreements (PPAs) for BTM solar+storage projects to an expanded customer group by accessing third-party financing
 - Offering on-bill financing to customers for carbon-free energy investments with varying interest rates based on financial need
 - Exploring the ownership and operation of a spectrum of dispatchable energy assets, including generation, electricity storage, electric vehicle (EV) charging infrastructure, building loads, and other tools to meet PCE's emission reduction and Equity goals.
- **Consulting & Technical Assistance:** Expanded and new ways to support customers with technical information and direct support to facilitate their installation of DERs, such as:
 - Providing direct technical assistance and consulting services — both free and fee-based — to aid commercial and residential customers
 - Increasing distribution of educational materials providing “how-to” information for customers seeking to add DERs
- **Advocacy:** Drive policy development and advocacy to foster the development of DERs, such as:
 - Enacting policies to reduce or eliminate regulatory and/or investor-owned utilities (IOU) hurdles to expand DERs
 - Addressing limitations to the benefits of DERs because of transmission and distribution (T&D) systems' weaknesses

This list reflects many examples of what PCE might do to create a comprehensive DER initiative. The actual activities will be developed as part of phases 2 and 3 (Programmatic and Operational Strategy development) of this process.

Rationale

This proposal was developed by weighing each identified option against PCE's decision-making criteria. A summary of input provided by PCE senior staff is included as Appendix J. Key considerations from that conversation and from input received from staff, Board, and community include:

- The high mission benefit of accelerating GHG reduction that can be achieved through improved customer economics that DER can provide
- Reduced power resource costs by improving PCE's load shape, matching demand to clean supply, and lowering commodity costs
- The opportunity to build out of PCE's future value proposition by becoming a trusted partner with its customers and the community with a range of relevant services
- The local investment that DERs represent, providing economic and environmental benefits within PCE's service area
- The potential for DER support to provide new funding streams to PCE, either through partnerships with for-profit providers, direct fee-for-service activities, or new sources of public support
- Response to customer demand that ensures PCE's position is not eroded by competitors

PCE DRAFT Strategy Roadmap Appendices

v 12.04.24

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Appendix A: Initial Assessment

Process

La Piana consultants met with a range of staff members, Board members, and community partners to learn more about PCE and its needs at the start of this effort. Questions included:

- What is most needed from this process?
- Who else works in PCE's sector?
- What are PCE's strengths and how do those strengths differentiate the organization from others in the sector?
- What are the trends in the sector?
- What are critical issues PCE needs to resolve or answer?
- What are PCE's organization and infrastructure needs?

These initial conversations provided a base of information that was incorporated into all strategic planning activities that followed and led to three critical questions that defined the process focus. The specific groups La Piana met with at the start of the process included:

- The Board *Ad Hoc* Committee
- PCE Staff Leadership group (including a one-on-one conversation with the CEO)
- Two small staff groups totaling 16 individuals
- Representatives from the Community Advisory Committee

Initial Assessment Summary

Key takeaways from these conversations are summarized below:

PCE's Impact: Key Points

- A high value that PCE delivers for the community is by leveraging trust and low costs to advance decarbonization in the energy sector

PCE's Competitive Landscape: Key Points

- PCE faces two areas of traditional "competition": procurement and customers
- PCE also faces a type of "mission competition" with the fossil fuel industry and its supporters that plays out through broad narratives/PR and policy choices
- Much of the public does not know the difference between PG&E and PCE

PCE's Strengths and Differentiators: Key Points

- Innovation, supported by an ability to model new solutions and take reasonable risks

-
- Financial strength can be leveraged for broader purposes
 - Mission-based motivations

Critical Trends in the Sector: Key Points

- Load and time management are key issues
- The sector trend is to focus on a range of customers needing targeted supports, including but not limited to low-income customers
- The impacts of political and policy changes loom over the sector
- Cost issues are impacting operations and are foremost for many

Critical Issues PCE Needs to Address

- As we grow, how do we balance the affordability of rates while addressing the need to decarbonize?
- How do we balance a commitment to equity-centered services with services that are offered equally to all customers? How do we ensure that all we serve can access our programs?
- What does PCE have the ability to meaningfully impact in the coming years?
- What is our role in managing power infrastructure (distribution and transmission networks)?
- How do we ensure long-term affordable rates and electrification without control of the distribution infrastructure?
- How might we increase our role in driving policy and supporting our local governments to help them meet green energy goals?
- Is our long-term intention to expand our geographic reach?
- What will our value proposition be going forward?
 - Sub-question: how will we communicate and brand PCE based on our value proposition?

PCE's Operational Needs

- Organizational capacity has not kept pace with significant growth
- Staff need better tools to manage change
- Core operations are strong, but new and enhanced systems need to be developed in response to organizational growth
- Progress on DEAI work has been good and requires explicit continued commitment and development

Complete Assessment Findings

A fuller survey of findings from the assessment process is included below.

What is PCE's Impact?

Key Points

- PCE delivers high value for its community by leveraging trust and low costs to advance decarbonization in the energy sector

Additional

"We solve problems that have not been solved yet about the climate crisis."

PCE does its work locally, "then we influence the broader environment.... What's really exciting is fundamentally changing the conversation statewide about how to do this effectively."

"We buy trust with the public through low-cost service — that trust creates space to decarbonize."

"We're using energy as a tool for justice instead of a tool for harm."

"We create the models to do what others can follow, but that doesn't scream 'we are a rich county' — so in ways that are equitable, with social equity front and center."

"Once we do it, then the argument that [it's not possible] goes out the window.... We address barriers so that those who follow [know how to do it]."

"We make it easy for all the cities to reduce emissions. [My city] kept saying 'our emissions are down so much!' and it was all because of PCE. PCE is making the cities look good."

What Does PCE's Competitive Landscape Look Like?

Summary

- PCE faces two areas of traditional "competition": procurement and customers
- PCE also faces a type of "mission competition" with the fossil fuel industry and its supporters that plays out through broad narratives/PR and policy choices
- Much of the public does not know the difference between PG&E and PCE

Additional

- Procurement competitors are PG&E, other CCAs, and direct providers
- PG&E has a lock on procuring large hydro
- PG&E is adept at working within the regulatory framework
- Direct access providers can tailor their pricing structure to large customers

Direct providers are able to "ride on a legacy of being cheaper.... They can also negotiate directly with customers."

At the regulatory level, “PCE has lots of obligations (from state regulators) to fulfill. That takes away local autonomy ... funding we sought for our work is being cut.”

- Others (e.g., carbon-based energy providers, climate deniers, investor-owned utilities) are able to engage in politics more directly by donating to political campaigns or influencing the regulatory space. *“They do PR well, they do lawsuits well, they work well with regulators and lawmakers.”*

“We don’t compete with other CCAs. But I think we certainly do benchmark ourselves to them.”

“This year, where PG&E is claiming to be 100% carbon free, and we’re now backtracking and saying, well, we can’t say that we’re cleaner than PG&E anymore.”

- “Competition” with PG&E is challenging because many don’t know the difference between PCE & PG&E
- Micro grids are potentially a newly-emerging competitor
- PG&E procurement is transparent; direct access procurement is opaque

What are PCE’s Strengths and Differentiators?

Key Points

- Innovation, supported by an ability to model new solutions and take reasonable risks
- Financial strength can be leveraged to broader purpose
- Mission-based motivations

Additional

“PCE is has the ability to build models that actually drive decarbonization.”

“We have a very supportive and intelligent Board that understands what we’re trying to do.”

“Our people are smart and mission-aligned. We get a lot done with a really lean team.”

“We have capable, influential, high profile staff — but that is tempered by junior staff who are super staff and committed. That mix [is great] as a people manager, it’s great to have expertise and a pipeline of new fresh talent growing, learning.”

“Our assets, including our financial resources and incredible customer reach. Our enormous flexibility in our range of activities. We can bring together data to do sophisticated analytics.”

“We’re innovative. We’re able to think 10 years ahead — and leadership is willing to take risk [supported by our] strong financials.”

“We’re a nonprofit focused on our mission and the public good.... We can funnel any upside of our procurement practice to our customers, instead of to [equity owners].”

“Not having a for profit motive is a strength.”

▼

“The ethos of collaboration at PCE is also a massive strength. We collaborate closely with pretty much every stakeholder, local elected officials, our big customers to understand what's driving the headwinds in the commercial space. Also, our regulators, our peer agencies, and each other. PCE is just not afraid to work together with others — and to work with ourselves together, internally.”

“It's more than just providing electricity. It's programs.”

What Are Critical Trends in the Sector?

Summary

- Load and time management is a key issue
- The sector trend is away from focusing exclusively on low-income customers as those needing targeted supports
- The impacts of political and policy changes loom over the sector
- Cost issues are impacting operations and are foremost for many

Additional

- Oversupply of solar during peak production hours — and over-response to that from regulators — has pushed issues of demand management and load management to the forefront

“There's an increased recognition of the need for energy storage.”

- The state is driving towards more electrification

“Costs are increasing. There are trends towards municipalization. There's growing inequality, especially as measured by wealth.”

“The sector is moving away from income as a measure of who is in need of help and thinking about wealth.”

- Political changes could have a big impact on the sector, such as diminished federal funding, changes in investments in battery storage, support for clean energy generally, increased tariffs, etc.

“I think we have an affordability crisis that's going on with energy in California right now. Prices are hitting such an untenable level, frankly, that it's putting a lot of pressure on regulatory and energy entities — on the governor's office, on local political officials — to find some way to rein in increasing utility costs.”

“[We're looking for ways of] making it so that decarbonization is not the boogeyman of affordability.”

“We need to do more thinking about serving renters.”

- It's becoming harder to find labor in the region
- The State's policy change on rooftop solar has changed the trajectory of DER
- Interest in electric vehicles continues to grow

What Are the Critical Issues PCE Needs to Address?

Summary

Based on the “additional” input below and follow up conversations, an initial list of key questions emerged including:

- As we grow, how do we balance the affordability of rates while addressing the need to decarbonize?
- How do we balance a commitment to equity-centered services with services that are offered equally to all customers? How do we ensure that all we serve can access our programs?
- What does PCE have the ability to meaningfully impact in the coming years?
- What is our role in managing power infrastructure (distribution and transmission networks)?
- How do we ensure long-term affordable rates and electrification without control of the distribution infrastructure?
- How might we increase our role in driving policy and supporting our local governments to help them meet green energy goals?
- Is our long-term intention to expand our geographic reach?
- What will our value proposition be going forward?
 - Sub-question: how will we communicate and brand PCE based on our value proposition?

Additional

“We need to decide how to prioritize all the things we are trying to accomplish. How might we rank being ultra green, compliance, affordability, maybe workforce development, and DEAI.”

“There’s [tension] between the speed of decarbonization and serving low-income clients.”

“The current challenge for customers is rates, not clean power. So how do we maintain our [carbon reduction] goals while carrying out our mission?”

“Should we be developing new renewable energy systems so there are more out there?”

“Should our focus be on more local and distributed generation?”

“How will PCE bake DEAI action plan into our processes?”

- There’s a question about how PCE can meet its carbon goals without municipalizing the grid; a suggested reframing of this question is *“how do we effectuate long term affordable rates and electrification without control of distribution infrastructure?”*

“How aggressive do we need to get with regulators and the legislature (Energy Commission & CPUC)?”

“We need the ability to organize politically.”

- Does PCE need to create a new approach to its rate structure to increase more flexibility — in essence, abandon the PG&E model?
- What kind of learning or new technology is needed, or can be developed by PCE, to deal with the changes in demand/load management?

“We’re going to have to rethink how do we define our value proposition. As we get away from guaranteed savings [on energy contracts]. As we increasingly deal with an environment where PG&E is running near carbon free as well? ... What is the scope of our impact intended to be? Is it limited to our service territory?”

“How can we ensure that local governments are moving forward on decarbonization?”

“How can we remain innovative?”

“What do we have the ability to meaningfully impact and lead on in the coming years?”

“How can we make the maximum use of IRA funding (Inflation Reduction Act & Infrastructure)?”

What Are PCE's Operational Needs?

Summary

- Organizational capacity has not kept pace with significant growth
- Staff need better tools to manage change
- Core operations are strong, but growth systems and procedures need to be established or improved
- Progress on DEAI work has been good, and it requires continued commitment and development

Additional

“We need to make sure that we’re resourced adequately from a people technology and tools perspective. We have, again 65% growth in the past year/ year and a half, we need to make sure that we can retroactively support the projects that we want to launch and have launched. And then whatever PCE’s growth footprint looks like moving forward, we need to make sure we can support the new folks coming on Board.”

“We are resource constrained and have heavy workloads for some of the business, what I call the business infrastructure team. So that means finance, HR, admin and office teams [need expanded capacity].”

“Staff planning is something we could improve on. So gaming out, what is going to be the bandwidth impact of taking on new projects? We hire this one person, what is their support staff needed? And over a three year time horizon? It seems like it's kind of shoot from the hip at this point, hiring on a band aid fashion as opposed to planning in advance for certain staff requirements.”

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- ▼
- Given the pace of growth, the numbers of new people joining the agency, and the changing environment PCE works in, staff expressed a need to develop their change management skills
 - PCE has a track record of hiring great people, and many staff specifically say that they sought out employment at PCE because of its reputation
 - PCE's core support functions (account services, transaction management, financial management, etc.) are strong; this provides a base on which innovation can take place

"We get the nuts and bolts work done, a solid B+ or A-."

- That said, the organization is still new and its systems are not fully developed. *"[Ironically], I think we're good at change because we don't have great systems and processes — we don't have legacy baggage [so we have to innovate]. We need more processes, controls, systems and that's why we've beefed up staff."*

"We need big key, agreed-on, company-wide decision-making criteria or levels to go through.... Historically, we start pursuing a fire in front of us, then come back to other priorities later."

"We need company-wide programs (software, systems) that everyone knows how to work. I just discovered something on Canva, need a project management tool. We're using Google Docs or some other sharing. We need that all in one place."

"We need fewer meetings with clearer purpose, better facilitation."

"I'd like to call to attention or the work that is an organization we've been doing on Diversity, Equity access, accessibility and inclusion. And just a deep desire to see that continuing to be institutionalized and implemented in each of the teams."

"It would be great to see more cross team collaboration ... or even cross training [across teams] on each other's separate sets of responsibilities."

"We have an ethos and culture that believes in what we do and is committed to the mission."

Appendix B: Future Value Proposition

Based on input during the assessment, at the August *Ad Hoc* Committee in-person Strategy Retreat, and during the September all-staff retreat, a comprehensive list of elements to consider for inclusion in a future value proposition were identified, as described below.

What could our future value proposition be?

- **24/7 Time-Coincident Renewable Energy:** Prioritizing round-the-clock access to renewable energy as a differentiating strength.
- **Not-for-Profit Structure:** Focusing on community reinvestment, with no shareholders or profit-driven motivations.
- **Local Focus:** Serving as a trusted, community-led energy provider with elected officials on the Board and a strong local presence.
- **Innovative Model:** Developing new approaches to industry challenges that work for our local community and serve as a model across the state and country.
- **Customer-Centric Approach:** Offering easy ways for customers to learn and benefit from savings on energy decisions, electrification, and emissions reductions, built through trust-building with customers.
- **Affordability:** Maintaining lower rates compared to competitors like PG&E, while balancing between affordability and decarbonization goals.
- **Trust and Transparency:** Building and maintaining trust by being a resourceful, transparent partner in energy decisions.
- **Nimble and Efficient:** Avoiding bureaucratic hurdles to remain responsive and agile in meeting community needs, maintaining commitment to progress, and getting things done.

What new strengths do we need?

- **Focused Support for Low-Income and Disadvantaged Communities:** A better distinction in policies and programs to address the specific needs of these groups.
- **Expanded Direct Customer Support:** Launching the contact center and providing more human, face-to-face interactions.
- **Customer-Centricity:** Aligning policies with customer needs and creating mindsets, platforms, and processes to make customer-centricity real, not just aspirational.
- **Proactive Communication and Adaptability:** Listening to customers, acting quickly, and communicating changes effectively.
- **Anticipating Technological Changes:** Keeping costs low by anticipating changes in technology and procurement strategies.
- **Energy Equity:** Driving structural changes to support equity and lower customer rates.
- **Innovative:** Leveraging the Agency's business model to take reasonable risks and innovate.

Current Strengths to Reinforce

- **Mission-Centricity:** Continuing to leverage the Agency's mission-focused structure to attract and retain a dedicated, talented team.
- **Trusted Community Partner:** Building on the organization's role as a trusted advisor and neighbor within the community.
- **Cost Leadership:** Maintaining a lower cost structure compared to competitors like PG&E.
- **24/7 Renewable Energy Progress:** Focusing on making strides toward delivering 24/7 time-coincident renewable energy.
- **Diverse Program Portfolio:** Offering a variety of programs and support tools, such as financing, rebates, and technical assistance, tailored to customer needs.
- **Communication on Emissions and Renewable Energy:** Improving how greenhouse gas reduction and renewable energy goals are communicated.
- **Nimbleness and Adaptability:** Continuing to act quickly on customer feedback and changing needs, without being constrained by regulations like investor-owned utilities (IOUs).
- **Nonprofit Advantages:** Reinforcing the organization's ability to focus solely on customer benefit rather than shareholder profit, with flexibility in spending on pro-community and pro-consumer projects.
- **Efficient Staffing and Resource Allocation:** Leveraging a lean staff structure for more efficient program implementation.

Appendix C: Decision-making Criteria

Initial Criteria Identified

Below is an initial draft of PCE's decision-making criteria, developed at the August *Ad Hoc* Committee in-person Strategy Retreat and advanced further at the September all-staff retreat. These criteria were further refined during the process.

Does/Is this decision (both independently and compared to other options) ...

- Advance maximum mission and strategic impact:
 - Further our goals to encourage greenhouse gas reduction and promote electrification locally within our communities?
 - Represent sustainable (socially, economically, environmentally), measurable, and describable energy benefits to the communities we serve?
- Leverage or build out PCE's Value Proposition?
- Advance our commitment to equity:
 - Enhance equitable access to the benefits of cleaner energy production, reduced greenhouse gas emissions, and electrification for individuals and communities most in need?
 - Align with our DEAI framework?
- Advance positive customer and community impact:
 - Enable quick action on customer needs (explicit and latent)?
 - Unlock future options to further innovate and provide additional benefits?
 - Result in positive learning or influence that extends outside of our service area
- Align with our financial sustainability:
 - Address economic impacts that are the foundation for PCE's financial sustainability?
 - Account for implementation costs for both PCE and its customers?
- Enhance the value of PCE's current portfolio of service offerings via cost reductions, better service efficiencies, technology and customer information enhancements, or new ways to utilize / maximize benefit of interacting with our organization?
- Account for operational impacts:
 - Consider PCE's ability to deploy current staff or add new staff to address capacity and expertise needed
 - Assess impacts on current load profile (e.g., daylight v. nighttime load requirements)
 - Include an analysis of potential risks, including financial, energy, reputational, and legal risks
- Meet compliance, policy, and political needs
 - Meets PCE's compliance requirements?

-
- Enhance PCE's community reputation as a trusted and transparent agent of change?

Diversity, Equity, Accessibility, and Inclusion (DEAI) Framework

Following is the staff-developed DEAI framework referred to in the decision-making criteria, as updated in May 2024.

A. Why Use this Decision Framework

This framework is used to implement our DEAI Policy, including this statement:

Peninsula Clean Energy commits to making diversity, equity, accessibility, and inclusion a priority during decision-making. We firmly uphold anti-racism, anti-discrimination, diversity, equity, accessibility, and inclusion as core values.

There is more than one way to meet our mission and priorities. This decision framework is designed to help staff find strategies that are effective in advancing our mission, vision, and goals and that also advance equity.

B. When to Use this Decision Framework

This framework shapes decision-making by helping us analyze all major Peninsula Clean Energy proposals, at the beginning stages of their development.

This allows time to gather additional information about potential equity impacts and shape the proposal as needed to address these impacts before the proposal is baked.

Prompts for When to Engage in the Decision Framework Process

- Programs, Marketing, and Customer Care: The intention is to analyze the impact of your departmental portfolio as a whole – the big picture. Use the framework when preparing departmental annual strategic planning, budgeting, and reporting starting in the 2025-26 budget cycle. It would also apply to any mid-cycle spending over \$500K that was not included in your annual budget (except for power resources).
- Finance and Customer Care: Rate-setting, budgeting
- Regulatory: Before starting a major filing
- Legislative: When deciding whether to support bills
- Admin/HR/Technology: All major decisions
- Executive Team: Strategic planning and all-staff meetings
- Power Resources: When setting strategic goals for procurement, updating RFP templates, negotiating PPAs, and looking at community benefit agreements

C. How to Use this Decision Framework

1. *Research:* Department staff researches the equity impacts of the proposal/budget using the questions below using available customer data.
2. *Discuss and decide:* Department head (and other staff as needed) discusses the equity analysis with one or more DEAI Council member who is outside of the department but familiar with your department's work for a new perspective. Go through the equity analysis thought process together. Brainstorm actions needed to address any equity concerns raised. Decide on the most effective ways to address or mitigate these concerns. Document these commitments together, and send to the COO and DEAI Council.
3. *Act:* Amend your proposal/budget plan to address any equity concerns, and seek approval by the COO.
4. *Present:* If your proposal is going to the Board of Directors, include a brief statement in your memo about how your proposal addresses DEAI.

D. Analysis Questions

All Peninsula Clean Energy ratepayers contribute to our revenues. A key equity question is how different customers benefit from the organization's expenditure of these funds.

While not all customers will always benefit equally from our expenditures, we should take care to ensure that we are not inadvertently exacerbating inequalities by:

- a. distributing ratepayer funds from less wealthy to wealthier customers, **or**
- b. inadvertently discriminating based on race, ethnicity, or country of origin in the distribution of PCE customer benefits (per [Title VI of the Civil Rights Act](#))

Definition: Wealth, or net worth, is the value of assets owned by a family or an individual (such as a home or a savings account) minus outstanding debt (such as a mortgage or student loan). Source: [Pew Research Center](#)

Research and discuss these questions:

For internal-facing decisions only: **Does this proposal grow our internal culture of diversity, equity, accessibility and inclusion at PCE?**

For decisions that will impact customers:

1. Who would benefit from this proposal (or budget), and how? Who would be eligible for or would be able to access the benefits?

Consider 1) wealth, including homeowners vs renters, 2) race, ethnicity, and country of origin, 3) language and technology barriers, 4) geography, including San Mateo County and Los Banos, and 5) other potentially relevant demographics such as age or gender.

Also consider communities that are disproportionately harmed by air pollution from fossil fuels (eg state-defined “disadvantaged communities” or DACs).

2. Who would pay for this proposal, and how? In other words, which customers will likely not benefit from this proposal?

Consider 1) wealth, including homeowners vs renters, 2) race, ethnicity, and country of origin, 3) language and technology barriers, 4) geography, including San Mateo County and Los Banos, and 5) other potentially relevant demographics such as age or gender.

Also consider communities that are disproportionately harmed by air pollution from fossil fuels (eg state-defined “disadvantaged communities” or DACs).

3. Could this proposal inadvertently shift ratepayer funds from less wealthy to wealthier customers, or inadvertently discriminate based on race, ethnicity, or country of origin in the distribution of PCE customer benefits? How so?

4. Does this proposal help make energy more affordable, especially for energy-burdened customers? Or could it increase energy bills for energy-burdened customers?

5. What equity concerns did you identify through this analysis, and how do you plan to address them? Suggestions: seek community input, re-structure proposal, fund mitigating measures

Useful links to demographic data and analysis:

- [US Census Quick Facts San Mateo County](#)
- [US Census Quick Facts Los Banos](#)
- [Bay Area Equity Atlas](#) (select San Mateo County, explore the data options)
- [Cal Enviroscreen 4.0](#) Map (select census tracts for San Mateo County or Los Banos, explore the data layers)
- CEQ Climate and Economic Justice Screening Tool:
<https://screeningtool.geoplatform.gov/en#8/33.469/-97.502>
- Coming soon: Blastpoint

Reach out to your colleagues and other teams as needed to find the data to conduct your analysis. For customer demographic data or ideas about seeking community input, talk to the Community Relations Team.

E. Additional Background on Energy Equity

What is equity in the context of energy?

Several actors are currently trying to define energy equity. The University Michigan Energy Equity Project identifies four types of equity to consider in the energy sector:

1. **Recognition:** understand who we are serving, and acknowledge injustices our customers experience in the energy system
2. **Procedural:** how are we serving our customers (process)
3. **Distributive:** who is benefitting from energy systems and programs
4. **Restorative:** how are we rectifying inequities and harm that has been done in the energy system

What does achieving energy equity look like?

Draft staff definition of energy equity:

That all community members – regardless of race, ethnicity, age, gender, career, religion, identity, citizenship, or marital status – have access to zero carbon energy and an all-electric life without compromising their general welfare; the ability to meet their basic needs; the ability to attain housing, homeownership or prosperity; or going into undo personal financial debt on behalf of the environment.

Appendix D: Background on Critical Question One: Procurement

The information below was developed to inform the October 24 Board Retreat discussion.

Context

SB 100 (2018) requires that all retail electricity resources must be renewable or zero carbon by 2045. To achieve this goal, PCE (and other LSEs in the State) have been driving towards the decarbonization of the energy supply by procuring greenhouse gas (GHG) free and renewable energy. At this time, according to their Power Content Labels, many electric Load-Serving Entities (LSEs) in California, including PCE and the IOUs, are reporting almost 100% GHG-free energy on an annual basis. However, there are many considerations and approaches to the decarbonization of energy (see below) that can obscure progress against proclaimed goals. For example, natural gas still accounts for 39% of California's electricity on the grid. This natural gas is often not reflected on the Power Content Label by LSEs through the procurement of excess renewable or GHG-free electricity. In short, the system is imperfect; yet the shortfalls of the state's mandated annual emissions reporting through the power content label are a key factor in evaluating and reporting on current PCE procurement goals. As a reminder, PCE's current goal is to achieve *100% renewable energy on an annual basis by 2030 through strategic and cost-effective procurement of resources that maximize Peninsula Clean Energy's 24/7 hourly matching of renewable energy and load.*

Furthermore, recent market changes, increased market demand for clean power, wildfire and outage concerns, and regulatory mandates have increased price pressure on PCE's procurement of generation resources. Subsequently, rate affordability has become a bigger concern for customers and policymakers given recent bouts of inflationary price pressure in the economy. Considering these pressures, PCE must determine what its priorities are as it continues to build out its generation resource portfolio.

Competing considerations include (but are not limited to):

- Centering rate affordability for PCE customers
- Reducing GHG emissions from electric supply using the following approaches:
 - Procurement of GHG-free/carbon-free energy on annual basis
 - Procurement of renewable energy procurement on an annual basis
 - Focusing procurement to achieve 24/7 time-coincident renewable energy

Definitions

Decarbonization: The reduction or elimination of carbon dioxide and other greenhouse gas (GHG) emissions from the process of generating and delivering electricity, and from end-use processes such as transportation, space heating, water heating, industrial processes, etc. In the context of Question 1, we are only focusing on decarbonization of electricity generation and delivery.

GHG-free energy: Energy produced from resources that generate no carbon emissions¹ including large hydroelectric resources and nuclear power in California.

¹ From [Environmental Protection Agency](#).

Renewable Energy: Resources that meet California's renewable portfolio standard (RPS) which include solar, wind, geothermal, small hydroelectric, biopower, and ocean thermal and tidal facilities.² PCE's procurement policy excludes biomass although this energy is still considered renewable energy under state law.³

Generation Provider: PCE, as a California load serving entity, is the default electric generation service provider for all of its customers, signing contracts with developers and other counterparties to deliver electricity that is supplied to California's grid on behalf of its customers.

Power Content Label: Each load-serving entity in California is required to send a Power Content Label (PCL) to its customers every year. The PCL reflects the environmental attributes associated with the energy procured by the LSE on an annual basis. The format and reporting of the PCL is regulated by the California Energy Commission in response to state law.

24/7 time-coincident matching renewable energy goal: Matching renewable energy with customer demand in each and every hour of the day. PCE's current approach to 24/7 is to maximize hourly matching while balancing affordability. This may result in "partial" 24/7 matching during some periods of the year. 24/7 matching can be more expensive than annual accounting but will also result in greater emissions reduction.

The term "clean power" or "clean energy" is often used interchangeably to reference renewable and/or carbon-free energy, but it has no consistent definition, and we are not relying on these terms during this process.

Possible Answers

Resolution of this question will require a policy position that provides enough specificity for staff to be able to manage to clear goals and for PCE to communicate clearly with customers and the public. At the same time, it must equip PCE to adapt to the evolving energy landscape.

Previous policy has been to keep PCE's energy rates "reasonable" — which has meant approximately 5% less than PG&E's comparable rates — while seeking to achieve a 24/7 time-coincident renewable energy goal. PCE now seeks to improve this strategy by more clearly delineating the factors that contribute to "clean" energy and assessing how to prioritize those factors in its procurement decisions.

The policy options that follow were developed by PCE senior staff — informed by conversations at the August *Ad Hoc* Committee and September all-staff retreat — in order to provide examples of how this critical question might be answered. We are now seeking additional input into the options — or policy answers — PCE might adopt to answer this question. We are not trying to identify the "right option" during the Board retreat. The questions for the Board to consider are:

- How do you think PCE should balance the four factors (see above) driving procurement decisions?

² Refer to the RPS Guidebook at <https://www.energy.ca.gov/programs-and-topics/programs/renewables-portfolio-standard>.

³ From PCE 2020-2025 Strategic Plan.

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- What else should PCE be considering during procurement decision-making and priority setting?
 - What else do you need to know when voting on a PCE policy in this area?

Question One Policy Options

As noted above, the following options are offered as a way to consider the question of balancing customer affordability while maintaining aggressive renewable and carbon-free energy goals. These are not offered as rigid options but rather to be used to spur discussion, questions, and direction.

Option A: Prioritize GHG Reduction	Option B: Balanced Priorities (Status Quo)	Option C: Most Affordable
Factors Prioritize in this order: 1. 24/7 as soon as possible 2. Renewable (100% on annual basis by 2030) 3. GHG-free energy on an annual basis 4. Affordability	Factors Prioritize in this order: 1. GHG-free energy on an annual basis 2. Affordability 3. Renewable (100% on annual basis by 2030) 4. 24/7	Factors Prioritize in this order: 1. Affordability 2. GHG-free energy on an annual basis 3. Renewable (100% on annual basis by 2030) 4. 24/7
Result In order to prioritize 24/7 matching, PCE would forego affordability and annual GHG-free goals in exchange for building and operating a power portfolio that matches renewable energy supply to customer demand each and every hour of the day. PCE would build new resources (solar plus storage, stand-alone storage, wind, and geothermal) that would displace the most emission-intensive natural gas generation. This approach would be significantly more expensive than the <i>status quo</i> .	Result Option B reflects PCE's current approach, which is to prioritize retail products that minimize emissions on PCE's Power Content Label to illustrate 100% GHG-free electricity and a low carbon content on an annual basis. Low emissions are aligned with PCE's founding mission and are key to PCE's reputation with its customers. Affordability is secondary to PCE's annual emissions. For example, in early 2024, PCE's Board adjusted its 100% renewable goal to 2030 and modified the 24/7 matching goal based on affordability concerns.	Result Option C emphasizes customer affordability by meeting minimum mandated content requirements, and only exceeding those requirements if renewable energy is cheaper than alternatives. This would slow and potentially reverse PCE's emissions reductions. This option would conflict with PCE's currently stated primary mission of reducing emissions and would likely lead to reputational damage among our customers, peer agencies, and regulators. 24/7 matching and renewable content will fluctuate depending on market conditions.

Appendix E: Background on Critical Question Two: Equity

The information below was developed to inform the October 24 Board Retreat discussion.

Context

PCE continues to invest a significant amount of its revenue in developing and delivering customer programs. PCE's customer programs are aimed at decarbonizing homes and businesses in PCE's service area while also considering equity goals (e.g., supporting low-income customers or customers that have been historically underserved by energy programs). Currently, PCE invests approximately 25% (or an average of \$8 million per year) of its self-funded program budget in serving low-income customers. This percentage does *not* reflect additional funding that PCE is and will seek from external public funding sources that benefit PCE's low-income customers, such as the DAC-GT program, Self-Generation Incentive Program, and Equitable Building Decarbonization program. The financial impact of these public funds targeted toward low income and/or equity programs is expected to be ~\$9 million in 2025. These numbers also do not include any rates initiatives that PCE offers to low-income customers (e.g. freezing rates at previous levels or the December 2023 \$300 bill credit to CARE/FERA customers).

Moving forward, PCE must determine how to prioritize program spending that is self-funded through its ratepayer revenues.⁴ For example, should PCE adjust its current spending (expressed as a percentage of the overall programs budget) to serve "equity customers"? If so, how are "equity customers" defined? And how do we balance offering programs serving equity customers with those serving both equity and market rate customers, which allows for greater levels of decarbonization?⁵

Considerations include (but are not limited to):

- The extent to which PCE should serve all customers, regardless of wealth segment, with accessible programs to maximize impact and decarbonization
- The extent to which PCE should focus its self-funded energy programs on equity customers to:
 - Address historic impacts of the fossil fuel production economy
 - Increase access to customers that have been traditionally underserved by programs (e.g., renters)
 - Deliver disproportionate benefit to low-income customers
 - Reach customers in disadvantaged communities (DACs)
- The right balance between improving affordability for low-income/equity customers through rates (such as rate stabilization or discounts for low-income customers) compared to energy programs (such as financial incentive programs like Home Upgrade for low-income customers)

⁴ PCE uses some CPUC ratepayer funds for its energy programs (DAC-GT and FLEXmarket), as well as some grant funding, but the large majority of PCE energy programs are currently funded by PCE generation revenues. This discussion focuses on how PCE generation revenues should be spent on programs, not public funding (which typically comes with its own set of rules and requirements).

⁵ Serving low-income customers via programs tends to be more expensive on a per-capita basis as those customers will need more financial assistance to implement decarbonization measures than non-low-income customers.

Of note, PCE developed a Diversity, Equity, Accessibility and Inclusion (DEAI) framework in 2022 that outlines PCE's commitment to accessible and inclusive policies, programs and practices across the organization and within all of PCE's workstreams. The questions posed here address just a small subset of PCE's DEAI commitment as it specifically relates to future program funding for disadvantaged/equity customers.

Definitions

Equity customer: PCE is using this as the “umbrella” term for all customers that we define as (1) historically underserved; (2) are low income and/or low wealth; (3) have been negatively impacted by the fossil fuel economy, and (4) live in a disadvantaged community (DAC).

Underserved Customers: Customers who have been historically underserved by California's energy programs and services due to income, wealth, geography, redlining or other forms of racism, cultural biases, language barriers, discrimination, or structural challenges for serving them.

Low-income Customers: Customers with household incomes at or below 80% of San Mateo's or Los Banos' area median income (AMI).⁶ In PCE's service territory there are approximately 56,000 customers that are at or below 80% AMI, which represents about 20% of PCE's residential customer accounts.

Low-Wealth Customers. Low wealth is often measured by housing burden: as described by the [National Equity Atlas](#), a low wealth household spends more than 30 percent of income on housing costs and severely cost-burdened spending more than 50 percent of income on housing.⁷

Historically Impacted Communities: Neighborhoods or groups of people that have disproportionately borne the negative impacts and burdens of fossil fuel production.

Disadvantaged Communities: Disadvantaged communities (DAC) refer to the areas throughout California that suffer most from a combination of economic, health, and environmental burdens. These burdens include poverty, high unemployment, air and water pollution, presence of hazardous wastes as well as high incidence of asthma and heart disease. California's official definition of DAC is the top 25% of census tract per the CalEnviroScreen (CES) tool.⁸ Around 23,000 of PCE's customers are located in the top 25% of DACs, which represents around 8% of PCE's residential customer accounts.

Possible Answers

The policy options that follow were developed by PCE senior staff — informed by conversations at the August *Ad Hoc* Committee and September all-staff retreat — in order to provide examples of how this critical question might be answered. We are now seeking additional input into the options — or policy

⁶ Per the US. Department of Housing (HUD). See at https://www.huduser.gov/portal/datasets/il/il2024/select_Geography.odn.

⁷ [National Equity Atlas](#).

⁸ See CES tool at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>. PCE's DEAI Framework has established a different definition than the State's definition for DACs (including renters, families of Title 1 school etc.). We are proposing to update the definitions under the DEAI Framework with the definitions used in this Strategic Plan once finalized.

answers — PCE might adopt to answer this question. We are not trying to identify the “right option”, or a specific percentage carve out in this meeting today.

The questions for the Board to consider are:

- Which equity customer segments should PCE prioritize serving with its self-funded program revenues (vs. use of additional public funding)?
- How should PCE balance its programs funding considering a desire to achieve two goals: to decarbonize and to serve equity customers?
- How do rate discounts and periodic rebates factor into this discussion?
- What else do you need to know when voting on a PCE policy in this area?

Option A – Greater Focus on Equity Programs: PCE will invest more of its self-funded program revenues into programs to serve Equity customers, while taking every step possible to achieve PCE’s decarbonization goals (for example, seeking to spend about three quarters of the programs budget on programs serving Equity customers).

Option B – Parallel Focus: PCE will invest its self-funded revenues into programs that achieve the greatest level of decarbonization *and* will meet established goals for serving equity customers (for example, seeking to spend about half of the programs budget serving Equity customers).

Option C – Greater Focus on Decarbonization Programs: PCE will invest its self-funded revenue into programs based primarily on achieving the greatest level of decarbonization and will meet its Equity goals through other resources and investments such as rate and bill assistance (for example, not setting aside a specific portion of the budget on programs serving Equity customers). Equity customers would still be served under programs but not an explicit carve out and would be primarily resourced through external, public funding.

Appendix F: Background on Critical Question Three: New or Enhanced Lines of Business

The information below was developed to inform the October 24 Board Retreat discussion.

Context

PCE focuses on providing electrical service to its customers while PG&E provides delivery (i.e., transmission and distribution (T&D)) services. PCE's core competencies include (1) the procurement of centralized, large-scale front-of-the-meter (FTM) generation and storage projects (supply-side) and (2) offering beneficial energy programs to its customers for a variety of behind-the-meter (BTM) solutions (demand side). As California moves towards the decarbonization and electrification of its energy demand, PCE needs to have confidence that the T&D grid can support that shift. In the longer term, as distributed energy generation grows, PCE's generation revenues could decrease, which may ultimately yield an unsustainable business model.

PCE must consider if there are other lines of business that it should engage in, or if its existing lines of business should be modified to adjust to new and emerging realities during California's transition to a decarbonized and electrified grid.

Definitions

Electrical service: Provision of electricity to end users.

Transmission system: The bulk movement of electrical energy from a generating site, such as a power plant, to an electrical substation (where it transitions to a distribution system)⁹.

Distribution system: Local wiring between high-voltage substations and customers¹⁰.

Delivery service: Includes both transmission and distribution (T&D) services.

Front of the Meter (FTM): Encompasses all electricity produced on the utility side of the meter and interconnected to the transmission and distribution (T&D) grid.

Behind the Meter (BTM): Encompasses electricity produced on the customer's side of the meter (i.e. at a customer site).

Distributed Energy Resources (DER): DERs are assets on the distribution grid, either connected behind the meter or in front of the meter. They can be used individually or in aggregate to provide value to the grid and individual customers.¹¹

Possible New or Enhanced Lines of Business

The goal of this conversation is to provide input into potential new lines of business, or how PCE might modify existing lines of business, to further support California's transition to a decarbonized and electrified

⁹ From [Wikipedia](#).

¹⁰ From [Wikipedia](#).

¹¹ Definition from current PCE Programs Team usage.

grid. The “blue sky” list below includes several opportunities PCE could consider. PCE is not able to pursue all these options; through this process we will seek to identify the highest priority issues to address now, while others may not be of interest or could be considered at a later time. The opportunities identified below are *not* listed in any order of priority.

1. Energy and Decarbonization Consulting & Technical Assistance

- **Consulting Services:** Offer low-cost consulting for businesses and local government entities with environmental, social, and governance (ESG) goals. For example, PCE has a very successful reach codes program but could develop additional services for local government agencies.
- **Concierge Services:** Launch personalized energy services to commercial and residential customers, potentially charging for premium services like energy system management and consultation for architects and homebuilders.
- **CCA Consulting:** Provide consulting to help other communities design and implement community choice aggregations (CCAs).
- **PCE University:** Facilitate clean energy education programs, potentially charging tuition to fund operations and outreach.

2. Diversifying PCE’s Energy Supply

- **Behind the Meter Approach (BTM) – Continue to Grow Virtual Power Plants (VPP):** Building on the recently issued request for proposal (RFP) for a distributed energy resource management system (DERMS), leverage customer-sited assets to create a VPP, optimizing decentralized energy systems for grid flexibility and reliability.
- **Front of the Meter Approach (FTM) – Support the Development of Smaller, Distribution-Connected Projects:** At this time, PCE is focusing on contracting with large, centralized FTM projects connected to the transmission grid, as well as the installation of customer-sited, or BTM, energy resources. PCE could further support the “missing middle” by focusing on the development of FTM, distribution-connected projects located in load pockets in PCE’s service area. Examples include:
 - **Community-Scale Microgrids:** Develop multi-customer microgrids in areas with frequent grid outages to increase community resilience.
 - **Community Solar (or Solar + Storage):** Decentralize energy procurement and provide an alternative to customers who cannot install BTM solar + storage.

3. Transmission and Distribution Infrastructure Advocacy

- Enhance PCE’s ability to engage more deeply in policy development and advocacy to ensure that the transmission and distribution grids are set up to serve increasing electrification demands in an affordable manner. This includes, but is not limited to, engagement in:

- **Expansion of the CAISO Market:** Continue engagement in expansion and regionalization discussions at the California Independent System Operator (CAISO)¹²
- **CPUC High DER Proceeding:** Developing systems and processes for improved distribution system planning, data availability, and consideration of a Distribution System Operator (DSO) model¹³
- **CPUC Energization Proceeding:** Establishing timelines for interconnecting distributed energy resources to the grid¹⁴

4. Financial Services and Partnerships

- **Partner with Banks: Collaborate** with financial institutions to provide expanded decarbonization programs both in total customers reached and into **segments** not currently served such as commercial or large energy consumers:
 - Offer BTM solar and storage via Power Purchase Agreements (PPAs) to select customers, with a financial model that reduces PCE power resources costs and/or generates revenues.
 - Implement lease-to-own models for solar battery storage, allowing more customers to access renewable energy solutions.
 - Continue to incentivize EV charging infrastructure, and consider operating chargers, offering discounted rates to equity customers, and setting different pricing structures to meet emission reduction and equity goals.¹⁵
- **Financing Products:** Offer on-bill financing to customers, expanding to higher percentage loans with varying interest rates based on financial need.¹⁶
- **Bond Authority:** Consider options for issuing public bonds to finance investments in renewable energy to help PCE meet its procurement goals more quickly.

5. Neighborhood Decarbonization Zones

- Engage in State and utility initiatives that promote the electrification of entire neighborhoods with the goal of removing the need for gas service. Create a replicable model that can change regulation and support energy independence of communities.

The questions for the Board to consider are:

- Which opportunities seem most relevant or important for PCE to consider over the next five years?
- Should PCE consider adding or expanding any lines of business not expressed here?
- What other factors should PCE be considering within this discussion?

¹² Learn more at: <https://www.caiso.com/about/our-business/regional-collaboration>.

¹³ Learn more at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/distribution-planning>.

¹⁴ Learn more at: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/energization>.

¹⁵ Support for electrification of public transit has been identified as an option but was removed from this list because other agencies are focused on this need.

¹⁶ PCE may be limited by regulations in the financing tools or structures it may offer.

Appendix G: All-Staff Retreat Notes

All PCE staff met September 4-5 with the bulk of the time spent on exploring various elements of the strategy development process. Summary notes are included below.

Decision-Making Criteria

Suggestions from staff conversations are captured below.

Relative to other potential options and absolutely in terms of net impact, will this decision:

- Further our goals to encourage greenhouse gas reduction and promote electrification locally within our communities?
- Enhance equitable access to the benefits of cleaner energy production, reduced greenhouse gas emissions, and electrification for individuals and communities most in need?
- Enable PCE to quickly act on customer needs (explicit and latent), and/or also unlock future options to further innovate and provide additional benefits?
- Represent sustainable (socially, economically, environmentally), measurable, and describable energy benefits to the communities we serve?
- Enhance the value of PCE's current portfolio of service offerings via cost reductions, better service efficiencies, technology and customer information enhancements, or new ways to utilize / maximize the benefit of interacting with our organization?
- Enhance PCE's community reputation as a trusted and transparent agent of change, ethically and legally navigating current policy and industry oversight to meet our goals?

Critical Questions

Critical Question One: Competing Procurement Needs

Staff engaged in far-ranging conversations about how to balance GHG-reduction and affordability in procurement. A summary of several small group conversations is included below.

What Will Change?

General Comments:

- **Communications & Transparency:** The organization will need to be more candid about its Power Content Label (PCL) and natural gas usage, educating customers on what these mean.
- **Reputation & Credibility:** Changes in procurement strategy may impact how the organization is perceived by the public and stakeholders, affecting its reputation and credibility.
- **Customer Engagement:** Depending on the chosen option, the target audience may shift, focusing on either informed, policy-minded customers or casual users, impacting how the organization communicates its mission and goals.

Option A (Affordability-focused) or B (Reduce Natural Gas First) (Changes if Chosen):

- **Increased Costs:** If shifting toward 24/7 renewable energy (Options A or B), prices may increase, leading to changes in procurement strategy, requiring the organization to decide whether to purchase from existing sources or invest in building new ones.
- **Customer Choice:** Higher prices might lead to a model where customers affirmatively choose the organization for its energy strategy, but affordability may no longer be the primary draw.
- **Impact on ECO+/ECO100 Programs:** Changes in procurement approach will affect how the organization manages its renewable energy offerings, such as the ECO+/ECO100 programs.
- **Collaboration:** Option B requires coordination with other Community Choice Aggregators (CCAs) for success, offering the best societal impact but potentially challenging optics for local governments and communities.

Option C (Current Strategy, “Layered Priorities”):

- **Lower Rates & Affordability:** Currently targeting 50% renewable energy with a 5% discount from PG&E, prioritizing affordability to attract customers like Los Banos, which joined because of lower rates.
- **Nuclear Decline:** More likely to avoid nuclear energy, aligning with current procurement choices.
- **Risk of Mission Compromise:** There’s concern that prioritizing affordability may cause the organization to miss its mission of sustainability and clean energy.

Key Considerations:

- **Target Audience:** Will the organization cater to informed, policy-driven customers willing to pay more for renewable energy, or continue to attract casual customers with affordability?
- **Strategic Decisions:** Whether to prioritize short-term cost benefits or long-term sustainability and emissions reductions will shape the organization’s direction and procurement decisions.

What Do We Like/Dislike About Each Option?

The main concerns revolve around balancing affordability, reducing greenhouse gases, and maintaining the organization's mission.

Likes & Dislikes Across All Options:

- General Concerns:
 - There's a missing option to maximize greenhouse gas (GHG) reduction, which is distinct from focusing on evening peaks or 24/7 energy.
 - More data is needed on the costs and GHG impacts for each option.
 - 24/7 energy procurement doesn't necessarily reduce grid-wide GHG emissions and should focus on the broader grid rather than just the organization’s needs.
 - The options don't clearly articulate their long-term impacts.

Option A (Affordability-Focused):

- Likes:

- **Affordability** is a consistent theme, aligning with customer expectations.
- The option aligns with the **short-term response** needs of the organization and its current default strategy until 2030.
- Dislikes:
 - It's seen as a **short-term** fix, which goes against long-term sustainability goals.
 - Although it's GHG-free, it doesn't **reduce overall emissions** on the grid.
 - The focus is not aligned with deeper **mission-driven goals**, which may lead to dissatisfaction from customers focused on sustainability.

Option B (Natural Gas Reduction-Focused):

- Likes:
 - Focuses on reducing natural gas usage and takes a **holistic grid view**, which could have a broader impact on emissions reduction.
 - The best option for showing that the organization is reducing the most emissions while being affordable.
 - Doesn't immediately imply new costs in 2025, meaning no immediate price hikes.
- Dislikes:
 - Could be seen as giving up the organization's **mission and reputation**, undermining the work done so far.
 - Communicating the benefits to customers could be **challenging**, making it hard to show the good that is being done.
 - Stepping away from clean energy efforts, which **California is ready for** as part of a broader movement toward decarbonization.

Option C (Status Quo, Layered Priorities, Long-Term Strategy with Higher Costs):

- Likes:
 - Helps achieve the organization's **long-term goals**, including broader decarbonization efforts.
 - Seen as **stable**, with a focus on the organization's foundational mission of reducing emissions.
 - Aligns with the idea of becoming "**decarbonization warriors**", which is why the organization was founded.
- Dislikes:
 - Could make the organization **more expensive than PG&E**, leading to potential customer **opt-outs**.
 - There's a **reputational risk** if the organization departs from its Power Content Label (PCL) commitments.

- Affordability wasn't the reason for the organization's formation, but **higher costs** may create challenges.
- It's the **most expensive option**, with concerns over how renewables are presented on the PCL and the fact that it doesn't add new renewables.

Key Themes:

- **Affordability vs. Mission:** There's tension between keeping costs low for customers and staying true to the mission of deep decarbonization. Many discussions note that affordability should be a lower priority, yet higher costs might lead to customer dissatisfaction and opt-outs.
- **Communication and Education:** All options would require effective communication strategies to educate customers, especially around complex topics like the PCL, GHG emissions, and the benefits of various procurement strategies.
- **Long-Term Sustainability:** There's a strong push to focus on long-term GHG reduction and decarbonization, with some dissatisfaction with short-term fixes that don't fully address climate change goals.

Are Any Preferable Potential Answers Missing?

Missing Options & Considerations:

1. **Extreme 24/7 Option:** No option aggressively pursues a true 24/7 matching renewable energy strategy, which could serve as a strong competitive differentiation.
2. **Gas Resource Adequacy (RA) Expenses:** A significant portion (2/3) of RA is based on natural gas, but this isn't adequately addressed in the options.
3. **Affordability as Priority #1:** No option focuses purely on affordability, relying solely on Renewable Portfolio Standards (RPs) while addressing GHG-free strategies, which are seen as more political optics than substantive change.
4. **Impact on Affordability:** A clear understanding of how significant these changes will be for customer affordability is missing, along with concerns about whether power prices will ever become more affordable or whether technology will serve as a deflationary force.
5. **Affordability Tipping Point:** There's a question of whether affordability will become less of a decisive factor for customers in the future.
6. **Outreach and Education:** Greater outreach and customer education are seen as potential tools to close any gaps in affordability concerns and build trust.
7. **Rate Design & Product Options:** A missing approach involves offering a base product that satisfies regulators, with an opt-in option for higher environmental benefits.
8. **Programs as a Mitigation Tool:** If affordability declines, there's a need to offer more customer programs to justify the higher cost.
9. **Business Customers & Clean Energy Requirements:** Business customers may require different products to meet their clean energy requirements, which are not addressed in the current options.

10. **Prioritization Framework:** An option is missing that prioritizes affordability while incorporating GHG reductions, reducing natural gas usage, additionality (ensuring new renewable projects), and ultimately achieving 24/7 energy. This would serve strategic customers with specific ESG (Environmental, Social, and Governance) goals.
11. **Power Content Label (PCL) Relevance:** There's a gap in recognizing that most customers don't pay much attention to the PCL, yet the organization's 24/7 energy strategy could serve as a powerful competitive differentiator if communicated effectively.

Key Themes:

- **Affordability vs. Sustainability:** The balance between keeping rates low and advancing GHG-free and 24/7 renewable goals remains a crucial missing element.
- **Customer-Centricity:** The need for tailored approaches (e.g., new products for business customers, more customer programs) to meet diverse customer needs is underdeveloped.
- **Long-Term Communication & Trust:** There's a strong need for sustained customer education and outreach to explain the trade-offs and build trust in the organization's energy procurement strategies.

Critical Question Two: Delivering Services in an Equity Framework

Staff engaged in far ranging conversations about how to balance affordability, customer participation, and achieving equity goals overall. A summary of several small group conversations is included below.

What Will Change?

Key Changes Across Options:

1. **Policy Initiatives:** There's potential to add more policy-driven programs, such as reach codes, to the portfolio, which could enhance equity-driven efforts across all options.
2. **Affordability Focus (Options A & B):** Options A and B are linked for their emphasis on **affordability**, which aligns with equity goals by making energy more accessible to low-income customers.
3. **Participation Challenges:**
 - **Option A (greatest affordability emphasis):** While Option A is affordable, it may be difficult to engage customers, leading to a lot of work with less impact on achieving equity outcomes.
 - **Option B (balanced affordability emphasis):** Also offers affordability but with broader challenges in gaining impactful customer participation.

Option-Specific Changes:

- **Option A:**
 - Equity prioritization may lead to less GHG reduction and more customer gain, but there's concern that this trade-off might not be realistic. Focusing more on equity customers could mean having fewer resources overall.

- Reaching renters is a specific challenge that needs to be addressed, as renters are often part of underserved or equity-priority groups.
- Reducing reliance on the gas system can align with equity goals by lowering costs for low-income customers.
- **Option B:**
 - Similar to Option A, this option is praised for affordability but faces challenges in balancing equity and GHG reduction goals.
- **Option C (greatest GHG-reduction focus):**
 - Option C requires less effort to transform the industry, supporting a broader portfolio approach to energy delivery.
 - However, equity in this option is seen more as an aspirational value, implying it may not be a central focus in its implementation.

Key Themes:

- **Equity vs. GHG Reduction:** There is a tension between focusing on equity (serving low-income and marginalized communities) and reducing GHG emissions. The more focus on equity, the less emphasis there is on deep GHG cuts, which may need to be carefully balanced.
- **Customer Participation & Engagement:** Equity-focused strategies, especially in Option A, may struggle with achieving high customer participation, particularly among renters and other underserved groups.
- **Long-Term Sustainability:** Option C is seen as easier to implement with a broad portfolio but lacks the deep commitment to equity that might be required to fully serve marginalized communities.

The organization will need to weigh the trade-offs between affordability, GHG reduction, and customer engagement when prioritizing equity across the different options.

What Do We Like/Dislike About Each Option?

The main concerns center on how to balance equity, emission reduction, and resource allocation.

Likes & Dislikes Across All Options:

- **Likes:**
 - Access to equity customers is important, as these customers are often underserved, and no one else may create or invest in programs for them.
 - Maximizing emission reduction remains a priority, even within an equity framework.
 - Option C provides rate and bill assistance, which is valued for its support of low-income and equity customers.
- **Dislikes:**
 - There's discomfort with the 50% minimum goal for equity customer focus, as it may lead to over-representation without translating to access for ratepayers.

- Equity customers being positioned as first movers may increase their financial or adoption risk.
- Programs indirectly affecting equity customers by simply offering cheaper procurement for the organization are seen as inadequate.

Option-Specific Feedback:

- **Option A:**
 - Disliked because focusing entirely on equity customers could reduce resources available for achieving greenhouse gas (GHG) reduction goals, leading to less overall impact on emissions.
- **Option B:**
 - Seen as flexible, with potential to set a balanced goal for both equity and decarbonization. There is a recognition that a middle-ground approach might be best.
- **Option C:**
 - Criticized because it may benefit the wealthiest customers, leading to unequal distribution of benefits. Additionally, investments tied to this option are seen as expensive, which could impact rate discounts and make it less equitable overall.
 - Positive aspects include the rate and bill assistance, which is viewed as a good support mechanism for low-income customers.

Key Themes:

- **Equity vs. Emissions:** There's tension between allocating resources to equity customers and still achieving meaningful GHG reductions. A total focus on equity may divert resources from emissions goals.
- **Stakeholder Reception vs. Long-Term Impact:** There's a noted tension between how stakeholders perceive equity programs (reputation) and the future macro effects on emissions and affordability.
- **Supply Side vs. Demand Side Investment:** There's a question about the relative value of investing in supply-side (procurement) versus demand-side (equity-focused programs) approaches.

Are Any Preferable Potential Answers Missing?

The focus is on creating additional options or strategies that balance GHG reduction, equity, and affordability for all customers.

Key Missing Options:

1. **Alternative Option:** A proposed option that focuses on delivering the greatest GHG reductions while also serving both equity and general customers. This would involve a portfolio of decarbonization programs and rate discounts to maximize total customer benefit.
2. **Option D (Long-Term Commitment):** Another proposed option that indirectly helps equity customers by improving access to technologies like used EVs over the long term, with benefits expected in 5–10 years. This requires a long-term commitment and potential financing solutions.

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3. **Affordability Focus:** The notes emphasize that affordability is often the most appealing factor for equity customers, as basic needs may take precedence over decarbonization efforts when people are struggling financially.
4. **Tiered Programs & Segmentation:**
- The organization could consider tiering programs, starting with a focus on equity and building up to decarbonization efforts.
 - Further segmenting programs within an equity framework could be done by using tools like mapping to target specific customer groups more effectively.
5. **Additional Program Ideas:**
- Free burner/cooktops for equity customers to help with decarbonization and affordability.
 - Programs that diversify revenue streams alongside supporting equity and decarbonization.
 - The organization could use a \$10M hypothetical budget to explore how to allocate resources across different equity and decarbonization initiatives.
 - Setting a clear % budget (e.g., 20-40%) for equity-focused initiatives is seen as more impactful than vague goals like "prioritize as much as possible."

Mentioned Considerations:

- It is suggested that the organization evaluate what provides the biggest bang for the buck, both in terms of efficacy and balancing equity with decarbonization.
- There's interest in identifying low-hanging fruit that can generate real-time impact in communities where decarbonization may not be the primary focus.
- The ability to build trust with equity customers by providing lower long-term bills.
- Programs can also be viewed as part of a marketing or expansion strategy to build the organization's reputation and customer base.
- The organization should focus on what is more transformative for equity customers, such as comparing the benefits of a bill credit versus providing equipment like energy-efficient appliances.
- Making these equity programs palatable for local politicians is also important for pushing policies forward. Having a clear goal or specific targets for equity programs, rather than vague language, can help build support.

Appendix H: Board Input into Critical Questions

Board Retreat

The PCE Board of Directors convened on October 24, 2024, to provide input on the three critical questions as well as PCE's future value proposition. A summary of the Board's input is included below.

Critical Question One: What are PCE's procurement priorities and how do affordability concerns affect those priorities?

Additional information the Board identified as needing:

- What are the cost differences to each element: 24/7, renewable, and GHG-free?
- Can the environmental impacts among three elements (24/7, renewable, GHG-free) be clarified?
- Is there a way to utilize carbon pricing as a means of promoting greater GHG reduction?
- How is affordability defined?
- Is there any information about customers' priorities between environmental impacts v. affordability?
- Is there a time consideration? Is investment in renewable energy now more expensive in the short term but cheaper in the long term?

Preferred approaches identified by Board members included:

- Most Board members who spoke generally favored Option B as described (although only 3-4 members specifically said this)
- There was some sentiment (by 2-3 Board members) for leaning into PCE being more aggressive around achieving environmental benefits
 - For example, one option could be to swap the positions of renewable and affordability in Option B
- One Board member suggested leaning in strongly to affordability (purchasing power that is less expensive to PCE) and investing additional "profits" into the most effective GHG reducing programs
- There was a request to explore a "24/7 GHG-free" option (would that be more affordable than a 24/7 renewable approach and also achieve greater environmental benefits than an annual GHG-free option?)
- At least 1-2 Board members supported Option C (affordability) based on difficult economic times for many customers

Question #2: How can PCE continue to deliver programs and services within an equity framework while also scaling decarbonization?

Additional information the Board identified as needing:

- What is the level of GHG reduction for dollars invested by different programs?

- Are there approaches or programs that disproportionately benefit low-income customers, even though the programs are created for all customers (e.g., community solar)?
- Is there an opportunity to stratify PCE's income benefits differently?
- Overall, can staff provide better analysis and data about the choices when coming back with a strategic policy proposal? Also, can examples or metaphors be included to increase members' understanding of the implications of the Board's decision?

Preferred approaches identified by Board members included:

- PCE's starting point around equity should be to do no harm (for example, electrifying a low-income neighborhood could create harm to that community if residents are without power for weeks following a natural disaster)
- One Board members spoke in favor of prioritizing the highest environmental return on investment
- 3-4 Board members spoke in favor of Option A (increasing investments based on equity considerations) citing an opportunity to transform the market, bring new solutions to scale, and lean into increased grants (i.e., non-PCE funds)
- 3-4 Board members spoke in favor of Option B (balanced investments)
 - Some members spoke of the need to consider how renters (only a portion of whom are equity customers) are served
- One Board member suggested adopting either Option B or Option C, but leaning into more rate support for low-income customers

Question #3: Are there any new or enhanced lines of business that PCE should engage in to further support decarbonization and electrification in California?

Board members had a particularly robust conversation around this question. At least six or more Board members firmly spoke to the importance of PCE focusing on distributed energy resources (DER).

Supporting comments in favor of a focus on DER included:

- The future is with DER
- DER makes grid upgrade unnecessary
- DER provides more resiliency (including as an equity issue, such as continued access to energy even for low-income communities during power outages)
- Local governments own property that could be repurposed for DER
- DER could be offered along with complementary services such as customized financing and neighborhood decarbonization

Other Board members spoke in support of:

- Increased advocacy and engagement with regulatory agencies as a necessary investment
- Concierge services or other forms of support for customers seeking to electrify

Future Value Proposition

During a brief conversation Board members identified several ideas about what PCE's future value could be:

- PCE is a trailblazer, the first to figure things out (innovator)
- As the utility that puts all reinvestment back into the community: PCE is a nonprofit set up to benefit the San Mateo County and Los Banos communities; as such, it redirects funds it earns back into its communities through programs and community investments
- PCE is a partner with its customers, acting as customers' agent to address climate change

Appendix I: Community Input into Three Critical Questions

La Piana facilitated several small group conversations with community partners to solicit input into the three critical questions. Several individuals also submitted written comments or provided feedback in short interviews. A summary of input gathered is included below.

Community Advisory Committee

Critical Question One: What are PCE's procurement priorities and how do affordability concerns affect those priorities?

Summary

- Most members are motivated by the need to address climate change and see PCE as a primary driver of decarbonization, so even if costs must remain competitive, PCE must also keep its focus on decarbonizing to the greatest extent possible.
- The ability to persuade customers to electrify will be difficult if electric rates are high.
- An alternative option is to decarbonize to the extent possible without losing market share.

Additional Input

"We need to emphasize affordability."

"Climate change will not be affordable, but the things that need to be affordable [like electricity] should be. Especially for those who most need assistance, though perhaps it doesn't need to be low for everybody. For example, [maybe rates could be higher] for those who can pay more."

"People are pretty mad about high electrical rates. We need electricity to be affordable to promote electrification."

"It's going to cost more sooner or later. I prefer for it to cost more now. We're selling electricity, but also a response to the climate crisis."

"We'll need more public education about energy costs."

"It doesn't make the most sense to do the most expensive option now, when renewable energy is at its most expensive. Those options will get cheaper in the future. Invest more down the road when 24/7 is more affordable."

"Make 'as soon as possible' explicit. Define affordability as performance based — do not lose market share [by setting prices too high]. An [alternative] option is to maximize GHG reduction while retaining market share."

Critical Question Two: How can PCE continue to deliver programs and services within an equity framework while also scaling decarbonization? Are there other ways to further provide services for equity customers besides through programs?

Summary

- Overall, members supported each options presented (greater emphasis on equity customers, current emphasis, greater emphasis on reducing GHG).
- Many CAC members want PCE to increase its attention to supporting renters.

Additional Input

“If you haven’t defined equity customers, how do you know what they want? You need to ask them to know what they want. Don’t just assume that you know.”

“The process is in place for staff to listen to the community. That information should shape what PCE does. Put more resources into that listening, make it more robust.”

- Leverage distributed energy resources to benefit equity customers

“Since 50% of SMC residents are renters, put a lot of emphasis on that.”

“We need to emphasize serving renters more. Work with mom-and-pop landlords, offer them 0% loans for decarbonizing their units.”

“You are going to get your maximum bang for your buck by addressing equity communities. For example they drive older, gas-guzzling cars. Help them get into electric cars.”

“Plus one to the need to serve renters – they’ve been overlooked. PCE can be the technical advisor to help landlords take advantage of other incentives.”

Critical Question Three: Are there any new or enhanced lines of business that PCE should engage in to further support decarbonization and electrification in California? Which opportunities seem most important for PCE to consider? Should PCE consider adding or expanding any lines of business not identified?

Summary

- Many members supported more focus on DER.
- A few members spoke in favor of financial programs.

Additional

- Several committee members asked questions about why DERs are so difficult, and expressed interest in microgrids.

“I recommend PCE invest in community microgrids. It’s more difficult than building in the central valley, but it’s also local so you avoid transmission losses.”

“I’ve been pushing staff here at PCE to work on DERs for 4-5 years. I’m glad [there’s new staff focused on finding new funding streams for this and other programs]. Let’s be creative, entrepreneurial.”

“Electrification plus microgrids has potential.”

“Provide technical assistance to large commercial and multifamily buildings, big emitters that are being missed.”

“DERs in parking lots, also community storage. Look at spreadsheet of innovative ideas from around the country researched by the CAC DER working group last year. Also look into resilience as a factor in selecting projects and programs.”

“I met a banker at the SMC Climate Summit who was looking for investment opportunities. We should connect with more financial institutions. Look into green bonds.”

“If PG&E does not have to repair old gas lines, they will save money. That money should not go to PG&E, but rather to those communities to invest in electrification.”

- PCE could shift to financing instead of rebates.

Regionally Integrated Climate Action Planning Support Programs (RICAPS)

Question One: Procurement

Summary

- General desire to be affordable and to reduce GHG.

Additional Input

“Affordability is primary – we need to electrify but that’s hard to do with high rates. But, there’s also a lot of miscommunication about the cost of electrification.”

“We kind of need to do both. Can BTM solutions (that have co-benefits) be considered a more affordable solution?”

“Reliability is an important issue. [It’s important to secure] more local resources.”

Question Two: Equity

Summary

- Several individuals thought some renters and small businesses should be included in this discussion.
- There was a request for information about the environmental impact of different programs.

Additional Input

“Can you build equitable pricing into your price structure? Can lower income customers pay less per kWh?”

- Members requested more information about where program funding is currently invested.
- Members requested more information about the environmental benefit provided by different programs now (including impacts for current investments with equity customers as well as investments in all programs).
- There was interest in more attention to supporting small businesses and renters through PCE’s programs.

Question Three: Additional or Enhanced Lines of Business

Summary

- Community partnerships and microgrids were the primary areas of interest

Additional

“Resilience and reliability is an important component.”

“Lean into VPPs and microgrids/community scale. For example, Pescadero and Half Moon Bay are trying to do community microgrids and VPPs.”

“Financial services and partnerships [are needed].”

“Concierge service is very important — it can even be a paid service.”

- Cooperative solar in collaboration with community members was discussed as an opportunity.

Community-Based Organizations

The feedback below was given from organizations that partner with PCE to carry out its programs.

Critical Question One: Procurement

Summary

- General agreement that PCE should push for the greatest GHG reduction possible while keeping customer costs lower than alternative providers.
- There is interest in knowing that PCE is pursuing as many alternatives as possible, such as effectively promoting the ECO100 program.
- Retaining customers and moving them to electrify at costs lower than gas may be more important than getting to 24/7 time-coincident.

Additional Input

- Can PCE increase the number of people paying more for environmental benefit?

“PCE was created to reduce emissions. Push as far as possible on the 24/7 goal — push it to the point of PCE being sustainable as a business, just below cost parity with PG&E.”

“We [were founded to] get rid of gas. I’m seeing less of that and more promotion of ‘we are best provider.’ Let’s focus again on reducing GHG.”

“San Mateo County is the envy of others for its focus on policies that center economic equity — especially with the wealth gap, not only for low income customers, but also modest income in a staggeringly expensive environment. Recognize there are challenges for a person like me [who’s modest income to pay for environmental benefits].”

“Those who can afford to should pay more if there is really going to be equity.”

“I support doing everything we can do to achieve 24/7 hourly matching of renewable energy and load while ensuring our neighbors with less resources have the ability to get their needs met.”

Could some customers pay more [through opt-in rate options] and promote it especially among corporate customers, to bring people along in solving the problem. PCE needs to stay aware of public opinion.”

“Do what you must for the climate, get to the goals of 24/7, but not at the expense of customers. I’m very interested in the details.”

“How many customers choose ECO100? I’m totally for 24/7, but we have to acknowledge reality.... It’s not easy to get people to pay more. Right now, gas is less expensive, so getting people to go electric and it’ll be more expensive [will be difficult]....I’m not saying don’t try, but you really need a strategy to address that.”

“Affordability is the top #1 concern of the community/clients we serve.”

“We must do both in taking care of planet and also meeting affordability needs. Our clients’ top needs are affordability. Many community members are struggling to make ends meet. But how do we bring in other customers without it being a burden, or go electric without it costing a lot more [for the customer].”

“You need to be careful you don’t push so hard on GHG that you become known as that more expensive option only for people who are climate early adopters. Getting everyone on PCE and electrified may be a bigger win than getting to 24/7.”

Critical Question Two: Equity

Summary

- Equity is served by keeping the costs for electrification low and ensuring programs are accessible to low income customers and renters.

Additional Input

- What is the data about the number of customers who can be described as “equity” customers?
- What is the cost difference in reducing GHG when focused on equity customers compared all customers?

“[Low-income customers] are tired of proving that they’re poor all the time. It has a negative effect. Then thinking about the rebate for used EVs, which is available without income qualification originally and not income qualified ... that seems inappropriate if we’re trying to promote adoption of a technology. [I’m] deeply concerned] at how people are not heating homes or don’t have hot water. They [say they are] doing it because they don’t want to use gas, but it makes me think also it was the [high] cost of making the switch to electricity.’

“This comes back to the cost of electricity. I’ve heard that elsewhere that people don’t want to electrify because the cost is too high.”

“Our communities are very interested in taking care of the climate, but the issue is accessibility. They do want to electrify their home, but then then the [landlord] increases the rent or kicks them out and puts in new renters. Programs are geared towards homeowners and not tenants.... We need to work with homeowners to work with tenants without jeopardizing the tenants.... And the rebate process challenging, needing to put up money up front, then getting it back.”

“Is there a scheme we can offer to wage earners without a good credit history?”

“I don’t envy the CCAs, it’s hard to make a decision like this and you’ll be the bad guys. I trust you’ll make the best decisions to balance caring for people and caring for planet. If you’re making a decision, be super transparent about what went into that decision. Communicate the good, the bad, the ugly. People are not stupid. People may not like it, but most will understand.”

“I believe that if we are truly prioritizing equity we need to continue to provide access to communities who have not had access in a long time.”

Critical Question Three: New or Enhanced Lines of Business

Summary

- Some interest expressed in DER.
- Some interest expressed in financial services.
- Avoid duplicating activities offered by others.

Additional Input

- The “lines of business” term was off-putting to some, implying that PCE is just a money earning business rather than a mission-driven service

“I would be very much in favor of PCE working for more distributed energy resource.”

“Could PCE consider investing in developing its own clean energy production, for example, building a solar farm next to the one in Los Banos?”

“Why wait [to offer] financial services? [Our] constituency needs to access these programs and can’t when we don’t have funding. Could PCE be the financial institution that gets funding to buy the eBike? Seems like an opportunity for PCE to elevate its social equity as a partner in the just transition.’

“{If considering} consulting, talk with the other CCAs — don’t duplicate what others are doing.

“Could PCE explore having PCE develop community solar, systems that are owned by PCE, but leased to rate payers?”

- Focus on the activities where PCE really brings additional value, things that PCE can do alone or in partnerships, that is difficult for customers to do alone, such a neighborhood decarbonization
- Step up education around the health benefits of electrification and the dangers of using gas, especially as other states and policy makers are moving against electrification
- Create model projects such as partnering with CBOs to electrify a building to show how it can be done

San Mateo County Sustainability Department Staff

Critical Question One: Procurement

Summary

- Maintaining affordability as a high priority is important.

Additional Input

“Affordability right now is so important. We need to keep energy affordable to make sure community angst does not go higher. PCE has had a strategy for us getting off gas and doing that is hard, there’s friction in that, there’s lots of work happening. But to get it perfect [i.e., to push to 24/7 standard immediately] will not mean a lot if the community is too upset. Be reasonable.”

“I think GHG free on an annual basis is the first element, then affordability is right after. Keep affordability #2.”

Critical Question Two: Equity

Summary

- Consider the needs of small businesses that are often left out of the conversation.
- Consider using definitions of “equity” or “low income” that do not align with the state’s definition in order to better serve high-cost San Mateo County.
- Base any decisions on good community needs assessments (which others have already conducted).
- Driving market change is as important to benefiting equity clients as direct investments.

Additional Input

“It would be great to have programs that help small businesses as well.”

“It would be interesting for PCE to do more equity focused work. PCE shouldn’t reinvent the wheel, but current equity programs are determined more by state [definitions of equity] or low income. It would be nice.”

“CalEnviroScreen isn’t a great tool for San Mateo County.”

“PCE could do a deep community needs assessment: who needs what, who isn’t being served, what different communities need to electrify. Given what we know and as we transition to an all-electric future, customers will be cost-burdened. We have to make sure those who are [in need are known].”

“Look at the costs over the long run. Look at the business case, it might cost more over the long term [to not pay more in the short term].”

“We definitely need to think about supporting those who need it, but we also need to move the market. Some customers just need the information or a trusted voice, you don’t have to pay for the whole thing.”

“Looking at PCE’s core goals, delivering clean energy ... the market forces that come from that will benefit the equity groups we’re talking about.... If PCE can stay on track on a driven pace to hit its current goals it will benefit everyone.”

Critical Question Three: New or Modified Lines of Business

Summary

- Participants expressed support for more DER.
- Participants would welcome PCE acting as a leader in scaling change and building collaborations for change, for example, in working with PG&E, large retailers, landlords or other groups where there are opportunities for broad agreements about how to work together.
- PCE should increase advocacy by increasing the capacity of the statewide CCA organization.

Additional Input

“In general there’s not [public] support for electrification. That’s key.”

“[If PCE pursues electrification], it would be best to get solar at the same time. PCE should offer that as a package — and battery, too. Do it all together to get the best financial [returns].”

“One thing that could be improved upon or expanded is that the EV program offers EV charger design, but they’re not actually designs you could take to a contractor. It’s more like a base level assessment, which is good. But it would be better to get engineer-approved designs Also, could PCE hold a [master] contract for EV chargers because contracting takes so long. So PCE could hold a suite of contractors that we could all use.”

“What we need today might change over the course of the next few years. [Good criteria to consider when making a decision about this include]: How could PCE be nimble to address changes, and also meet new procurement needs. Where are there gaps? What can PCE do that others cannot do? How can PCE diversify the energy supply? Adding DERs would be really great. We’re getting independent from our utility with DERs, and diversifying that is helpful when it comes to resilience. What is within PCE’s ability to control?”

“What I think about as a unique role that PCE is positioned to do, transmission reliability is something we’re not positioned to do Finding some other way to have more reliability and redundancy in transmission, it would be good for PCE to have a voice in that.”

“We’re learning how to scale and how to get beyond building by building. We need to do more than just collaborate with PG&E. It would be great to have PCE as a strong technical voice and collaborator ...to electrify individual buildings. But piecemealing won’t get us where we need to go. So how can we do groups of buildings and move things in groups. We want to pilot groups of buildings and have PCE as a partner. And to pilot, gas service is a barrier It would be great to have PCE as part of this conversation.”

“Thinking about communities and problems they have with reliability and issue of equity. We know that some of the communities, like rural communities, can be without power for a week. There are issues with smaller communities that need grid reliability for emergencies. It would help communities to know that there is greater reliability. Address reliability.”

“One thing our team thinks about is building equitable decarbonization. Especially renters getting pushed out when a building is electrified. Rent control is a non-starter right now, or other forms of tenant protections. So we’re in a difficult situation because we don’t have basic tenant protections ... so if PCE could intervene with landlords around tenant protection agreements that would be really valuable for us.”

On the school funding ... what would be even more helpful is for each district to have an allocation, just like other government groups have had. That would be helpful so that each district has to do something. If you say ‘you could use this money’ it’s not as helpful as ‘this is your money.’”

“It would be helpful to band with other CCAs and encourage retailers to stock and promote water heaters or stoves. We do so much work [educating the public], then walk into Home Depot and you’d never know about the [efforts to electrify].”

“Leverage the consortium of CCAs for policy and advocacy, rather than PCE taking on all policy. Have CalCCA hire or take the lead on policy and advocacy.”

Union Representatives

Critical Question One: Procurement

Input

“Ideally, getting to 24/7 is best, but it’s a very hard goal to reach.”

“We’re not experts on this.”

“It’s a hefty goal to reduce GHG [and to be affordable], but as long as it’s union [that’s our concern].”

Critical Question Two: Equity

Input

“Where there’s a population ready to [go GHG free], then do it.”

“You need to get the word out [about available programs].”

Critical Question Three: New or Modified Lines of Business

“What PCE is doing is running themselves out of business if everyone self generates.... They’re recognizing that if they go into self generation, then they can’t sell their green energy.... That’s their model going forward: installing batteries and self generating and owning it and getting residuals.... Community solar [is a good example of what they need to do], they need to become the generator. Create the energy and sell it.”

Input from Individuals

Individual comments were received through interviews or from individuals who were invited to participate in the small group conversations — and who either could not attend or who wanted to add further thoughts for Board consideration. We have summarized their input below and not reproduced full written comments.

Respondents include:

- Ori Paz, Management Analyst, City of Menlo Park
- Eduardo Pelegri-Llopart, Resident, Menlo Park
- Stacy Souza, Community and Economic Development Director, Los Banos
- Robert Whitehair, Elders Action Network

Critical Question One: Procurement

Summary of Comments

“As an ambassador [from my community], the consensus of the community is that it’s about affordability, period. If 100% renewable will be more expensive, then our community would rather see the rates more affordable than PG&E.”

“The community would not be supportive of [of subsidizing rates for low and moderate income customers in order to increase environmental benefits]. The mindset of the Central Valley is frugality around financial status. For example, even if someone owns their own company and are doing well, they’re going to pick dollars and cents over renewable. Even if most rate payers get a discount. The community as a whole will be dissatisfied. They’re just looking for a cheaper rate. Rates comparable to PG&E are OK; more than PG&E and there’ll be issues.”

“a) Affordability is critical for the overall electrification initiative. b) 100% renewable 24/7 hourly matching is a critical component of CAP strategies. c) Input is to identify why we cannot achieve both – not choosing between the two (e.g. identifying the cost factors and examining alternatives): consider identifying and analyzing alternatives to purchasing the more expensive 24/7 renewable offerings and grading them on the established scale.”

“How should PCE balance the four factors driving procurement decisions? The 3 options given in the presentation are: (A) Prioritize GHG Reduction, (B) Balanced Priorities (status quo), (C) Most Affordable. This is the hardest question for me to answer. “I used to select option (B) [balanced approach], but the acceleration of the climate crisis this summer is making me wonder if we should move to option (A) [greater environment benefits more quickly].... I want to do whatever I can to help reduce our GHG. I hope PCE will help me do that — my most immediate option would be to export my surplus solar power at the right time, through the distribution grid. I hope PCE's VPP will help me do that.”

Critical Question Two: Equity

“PCE does a really good job right now of trying to focus on equity in how they create their programs. We have seen quite a bit of benefit from those programs From our perspective, the priority is not on sustainability, it's on dollars and cents.”

“[The most important “equity customers” are] mostly low income. Also, PCE is very good about speaking Spanish and making sure there are no language barriers there. On rentals, [that is not a high priority because] we have a higher rate of home ownership because it's more affordable than rentals.”

- Broadly, the community needs more data on how programs perform in providing environmental benefits to really weigh in on this question.

“More turnkey programs [will drive more adoption].”

“Transportation is the largest emissions sector for [my city]. Additional transportation programs would be helpful for our goals.”

“Are there other ways to further provide services for equity customers besides through programs? I'd like to add a thought about ownership of assets that can generate revenue and can provide empowerment. One example is solar panels; they do not just reduce the electric bill but are a tool that a household can use to control their expenses. Similar with batteries and time-of-use rates, and even with exports at the right time. These tools provide monetary value but also give the household a sense of empowerment, an ability to actively control the asset and the costs, independent of external costs, like PG&E rate hikes.”

Critical Question Three: New or Modified Lines of Business

“To prioritize, Financial Services and partnerships is something our community would be interested in because we'd look at affordability.”

- Written comments support:

- Establishing cooperatively owned community solar and microgrids, including opportunity for residents to own and profit from these initiatives through energy storage, car sharing/charging, sliding scale rates for investments
- Exploring becoming a publicly owned utility
- Supporting more advocacy in favor of DER, gas pruning, or community-owned microgrids
- Continuing to diversify the energy supply and factor in the multiple benefits of DERs/microgrids
- Considering turnkey EV infrastructure support/group procurements that double as VPP or battery banks
- Considering additional opportunities for other transportation programs

“Electrification is the one most direct method that any one of us can take, to stop the climate crisis. To be specific, if elimination of natural gas and fossil fuels is going to happen anywhere, it will happen here on the Peninsula, where there are the means and the passion to do something about the climate crisis.”

“We, your customers, trust PCE to prioritize our needs. We also trust you to run a sound business. I believe PCE can capitalize on this perception to expand its reach into households and businesses. PCE is already involved in a VPP effort. I believe PCE should continue the effort and it should expand it. The new residential batteries are safer, cheaper, more powerful, more capable, and modular. The main challenge for households is understanding the technical capabilities, and getting an electrician in, but PCE can help there, and, if presented well to households, we might be willing to invest some of our \$\$\$ to get benefits like resilience, as well as some economic benefits from exporting electricity at the right time, all while providing renewable energy and helping the grid. It would be wonderful if PCE expanded its role on the distribution grid. Right now there are legislature challenges on this, but it seems to me some DER resources in front of the meter could be very compelling, both for residential but perhaps more for commercial businesses.”

On advocacy for the distribution grid — one of the challenges in advocating for the benefits of DERs, behind or in front of the meter, is the lack of information on the behavior of the distribution grid. A question I'd like to know is 'how does the electricity exported from our households propagate through the distribution grid.' This would help address the question of 'how useful is residential solar panels and batteries' and 'how much do these resources help reduce transmission cost.' PG&E has the information but this is not made public. I believe PCE can derive this information from the data it has from its customers and from the topology of the distribution grid.... This type of information could help PCE advocate for a better policy on the distribution grid,”

“On leveraging DERs, it is my understanding that PCE has the ability to set rates for exported electricity. The current rates for NBT are very low and disincentive any exports. The current rates for NEM 2.0 are very generous and are not encouraging export at the most critical times of day to contribute renewable energy to our grid. I recently learned about the two-way tariffs in Australia. The principle is to penalize exports at the wrong time of day but to reward exports at the right time. I wonder if PCE could create export tariffs targeting that behavior. In the case of our household, we have surplus energy buy we are under NEM 2.0 so we are not motivated to add battery [capacity]

and adjust our export behavior. A targeted tariff could convince PCE customers like us to add a battery and export when PCE needs the renewable energy the best. Maybe combine the tariff with some financial incentive to install the battery. With a bit of structural help like the above household like ours might do the switch to gain resilience and help the grid and the planet.'

Other Comments

"I want to amplify what I said about PCE becoming corporate. Upon its founding, PCE was first and foremost an idea, a community agreement that a group of people working together in community can respond to the climate crisis. The focus has shifted to being profitable, to selling more electricity. PG&E already does that. Peninsula Clean Energy needs to work on the niche market, that is what distinguishes us, is our commitment to getting rid of fossil fuels."

Appendix J: Rationale for Priorities for New or Enhanced Lines of Business

The chart below captures the detailed rationale for the recommendation related to Critical Question 3. The core of this chart was developed during a meeting of all senior staff before additional information was added.

Key

High: Do select this option based solely on this criterion

Medium: This option generally aligns with this criterion, but to a lesser extent

Low: This option is not the best choice based only on this criterion

Criteria	A. Consulting & Technical Assistance	B. Diversifying Energy Supply (Incl. DER)	C. Advocacy	D. Financial Services	E. Neighborhood Decarbonization
Greatest mission impact: - Encourage greenhouse gas reduction - Expand access to sustainable energy solutions	- Mission impact is only indirect - Concierge services can underpin scaling - If PCE prioritizes this option, it should be very specific about which TA/consulting services it will offer — focusing on services that drive the highest GHG reduction HIGH-minus	- Represents a direct way to reduce GHG - Doesn't do more to reduce GHG than other choices - Must be coupled with other options as a package to be successful, such as providing financing and consulting - This option addresses additionality, but it's not easy to advance at scale - Will need additional information about T&D capacity to do this at scale	Mission impact is only indirect LOW	- Mission impact is only indirect - High impact if this allows PCE to scale its programs HIGH (in combination with other choices)	- Direct impact - Any progress will be on a small, pilot scale which means low near-term impact LOW

Criteria	A. Consulting & Technical Assistance	B. Diversifying Energy Supply (Incl. DER)	C. Advocacy	D. Financial Services	E. Neighborhood Decarbonization
		<i>HIGH</i> (as a package of services)			
Greatest mission impact: Expand access to affordable energy solutions	- For Gov & Large customers, this can unlock cost savings - Probably less for bulk of customers MEDIUM	- Best – once installed, essentially less expensive (especially BTM) - Promotes resiliency - Helps with diverse supplies to get to 24/7 - Front of grid difficult to implement, energy goes to PG&E HIGH		If supporting DERs, making accessible HIGH (if supporting DERs)	- Supports resiliency (but not main point) - This is more of an intellectual exercise — affects very few people LOW
Leverage or build out PCE's Value Proposition: community leadership and investment¹⁷	To a lesser extent MEDIUM	Yes — DER is local investment, comes with econ benefits HIGH	LOW (T&D Advocacy)	Yes — allows more of local investment with econ benefits HIGH	High connection with community investment (for 1 community!) HIGH (for very narrow part of community)

¹⁷ PCE's value add to be its customers' partner to address climate change is redundant with the mission element to reduce GHG gasses, so is not included twice.

Criteria	A. Consulting & Technical Assistance	B. Diversifying Energy Supply (Incl. DER)	C. Advocacy	D. Financial Services	E. Neighborhood Decarbonization
Leverage or build out PCE's Value Proposition: partnering with customers as agent for GHG reduction	- Expansion in this area (e.g., supporting Reach implementation) might dilute PCE's expertise or overlap with the role of the cities - Expands PCE's engagement with and support for customers HIGH (if focused on differentiated service)			Expands PCE's engagement with and support for customers MEDIUM	
Leverage or build out PCE's Value Proposition: a trailblazer in building model solutions in the sector					
Advance PCE's commitment to Equity: Enhance equitable access to the benefits of reduced GHG emissions Align with DEAI framework	- Provides some value in this area by providing more assistance to Equity customers if services are accessible - Could provide benefits to Equity customers by working through cities MEDIUM	- Could be high DEAI benefit depending on BTM strategy - Requires accessibility to Equity customers HIGH (if Equity customers supported)	LOW	Provides a pathway for Equity customers to access beneficial change HIGH	Unlikely to be established in Equity community LOW

Criteria	A. Consulting & Technical Assistance	B. Diversifying Energy Supply (Incl. DER)	C. Advocacy	D. Financial Services	E. Neighborhood Decarbonization
Takes into account financial impacts to PCE	▫ If provided as a fee-for-service program, this could be neutral or financially beneficial HIGH	▫ This needs more information; this could be financially if it reduces RA and peak supply costs ▫ If PCE doesn't do this, others will, opening up new competitors for PCE's core service: this is a "must do" in the long run HIGH	▫ Essentially no financial impact MEDIUM	▫ This option does not have a financial impact for PCE as a stand alone initiative (it might offer returns as a tool to advance other initiatives) ▫ Higher financial returns might be possible through partnerships (rather than PCE providing financial services directly) MEDIUM	▫ Essentially no financial impact MEDIUM
Takes into account cost to PCE's customers	▫	▫	▫	▫	▫



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 16, 2025
MEETING DATE: January 23, 2025
VOTE REQUIRED: Majority Vote

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Justin Kudo, Associate Director, Strategic Analysis & Rates, Nick Bijur, Chief Financial Officer, and Leslie Brown, Director of Account Services

SUBJECT: Approval of Updates to Peninsula Clean Energy's Rates (Action)

RECOMMENDATION

Recommend the Board of Directors (Board) approve staff's proposal to recalculate ECOplus rates to be set at a net 10% discount to PG&E generation rates, which would decrease Peninsula Clean Energy (PCE) rates by an average of \$0.00696/kWh, effective February 1, 2025, or as soon thereafter as can be implemented.

BACKGROUND

On March 28, 2024, the Board approved implementation of an independent rate-setting approach based on PCE's Cost of Service model. The approved "hybrid" rate-setting approach prioritizes sufficient revenues to support PCE's operations, while utilizing PG&E cost allocations to provide clear and competitive rates to PCE customers.

On June 27, 2024, the Board approved ECOplus rates to be set at a net 5% discount to PG&E generation rates, effective August 1, 2024. Rates were based on the Board-approved FY24-25 Budget and set for the subsequent 12-month period, with an adjustment "mid-cycle" only if warranted.

On January 1, 2025, PG&E implemented its Annual Electric True-Up, its primary annual rate change. This included updates to PG&E generation rates, non-generation rates (i.e., transmission and distribution), and the Power Charge Indifference Adjustment (PCIA). The changes to PG&E generation rates and PCIA fees (netted together) were negligible. Non-generation rates increased by \$0.013/kWh, or about \$5 per month for the typical household. Staff estimates that most PCE rates continue to provide a discount of 4-6% off the updated PG&E generation rates.

As part of its mid-fiscal year budget review, staff recently updated PCE's FY24-25 financial forecast. Based on favorability in cost of energy and customer programs, staff now forecasts FY24-25 Change in Net Position of approximately \$40 million versus the prior budget forecast of \$5 million.

On January 13, 2025, PCE's Executive Committee reviewed these updates and recommended to the Board a mid-cycle rate change based on PCE's updated financial forecast and its strong financial position. The recommendation to increase the current generation rate discount to 10% would result in a reduction in PCE's rates by an average of \$0.00696/kWh. This approach strikes a balance between adjusting customer rates to reflect PCE's updated financial position, while mitigating budget risk through improved financial liquidity.

DISCUSSION

Since the Board approved PCE rates in June 2024, there have been two notable updates that warrant a mid-cycle rate adjustment:

1. Updated Financial Position – PCE's updated financial forecast projects a Change in Net Position of \$40 million in FY24-25, which is approximately \$35 million greater than the original budget forecast. The update is based on five months of actual financial results (through November) and an updated forecast for the remainder of the fiscal year. The favorability is primarily due to the lower cost of energy and customer programs.
2. Rate Allocation Considerations – While PG&E's January 1, 2025, electric generation rate change had a negligible impact on the discount enjoyed by PCE customers, PG&E also updated cost allocations for a small number of commercial and industrial (C&I) rate schedules. As a result, PCE large C&I rates under these updated schedules are lower than PG&E for certain time-of-use periods (e.g. summer demand charges) but higher for other time-of-use periods (e.g. spring super off-peak rates). Under these select rate schedules, PCE rates still result in savings on an annual basis but may be higher during certain months of the year.

As a result of the above-mentioned updates, as well as customers' focus on affordability, staff recommends an immediate reduction in PCE rates by an average of \$0.00696/kWh (see Figure 1), thereby increasing the discount to PG&E's generation rates to 10% (see Figure 2).

Rates would be set until our next rate-setting period, which would come into effect in July or August 2025.

Class Average Rates (\$/kWh)	Current	Proposed	Difference
Residential	\$0.13339	\$ 0.12605	\$(0.00734)
Commercial	\$0.12273	\$ 0.11603	\$(0.00670)
Agriculture & Street Lighting	\$0.11517	\$ 0.10864	\$(0.00653)
Total	\$0.12701	\$ 0.12005	\$(0.00696)

Figure 1 - Impact of Proposed Changes by Customer Class Average Rate

Basic Residential Rates	12/1/2024	1/1/2025	2/1/2025
	Previous	Current	Proposed
PG&E Generation	\$ 0.1565	\$ 0.1557	\$ 0.1557
PCE Generation	\$ 0.1363	\$ 0.1363	\$ 0.1280
+ PG&E Bundled PCIA (2016)	\$ 0.0123	\$ 0.0122	\$ 0.0122
PCE Generation (w/PCIA)	\$ 0.1487	\$ 0.1485	\$ 0.1401
Percentage Savings	5.0%	4.6%	10.0%

Figure 2 – Impact of Proposed Rate Changes on Basic (Non-Time-of-Use) Residential Rates

Regarding the rate allocation consideration noted above, staff recommends updating rates to provide consistent rate savings across all rate components. This provides clear messaging and expectations to customers and reallocates elevated resource adequacy charges appropriately within demand charges. Staff has modeled revenue projections using the proposed rates and expects these changes would absorb approximately \$13 million of the projected \$35 million favorable FY24-25 budget variance.

Staff notes that there is an elevated risk of the PCIA increasing in 2026, and that it may be prudent to carry a portion of any potential net revenue surplus into the upcoming fiscal year. While market price benchmarks reduced 2025 PCIA rates, PG&E argues that the PCIA should have been set higher. If these arguments are ultimately successful, the true-up mechanism may push these costs into 2026. Any PCE revenue surplus carried into FY25-26 and future years can be applied to reduce the revenue requirement and rates, both mitigating PCIA volatility and providing greater rate reductions for customers.

Proposed new rates would be implemented by staff on February 1, 2025, or as soon as it is possible to update the billing system thereafter. Rates will be re-set as part of the FY25-26 budget and rate-setting process, which would go into effect in July or August 2025.

FISCAL IMPACT

Increasing the net discount to 10% and reducing rates by an average of \$0.00696/kWh for the next six months will decrease PCE's projected Change in Net Position by approximately \$13 million.

RESOLUTION NO. _____

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

APPROVAL OF UPDATES TO PENINSULA CLEAN ENERGY'S RATES (ACTION)

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

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

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

WHEREAS, on June 27, 2024, the Board approved staff's proposal to set ECOplus rates at a net 5% discount to PG&E's generation rates based off of the 2016 PCIA and Franchise Fee Surcharges, effective August 1, 2024; and

WHEREAS, on January 1, 2025, PG&E updated its rates; and

WHEREAS, in January 2025 staff updated the PCE financial forecast, which now forecasts a favorability to budgeted Change in Net Position of approximately \$35 million; and

WHEREAS, staff recommends an immediate increase to the current generation rate discount to 10%, which would result in a reduction in PCE's rates by an average of \$0.00696/kWh; and

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Directors approve staff's proposal to reduce PCE's ECOplus rates by a net 10% discount to PG&E generation rates based off of the 2016 PCIA and Franchise Fee Surcharges and apply this rate to all PCE customers effective February 1, 2025, or as soon as can be implemented.



PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: January 13, 2025
MEETING DATE: January 23, 2025
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Rafael Reyes, Senior Director of Energy Programs
SUBJECT: Update on Community Energy Programs

BACKGROUND

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

Buildings	
Appliances	4,117 measures rebated (+95 M/M); 805 loans issued (+46 M/M)
Home Upgrade	2021-2014 phase (old): 305 homes completed. Closed. 2024- phase (new): soft launched in September, 24 customers registered and in-progress.
GovBE	5 proposals selected for funding, \$1M in incentives and \$1.6M in loans.
Reach Codes	3 agencies have adopted new “energy performance” codes post-Ninth Circuit ruling. Planning 2025 cycle in-progress.
Distributed Resources	
Residential Solar + Storage	Targeting 200 installs for low-income customers. Currently at 378 pre-qualified customers. 597 installs successfully completed under our general market program. Enrollment is currently closed.
FLEXmarket	13 residential building electrification projects being tracked, 11 commercial energy efficiency projects being tracked
GovPV	Round 1: 12 sites, 1.7MW solar. 5 sites operational, 6 complete construction, 1 in construction. Round 2: 24 sites, 3.5 MW solar. Round 3: 12 sites, 6+MW solar, 10+MWh storage.

Green Access (DAC-GT)	First community solar project slated to come online by Feb 2025. 3MW project. >1,000 low-income customers subscribed.
Transportation	
EV Charging	Ports to date: 1,287 (+131 since Q4). Pipeline: 3,500+
Used EV	741 EVs since 2021. (+~20 M/M)
E-Bikes	Total 1,070, 271 e-bikes in 2024. 2025 in planning.
GovEV (fleets)	11 agencies enrolled. Multiple projects expected in CY 25.

DISCUSSION

1 Building and EV Reach Codes

Background: In 2018 the Board approved a building “reach code” initiative to support local governments in adopting enhancements to the building code for low-carbon and EV ready buildings. The initiative is a joint project with Silicon Valley Clean Energy (SVCE). The program includes no-cost technical assistance, model codes and other tools. The tools and model code language are available on the project website (www.BayAreaReachCodes.org). In addition, in January 2020 the Board approved an extension of the reach code technical assistance plus additional elements – Education and training for developers and contractors, and consumer education program on the benefits of all-electric buildings. This technical assistance is publicly available at www.AllElectricDesign.org. In December 2020, the Board approved to extend the contract with TRC Engineers include technical assistance for developing policy for existing buildings. In February 2022 the Board extended the initiative for another two years.

Status

2025 Update: Many cities considering adoption of reach codes for the 2025 building code cycle are likely to adopt in the 2025 calendar year to align with overall building code adoption ahead of the January 1st, 2026 implementation date.

City Progress: County of San Mateo, East Palo Alto, Brisbane, Burlingame adopted a post-Ninth Circuit building code

State Code - EVs: The current triennial state code cycle (going into effect on January 1st, 2026) mandates an EV charger or outlet for every new multi-family residence with an assigned parking space, marking major progress in just a few code cycles thanks in part to local cities demonstrating feasibility through the reach code project.

For more information, please visit <https://bayareareachcodes.org/>

2 Buildings Programs

2.1 Appliance Rebates and Zero Percent Loans

Background: In May 2020, the Board approved an initial 4-year plan for electrifying existing buildings. This included implementing an appliance rebate program. Peninsula Clean Energy launched the heat pump water heater (HPWH) rebates in January 2021. Additionally, in August 2021, the Board approved an On-Bill Financing program (now referred to as the Zero Percent Loan program) to be treated as a balance sheet asset and not part of the annual budget. The program offers qualified residential customers a 0% interest loan up to \$10,000 to

fund the cost of eligible electrification and complementary electrical and energy efficiency upgrades.

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

Status: Updates were instituted in October 2023, including adjusting the rebate amounts and shortening the finance term to 5 years to establish a more sustainable “revolving fund”. Additional rebate amount adjustments were made in November 2024. HPWH uptake has declined, likely due to exhausted state TECH program incentives. The summary table at the top of this memo summarizes the current number of rebates and loans issued. The full-service electrification installation service to provide greater customer support and complement the incentives soft launched in November. Staff anticipates launching the program more widely (i.e. start promotion) in May 2025 after the new website and concierge service are available. This Home Upgrade service will be a unified service with the low-income direct-install program. See below for details.

For more information, please visit <https://pencleanenergy.com/all-electric-homes>

2.2 Home Upgrade Service (includes Low-Income Direct-Install)

Background: In May 2020, the Board approved \$2 million for implementing a direct-install low-income home upgrade program to offer minor home repair, energy efficiency, and electrification measures to income-qualified homeowners at no cost to them. The measures implemented in each home will vary depending on the home’s needs but will include at least one electrification measure such as installing a HPWH or replacing a gas stove with an electric induction stove. The program launched on September 28, 2021. The Board approved a contract extension for \$1.5 million in February 2023 which included more homes for the current service plus 4-6 whole home electrification upgrades. The contract for this phase of the program ended June 30, 2024. The program served 305 homes, including 9 homes who received whole home electrification as part of a pilot within the program.

Following a competitive selection process, the Board approved the \$26M contract with Franklin Energy on February 22, 2024 for the next phase of the program, which will include a scaling-up the number of low-income homes served with whole home electrification upgrades at no-cost to these residents, offering full-service electrification installation services to non-income qualified residents at a low cost, and launching an emergency heat pump water heater replacement service. Silicon Valley Clean Energy (SVCE) also contracted with Franklin for the joint program.

Status: PCE and SVCE jointly worked with Franklin Energy on program design and start up tasks. PCE soft launched the low-income no-cost electrification segment of the program in late August by contacting a waitlist of customers collected in the previous phase of the program. In November 2024, PCE opened up the program to all customers (i.e. including those that do not qualify for no-cost installation) but is not actively promoting it. General promotion will be initiated when the new website and concierge services become available. As of January 10, 2025, 41 home assessments have been completed and 24 customers have signed on to move forward with installations. At least 1 installation begun in January, but no installations have been completed yet.

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

2.3 Local Government Building Electrification Program (GovBE)

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

Status: Five project applications have been selected for funding for the current year, totaling \$1 million in incentives and \$1.6 million in loans. Projects include:

A pool heating electrification project,

Portfolio-wide municipal decarbonization at a city

Portfolio-wide HVAC electrification at a city

A project installing seven HPHW across multiple facilities

A project electrifying HVAC at a child development center

A separate \$5 million from the surplus funds were allocated for schools; however, no schools submitted for funding in this round. PCE plans to re-open the application for schools in the upcoming months and is in discussions with the San Mateo County Office of Education on rollout.

For more information, please visit <https://pencleanenergy.com/government-programs>

3 Distributed Energy Programs

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

3.1 Solar and Storage for Public Buildings (“GovPV”)

Background: The Solar and Storage for Public Buildings / GovPV Program is aimed at aggregating local government facilities into a group procurement of solar and optionally storage systems. Peninsula Clean Energy provides no-cost site assessments and preliminary designs as well as manages the procurement process. Participating sites have systems installed as part of power purchase agreements directly with Peninsula Clean Energy. As part of the pilot phase or “GovPV1,” in October 2020, the Board approved initial site evaluation services and in March 2022, the board approved up to \$8 million in capital for system installations to be repaid over 20 years and \$600,000 for technical assistance on the second round of the aggregated solar program. At the January 2023 Board Meeting, the Board of Directors approved the installation contract and power purchase agreements with participating agencies in the first round. 12 PPAs were signed with 10 jurisdictions for a total of 1.7 MW solar. Battery storage systems are planned for 3 of the sites but will not move forward until after the solar systems are operational due to NEM2 grandfathering rules.

Round 2 - or GovPV2 - was approved by the Board in January 2024. This portfolio is larger at 24 sites and 3.5MWdc. McMillan Electric is the EPC provider for this portfolio, and they are

assuming development and construction on the majority of the Round 1 portfolio. PCE's contract with McMillan is for up to \$23 million for their EPC services. All projects in rounds 1 and 2 are being pursued as NEM 2 projects, and are slated to become operational by April 2026.

Round 3 – or GovPV3 – is under development and includes much larger project sites that necessitate the inclusion of battery storage. In order to fund the capital required to build these projects, PCE is beginning to look at external financing options.

Status

As of January 10, 2025, five systems are operational (Brisbane Mission Blue Center, San Carlos Youth Center, Millbrae Recreation Center, and San Mateo County Health Services Administration). Six are substantially complete but awaiting PG&E to complete upgrades and/or inspections to its system it deemed necessary during the interconnection process. One is in construction with substantial completion expected by end of the month. Some sites have been waiting over one year on PG&E, and PCE has no control over PG&E's timeline. Staff expects this to be a continual challenge with distributed generation projects.

For Round 2, 13 agencies with a total of 24 facilities are in advanced development. 23 projects have executed Power Purchase Agreements (PPAs) and construction drawings are in development. The last site is awaiting council approval, which is scheduled for February. McMillan Electric is currently working on construction plans for the first tranche of projects that will be ready for construction. These include eight agencies for a total of 15 sites. Plans will be used to apply for permits. These projects are expected to begin construction in 2025 and will be commissioned by late 2025 / early 2026.

For Round 3, staff is currently in early consultancy with agencies and conducted interviews in late December with four prospective developers that were shortlisted after an extensive RFP process. Proposal evaluations are continuing. Staff has also created internal solar + storage financial models which inform optimized energy storage dispatch strategies and impacts to customer financials. Staff forecasts that this portfolio could include 12 sites with a total of >5MW of solar and >10MWh of battery storage. The previous portfolios have been funded directly with Peninsula Clean Energy capital. In order to fund this much larger portfolio, staff is evaluating external financing solutions that will allow us to utilize a low cost of capital or a third party PPA structure.

For more information, please visit <https://pencleanenergy.com/government-programs>

3.2 Residential Solar + Battery Backup

Background: Peninsula Clean Energy's programs for residential solar are split up into two customer segments: general market and low income. The general market program is referred to as Residential Solar + Battery Backup, and is currently closed for new enrollments. The low-income program is referred to as the SGIP Assistance Program, detailed below.

The Residential Solar+ Battery Backup program utilizes batteries that were deployed by Sunrun and provide backup power to each home. These batteries are discharged daily to reduce PCE's peak load. PCE will receive >1.5MW of daily peak load reduction through 2032. Enrollment in the program closed in 2022 and PCE has been developing a successor

program.

Separately, PCE developed a program to help low-income single-family homeowners access the State of California's Self-Generation Incentive Program (SGIP). SGIP provides behind-the-meter (BTM) storage or solar + storage systems to eligible low-income single-family homeowners to deliver bill savings and resilience benefits. The program will leverage state SGIP incentives which are expected to mostly or fully fund the installation of systems for income qualified customers. PCE is targeting 200 total installations at low-income customer sites, most of which we expect will be fully funded by the State. This would result in approximately 1MW of solar and 2.5MWh of battery storage. In October, the Board approved the contract with the competitively selected developer Haven Energy to manage installation of the systems.

Status: PCE opened the program to help customer access SGIP funds in August 2024. Applications were closed to new applicants on December 31. PCE has received 526 interest forms, and provided initial approvals to 398 customers. Based on regulatory filings, PCE anticipates state SGIP funding applications may open in March or April 2025, at which point PCE projects will be submitted. Once funding is reserved, project installations will begin.

3.3 FLEXmarket

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

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

Status: The FLEXMarket Program has achieved approximately \$1.6 million in total system benefits to date, including 5,174.18 metric tons of greenhouse gas (GHG) savings (MTCO_{2e}), equivalent to removing 1,207 gasoline-powered vehicles from the road for one year.

In Q4, the program temporarily paused new project submissions to address a budgeting issue with the California Public Utilities Commission (CPUC). This issue is now nearing resolution, and we anticipate reopening enrollments in February with approximately \$322,000 in remaining funding, which must be utilized by May 2025, as the current funding cycle for the program is set to expire in early May 2025. Looking ahead, we are preparing a new funding

request for a three-year cycle spanning calendar years 2025-2028. This submission is planned for Q2 2025, with a target program relaunch in Q3 2025.

For more information, please visit <https://pencleanenergy.com/flexmarket>

3.4 Green Access Community Solar (DAC-GT)

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

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

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

Status: The program, publicly known as Green Access, is currently serving approximately 1,000 customers. Peninsula Clean Energy signed a PPA with Renewable America, LLC for a 3MW solar resource located in Dos Palos, CA, approximately 15 miles southeast of the City of Los Banos. This project is expected to be commissioned soon.

In June, staff expanded PCE's contract with MCE’s interim resource Goose Lake Solar to 3.74MW. This will allow more customers to subscribe to the program and receive on-bill benefits. In total, once the new project in Dos Palos comes online, staff expects that more than 2,000 low-income customers will gain access to community solar subscriptions, resulting in a 20% bill discount for each customer.

For more information, please visit www.peninsulacleanenergy.com/greenaccess

4 Transportation Programs

4.1 Used Electric Vehicle (EV)

Background: Launched in March 2019, the Used EV Rebate Program provided a used EV incentive, up to \$4,000, to income-qualified residents in the service territory (those making 400% of the Federal Poverty Level or less). In October 2020, the Board approved expanding the program to offer used EV incentives to all residents in the service territory, while maintaining the increased incentives for income-qualified residents.

Since then, the program was reconfigured at the start of 2024 to align with the new \$4,000

used EV federal Clean Vehicle Credit, and our rebate was reduced to \$2,000. This allowed customers to seamlessly combine the PCE rebate and federal rebate at the point of sale, providing up to \$6,000 in downpayment assistance. The PCE rebate was also limited to low- and moderate-income customers only at that time.

Status: 741 rebates have been provided throughout the program history, including ~200 since major changes were made in January 2024. Grid Alternatives is assisting with “EV Advisor” services, helping customers navigate various rebate programs they may qualify for, in addition to PCE’s rebate, and providing general EV adoption outreach assistance.

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

4.2 “EV Ready” Charging Design Assistance & Incentives

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

PCE offers free project design assistance, facilitated through CLEAResult. There are currently 300+ active projects receiving this assistance and, on average, projects receiving assistance more than double the overall size of their EV charging projects.

Status: The program has helped the community install over 1,200 chargers (2/3 at multi-family housing) with more than 3,500 additional chargers in progress. Recent notable projects include 92 smart outlets installed at a condominium in East Palo Alto and 10 chargers installed at a Park and Ride location in Brisbane. The EV Ready program was an award winner at the 2024 CalCCA conference and is a statewide model with installation costs well below other similar programs. Key elements of the program are being replicated by a number of other programs. PCE staff presented at a number of upcoming state and national events and were featured in a recent CleanTechnica podcast.

Staff implemented program changes in October 2024, including a reduction in the incentive level for Level 2 chargers from \$5,500 to \$4,500, made possible through a recent RFQ that received lower-cost charging options.

PCE is currently leading an innovation grant opportunity to develop new EV charging systems that can be submeter to a multi-family residential unit, even though the charger is connected to a separate meter, to reduce or eliminate price markups experienced by EV drivers that utilize third-party charging systems.

For more information, please visit <https://pencleanenergy.com/ev-ready/>

4.3 E-Bikes for Everyone

Background: The Board initially approved the income-qualified E-Bikes Rebate program in July 2020 and has run in annual cycles to provide rebates to residents with low to moderate

incomes. The program has provided nearly 1,000 rebates since 2021. Customers can use the rebate either at qualifying bike shops for a point-of-sale discount or through RidePanda, a local provider of e-bike leases. Several additional bike shops were added in 2024, including Kevin's Bikes in Merced, a convenient option for Los Banos customers.

Status: 271 e-bikes have already been purchased in the 2024 round. PCE partnered with local community groups in program promotion and many of these groups also assisted customers in application submission. Programs Staff is currently evaluating options for 2025 including possibly moving the program to continuous year-round availability.

For more information, please visit <https://www.pencleanenergy.com/ebikes>

4.4 Public EV Fleet Program (GovEV)

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

Status: 11 cities have enrolled and are now receiving technical assistance, including: Menlo Park, Burlingame, San Mateo, South San Francisco, Daly City, San Carlos, Foster City, Millbrae, Brisbane, San Bruno, and East Palo Alto. Menlo Park plans to install 30+ charging stations for fleet vehicles at the City Hall, Police Department, and Corporation Yard; Burlingame is moving forward with 8 chargers at their Corporation Yard; Millbrae is currently installing 24 chargers at their Corporation Yard and City Hall; and San Mateo will be installing 12 chargers at their City Hall.

Staff are developing guidance on resiliency options for EV fleets, to be published shortly.

For more information, please visit <https://pencleanenergy.com/government-programs>

4.5 EV Managed Charging Pilot

Background: Peninsula Clean Energy aims to facilitate EV charging that avoids expensive and polluting evening hours and has extensively tested “managed charging” systems over multiple pilot phases, including a proof-of-concept with FlexCharging and a phase 2 pilot with ev.energy with a larger set of vehicles. In October of 2021, the Board approved a contract up to \$220,000 with the University of California, Davis’ Energy Economics Program (DEEP) to develop and advise on an incentive structure experiment that will be used to inform the Peninsula Clean Energy managed charging program design. In November, the Board approved a contract up to \$220,000 with ev.energy as the platform provider for EV managed charging services.

Status: Results of the phase 2 pilot with ev.energy yielded very limited results. Recruitment was a major challenge. In addition, self-selection bias among those that did enroll provided less than expected load shift potential as the type of people who joined were mostly already charging their EVs off peak. Staff have decided to not extend the managed charging pilot into

a full program due to poor cost-effectiveness and will instead: 1) focus on targeted outreach to households with higher than average on-peak energy usage; and 2) incorporate EVs into a more holistic DER strategy under development now.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 12, 2025
MEETING DATE: January 23, 2025
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Marc Hershman, Director of Government Affairs
SUBJECT: Update on Legislative Activities

RECOMMENDATION

Informational

BACKGROUND

Sacramento Summary - Beginning of 2025-26 Legislative Session

Legislators returned to Sacramento on Monday, January 6 for the first year of the 2025-2026 Legislative Session.

In the Assembly, there are twenty-three new members, including twelve women. There is one vacancy since Vince Fong was elected to the Assembly, but he chose to keep his seat in Congress. A special election will fill the vacancy. The Assembly will operate with 79 members until then.

The Assembly has re-elected Robert Rivas (D-Salinas) as Speaker.

In the Senate, twenty Senators have begun their 4-year terms, including twelve new members, eight of whom are former Assembly Members. Senator Janet Nguyen has resigned as she was elected to the Orange County Board of Supervisors. A special election will fill the vacancy. Until then the Senate will operate with 39 members.

Senator Mike McGuire (D-San Rafael) will continue to serve as President Pro Tem.

In recent remarks both President Pro Tem McGuire and Speaker Rivas have emphasized the need to address the affordability crisis for Californians. Speaker Rivas specifically asked the Assembly Utilities and Energy and Budget Committees to double down on investigating energy costs.

This year marks a California record with women holding 49% of legislative seats. Women's representation in the California State Legislature is up from nearly 31% in 2020 and 25% in 2016. In 1980, just 9% of California state lawmakers were women.

Noteworthy Changes in Legislative Committees

California State Senate

Peninsula Senator Josh Becker has been named Chair of the Energy, Utilities and Communications Committee. He replaces Steven Bradford, who left the Senate due to term limits. Los Banos' state Senator Anna Caballero returns as a member of the Energy Committee. The size of the Committee has shrunk and is now comprised of 16 members, which is still large by Senate Committee standards.

The full Energy, Utilities and Communications Committee roster was recently announced by Pro Tem McGuire:

Senator Josh Becker (D-Menlo Park), Chair
Senator Rosilcie Ochoa Bogh (R-Yucaipa), Vice Chair
Senator Benjamin Allen (D-Santa Monica)
Senator Bob Archuleta (D-Pico Rivera)
Senator Jesse Arreguin (D-Berkeley)
Senator Angelique V. Ashby (D-Sacramento)
Senator Anna M. Caballero (D-Merced)
Senator Megan Dahle (R-Bieber)
Senator Lena A. Gonzalez (D-Long Beach)
Senator Shannon Grove (R-Bakersfield)
Senator Melissa Hurtado (D-Bakersfield)
Senator Monique LimÃ³n (D-Santa Barbara)
Senator Jerry McNerney (D-Pleasanton)
Senator Susan Rubio (D-Baldwin Park)
Senator Henry I. Stern (D-Los Angeles)
Senator Aisha Wahab (D-Hayward)

Replacing Senator Becker as the Chair of the Budget Subcommittee #2 on Resources, Environmental Protection and Energy is Senator Ben Allen (D-Santa Monica).

Senator Scott Wiener remains Chair of the Committee on Budget and Fiscal Review.

Senator Caballero will continue to wield the gavel at the Committee on Appropriations.

California State Assembly Assembly

Speaker Robert Rivas has announced Committee Chairs for the current session. As of the date of preparation of this report the announcement of the full Committee rosters was still forthcoming.

Notable committee Chair assignments known at the time of the preparation of this report include:

Asm. Cottie Petrie-Norris (Irvine) will continue as Chair of the Assembly Committee on Utilities and Energy.

Asm. Jacqui Irwin (D-Thousand Oaks) will Chair the Joint Legislative Committee on Climate Change Policies.

Asm. Esmerelda Soria (D-Los Banos) retains the gavel at the Committee on Agriculture.

Asm. Marc Berman (D-Pacifica) will chair the Committee on Business and Professions.

Asm. Diane Papan (D-San Mateo) returns as Chair of the Committee on Water, Parks, and Wildlife.

California State FY 2025-26 Budget

On Friday, January 10, Governor Newsom's 2025-26 budget summary was released in Sacramento. The Governor was in Southern California at the time because his attention and that of many other Legislators was focused on the wildfires. The budget of \$322 billion includes a modest surplus of \$363 million. While revenues are projected to be up by nearly \$17 billion, the Governor's proposal takes \$7.1 billion from reserves.

Two passages in the summary caught our attention.

Under the heading Clean Air and Energy the document contains the following paragraphs:

California is building the clean, reliable, affordable, and safe energy system of the future to provide reliable power to the public and withstand extreme weather events and the stresses they pose to the grid. The Budget proposes the following clean energy investments from the Climate Bond in 2025 26 to provide resources at the scale necessary to meet California's evolving energy needs, reduce air pollution, and address times when climate driven extreme weather events stress the grid:

Development of Port Upgrades to Serve Offshore Wind Generation and Other Purposes \$228.2 million for port upgrades, including construction and improvements of publicly owned port facilities for manufacturing, assembly, staging, and integration of components and vessels, to support the development of offshore wind generation and other activities. Demand Side Grid Support Program \$50 million for load reduction and backup generation efforts that support electric grid reliability during extreme weather events.

Under the heading Energy Affordability the document contained the following paragraph:

The monumental state energy investments over the last few years have proven instrumental in maintaining grid reliability during extreme weather conditions and facilitating the rapid deployment of clean energy resources. However, affordability, particularly electric bill affordability for customers in the largest electric utility territories in the state, continues to be an ongoing challenge. This challenge is driven largely by the cost of programs added over time, such as the outdated subsidy provided through the legacy Net Energy Metering program, as well as a massive ramp up of investments in utility wildfire mitigation measures. Those measures have been critical for reducing wildfire ignition risk and improving the safety and reliability of the electric grid, particularly in the wake of catastrophic wildfires that devastated communities throughout California. As the state works to decarbonize its economy with power provided by clean energy resources, it is paramount that the Administration and Legislature partner to develop and act on a multi faceted suite of actions this legislative year and going forward that, only together, will yield meaningful electric bill cost savings for Californians.

(Public Policy Objective B, Key Tactic 1)



PENINSULA CLEAN ENERGY AUTHORITY JPA Board Correspondence

DATE: January 17, 2025
MEETING DATE: January 23, 2025
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors
FROM: Gwendolyn Rose, Director of Marketing and Community Relations
SUBJECT: Update on Marketing, Outreach Activities, and Media Relations

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. Tactics include community outreach, content creation and storytelling through owned (e.g. online, social media), earned (e.g. public relations), and paid media (advertising), and school engagement programs.

DISCUSSION

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

Brand

In the first three quarters of 2024, we worked with ID Lab to update our brand strategy with the aim of enhancing PCEA's brand presence, improve customer engagement, and drive participation in critical electrification offerings. During Q3 - Q4, we began the work of building a new website from the ground up. Key features of this new website include:

- **Simplified Navigation:** Tailored to meet diverse customer needs.
- **Streamlined Access:** Clear pathways to eligibility criteria and program applications.
- **Search Functionality:** Enabling residential customers to easily find applicable discounts, rebates, and incentives.
- **Brand Integration:** Reflecting PCE's updated brand strategy and messaging platform to reinforce our identity and mission.

Designed to showcase the breadth of PCE's work, the website emphasizes storytelling and building emotional connections with our customers. The platform is scalable, allowing it to grow alongside PCE's decarbonization ambitions, and prioritizes accessibility to ensure all customers—regardless of income or familiarity with clean energy—can confidently access and

benefit from our services.

Program Marketing

Marketing efforts focused on promoting electrification and EV adoption via email, paid search and online advertising. Programs we are actively promoting include the Zero Percent Loan Program, appliance rebates, Used Electric Vehicle (EV) rebates.

Marketing supported Programs on the soft launch of the Home Upgrade Services program, including marketing strategy, customer experience, content and communications. In addition, we conducted targeted outreach to income eligible customers to help them take advantage of the State's Self-Generation Incentive Program (SGIP) rebates, which cover the cost of solar and storage.

Events

In Q4, the Community Relations team participated in 37 events that reached 1400 attendees. Over the course of 2024, the team was involved in 110 events and workshops that reached a record breaking 6,500 people.

Outreach Grants

In 2024, PCE partnered with 16 CBOs on brand awareness, energy affordability, advancing decarbonization. In Q4, Community Relations worked with outreach grant partners to conduct 3 focus groups to inform EV and electrification education efforts. In addition, the team wrapped up 2024 Outreach Grant activities and finalized negotiations and recommendations for 2025.

Schools and Youth Programs

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

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

Los Banos Update

Viridiana Renteria, our senior community relations specialist in Los Banos, managed 9 community events and a number of visits with community leaders and champions. Efforts have

focused on enhancing brand awareness, supporting program outreach, and fostering local partnerships. In October, activities included hosting office hours for the PCE Solar + Battery program, piloting a clean energy-focused field trip with Los Banos High School, engaging with community organizations like the Golden Agers Community Club, and participating in public events. Efforts also addressed community questions on platforms like Nextdoor. In November and December, work continued with community organizations to explore grant opportunities and host informational visits.

News & Media

Media Relations, a specialization within the Marketing discipline, focuses on enhancing Peninsula Clean Energy's reputation and leadership position by garnering earned media attention. This is the fourth and final of a series of quarterly reports on communications and media relations activities and coverage for 2024. Full coverage of Peninsula Clean Energy in the news can be found on our [News & Media](#) webpage. Highlights from the last quarter include:

- **GovBE Announcement:** We announced the awarding of nearly \$1 million in grants and \$1.7 million in loans to help local governments in San Mateo County and the City of Los Banos convert methane gas to clean, efficient electricity in their buildings. The release included quotes from three board members representing Brisbane, Half Moon Bay and Los Banos.
- **Arica Ribbon Cutting:** Our participation in the Arica project and its ribbon cutting was included in a joint press release from Clearway and the other participating CCAs. We posted our version of the release on our website and always featured on social media. Other CCAs separately posted their own similar versions of the release as well. Coverage and/or amplification included in Energy Storage News and Solar Industry Magazine.
- **Moody's Rating Announcement:** We announced that Moody's has upgraded our credit rating to A3, placing us in the top-rated category among California community energy providers. California Energy Markets wrote about the ratings upgrade.

Other Media:

- San Mateo eyes new electric mandates, San Mateo Daily Journal
- 15 commercial clean energy providers making waves in 2025, Energy Central
- Caltrain's electrification energy bill lower - for now, San Mateo Daily Journal
- Belle Haven townhomes become first fully-electrified multifamily buildings in SMC, The Almanac
- Millbrae moves ahead with gas leaf blower ban, San Mateo Daily Journal
- New action is needed to ensure equitable EV charging, San Mateo Daily Journal
- Peninsula Clean Energy lights up San Mateo County, Scot Scoop
- Peninsula Clean Energy pushes for new chargers, San Mateo Daily Journal
- Half Moon Bay chooses PCE as solar contractor, Coastside News

STRATEGIC PLAN

This section describes how the above Marketing and Community Outreach activities and enrollment statistics relate to the overall goal and objectives laid out in the strategic plan. The

table indicates which objectives and particular Key Tactics (KTs) are supported by each of the Items/Projects discussed in this memo. The strategic goal for Marketing is to develop a strong brand reputation that drives participation in Peninsula Clean Energy's programs and ensures customer satisfaction and retention.

Item/Project	Objective A: Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry	Objective B: Educate and engage stakeholders in order to gather input, inspire action and drive program participation
Brand	KT3: Tell the story of Peninsula Clean Energy through diverse channels KT5: Identify and address gaps between perception and desired brand identity	
Program Marketing		KT5: Provide inspirational and informative content that spurs action to reduce emissions KT6: Promote programs and services, community energy programs and premium energy services
Events	KT4: Engage community through participation in local events	
Outreach Grants	KT4: Engage community through participation in local events	KT1: Foster relationships with community-based, faith-based, and non-profit organizations programs focused on energy
Schools and Youth Programs	KT4: Engage community through participation in local events	KT2: Continue to support schools-based literacy
Los Banos Update	KT4: Engage community through participation in local events	KT1: Foster relationships with community-based, faith-based, and non-profit organizations KT3: Enhance relationships with municipal and county staff and elected officials

News and Media	KT1: Position leadership as experts on CCAs and the industry KT2: Cultivate relationships with industry media and influencers KT3: Tell the story of Peninsula Clean Energy through diverse channels	
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**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 17, 2025

MEETING DATE: January 23, 2025

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Board of Directors

FROM: Nelly Wogberg, Board Clerk

SUBJECT: Report on California Community Power (CCP) Joint Powers Authority

ATTACHMENTS:

[CA Community Power Board Report 12-18-2024.pdf](#)

California Community Power

901 H St, Ste 120 PMB 157, Sacramento, CA 95814 | cacomunitypower.org

TO: CC Power Board of Directors and Alternates **DATE:** 12/19/24
FROM: Alex Morris – General Manager
SUBJECT: **Report on CC Power Regular Board of Directors Meeting – December 18, 2024**

The CC Power Board of Directors held its October Board Meeting on December 18, 2024, via Zoom. Details on the Board packet, presentation materials, and public comment letters can be found under the Meetings tab at the CC Power website: [Meetings and Agendas – ca community power](#)

Highlights of the meeting included the following:

- **Matters subsequent to posting the Agenda.** None.
- **Public Comment.** None.
- **Consent Agenda** - The Board approved the following items:
 - Minutes of the Regular Board Meeting held on November 20, 2024.
 - Resolution 24-12-01 – *Adoption of the Board Meeting Schedule for 2025 and 2026.* This approved Resolution calendared the monthly Board meetings for the next two years.
- **Regular Agenda Items:**
 - **General Manager Report** – the General Manager discussed dates and the process for 2025-2026 work and budget planning, noting additional steps to incorporate more review and input from member-staff and the Board. The process for and list of potential upcoming project exploration and negotiation efforts was covered. This update touched on joint-action projects that may decrease risks, add power project portfolio diversity, or yield cost-savings for members, such as a long-duration energy storage project, a wind power purchase agreement (PPA), a floating offshore wind contract exploration effort, and bulk purchases of information sets (see below). The GM noted that quarterly and year-to-date financials will be presented to the Board in January 2025. In conjunction with the updated financials, members will be invoiced for project-related costs at or below cost-levels adopted in the 2024-2025 Board-approved budget. Each member's 2023-2024 project account fund balances, if any, will be used to reduce that member's invoice amounts.
 - **Resolution 24-12-02 – Approval of Acquisition of Bulk Purchase of Resource Adequacy Report.** The Board unanimously passed approval of a Bulk Purchase of the 2025 Gridwell RA Report, yielding member-savings, depending on the number of participating members, of between \$2500-\$4167 per member compared to individual purchase costs. Many CCAs purchase reports like this to support their power procurement teams in decision making and in related market assessments.

A Joint Powers Agency whose members are:
Central Coast Community Energy | CleanPowerSF | East Bay Community Energy | MCE | Peninsula Clean Energy |
Redwood Coast Energy Authority | San José Clean Energy | Silicon Valley Clean Energy | Sonoma Clean Power |
Valley Clean Energy

- **Resolution 24-12-03 Approval to Pursue and Acquire Bulk Purchase of Information Services and Data Sets.** The Board unanimously adopted this resolution to authorize purchase of a Wood-Mackenzie package of energy price forecasts (data sets) and information and technology reports. Many CCAs purchase or require these types of reports to support valuations, risk-assessments, and decisions regarding power projects, including Power Purchase Agreements (PPAs). This dataset would cost members approximately \$100k individually, but savings through the bulk purchase of 65%-82% are expected based on the final level of member participation.
- **Closed Session.** The Board discussed 2025 goals for the General Manager with the intent to have finalized goals in January 2025.



**PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence**

DATE: January 17, 2025

MEETING DATE: January 23, 2025

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Nelly Wogberg, Board Clerk

SUBJECT: Acronym List

ATTACHMENTS:

[ACRONYMS - as of 02-01-2024.pdf](#)

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)
 IJIA – 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