



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

Monday, April 10, 2023
10:00 a.m.
Zoom Video Conference and Teleconference

CALL TO ORDER

Meeting was called to order at 10:01 a.m. in virtual teleconference and in the Peninsula Clean Energy Authority lobby.

ROLL CALL

Participating Remotely:

Dave Pine, San Mateo County
Rick DeGolia, Atherton, *Chair*
Julia Mates, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame, *Vice Chair*
Carlos Romero, East Palo Alto (arrived at 10:03 a.m.)
Anders Fung, Millbrae (arrived at 10:02 a.m.)
Marty Medina, San Bruno
Jeff Aalfs, Portola Valley

Absent: None

A quorum was established.

PUBLIC COMMENT

None

ACTION TO SET AGENDA

MOTION: Director Medina moved, seconded by Director Pine to set the Agenda.

MOTION PASSED/FAILED: 7-0 (Absent: East Palo Alto, Millbrae)

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
East Palo Alto	Director Romero				X
Millbrae	Director Fung				X
San Bruno	Director Medina	X			
Portola Valley	Director Aalfs	X			

	Totals	7			2
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REGULAR AGENDA

1. Chair Report

Chair DeGolia noted that resumes are being collected for the open CEO position, and at the April 2023 Board Meeting, a consulting agreement with Jan Pepper will be brought to the Board.

2. CEO Report

Jan Pepper, *CEO*, provided a report and staffing update including summer internships, recruitment for the CEO position and Power Resources Analysts and Specialists, and provided information on the annual CalCCA Conference.

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

Shayna Barnes, Operations Specialist, gave a presentation including the DEAI scope of work, proposed edits to the Strategic Plan, proposed edits to Policy 9 and Policy 10, information on meetings with labor on January 25, 2023 and March 6, 2023, and IRA apprenticeship requirements.

Director Mates asked if labor was able to provide any solutions in terms of businesses not bidding on smaller projects.

Rafael Reyes, Director of Energy Programs, spoke of extensive efforts to work with labor across multiple projects including Gov PV, EV Charging and Low-Income Home Upgrade programs and the challenges experienced, particularly with the EV charging program where there was a labor requirement. Initially, the team worked with IBEW to recruit union firms to work on the programs, but heard feedback that the programs were too small and overall, this was not particularly successful overall based in terms of bids received. Coming out of that process, the team engaged with Executive Committee Directors and made adjustments to remove the labor requirement while still having union firms participating in projects and have experienced a 5-fold increase in projects.

Director Mates asked what does “shall” look like in comparison to “best efforts”. Rafael explained that they would prefer to work with union firms and anticipate going forward that in their Request for Proposal (RFP) process having preferential inclination to choose a union firm if one came forward. They are willing to accommodate cost considerations and in the case of government solar program they use prevailing wage and use an evaluation process for the preferential inclination for labor union firms. Director Mackin asked if it would help to say “prioritize efforts.”

Chair DeGolia asked if IBEW is the only union organization that Staff has had real contact with. Rafael said no, they have also engaged with plumbers’ union, but much of Peninsula Clean Energy’s (PCE) work is electrical.

Chair DeGolia asked if the unions have provided a list of qualified contractors. Rafael explained that as part of their efforts around the EV charging program, they have received lists and have outreached to those contractors to seek to engage them.

Chair DeGolia asked if using “best efforts” means they will continue to give preference to union contractors if they have multiple parties responding, and Rafael said yes, this is how they have been viewing the language.

Vice Chair Colson asked if in the construct of that language, minority, women-owned, LGBTQ-owned, and other types of firms are getting excluded. Rafael explained that many minority contractors are not in unions which has created some concern with their ability to balance the Diversity, Equity, Accessibility, and Inclusion (DEAI) goals with union goals.

Director Aalfs stated the policy does not specifically address the project selection or prioritization in terms of fitting projects which have a substantial benefit for their local areas. There is no equity lens as far as which projects, they choose to move forward with which can be addressed in many ways. Shayna explained that this is not codified in policy but is part of the selection criteria in the Request for Offers (RFO).

Director Romero asked what percentage has been union versus non-union. Rafael explained they have two general classes of open-incentive programs and while they do not explicitly track union versus non-union in the broad residential incentive programs there is more union representation for the larger dollar and more turnkey programs.

Director Mates asked when exhausting the list provided by the unions if they were still not able to find bidders. Rafael explained they were not getting a lot of interest in the projects.

Chair DeGolia said the “best efforts” versus “shall use language” is in subsection D for PCE owned generation projects and asked if the language “to use best efforts and give preference to” would be consistent with current practice. Rafael confirmed.

Chair DeGolia announced that Public Comment will go until 11:15 a.m. to allow time for Board Discussion of this item.

Public Comment: Tim Frank, David Mauro, Eric Veium, Batoul Al-Sadi, Bart Pantoja, Emily Gartenberg, Julie Lind, Leslie Austin, Veronica Wilson, Benjamin Eichert, Alex Lantsberg, David Mauro

Director Mates noted that she cannot speak for full Board, but knowing how supportive the Board has been for using Labor workforce, the current amendments may not be accepted and could be viewed as the Board relaxing views on Labor. She believes there is some miscommunication and thinks they need Labor partners to help them get to the point where they can use Labor workforce to work on smaller projects.

Vice Chair Colson noted that their job as fiduciaries of this Board is to get the programs out and provide low-cost electricity. She is proud that is supporting union labor but wanted to be comfortable with the recommended Staff language, to follow up in a year, and see how it goes.

Director Aalfs said he is leaning towards leaving it as “shall” so they are committed to 100% union. Plan A is use 100% union labor and Plan B is that if the project is being stopped because they are not getting bids from labor unions, then to use this as a backup to give some flexibility.

Chair DeGolia noted they are not able to get the contractors using only union labor and would rather say, “use best efforts to use union labor and give preference to union labor”

or just say “we will give preference to union labor” because this is what they are currently doing.

Director Medina commented it is important to define what preference actually means, because when bidding for a job the word “shall” will prevent non-union from bidding.

Vice Chair Colson suggested bifurcating the policy so they use “shall” on everything where they have a dollar amount or size, and then divide it up into little jobs and go with “shall use best efforts” and try and see how they do in a year, get the data back, and then they can either pull that in or keep it separate.

Chair DeGolia noted he is okay with “shall”, but it will impact decarbonization so they are giving up this goal in order to accomplish this firm language.

Director Pine suggested saying that in the event the engagement is more than “x” dollars, instead of using “best efforts” it would say “shall use, in the event the engagement is more than “x” dollars”.

Jan Pepper, CEO, asked what to do in the instance if there is a dollar limit and they get bids for projects with union bids above that dollar limit and non-union bids in below that dollar limit.

Director Medina talked about using preferences and asked if they are willing to spend “x” more to do union.

Director Aalfs said they are talking about two alternative efforts- how do they get more union involved. One is to say “shall” and the other is to say “best efforts” which would provide some kind of preference. As far as the recommendation, he thinks they all believe the policy should move forward. They have defined this point as best they can, and they understand that the rest of the policy is excellent as a whole.

Chair DeGolia said rather than bifurcating it by a dollar amount which has some problems, he would be more comfortable saying “shall use best efforts and give preference to...” to clarify what “best efforts” means, which is giving preference to unions.

Director Mates asked if using the language suggested “shall use best efforts with preference to” would slow down their decarbonization goal as it seems like a compromise. Chair DeGolia explained Staff is saying they need this change in order to get closer to their goals.

Vice Chair Colson said PCE's number one goal is to deliver clean electricity and diversify their market, and the number two goal is decarbonization. If they put a third goal which is to fully employ union labor, hypothetically, this is the problem. If you are elevating to the “must” you will be trading off on the second goal, and possibly even the first goal, because it may cost more for to be able to deliver energy.

Director Aalfs share the willingness to pay extra for union labor as an organization and is confident they can maintain the union labor and still have a 5% discount.

Jan said this was brought because they are working on their DEAI policy and they are trying to broaden the participation of groups that have not been well-represented.

Vice Chair Colson said ownership is important to her because ownership creates a pathway to job creation and wealth. She is not discounting that they should look at the workforce, but if everyone they are doing business with is owned by a white man then we are not meeting DEAI objectives. Director Aalfs agreed that ownership should be a factor separate from composition.

Director Mackin suggested adding, “union labor and apprenticeship programs, inclusive and diverse business ownership”. Shayna explained they cannot, as a public agency, give preference for minority or women-owned businesses. They can remove barriers but cannot make preferences.

Director Romero asked if you could use a point-score. Jan explained they cannot require people to provide that information in their bid and they cannot make the selection based on that.

Chair DeGolia said he is comfortable with it and confirmed the language would say “Shall give preference to local businesses, labor, and apprenticeship programs.” Director Pine suggested using “give preference to and prioritize.” Chair DeGolia agreed.

MOTION: Chair DeGolia moved, seconded by Director Mates to 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 with the inclusion of “shall prioritize and give preference to...”.

MOTION PASSED: 9-0

JURISDICTION	BOARD MEMBER	YES	NO	ABSTAIN	ABSENT
San Mateo County	Director Pine	X			
Atherton	Director DeGolia	X			
Belmont	Director Mates	X			
Brisbane	Director Mackin	X			
Burlingame	Director Colson	X			
East Palo Alto	Director Romero	X			
Millbrae	Director Fung	X			
San Bruno	Director Medina	X			
Portola Valley	Director Aalfs	X			
	Totals	9			

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

Shawn Marshall, COO, gave a high-level overview on the Strategic Plan including a recap of adjustments made since September 2022.

Jan Pepper, CEO, said this is showing that they are on target with their organizational priorities. The main dashboard shows that they are moving well. They have changed the decarbonization target a bit but are going towards 2035.

Chair DeGolia referred to the 100% renewable they are incrementally improving the amount of power they are providing to customers each year and then there is a huge jump between 2022 and 2035. He guessed this is because they are selling Renewable Energy Credits (RECs) and asked if this is accurate.

Jan explained they are on track to get to 100% renewable energy by 2025 with the number of projects in the pipeline, but this is a snapshot of where they are at today. They have a couple of solar projects coming online in 2022/23, a geothermal project just come on line in 2023 and they are selling some excess RECs right now because they are aiming for the 50% renewable, but the target is they will contract for sufficient resources so in 2025, they will be 100% renewable.

Rafael Reyes, Director of Energy Programs, said they have both the 2022 results, and he noted the 2022 has shown moderate progress towards their goal, but last year they made several significant program changes that have had substantial impact where you see the results of that in the 2023 numbers. As for local resources, they are reasonably confident they can meet the 20 MGW target and they have been making well over their target for investment for low-income communities.

Shawn added that the rest of the report contains remaining information and highlights here which is a nuanced difference from when they met last in September. Shawn then explained one of the goals in the legislative area is expansion which has been a long-standing Board goal. Shawn explained that it has gotten more challenging, noting a regulatory battle underway with East Bay Community Energy and Central Coast Community Energy and the California Public Utilities Commission which has not certified their expansion implementation plan, issues around Resource Adequacy waivers, compliance, and others being worked out in parallel. Shawn explained that the Commission seems to be linking Community Choice Aggregators (CCA's) ability to expand with compliance issues.

Jan explained their growth in change in net-position and meeting with credit agencies to get their rating higher.

Public Comments: None

5. Committee Members' Reports

Director Medina thanked Staff for the Egg Hunt and Pancake Breakfast.

ADJOURNMENT

Meeting was adjourned at 12:00 p.m.