



**REGULAR MEETING of the Board of Directors of the
Peninsula Clean Energy Authority (PCEA)
Thursday, June 25, 2020
MINUTES**

Peninsula Clean Energy
Video conference and teleconference
6:30 p.m.

CALL TO ORDER

Meeting was called to order at 6:32 p.m.

ROLL CALL

Present: Carole Groom, County of San Mateo
Carolyn Bloede, County of San Mateo
Jeff Aalfs, Town of Portola Valley, *Chair*
Rick DeGolia, Town of Atherton, *Vice Chair*
Julia Mates, City of Belmont
Clay Holstine, City of Brisbane
Donna Colson, City of Burlingame
John Goodwin, Town of Colma
Roderick Daus-Magbual, City of Daly City
Carlos Romero, City of East Palo Alto
Catherine Mahanpour, City of Foster City
Laurence May, Town of Hillsborough
Catherine Carlton, City of Menlo Park
Ann Schneider, City of Millbrae
Deirdre Martin, City of Pacifica
Ian Bain, City of Redwood City
Michael Salazar, City of San Bruno
Laura Parmer-Lohan, City of San Carlos
Rick Bonilla, City of San Mateo
Flor Nicolas, City of South San Francisco
Daniel Yost, Town of Woodside
Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent: City of Half Moon Bay

Staff: Jan Pepper, Chief Executive Officer
Andy Stern, Chief Financial Officer
Rafael Reyes, Director of Energy Programs
Phillip Kobernick, Programs Manager
Joseph Wiedman, Director of Legislative and Regulatory Affairs
KJ Janowski, Director of Marketing and Community Affairs
Kirsten Andrews-Schwind, Senior Manager of Community Relations
Michael Arnaldo, Digital Marketing Specialist
Siobhan Doherty, Director of Power Resources
David Silberman, General Counsel
Shayna Barnes, Administrative Assistant
Anne Bartoletti, Board Clerk/Office Manager/Executive Assistant to the CEO

A quorum was established.

SWEARING IN OF NEW BOARD MEMBERS

David Silberman—General Counsel—presided over the official swearing-in of Carolyn Bloede, Director of the Office of Sustainability, and the new Alternate for the County of San Mateo.

PUBLIC COMMENT:

Drew, Mid-Peninsula Resident

ACTION TO SET THE AGENDA AND APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: May / Martin

Motion passed 18-0 (Absent: Half Moon Bay, San Bruno, San Mateo. Abstain: County of San Mateo)

REGULAR AGENDA

1. CHAIR REPORT

Jeff Aalfs—Chair—reported that he is preparing the performance review of the Chief Executive Officer, and he announced there will be a closed session at the July meeting.

2. CEO REPORT

Jan Pepper—Chief Executive Officer—introduced Carolyn Bloede, the new Director of the County of San Mateo Office of Sustainability. Jan provided an update on staffing, the impact of COVID-19 on Peninsula Clean Energy’s (PCE) load, and the implementation of the strategic plan. Jan reported that PCE presented to the Los Banos City Council on June 3, 2020, and the City Council voted unanimously to move forward with a technical study to evaluate the benefits of community choice energy for their community and possibly joining Peninsula Clean Energy.

3. CITIZENS ADVISORY COMMITTEE REPORT

Desiree Thayer—Chair—reported that the Citizens Advisory Committee (CAC) swore-in three new members and recognized three outgoing members. She reported the Committee reviewed the new CAC attendance policy and spent the majority of their meeting on operational improvements and setting priorities.

4. AUDIT AND FINANCE COMMITTEE REPORT

Donna Colson—Chair—reported that the Committee reviewed ESG (Environmental, Social, and Governance) data relating to PCE’s investment portfolio, and reviewed the Fiscal Year 2020-2021 budget.

5. APPROVE FISCAL YEAR 2020-2021 BUDGET

Andy Stern—Chief Financial Officer—reported that the budget was reviewed in detail with the Audit and Finance Committee, and that the Committee approved a resolution recommending that the Board approve the Fiscal Year 2020-2021 budget with total operating expenses not to exceed \$225,642,453.

Andy reviewed key assumptions including projected rates, PCIA, energy prices, PPA (Power Purchase Agreement) contracts, and programs, and he reviewed the impact of COVID-19 on projected load, revenues, cost of energy, net position, and unrestricted days cash on hand. Andy also presented a revised 5-year plan. Board members discussed projections, PCE’s reserves, and ways that PCE could mitigate the impacts and unpredictability of COVID-19.

Motion Made / Seconded: Bonilla / Groom

Motion passed unanimously 21-0 (Absent: Half Moon Bay)

6. APPROVE CITIZENS ADVISORY COMMITTEE RECOMMENDATIONS FOR OPERATIONAL IMPROVEMENTS

Desiree Thayer reported that the CAC Work Planning Working Group developed recommendations for operational improvements, and she reviewed three recommendations that require Board approval, including forming CAC working groups to work with staff and the Board, appointing a Board liaison to the CAC, and involving CAC members in the process of filling open CAC positions.

Board members discussed the expertise of CAC members, staff workload, previous projects where CAC members assisted staff, and staff-identified topics around which the CAC could form working groups.

Motion Made / Seconded: Mates / Bonilla

Motion passed unanimously 21-0 (Absent: Half Moon Bay)

7. AUTHORIZE CHIEF EXECUTIVE OFFICER TO EXECUTE A DISTRIBUTED ENERGY STORAGE 7. AGREEMENT FOR RESILIENCE WITH SUNRUN, INC. AND ANY NECESSARY ANCIALLARY DOCUMENTS IN AN AMOUNT NOT TO EXCEED \$5,500,000 AND FOR A TERM FROM JANUARY 1, 2022 THROUGH DECEMBER 31, 2032

Siobhan Doherty—Director of Power Resources—reviewed results of a joint RFP (Request for Proposals) issued November 2019 by East Bay Community Energy, PCE, Silicon Valley Clean Energy, and Silicon Valley Power, for Resource Adequacy (RA) sourced from distributed solar+storage systems. Siobhan provided an overview of Sunrun, Inc., and reviewed contract terms, workforce development, and the marketing plan. Committee members discussed PCE’s Workforce Policy, prevailing wage requirements, labor laws, and having PCE hire an auditor.

David Silberman reported that the contract provides for a right to audit in the Covenants, and the Records and Audit Rights section. He read the following contract sections into the minutes:

14.4 Covenants of Seller. Seller covenants to and for the benefit of Buyer that throughout the Delivery Term (unless another time period is specified):

(b) Seller will use reasonable efforts to ensure that all employees hired by Seller, and its Contractors, that will perform construction work or provide services at the Site related to construction of the Project are paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by applicable California Law, if any. Nothing herein shall require Seller or its Contractors to comply with, or assume liability created by other inapplicable provisions of any California labor Laws. Buyer agrees that Seller’s obligations under this Section 14.4(b) will be satisfied upon the execution of a project labor agreement with the principal trade unions related to construction of the Project.

Article 17: RECORDS AND AUDIT RIGHTS

17.3 General Audit Right. Buyer has the right during normal working hours, and after reasonable Notice, to examine Seller’s records to the extent reasonably necessary to verify (a) Seller’s compliance with this Agreement (including Section 14.4), (b) the accuracy of any statement including the Portfolio Safety Plan or other documents that supplement this Agreement, and (c) any charge, or computation made pursuant to this Agreement. If such examination reveals any material inaccuracy, necessary adjustments shall be made promptly.

Jan Pepper read the following Appendix of the contract into the minutes:

APPENDIX XII

WORKFORCE DEVELOPMENT AND COMMUNITY INVESTMENT OBLIGATIONS

For Multifamily Projects, 90% of all workers employed on in support of the Projects by Seller or through Contractors shall be paid not less than the prevailing rate of wages for the appropriate craft, classification, type of worker and locality as determined by the Director of the State Department of Industrial Relations in accordance with Division 2, Part 7, Chapter 1 of the California Labor Code, or as set out in the wage determination of the U.S. Secretary of Labor, whichever is higher.

Seller shall make commercially reasonable effort to: Cause San Mateo County residents to provide at least 50% of the work hours associated with the construction, operation, and maintenance of the Projects; hire graduates of state-certified apprenticeship training programs,

such as Cypress Mandela and Rising Sun Energy Center, in support of the construction, operation, and maintenance of the Projects.

For Single-family Projects, Seller will use reasonable efforts to ensure that employees hired by Seller, and its Contractors, that will perform construction work or provide services at the Site related to construction of the Project are paid wages at rates not less than those prevailing for workers performing similar work in the locality as provided by applicable California Law, if any. Nothing herein shall require Seller or its Contractors to comply with, or assume liability created by other inapplicable provisions of any California labor Laws.

PUBLIC COMMENT:

Drew, Mid-Peninsula Resident

Motion Made / Seconded: Groom / Carlton

Rick Bonilla proposed an amendment to the motion, accepted by Carole Groom: Peninsula Clean Energy will hire a consultant to audit pursuant to Paragraph 17 Sunrun's compliance with the prevailing wage provision of paragraph 14 and ensure compliance with all labor laws.

Motion passed unanimously as amended 21-0 (Absent: Half Moon Bay)

8. AUTHORIZE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT AMENDMENT TO AGREEMENT WITH TERRAVERDE ENERGY, LLC FOR DISTRIBUTED RESOURCE ADEQUACY CAPACITY REQUEST FOR PROPOSALS IN AN AMOUNT NOT TO EXCEED \$220,000 AND FOR A TERM THROUGH DECEMBER 31, 2021

Siobhan Doherty reported that this agenda item is related to the program that was just approved in Item 7, and she requested a contract amendment with TerraVerde Energy to support staff in evaluating RFP responses and administering the Distributed RA program. Siobhan reviewed the expansion of the scope of work included in the amendment.

Motion Made / Seconded: Bonilla / Mates

Motion passed unanimously 21-0 (Absent: Half Moon Bay)

9. APPROVE CONTRACT WITH CLEARRESULT FOR BUILDING ELECTRIFICATION PROGRAM IN AN AMOUNT NOT TO EXCEED \$3 MILLION

Rafael Reyes—Director of Energy Programs—reviewed the Existing Building Electrification plan that was approved by the Board in May 2020, and reviewed the Heat Pump Water Heater (HPWH) program that is part of that plan. Rafael presented an overview of the objectives, scope of work, and budget of a contract to have CLEARResult administer the HPWH program.

PUBLIC COMMENT:

Kim Springer, Office of Sustainability

Motion Made / Seconded: Yost / Schneider

Motion passed unanimously 21-0 (Absent: Half Moon Bay)

10. REVIEW PRELIMINARY INTEGRATED RESOURCE PLAN (IRP) RESULTS

Siobhan Doherty presented background information on the Integrated Resource Plan (IRP) and reviewed the IRP submission process. Siobhan reviewed California's GHG (greenhouse gas) reduction goals and reported on the Reference System Portfolio (RSP) resources being used to meet those GHG reduction goals.

Siobhan reported that PCE is coordinating with three CCAs (Community Choice Aggregators) on modeling for the IRP, and she reviewed modeling requirements, IRP submission requirements, and next steps in the IRP process.

11. BOARD MEMBERS' REPORTS

Jeff Aalfs reported that he did not yet appoint a liaison to the CAC as he would like to present options at the next meeting. Ann Schneider announced that she was appointed to the California Statewide Commission on Recycling Markets and Curbside Recycling.

ADJOURNMENT

Meeting was adjourned at 9:11 p.m.