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

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

Monday, April 10, 2023
10:00 a.m.

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

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

Zoom, **Virtual Meeting Link:** https://pencleanenergy.zoom.us/j/85785703368
Meeting ID: 857-8570-3368 **Passcode:** 2075 **Phone:** +1(669) 444-9171

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

Public Participation

The PCEA Executive Committee meeting may be accessed through Zoom online at https://pencleanenergy.zoom.us/j/85785703368. The meeting ID is: 857-8570-3368 and the passcode is: 2075. The meeting may also be accessed via telephone by dialing +1(669) 444-9171. Enter the webinar ID: 857-8570-3368, then press #. (Find your local number: https://pencleanenergy.zoom.us/u/kTlH1Ocod). Peninsula Clean Energy uses best efforts to insure audio and visual clarity and connectivity. However, it cannot guarantee the connection quality.

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

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

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

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 Executive Committee meetings. While watching the video broadcast in Zoom, please enable captioning.

CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

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

ACTION TO SET AGENDA

REGULAR AGENDA

1. Chair Report (Discussion)

2. CEO Report (Discussion)

3. Approval of Strategic Plan Amendments and Proposed Amendments to Policy 9 and Policy 10 (Continued from January 9, 2023 Executive Committee Meeting) (Action)

4. Mid-year Update on Strategic Plan (Discussion)

5. Committee Members' Reports (Discussion)

ADJOURNMENT

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

Instructions for Joining a Zoom Meeting via Computer or Phone

Best Practices:

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

Options for Joining

A. **Videoconference with Computer Audio – see Option 1 below**
B. **Videoconference with Phone Call Audio– see Option 2 below**
C. **Calling in via Telephone/Landline – see Option 3 below**

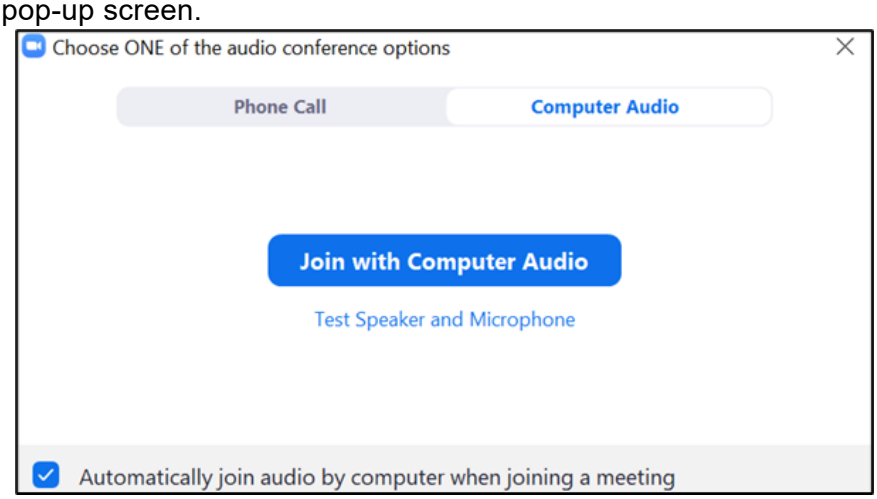
Videoconference Options:

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

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

Option 1 Videoconference with Computer Audio:

1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: https://pencleanenergy.zoom.us/j/85785703368.
2. The Zoom application will open on its own or you will be instructed to open Zoom.
3. 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.



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

Option 2 Videoconference with Phone Call Audio:

1. From your computer, click on the following link that is also included in the Meeting Calendar Invitation: https://pencleanenergy.zoom.us/j/85785703368.
2. The Zoom Application will open on its own or you will be instructed to Open Zoom.
3. 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.

4. Please dial +1 (669) 444-9171.
5. You will be instructed to enter the meeting ID: **857-8570-3368 followed by #.**
6. 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.
7. After a few seconds, your phone audio should be connected to the Zoom application on your computer.
8. In order to enable video, click on “Start Video” in the bottom left-hand corner of the screen. This menu bar is also where you can mute/unmute your audio.

Audio Only Options:

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

Option 3: Calling in via Telephone/Landline:

1. Dial +1 (669) 444-9171.
2. You will be instructed to enter the meeting ID: **857-8570-3368 followed by #**.
3. 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.
4. You will be instructed to enter the meeting passcode **2075 followed by #**.

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: April 3, 2023
BOARD MEETING DATE: April 10, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: Majority Present

TO: Peninsula Clean Energy Executive Committee

FROM: Jan Pepper, CEO
Shawn Marshall, COO
Shayna Barnes, Operations Specialist

SUBJECT: Recommend Approval to the Board of Directors of Diversity, Equity, Accessibility, and Inclusion (DEAI)-Related Amendments to the Strategic Plan and Policies 9 and 10

RECOMMENDATION

Recommend approval to the Board of Directors of Diversity, Equity, Accessibility, and Inclusion (DEAI)-related amendments to the Strategic Plan and Policies 9 and 10.

BACKGROUND:

Peninsula Clean Energy has been working on our DEAI initiative for over two years. This initiative started with the formation of a Citizens Advisory Committee (CAC) Equity Working Group in July 2020. The CAC Equity Working Group worked on a draft equity statement for our organization for several months, and ultimately brought it to the Peninsula Clean Energy Board of Directors at their January 28, 2021 meeting. At that meeting, the Board of Directors accepted the draft equity statement and formed a DEAI Subcommittee to build on the statement and create a DEAI organizational policy and action plan for Peninsula Clean Energy. Board members on this subcommittee include Directors Donna Colson, Sam Hindi, Carlos Romero, Roderick Daus-Magbual, and former Director Michael Smith.

To create the DEAI organizational policy and action plan, Peninsula Clean Energy staff drafted a Request for Proposals (RFP) for DEAI consulting services under direction from the DEAI Subcommittee to be released as a competitive solicitation. The solicitation was released in early May 2021, with responses due in mid-June 2021. Staff and the DEAI Subcommittee conducted several interviews over the summer of 2021 with the top respondents of this RFP. The DEAI Subcommittee recommended that the consultant team from GCAP Services, Inc. be selected to carry out the DEAI work as they were best fit for Peninsula Clean Energy's range of needs. The full Peninsula Clean Energy Board approved the contract with GCAP Services, Inc. at the Board meeting on October 28, 2021. The scope of work for the engagement with GCAP Services had five main tasks:

1. Review Relevant DEAI Legislation and Regulatory Requirements (complete)
2. Conduct DEAI organizational needs assessment (complete)

3. Create organizational DEAI Policy (complete)
4. **Update relevant organizational policies, including: Strategic Plan, Employee Handbook, Policy #9 Ethical Vendor Standards, Policy #10 Inclusive and Sustainable Workforce Policy (in progress)**
5. DEAI Action Plan: Create organizational departmental goals, practices, and metrics to operationalize DEAI policies (in progress)

We are seeking Executive Committee recommendation for Board approval for three of the four policies/documents updated as part of task 4 of the DEAI scope of work. These policies/documents include Peninsula Clean Energy's Strategic Plan, Policy #9, and Policy #10. Employee handbook edits are still in progress and will be presented to the Board at a later date.

DISCUSSION:

Strategic Plan

We are proposing the below edits to the Organizational Excellence pillar of the Strategic Plan:

Current: Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity.

Proposed Change: Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, equity, accessibility, inclusion, transparency, and integrity.

We anticipate making more updates to the Strategic Plan at the Key Tactic level during implementation of the DEAI Action Plan. Those updates are at a staff level and do not require Board approval.

Policy #9

This policy is currently titled "Ethical Vendor Standards." We are proposing changing the title to "Ethical Procurement Standards". With the proposed revisions to the policy, the focus has broadened from our vendors' conduct to also include staff's procurement conduct and activities. The entirety of the proposed revised policy is new language except for Section 1: Ethical Vendor Standards. We borrowed heavily from the County of San Mateo's Code of Ethical Conduct: Procurement Ethics when drafting the additions to the policy. Complete redline and clean versions of Policy #9 are attached as Attachments 1 and 2 to this memo.

Policy #10

We are proposing the following changes to Policy #10: Inclusive and Sustainable Workforce Policy:

- Updated formatting: addition of numbered section headers for easier policy navigation
- Reformatting of Policy Statement under Section 1: primarily restructuring language that was already included in the original policy, also includes proposed revised Organizational Excellence goal from the Strategic Plan (see above) and reference to the recently approved Policy 22: Diversity, Equity, Accessibility, and Inclusion
- Revised item 4 in Section 2b: Supply Chain to request information from suppliers and contractors of their status as a minority, women, LGBT, disabled veteran, or persons with disabilities owned business, rather than collecting information on inclusivity of their workforce (which is addressed in item 6 of this section)

- Revised item 6 in Section 2b: Supply Chain to encourage, not require, reporting from developers and large vendors on inclusivity in business staff. Removed reference to business ownership from this item, as that is now addressed in the proposed edits to item 4 in this section
- Added Attachment A: Supply Chain Code of Conduct to the policy, now referenced in item 7 of Section 2b: Supply Chain
- Addition of the City of Los Banos in Section 2c: Inclusive Business Practices
- Addition of the City of Los Banos/Merced County/Central Valley when defining "local" in Section 3b: Sustainable Workforce Objectives
- Modification of language in Section 3d: Peninsula Clean Energy Owned Generation Projects from "shall use" to "shall use best efforts to use"
- Modification of the apprenticeship requirement in Section 3d: Peninsula Clean Energy Owned Generation Projects to better comport with Inflation Reduction Act (IRA) requirements to receive full tax credits
- Removal of entire section/paragraph on PCE Feed-In Tariff Price Projects
- Renaming Section 3e to Peninsula Clean Energy Programs from PCE Energy Efficiency Projects, and updating the rest of this section to reference energy programs as opposed to energy efficiency projects

Meetings with Labor Representatives regarding Policy #10 Inclusive and Sustainable Workforce Policy

Peninsula Clean Energy staff initially brought the edited Policy #10 to the Executive Committee at their meeting on January 9, 2023. At that meeting, the Executive Committee directed staff to meet with local labor representatives regarding the suggested edits to Section 3d: Peninsula Clean Energy Owned Generation Projects before recommendation of Executive Committee approval to the full Board of Directors. Based on this direction, Peninsula Clean Energy staff member Marc Hershman reached out to labor representatives to schedule a meeting to discuss the proposed edits. Peninsula Clean Energy staff members Jan Pepper, Marc Hershman, and Shayna Barnes held a meeting with labor representatives Bart Pantoja (San Mateo Building and Construction Trades Council), Dave Mauro (IBEW 617), Scott Wein (IBEW 617), and Rick Bonilla on January 25, 2023 to discuss revisions to section 3d of Policy #10.

At the January 25, 2023 meeting, labor representatives expressed concern over the modification of Section 3d of Policy #10 from "shall" to "shall use best efforts," to use local businesses, union labor, and apprenticeship programs. They also expressed concern over the previously proposed edit of an increase in the apprenticeship requirement from 20% to 25% in Section 3d. Peninsula Clean Energy staff explained the reasoning behind changing the language to "shall use best efforts," including a desire for increased flexibility, particularly for smaller projects where there may not be interest from union firms, and to balance other Peninsula Clean Energy priorities, including DEAI goals. Peninsula Clean Energy staff also reaffirmed our commitment to make best efforts to work with labor while prioritizing Peninsula Clean Energy's core mission to reduce greenhouse gas emissions by expanding access to sustainable and affordable energy solutions. Peninsula Clean Energy staff and labor representatives also discussed the modification of the apprenticeship requirements from 20% to 25%. Peninsula Clean Energy staff originally suggested a 25% apprenticeship requirement based on our initial understanding of the Inflation Reduction Act's (IRA's) requirements. At the meeting on January 25, Peninsula Clean Energy staff and labor agreed that further clarification was needed on the IRA's apprenticeship requirements for increased tax credits.

Peninsula Clean Energy staff proposed the following, and are seeking the Board's direction with regard to item 1 below:

1. Retain the proposed edits for "shall use best efforts" language to present to the Executive Committee for their guidance and consideration at the April 10, 2023 meeting. Peninsula Clean Energy staff recommends this language for the reasons stated above (increased flexibility and balancing multiple priorities in pursuit of our primary mission, which is to reduce greenhouse gas emissions).
2. Conduct further research on the IRA's apprenticeship requirements to receive full tax credits.

After receiving consultation and advice on the above pending issues, Peninsula Clean Energy proposes edits to Section 3d of Policy #10, removing the previous 25% modification, and adding a direct reference to the IRS guidance, Notice 2022-61. The IRS guidance in Notice 2022-61 describes three different kinds of apprenticeship requirements that must be satisfied in order to qualify for the increased tax benefit: (1) Apprenticeship Labor Hour Requirements; (2) Apprenticeship Ratio Requirements; and (3) Apprenticeship Participation Requirements. These three requirements do not necessarily conflict with the existing 20% requirement in the previously approved Policy #10. Thus, Peninsula Clean Energy staff recommends retaining the 20% apprenticeship benchmark in the policy as well.

Peninsula Clean Energy staff drafted a report and brought these policy revisions to the February 13, 2023 Executive Committee for their consideration. The February 13 meeting was adjourned prior to this agenda item being heard. Peninsula Clean Energy staff met again with labor representatives on March 6, 2023 to discuss the proposed revisions to Policy 10, specifically section 3d: Peninsula Clean Energy Owned Generation Projects. Labor representatives reiterated their concern with the proposed language change to "shall use best efforts" in this section. Peninsula Clean Energy staff are deferring to the Executive Committee for their decision on whether to recommend Policy 10 with these proposed changes to the full Board.

Additional Clarifications to Workforce Requirements

Additional changes made pursuant to the Inflation Reduction Act (IRA) workforce requirements are highlighted in yellow in the attached redline version of Policy #10. The purpose of these edits is to further clarify and refine IRA requirements. These changes include:

- Adding a minimum project size in the third sentence of Section 3d. The IRA workforce requirements do not apply to projects below this size.
- Adding a reference to the tax code directly, and also adding language to reference any future guidance that may be issued on these workforce requirements.

Complete redline and clean versions of Policy #10 are attached as Attachments 3 and 4 to this memo. The new addition to the policy, Attachment A: Supply Chain Code of Conduct is included as Attachment 5 to this memo.

STRATEGIC PLAN:

The DEAI Initiative, and these policy updates specifically, support the Organizational Excellence pillar of the Strategic Plan to *ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, equity, accessibility, inclusion, transparency, and integrity*. This initiative seeks to support the following objective and key tactics under this pillar:

Objective D: External Vendor Partners: Implement Vendor Policies that embrace diversity and inclusion and that optimize engagement results

- Key Tactic 1: Develop methods to ensure adherence to the organization's Inclusive and Sustainable Workforce Policy
- Key Tactic 2: Develop methods to ensure adherence to the organization's Ethical ~~Vendor~~ Procurement Standards Policy

This initiative also supports the Community Energy Programs pillar of the strategic plan to *implement robust energy programs that reduce greenhouse gas emissions, align energy supply and demand, and provide benefits to community stakeholder groups.* The DEAI initiative seeks to support the following objectives and key tactics under this pillar:

Objective B: Community Benefits: Deliver tangible benefits throughout our diverse communities

- Key Tactic 1: Invest in programs that benefit underserved communities
- Key Tactic 3: Support workforce development programs in the County

ATTACHMENTS:

Attachment 1: Redlined Policy 9: Ethical Procurement Standards
Attachment 2: Clean Policy 9: Ethical Procurement Standards
Attachment 3: Redlined Policy 10: Inclusive and Sustainable Workforce Policy
Attachment 4: Clean Policy 10: Inclusive and Sustainable Workforce Policy
Attachment 5: Attachment A to Policy 10: Supply Chain Code of Conduct

Policy Number: 9
Board Adoption: November 17, 2016
Revised: XX XX, XXXX

Ethical Procurement Standards

Policy: This policy is designed to provide guidance and standards for Peninsula Clean Energy (PCE) staff in order to fully serve our customers and vendors to the highest standards of ethical procurement conduct.

Staff will abide by and uphold ethical procurement practices in relation to all procurement activities as outlined in the following sections.

1. Ethical Vendor Standards

Peninsula Clean Energy is committed to the highest standards of responsible behavior and integrity in all of its business relationships. ~~PCE~~As such, Peninsula Clean Energy will consider a company's business practices, environmental track record, and commitment to sustainability in its procurement decisions.

2. Sustainability and Social Responsibility

As a leader in clean and renewable energy, Peninsula Clean Energy is committed to reducing emissions and finding innovative ways to conserve energy and cut waste which includes sustainable purchasing.

3. Transparency

Peninsula Clean Energy staff will ensure that formal RFP solicitations will be conducted in a fair, open, consistent, and transparent manner. Information on the solicitation and procurement process in which goods and services are procured will be available to all key parties. Additionally, solicitation information not subject ~~to commercial confidentiality~~to confidentiality rules or other applicable regulations, will~~about solicitations will~~ be available to the public ~~on a~~by request ~~basis once the~~w~~t~~hen the -contract with the selected proposer has been completed.

4. Confidentiality

To the extent allowed by law, Peninsula Clean Energy staff shall maintain the confidentiality of the procurement and proposer information until the solicitation process has been completed.

5. Impartiality

Peninsula Clean Energy staff will be impartial when designing and implementing the solicitation and award of contract. This includes selecting unbiased panelists for award selection.

6. Professionalism

As representatives of Peninsula Clean Energy, staff must conduct themselves in a professional and ethical manner.

7. Compliance

Peninsula Clean Energy staff must conduct procurement activities in compliance with all federal, state, and local laws, applicable regulations, and Peninsula Clean Energy operational policies.

8. Accountability

Peninsula Clean Energy staff ~~are responsible for their own actions and~~ have a~~n reponsibiity~~responsibility and o~~o~~bligation to report or seek further guidance on ~~actions that they believe may not follow ethical procurement practices.~~concerns about compliance with this policy.

It ~~is our~~is Peninsula Clean Energy's shared responsibility to immediately report any concerns regarding ethical conduct and/or compliance with this policy to Human Resources and/or senior management.

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7. Compliance

Peninsula Clean Energy staff must conduct procurement activities in compliance with all federal, state, and local laws, applicable regulations, and Peninsula Clean Energy operational policies.

8. Accountability

Peninsula Clean Energy staff have a responsibility and obligation to report or seek further guidance on concerns about compliance with this policy.

It is Peninsula Clean Energy's shared responsibility to immediately report any concerns regarding ethical conduct and/or compliance with this policy to Human Resources and/or senior management.

Inclusive and Sustainable Workforce Policy

1. Policy~~: One of PCE's strategic goals is to "foster a work environment that espouses sustainable business practices and cultivates a culture of innovation, diversity, transparency, integrity, and commitment to the organization's mission and the communities it serves." PCE~~ Statement

Peninsula Clean Energy recognizes that an inclusive and sustainable workforce helps ~~PCE~~Peninsula Clean Energy meet its core mission and goals more effectively~~, serve its~~ by:

- Serving our customers in a ~~more~~ culturally sensitive manner~~, and reflect the businesses we partner with and~~; and
- Reflecting the community we serve ~~more comprehensively. PCE~~and the businesses with which we partner.

Peninsula Clean Energy strives to have a workforce that is as inclusive as the ~~community it serves~~communities it serves. Additionally, Peninsula Clean Energy strives to create employment opportunities to help build and sustain healthy and sustainable communities.

~~Inclusive Workforce~~

~~PCE~~This policy, Inclusive and Sustainable Workforce, along with Policy Number 22, Diversity, Equity, Accessibility, and Inclusion (DEAI) represent Peninsula Clean Energy's commitment to its strategic goal of "ensuring organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, equity, accessibility, inclusion, transparency, and integrity".

2. Inclusive Workforce

a. Peninsula Clean Energy Staff

~~PCE~~Peninsula Clean Energy relies on its employees to provide clean, cost-effective, alternative energy to its customers. These customers live in diverse communities, and an inclusive workforce comprised of staff who reflect and are invested in these communities allows Peninsula Clean Energy to serve them more effectively. An inclusive staff also provides good jobs for people from diverse communities.

To help maintain and strengthen ~~PCE's~~Peninsula Clean Energy's inclusive staff, ~~PCE~~Peninsula Clean Energy will:

(1) Engage in broad outreach efforts in diverse communities, including disadvantaged and low-income communities, to ensure a diverse pool of candidates for open positions;

(2) Provide fair compensation that aligns with regional market indicators for compensation levels for each position;

(3) Be transparent about these practices and lessons learned; and

(4) Provide contact information for staff who can answer questions about this policy.

b. **Supply Chain**

Peninsula Clean Energy's commitment to inclusion also extends to its supply chain. Where and from whom ~~PCE~~Peninsula Clean Energy purchases goods and services have important consequences for businesses, customers, and their communities. An inclusive supply chain is an important driver for successful delivery of ~~PCE's~~Peninsula Clean Energy's services to its customers, and of fair and equitable economic development generally.

To help ensure an inclusive supply chain, ~~PCE~~Peninsula Clean Energy will:

(1) Strive to use local businesses and provide fair compensation in the purchase of services and supplies;

(2) Proactively seek services from local businesses and from businesses that have been Green Business certified and/or are taking steps to protect the environment;

(3) Engage in efforts to reach diverse communities to ensure an inclusive pool of potential suppliers;

(4) ~~Collect~~ Request information from suppliers and contractors on the inclusivity ~~of~~and diversity in their ~~workforce~~business ownership, including their status as a woman, minority, disabled veteran, LGBT and/or persons with disabilities owned business enterprise;

(5) Include questions about supplier inclusivity in requests for proposals (RFPs) for services;

(6) Encourage reporting from developers and large vendors on inclusivity in business ~~ownership and~~ staff;

(7) Require developers abide by our Supply Chain Code of Conduct, derived from the United Nations Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organization ("ILO"), including the ILO Declaration on Fundamental Principles and Rights at Work, the Solar Energy Industries Association Solar Industry Commitment to Environmental and Social Responsibility, and the Responsible Business Alliance Code of Conduct, attached herein as Attachment A of this policy;

~~(7)~~(8)Be transparent about these practices and lessons learned; and

~~(8)~~(9)Provide contact information for staff who can answer questions about this policy.

c. **Inclusive Business Practices**

To fulfill its core mission to provide energy choices to the diverse residents and communities of San Mateo County~~, PCE~~ and the City of Los Banos, Peninsula Clean Energy must ensure that its services and information are accessible to all communities. Accordingly, ~~PCE~~Peninsula Clean Energy will:

(1) Strive to provide information on ~~PCE's~~Peninsula Clean Energy's services in the multiple languages commonly spoken in ~~PCE's~~Peninsula Clean Energy's service area (including mailers, tabling materials, customer service, call center, workshops and outreach events, advertisements, and other means of customer engagement);

(2) Conduct marketing and outreach in diverse communities (including advertising in minority-owned media, establishing partnerships with community organizations, and using various media, such as radio and television) to increase awareness of ~~PCE's~~Peninsula Clean Energy's services and programs;

(3) Strive to attend important multi-cultural community events with multi-lingual materials and speakers;

(4) Share information about activities and initiatives that promote inclusion, access, and diverse engagement in the community.

d. **Non-Discrimination Pledge**

~~PCE~~Peninsula Clean Energy will not discriminate, and will require that its suppliers do not discriminate, on the basis of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

~~1.~~3. **Sustainable Workforce**

a. Compensation and Workforce Opportunities

Support of local businesses, union labor and apprenticeship and pre-apprenticeship programs that create employment opportunities are important components of building and sustaining healthy and sustainable communities. It is in the interest of Peninsula Clean Energy ~~in San Mateo County (PCE)~~ to provide fair compensation and sustainable workforce opportunities within a framework of competitive service and the promotion of renewable energy, energy efficiency and greenhouse gas reduction.

~~PCE Recognizes~~Peninsula Clean Energy recognizes the importance of locally-generated renewable energy in assuring that California is provided with (1) adequate supplies of renewable energy for economic growth, (2) sustained local job opportunities and job creation, and (3) effective means to reduce the impacts of greenhouse gas emissions. ~~PCE~~Peninsula Clean Energy also recognizes the opportunities that energy ~~efficiency~~ programs provide for local workforce training and employment.

~~PCE~~Peninsula Clean Energy supports fair compensation in direct hiring, renewable development projects, energy ~~efficiency~~ programs and in procurement of ~~PCE~~Peninsula Clean Energy services and supplies. ~~PCE~~Peninsula Clean Energy also supports quality State of California approved apprenticeship and pre-apprenticeship training programs in construction craft occupations to foster long-term, fairly compensated employment opportunities for program graduates and believes that local apprenticeship and pre- apprenticeship programs are an efficient vehicle for delivering quality training in construction in industry craft occupations.

b. Sustainable Workforce Objectives

Peninsula Clean Energy therefore desires to facilitate and accomplish the following objectives:

(1) Support for and direct use of local businesses;

~~(1)~~ Support for and direct use of union members from multiple trades~~;~~

(2) ~~Support~~ including support for and use of training and State of California approved apprenticeship programs, and pre-apprenticeship programs from within Peninsula Clean Energy's service territory; and

(3) Support for and direct use of green and sustainable businesses.

"Local" is defined as:

1.) San Mateo County~~; 2.)~~ and the City of Los Banos;

2.) Nine Bay Area Counties (Alameda, Contra Costa, Marin, Napa, San Mateo, San Francisco, Santa Clara, Solano, Sonoma~~); 3.) Northern California; 4.)~~) and the County of Merced;

3.) Northern California and the Central Valley; and

4.) California.

Preference will be given first to San Mateo County and the City of Los Banos; second, to the Nine Bay Area Counties and the county of Merced; third, to Northern California and the Central Valley; fourth, to California.

Peninsula Clean Energy will support the objectives stated above in the following ways:

~~a.~~c. ~~PCE~~Peninsula Clean Energy Power Purchase Agreements with Third Parties

~~PCE~~Peninsula Clean Energy shall collect information from respondents to any bidding and/or RFP/RFQ process regarding past, current and/or planned efforts by project developers and their contractors to:

- Employ workers and use businesses from the ~~PCE~~Peninsula Clean Energy service territory.
- Employ properly licensed (A, B, C10, C7, C46) contractors and California Certified electricians.
- Utilize multi-trade project labor agreements on the proposed project or any prior project developments.
- Utilize local apprentices, particularly graduates of local pre-apprenticeship programs.
- Pay workers the correct prevailing wage rates for each craft, classification and type of work performed.
- Display a poster at jobsites informing workers of prevailing wage requirements.
- Provide workers compensation coverage to on-site workers.
- Support and use State of California approved apprenticeship programs.

Relevant information submitted by proposers will be used to evaluate potential workforce impacts of proposed projects with the goal of promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing wage base in local communities where contracted projects will be located.

~~b.~~d. ~~PCE~~Peninsula Clean Energy Owned Generation Projects

Any ~~PCE~~Peninsula Clean Energy-owned renewable development project shall use best efforts to use local businesses, union labor, and apprenticeship programs through multi-trade agreements and/or through multiple agreements for work. Each construction contractor or subcontractor performing work on any ~~PCE~~Peninsula Clean Energy-owned project shall use best efforts to use a combination of local labor, union labor and apprenticeship programs, and shall follow fair compensation practices, including proper assignment of work to crafts that traditionally perform the work. For each renewable energy project with a maximum net output of at least 1 MW (ac), ~~PCE~~Peninsula Clean Energy, ~~or~~ its construction contractor and subcontractors shall use best efforts to: 1) require of its regular workforce working on the construction of such project that at least 50% of all "journey level" employees shall be graduates of a State of California approved apprenticeship program; (2) ~~and~~require ~~at least~~that its regular workforce working on the construction of such project shall be in conformance with all state and federal apprenticeship requirements, including satisfying the requirements set forth in Section 45(b)(8) of the Internal Revenue Code of 1986, as amended (taking into account the guidance issued by the Internal Revenue Service in Notice 2022-61, and any subsequent or additional guidance, including issued treasury regulations); and (3) require that the percentage of its regular workforce working on the construction of such project ~~20% shall be~~ enrolled and participating in a local State of California approved apprenticeship program be the greater of at least 20% or the percentage required by clause (2) above. ~~.~~ Apprenticeship programs must be approved by the State Department of Apprenticeship Standards.

~~**PCE Feed-In Tariff Price Projects**~~

~~PCE shall use best efforts to ensure each construction contractor or subcontractor performing work on any PCE Feed-in Tariff project utilize local businesses, union labor, multi-trade agreement, apprenticeship programs, and fair compensation practices including proper assignment of work to crafts that traditionally perform the work.~~

e. ~~PCE~~Peninsula Clean Energy Programs

~~PCE~~Peninsula Clean Energy shall use best efforts to support local businesses, union labor, and local apprenticeship programs in the implementation of its energy programs. Peninsula Clean Energy shall use best efforts to ensure each construction contractor or subcontractor performing work on any ~~PCE energy efficiency~~Peninsula Clean Energy program utilize local businesses, union labor, local apprenticeship, and fair compensation practices in program implementation including proper assignment of work to crafts that traditionally perform the work~~.~~.

Inclusive and Sustainable Workforce Policy

1. Policy Statement

Peninsula Clean Energy recognizes that an inclusive and sustainable workforce helps Peninsula Clean Energy meet its core mission and goals more effectively by:

- Serving our customers in a culturally sensitive manner; and
- Reflecting the community we serve and the businesses with which we partner.

Peninsula Clean Energy strives to have a workforce that is as inclusive as the communities it serves. Additionally, Peninsula Clean Energy strives to create employment opportunities to help build and sustain healthy and sustainable communities.

This policy, Inclusive and Sustainable Workforce, along with Policy Number 22, Diversity, Equity, Accessibility, and Inclusion (DEAI) represent Peninsula Clean Energy's commitment to its strategic goal of "ensuring organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, equity, accessibility, inclusion, transparency, and integrity".

2. Inclusive Workforce

a. <u>Peninsula Clean Energy Staff</u>

Peninsula Clean Energy relies on its employees to provide clean, cost-effective, alternative energy to its customers. These customers live in diverse communities, and an inclusive workforce comprised of staff who reflect and are invested in these communities allows Peninsula Clean Energy to serve them more effectively. An inclusive staff also provides good jobs for people from diverse communities.

To help maintain and strengthen Peninsula Clean Energy's inclusive staff, Peninsula Clean Energy will:

(1) Engage in broad outreach efforts in diverse communities, including disadvantaged and low-income communities, to ensure a diverse pool of candidates for open positions;

(2) Provide fair compensation that aligns with regional market indicators for compensation levels for each position;

(3) Be transparent about these practices and lessons learned; and

(4) Provide contact information for staff who can answer questions about this policy.

b. <u>Supply Chain</u>

Peninsula Clean Energy's commitment to inclusion also extends to its supply chain. Where and from whom Peninsula Clean Energy purchases goods and services have important consequences for businesses, customers, and their communities. An inclusive supply chain is an important driver for successful delivery of Peninsula Clean Energy's services to its customers, and of fair and equitable economic development generally.

To help ensure an inclusive supply chain, Peninsula Clean Energy will:

(1) Strive to use local businesses and provide fair compensation in the purchase of services and supplies;

(2) Proactively seek services from local businesses and from businesses that have been Green Business certified and/or are taking steps to protect the environment;

(3) Engage in efforts to reach diverse communities to ensure an inclusive pool of potential suppliers;

(4) Request information from suppliers and contractors on the inclusivity and diversity in their business ownership, including their status as a woman, minority, disabled veteran, LGBT and/or persons with disabilities owned business enterprise;

(5) Include questions about supplier inclusivity in requests for proposals (RFPs) for services;

(6) Encourage reporting from developers and large vendors on inclusivity in business staff;

(7) Require developers abide by our Supply Chain Code of Conduct, derived from the United Nations Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organization ("ILO"), including the ILO Declaration on Fundamental Principles and Rights at Work, the Solar Energy Industries Association Solar Industry Commitment to Environmental and Social Responsibility, and the Responsible Business Alliance Code of Conduct, attached herein as Attachment A of this policy;

(8) Be transparent about these practices and lessons learned; and

(9) Provide contact information for staff who can answer questions about this policy.

c. <u>Inclusive Business Practices</u>

To fulfill its core mission to provide energy choices to the diverse residents and communities of San Mateo County and the City of Los Banos, Peninsula Clean Energy

must ensure that its services and information are accessible to all communities. Accordingly, Peninsula Clean Energy will:

(1) Strive to provide information on Peninsula Clean Energy's services in the multiple languages commonly spoken in Peninsula Clean Energy's service area (including mailers, tabling materials, customer service, call center, workshops and outreach events, advertisements, and other means of customer engagement);

(2) Conduct marketing and outreach in diverse communities (including advertising in minority-owned media, establishing partnerships with community organizations, and using various media, such as radio and television) to increase awareness of Peninsula Clean Energy's services and programs;

(3) Strive to attend important multi-cultural community events with multi-lingual materials and speakers;

(4) Share information about activities and initiatives that promote inclusion, access, and diverse engagement in the community.

d. Non-Discrimination Pledge

Peninsula Clean Energy will not discriminate, and will require that its suppliers do not discriminate, on the basis of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

3. Sustainable Workforce

a. Compensation and Workforce Opportunities

Support of local businesses, union labor and apprenticeship and pre-apprenticeship programs that create employment opportunities are important components of building and sustaining healthy and sustainable communities. It is in the interest of Peninsula Clean Energy to provide fair compensation and sustainable workforce opportunities within a framework of competitive service and the promotion of renewable energy, energy efficiency and greenhouse gas reduction.

Peninsula Clean Energy recognizes the importance of locally-generated renewable energy in assuring that California is provided with (1) adequate supplies of renewable energy for economic growth, (2) sustained local job opportunities and job creation, and (3) effective means to reduce the impacts of greenhouse gas emissions. Peninsula Clean Energy also recognizes the opportunities that energy programs provide for local workforce training and employment.

Peninsula Clean Energy supports fair compensation in direct hiring, renewable development projects, energy programs and in procurement of Peninsula Clean Energy

services and supplies. Peninsula Clean Energy also supports quality State of California approved apprenticeship and pre-apprenticeship training programs in construction craft occupations to foster long-term, fairly compensated employment opportunities for program graduates and believes that local apprenticeship and pre- apprenticeship programs are an efficient vehicle for delivering quality training in construction in industry craft occupations.

b. <u>Sustainable Workforce Objectives</u>

Peninsula Clean Energy therefore desires to facilitate and accomplish the following objectives:

(1) Support for and direct use of local businesses;

(2) Support for and direct use of union members from multiple trades including support for and use of training and State of California approved apprenticeship programs, and pre-apprenticeship programs from within Peninsula Clean Energy's service territory; and

(3) Support for and direct use of green and sustainable businesses.

"Local" is defined as:

1.) San Mateo County and the City of Los Banos;

2.) Nine Bay Area Counties (Alameda, Contra Costa, Marin, Napa, San Mateo, San Francisco, Santa Clara, Solano, Sonoma) and the County of Merced;

3.) Northern California and the Central Valley; and

4.) California.

Preference will be given first to San Mateo County and the City of Los Banos; second, to the Nine Bay Area Counties and the County of Merced; third, to Northern California and the Central Valley; fourth, to California.

Peninsula Clean Energy will support the objectives stated above in the following ways:

c. <u>Peninsula Clean Energy Power Purchase Agreements with Third Parties</u>

Peninsula Clean Energy shall collect information from respondents to any bidding and/or RFP/RFQ process regarding past, current and/or planned efforts by project developers and their contractors to:

- Employ workers and use businesses from the Peninsula Clean Energy service territory.
- Employ properly licensed (A, B, C10, C7, C46) contractors and California Certified electricians.
- Utilize multi-trade project labor agreements on the proposed project or any prior project developments.

- Utilize local apprentices, particularly graduates of local pre-apprenticeship programs.
- Pay workers the correct prevailing wage rates for each craft, classification and type of work performed.
- Display a poster at jobsites informing workers of prevailing wage requirements.
- Provide workers compensation coverage to on-site workers.
- Support and use State of California approved apprenticeship programs.

Relevant information submitted by proposers will be used to evaluate potential workforce impacts of proposed projects with the goal of promoting fair compensation, fair worker treatment, multi-trade collaboration, and support of the existing wage base in local communities where contracted projects will be located.

d. <u>Peninsula Clean Energy Owned Generation Projects</u>

Any Peninsula Clean Energy-owned renewable development project shall use best efforts to use local businesses, union labor, and apprenticeship programs through multi-trade agreements and/or through multiple agreements for work. Each construction contractor or subcontractor performing work on any Peninsula Clean Energy-owned project shall use best efforts to use a combination of local labor, union labor and apprenticeship programs, and shall follow fair compensation practices, including proper assignment of work to crafts that traditionally perform the work. For each renewable energy project with a maximum net output of at least 1 MW (ac), Peninsula Clean Energy, its construction contractor and subcontractors shall use best efforts to: 1) require of its regular workforce working on the construction of such project that at least 50% of all "journey level" employees shall be graduates of a State of California approved apprenticeship program; (2) require that its regular workforce working on the construction of such project shall be in conformance with all state and federal apprenticeship requirements, including satisfying the requirements set forth in Section 45(b)(8) of the Internal Revenue Code of 1986, as amended (taking into account the guidance issued by the Internal Revenue Service in Notice 2022-61, and any subsequent or additional guidance, including issued treasury regulations); and (3) require that the percentage of its regular workforce working on the construction of such project enrolled and participating in a local State of California approved apprenticeship program be the greater of at least 20% or the percentage required by clause (2) above. Apprenticeship programs must be approved by the State Department of Apprenticeship Standards.

e. <u>Peninsula Clean Energy Programs</u>

Peninsula Clean Energy shall use best efforts to support local businesses, union labor, and local apprenticeship programs in the implementation of its energy programs. Peninsula Clean Energy shall use best efforts to ensure each construction contractor or subcontractor performing work on any Peninsula Clean Energy program utilize local businesses, union labor, local apprenticeship, and fair compensation practices in program

implementation including proper assignment of work to crafts that traditionally perform the work.

Supply Chain Code of Conduct

Buyer is committed to ensuring that the fundamental human rights of workers are protected, including addressing the potential risks of forced labor, child labor, servitude, human trafficking and slavery across our portfolio.

Our requirements and expectations for Seller's supply chain are detailed below in our Supply Chain Code of Conduct ("**Supply Chain Code**"). Seller must comply with all applicable Laws and this Supply Chain Code, even when this Supply Chain Code exceeds the requirements of applicable Law.

These standards are derived from the United Nations Guiding Principles on Business and Human Rights, the Core Conventions of the International Labour Organization ("ILO"), including the ILO Declaration on Fundamental Principles and Rights at Work, the Solar Energy Industries Association Solar Industry Commitment to Environmental & Social Responsibility, and the Responsible Business Alliance Code of Conduct.

1. **Freely Chosen Employment**
   Forced, bonded (including debt bondage) or indentured labor, involuntary or exploitative prison labor, slavery or trafficking of persons is not permitted. This includes transporting, harboring, recruiting, transferring, or receiving persons by means of threat, force, coercion, abduction or fraud for labor or services. There shall be no unreasonable restrictions on workers' freedom of movement in the facility in addition to unreasonable restrictions on entering or exiting company provided facilities including, if applicable, workers' dormitories or living quarters. All work must be voluntary, and workers shall be free to leave work at any time or terminate their employment without penalty if reasonable notice is given as per worker's contract. Employers, agents, and sub-agents' may not hold or otherwise destroy, conceal, or confiscate identity or immigration documents, such as government-issued identification, passports, or work permits. Employers can only hold documentation if such holdings are required by law. In this case, at no time should workers be denied access to their documents. Workers shall not be required to pay employers' agents or sub-agents' recruitment fees or other related fees for their employment. If any such fees are found to have been paid by workers, such fees shall be repaid to the worker.

2. **Young Workers**
   Child labor is not to be used in any stage of manufacturing. The term "child" refers to any person under the age of 15, or under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. Suppliers shall implement an appropriate mechanism to verify the age of workers. The use of legitimate workplace learning programs, which comply with all laws and regulations, is supported. Workers under the age of 18 shall not perform work that is likely to jeopardize their health or safety, including night shifts and overtime. Suppliers shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable laws and regulations. Suppliers shall provide appropriate support and training to all student workers. In the absence of local law, the wage rate for student workers, interns, and apprentices shall be at least the same wage rate as other entry-level workers performing

equal or similar tasks. If child labor is identified, assistance/remediation is provided.

3. **Working Hours**
   Studies of business practices clearly link worker strain to reduced productivity, increased turnover, and increased injury and illness. Working hours are not to exceed the maximum set by local law. Further, a workweek should not be more than 60 hours per week, including overtime, except in emergency or unusual situations. All overtime must be voluntary. Workers shall be allowed at least one day off every seven days.

4. **Wages and Benefits**
   Compensation paid to workers shall comply with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. In compliance with local laws, workers shall be compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure shall not be permitted. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed. All use of temporary, dispatch and outsourced labor will be within the limits of the local law.

5. **Humane Treatment**
   There is to be no harsh or inhumane treatment including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures in support of these requirements shall be clearly defined and communicated to workers.

6. **Non-Discrimination/Non-Harassment**
   Suppliers should be committed to a workplace free of harassment and unlawful discrimination. Companies shall not engage in discrimination or harassment based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status in hiring and employment practices such as wages, promotions, rewards, and access to training. Workers shall be provided with reasonable accommodation for religious practices. In addition, workers or potential workers should not be subjected to medical tests that could be used in a discriminatory way or otherwise in violation of applicable law. This was drafted in consideration of ILO Discrimination (Employment and Occupation) Convention (No.111).

7. **Freedom of Association**
   In conformance with local law, Suppliers shall respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively, and to engage in peaceful assembly as well as respect the right of workers to refrain from such activities. Workers and/or their representatives shall be able to openly communicate and share ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation, or harassment.

8. **Restricted Jurisdictions**

Supplier shall not manufacture or produce products in the Xinjiang Uyghur Autonomous Region of China, or knowingly procure goods and services mined, produced or manufactured in the same.

PENINSULA CLEAN ENERGY AUTHORITY
JPA Board Correspondence

DATE: April 3, 2023
BOARD MEETING DATE: April 10, 2023
SPECIAL NOTICE/HEARING: None
VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy Authority
Shawn Marshall, Chief Operating Officer, Peninsula Clean Energy

SUBJECT: Semi Annual Strategic Plan Update

RECOMMENDATION:

Receive semi-annual strategic plan update and provide direction and feedback as needed.

BACKGROUND:

In April 2020, the Peninsula Clean Energy Board of Directors adopted the 2020-2025 Strategic Plan. Since that time, the Strategic Plan has been reviewed, updated, and reported on by staff twice per year, once at the September Board retreat and at the Executive Committee meeting in April.

DISCUSSION

Senior staff members will be providing a semi-annual update of the PCE strategic plan. Updates will cover the following areas: Power Resources, Community Energy Programs, Marketing and Community Relations, Account Services, Public Policy (regulatory and legislative), Financial Stewardship, and Organizational Excellence.

As a reminder, at the November 2022 Board meeting, staff recommended and the Board approved updated language for PCE's 24/7 strategic goal to now read: *Deliver 100% renewable energy annually on a 99% time-coincident basis by 2025.* This change is reflected in the accompanying slides supporting this agenda item.

Staff also recommends that the following amendments are made to the Strategic Plan to more accurately reflect the item's current status and intended meaning:

1) **2035 Decarb Goal.** Contribute to Peninsula Clean Energy member jurisdictions reaching the state's goal to be 100% greenhouse gas free for transportation and buildings by 2035.

   a) Recommendation: Clarify statement so that it doesn't read as if the State's goal is 2035 when it is 2045.

   b) Proposed New Statement: Contribute to Peninsula Clean Energy member jurisdictions reaching the State's 2045 goal to be 100% greenhouse gas free for transportation and buildings by 2035.

2) **Account Services.** Add Operational Excellence and Customer Data objectives to Account Services as its own functional area:

   a) Operational Excellence: Build and Maintain Strong Partner Relations
   b) Customer Data: Improve Access to Energy Data and Analytics

3) **Public Policy.** Add clarifying language to reflect current market/activities.

   a) Amend Objective A. "Regulatory" to include an additional Key Tactic KT3: Ensure timely compliance with all applicable regulatory reporting obligations.

   b) Amend Objective C: "Growth of Community Energy and CCAs" to include an additional Key Tactic KT4: Track regulatory, statutory and market conditions affecting CCA expansion to take advantage of opportunities and engage in mitigating hurdles.

Staff looks forward to receiving the Executive Committee's comments and feedback on the Strategic Plan update and the proposed language amendments.

PENINSULA CLEAN ENERGY

PCE Strategic Plan (2020-2025)
Mid-Point Update for FY and CY 2023

Executive Committee Presentation

April 10, 2023

Recap of Adjustments Since Sept 2022

1. Introduced new color-coded dashboard for quick progress view

On target
Challenges exist
At risk

2. Updated PCE's 24/7 Strategic Goal to now read: Deliver 100% renewable energy annually on a 99% time-coincident basis by 2025.

3. Added separate section for Account Services, which had previously been embedded within Marketing and Community Relations.

4. Revised targets for Energy Programs to reflect market challenges through the pandemic and a more realistic trajectory.

5. Changed language in 2035 Decarb goal to "member jurisdictions" rather than San Mateo County to be inclusive of Los Banos.

Our Top Strategic Priorities

1. *Deliver 100% renewable energy annually on a 99% time-coincident basis by 2025.*
   a) Language updated at November 2022 Board meeting

2. *Contribute to Peninsula Clean Energy member jurisdictions reaching the state's goal to be 100% greenhouse gas free for transportation and buildings by 2035.*

   a) Recommended clarification on the decarb goal to accurately reflect State deadline: *Contribute to Peninsula Clean Energy member jurisdictions reaching the State's 2045 goal to be 100% greenhouse gas free for transportation and buildings by 2035.*

Add image of SP cover here

These primary organizational goals are augmented by other Strategic Plan goals that tie to the core functions and operations of Peninsula Clean Energy.

Organizational Priorities

Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022	2025 Target
100% Renewable on 99% Time-Coincident	47.0%	47.0%	49.2%	52.4%	100%
2035 Decarbonization (MMT GHG reduced)	3,800	14,300	23,100	27,500	See Below*

*Peninsula Clean Energy has a 2035 decarbonization target only. Total San Mateo County emissions inventoried in 2019 were 4.1 million MT GHG of which 3.2 million MT GHG are in buildings and transportation. Decarbonization figures for each year are the estimated reductions resulting from PCE programs on a cumulative basis through that year.

On target

Challenges exist

At risk

Power Resources Update

Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022 (Est.)	2023 (Est.)	2025 Target
EcoPlus Annual Renewable Content (%)	52%	51.7%	49.2%	52.4%	53.0%	100%
EcoPlus Emissions Factor (lbs. / MWh)	102	13	5	9	13	16
Eco100 Annual Renewable Content (%)	100%	100%	100%	100%	100%	100%
Eco100 Emissions Factor (lbs. / MWh)	0	0	0	0	0	0
New Peninsula Clean Energy Capacity Statewide (% of load served by new resources)	0	16%	24%	24%	33%	50%

On target

Challenges exist

At risk

Power Resources: Strategic Plan Goals/Objectives

STRATEGIC PLAN GOALS

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

OBJECTIVES

1. **Planning**: Develop strategies to achieve a reliable power portfolio to meet 100% renewable on a 24 x 7 basis for 2025 and beyond
2. **Procurement:** Procure power resources to meet regulatory mandates and internal priorities at affordable cost
3. **Operations:** Manage power portfolio to ensure performance consistent with contractual requirements, regulatory compliance, and internal strategies
4. **Innovation & Market Development**: Provide a model of leadership for procuring energy resources for a clean energy future

*CA RPS eligible resources except Biomass

Power Resources: Mid-Year Highlights

- Published White Paper Part 2: Achieving 24/7 Renewable Energy by 2025

- Executed 5 PPAs:
  - Nova Stand Alone Storage – 50 MW
  - Whitegrass 2 Geothermal – 6 MW
  - Burney Creek Small Hydro – 3 MW
  - Buena Vista Wind (Extension) - 38 MW
  - CalWind Wind Resource - 19 MW

- Added 3 staff (1 Director & 2 Power Resources Managers); in the process of hiring 3 more specialists

- Developing updated Energy Risk Management Policy

Power Resources: Challenges

- Difficulties finding quality and cost-effective renewable projects with in-service dates prior to 2026
  - High demand for new projects created by CPUC's MTR procurement orders
  - Low supply due to lengthy interconnection process and supply chain disruption
  - Out-of-state projects require new transmission build-out and import capacity
  - Baseload renewable and long-duration storage resources are extremely limited

- Elevated market prices across the board for all market products:
  - Forward Energy Hedges
  - Resource Adequacy (RA)
  - PCC-1 Renewable Product

Community Energy Programs Update

Key Performance Indicators (Measured on CY)

	2019 Baseline	2020	2021	2022	2023 YTD As of 3/28	2025 Target (revised)
Transportation: GHG Reductions (MT)	2,000	8,200	14,800	18,600	21,300	83,000 (was 120,000)
Buildings: GHG Reductions (MT)	1,800	6,100	8,000	8,900	9,200	9,800 (was 12,100)
EV charging ports installed (#)	0	13	146	348	447*	3,500 (was 6,200)
Electric appliances installed (#)	0	0	219	616	883	1,800 (was 2,800)
Local Resources (MW)	0	1.47	4.26	5.54	5.54	20
Funds for Low Income	11%	47%	19%	43%	29%	20%

1. 2025 targets were updated in September 2022
2. All figures cumulative except Funds for Low Income
3. Overall County GHGs when last inventoried in 2019 were 4,100,000 MT
4. GHG measures reflect projected future average annual reductions of actions taken that year (ex: adopted reach codes, charging installed, EVs acquired, etc.)
5. 2021 year electric appliances count updated to reflect addl. units not previously accounted for including electric panels

** EV Charging ports in pipeline: 3,200*

Check on color for local resources

Energy Programs: Strategic Plan Goals/Objectives

STRATEGIC PLAN GOALS

1. Contribute to Peninsula Clean Energy member jurisdictions reaching a goal to be 100% greenhouse gas free for transportation and buildings by 2035. [update this]
2. Implement robust energy programs that reduce GHG emissions, align energy supply and demand, and provide benefits across the community.

OBJECTIVES

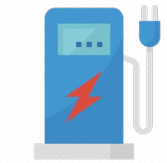
1. **Signature Programs:** Develop market momentum for electric transportation and initiate the transition to clean energy buildings
2. **Distributed Energy Resources:** Support strategic decarbonization and local power development
3. **Community Benefits:** Deliver tangible benefits throughout our diverse communities
4. **Innovation and Scale:** Leverage leadership, innovation, and regulatory action for scaled impact

Energy Programs: Mid-Year Highlights (1 of 2)

EV Charging Ports In Progress

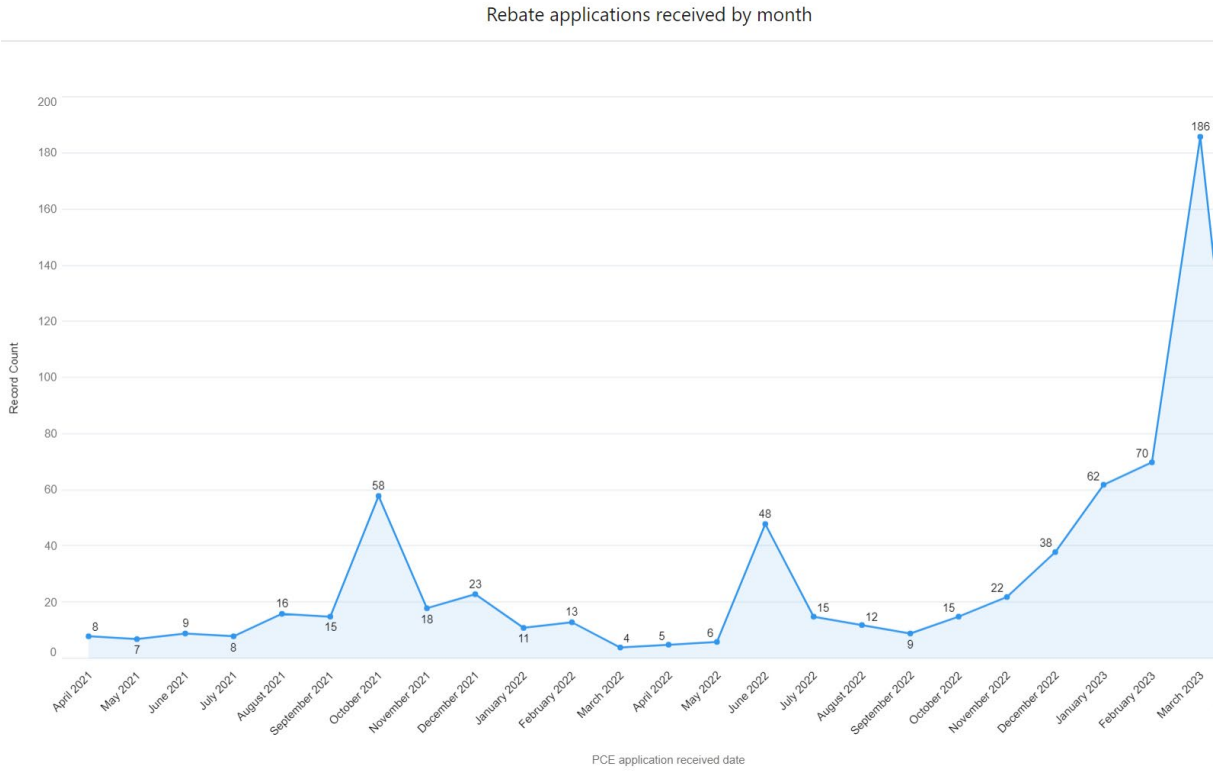
Technical Assistance: 1,500

Funds Reserved: 1,700



Install Complete: 447 (Goal: 3,500)

Electric Appliances Completed



Additional Metrics

- Avg. 14 new PCE rebate applications/month
- Avg. L1 project costs 7.5x cheaper than PG&E installs ($2.5k)
- Avg. L2 project costs 2.5x cheaper than PG&E installs ($7.5k)

Energy Programs: Mid-Year Highlights (2 of 2)

Solar and Storage on Government Buildings

- Round 1
  - 12 facilities in progress, 1.7 MW solar
  - $17 million in lifetime savings
  - Construction completion expected CYQ1 2024

- Round 2
  - 120 sites assessed, ~46 sites qualify
  - Interconnection applications submitted for more favorable NEM 2 rules
  - Projected size 6-14 MW
  - Construction completion expected CYQ4 2024

Marketing & Community Relations Update

	2020 Baseline	2021	2022	2023 YTD	2025 Target
Participation Rate (as of FY end)[1]	97%	97%	97%	97%	97%
PCE Aided Awareness	34%	31%[2]	39%[4]	Survey in May '23	60%
PCE Favorability[3]	63%	61%[2]	57%[4]	Survey in May '23	80%
Residential & SMB Engagement[1]	Med/Low	Med/Low	Med/Low	Med/Low	High

1. Shared responsibility with Account Services team
2. Given sample size in 2021, this is statistically equivalent to the 2020 baseline
3. Of those who are aware of Peninsula Clean Energy
4. Statistically different from 2020 baseline

On target

Challenges exist

At risk

Marketing/Outreach: Strategic Plan Goals/Objectives

STRATEGIC PLAN GOAL

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

OBJECTIVES

1. **Brand Reputation:** Elevate Peninsula Clean Energy's brand reputation as a trusted leader in the community and the industry.

2. **Engagement:** Educate and engage stakeholders in order to gather input, inspire action, and drive program participation

Marketing/Outreach: Mid-Year Highlights

Brand Reputation

- Achieving 24/7 Renewable Energy white paper published
- PR results: 7 articles (including Bloomberg, S&P Global, San Mateo Daily Journal) and 3 podcasts
- Thought leadership and interest from industry leaders and decisionmakers (Canadian Ministry, NREL)

Engagement - Community Relations

- 14 grants awarded and 2 new CBO partners in Daly City and Los Banos
- Partnering with SMCOE on regional grant to raise awareness of energy-related careers to middle and high school students

Engagement - Marketing

- Testimonial photos and videos with 4 customers
- Promotional efforts drove 7,000 online visitors to our all-electric content and 24,700 online visitors to buildings, EVs and appliance program pages.

Account Services Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD	2025 Target
Participation Rate (as of FY end)[1]	97%	97%	97%	97%	97%
Customer Data Access & Analytics[2]	Low	N/A	Low/Med	Med/Low	High
External Partner Relations	Med/High	High	High	High	High
Key Account Engagement[3]	Low	Low	Med/Low	Med/High	High
Residential & SMB Engagement[1]	Med/Low	Med/Low	Med/Low	Med	High

1. Shared responsibility with Marketing and Community Relations
2. Incorporated Gas usage into Data Connect and expanded users
3. New Strategic Accounts Manager joined PCE in late 2022. Engagement has picked up in Q1 of 2023

On target

Challenges exist

At risk

Check on med/low

Account Services: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Ensure high customer retention and satisfaction

OBJECTIVES

1. **Customer Care:** Ensure High Customer Retention and Satisfaction
2. **Operational Excellence:** Build and Maintain Strong Partner Relations
3. **Customer Data:** Improve Access to Energy Data and Analytics

Account Services: Mid-Year Highlights

- Los Banos enrollment has been completed with final round of NEM customers transitioning in December 2022
- Gas usage data is being imported to Data Connect to provide a complete energy use profile for users
- Increased engagement with Key Accounts, executing new long term service agreements and re-enrolling targeted accounts in PCE service

Account Services: Recommended Amendments

Add **Operational Excellence,** and **Customer Data** objectives to Account Services as its own functional area

- **Operational Excellence:** *Build and Maintain Strong Partner Relations*
- **Customer Data:** *Improve Access to Energy Data and Analytics*

Public Policy Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD	2025 Target
PCIA Containment	Low	Low	Challenges	On Target	See Below
Legislative Impact	Medium	Medium	Challenges	Challenges / On Target	See Below
Regulatory Impact	High	High	On Target	On Target	See Below
Coalition Building	Low	Medium	On Target	On Target	See Below
Fostering CCA Growth	Medium	Medium	Challenges / On Target	Challenges/ On Target	See Below

Regarding 2025 Targets

1) **PCIA Containment:** PCE staff interprets this goal as an objective to minimize PCIA-related costs applicable to PCE customers by 2025. With that said, PCIA costs applicable to PCE's customers will remain long past 2025 and are expected to persist into the 2040s.
2) **Legislative Impact:** PCE staff interprets this goal as having a high level of influence with our local representatives and CalCCA's legislative efforts, such that our efforts result in overall positive legislative outcomes in Sacramento.
3) **Regulatory Impact:** PCE staff interprets this goal as taking the steps necessary to enable the organizations programmatic and procurement objectives by 2025.
4) **Coalition Building:** PCE staff interprets this goal as having strong local, state and regional relationships to leverage our knowledge and influence towards positive outcomes.
5) **Fostering CCA Growth:** PCE staff recognizes that CCA growth has slowed in recent years. We believe this goal should be revisited.

Public Policy: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Strongly advocate for public policies that advance Peninsula Clean Energy's organizational priorities.

OBJECTIVES

1. Regulatory: Educate and engage policymakers to develop policies that support Peninsula Clean Energy's organizational priorities

2. Legislative: Engage state legislators to pass legislation that advances Peninsula Clean Energy's organizational priorities and defeat legislation that would hinder Peninsula Clean Energy's organizational priorities and operations.

3. Growth of CCA/Expansion: Take a leadership position in supporting the growth of community energy and CCAs in California

Public Policy: Mid-Year Highlights

1. PCE is sponsoring our first bill in legislature
2. PCE engagement is shaping IRP/RA reform to better align with our 24/7 objective
3. Further expansion of DAC-GT program to serve more low income customers
4. Shifting oversight of regulatory compliance into regulatory policy department

Public Policy: Recommended Amendments

1. Amend Objective A. "Regulatory" to include an additional Key Tactic:

   KT3. Ensure timely compliance with all applicable regulatory reporting obligations.

2. Amend Objective C: “Growth of Community Energy and CCAs” to include new Key Tactic

   KT4: Track regulatory, statutory and market conditions affecting CCA expansion to take advantage of opportunities and engage in mitigating hurdles.

Financial Stewardship Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD[1]	2025 Target
Days Cash On Hand (Unrestricted)	238	257	201	219	231
Credit Rating (Fitch/Moody)	BBB+/ Baa2	same	BBB+/ Baa2 POS	BBB+/ Baa2 POS	single “A” level
Change in Net Position ($000s)	$48,900	-$8,216	-$13,046	$47,0456	positive
Investment Performance (FRB/PFM)		2%	-4.4%/-4.7%[2]	TBD	TBD
Average Cost of Energy ($/MWh)	$61.92	$59.04	$62.75	TBD	$62.73

1. Key Performance Indicator results for FY 2022-2023 are based on un-audited mid-fiscal year performance – final results may change by fiscal year end.
2. Investment Performance results reported for each portfolio manager's holdings in FY 2021-22

On target

Challenges exist

At risk

Finance: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Employ sound fiscal strategies to promote long-term organizational sustainability

OBJECTIVES

1. **Fiscal Health:** Strengthen and maintain Peninsula Clean Energy's fiscal health

2. **Financial Controls and Management:** Implement financial controls and policies that meet or exceed best practices for leading not-for-profit organizations

3. **Financial Stability:** Practice strategies to ensure long-term financial sustainability

Finance: Mid-Year Highlights

1. FY 2022-2023 mid-year financial performance on track to produce healthy operating surplus

2. Continued conservative and prudent practice diversifying financial institution exposure

Organizational Excellence Update

Key Performance Indicators (Measured on FY)

	2020 Baseline	2021	2022	2023 YTD	2025 Target
Staff Satisfaction	High	High	On Target	On Target	See Below
Innovation Impact	High	High	On Target	On Target	See Below
Technology & Systems	High	Med-High	On Target	On Target	See Below
Organizational Policies*	High	High	On Target	On target	See Below
Governance	High	High	Challenges	On Target	See Below

*For external vendors and partners

Regarding 2025 Targets

1) **Staff Satisfaction:** PCE staff interprets this goal based on yearly surveys, assessment of employee satisfaction; evaluation of professional development and training efforts; evaluation of competitive benefits.
2) **Innovation Impact:** PCE staff interprets this goal as the assessment of the quality of technology, program design, and policy innovation developed by the organization and its impact towards the organization's goals and the clean energy industry.
3) **Technology & Systems:** PCE staff interprets this goal as the assessment of quality and completeness of systems to support the organization's work including for business processes, energy-related analysis, program impact evaluation and customer insights; evaluation of systems and practices that ensure data accuracy/privacy and security.
4) **Organizational Policies:** PCE staff interprets this goal as the assessment of progress toward implementation of key policies such as the Sustainable Workforce and Ethical Vendor Standards policies.
5) **Governance:** PCE staff interprets this goal as facilitating the succession process, providing high quality orientation materials, and eliciting broad support of the organization by new Board Members, Alternates, and Citizen Advisory Committee Members; incorporating DEAI policy when completed.

Org. Excellence: Strategic Plan Goal/Objectives

STRATEGIC PLAN GOAL

Ensure organizational excellence by adhering to sustainable business practices and fostering a workplace culture of innovation, diversity, transparency, and integrity

OBJECTIVES

1. **Culture and People:** Foster a workplace culture that attracts and develops exceptional and diverse talent and values all people

2. **Innovation:** Foster a culture of innovation to yield solutions that accelerate our mission

3. **Data and Technology:** Increase data analytics capability to enable energy-related analyses, program impact measures, and consumer insights for continuous improvement

4. **External Vendor Policies:** Implement vendor policies that embrace diversity and inclusion and that optimize engagement results

5. **Governance:** Follow best practices for governance and succession to engage and develop qualified, diverse Board Members and Citizens Advisory Committee Members

Organizational Excellence: Mid-Year Highlights

1. Completed adoption of PCE's first ever DEAI policy and preparation of a DEAI action plan and proposed amendments to the Strategic Plan and Policies 9 and 10.

2. New HR Manager hired and progress toward a centralized HR function for PCE.

3. Successful return to in-person Board and Committee meetings, including hybrid option for members of the public.

4. Successful completion of new Board member orientation.

5. Recruitment and on-boarding for 7 vacant/new staff positions since Sept 2022.