California Community Choice Financing Authority (CCCFA)
Board of Directors Meeting
Thursday, August 22, 2024
1:00 P.M.

Via Teleconference at the Following Locations:

- Central Coast Community Energy - 70 Garden Court, Suite 300, Main Conference Room - Monterey, CA 93940
- Ava Community Energy – 1999 Harrison Street, Suite 2300 Oakland, CA 94612
- Clean Power Alliance - 801 S. Grand Ave., Ste. 400. Los Angeles, CA 90017
- Pioneer Community Energy - 2510 Warren Dr., Suite B, Rocklin, CA 95677

Members of the public who wish to observe the meeting may do so at one of the locations listed above or telephonically via the following teleconference call-in number and meeting ID:

For Viewing Access Join the Zoom Meeting:
https://us02web.zoom.us/j/87343304744

Dial-in: (669) 900-6833
Webinar PIN: 873 4330 4744

In compliance with the Brown Act, Directors may participate at one of the meeting locations listed above. In either case, please: 1) post this Agenda at a publicly accessible location at the participation location no later than 72 hours before the beginning of the meeting, and 2) have a speaker phone available for members of the public who wish to attend at your location.

Agenda

1. Call to Order & Roll Call

2. Agenda Update and/or Changes

3. Public Comment
This item is reserved for persons wishing to address the Board of Directors on any CCCFA-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. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker.

4. Consent Calendar (Discussion/Action)
   a. Consider approval of 7/25/24 regular meeting minutes

5. Consider Approval of Resolution No. 2024-5: A Resolution of the Board of Directors of the California Community Choice Financing Authority approving Peninsula Clean Energy Authority as an Associate Member of CCCFA (Discussion/Action)

6. Treasurer/Controller Working Group Project List: The Board will receive an update on the Treasurer/Controller Working Group's current and planned projects (Discussion/Action)

7. Board Member Announcements (Discussion)

8. Adjourn

Next CCCFA Board meeting is scheduled for September 26, 2024 at 1:00 pm

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (510) 906-0491, 72 hours prior to the scheduled meeting to ensure reasonable accommodations are provided.

Materials related to an item on this agenda submitted to the Board of Directors, or a majority of the Board, after distribution of the agenda are available for public inspection at the Clerk's Office, Ava Community Energy (formally East Bay Community Energy),1999 Harrison St. Ste 2300, Oakland CA, 94612, during normal business hours.

Draft Minutes

California Community Choice Financing Authority (CCCFA)
Board of Directors Meeting
Thursday, July 25, 2024
1:00 P.M.

Via Teleconference at the Following Locations:

- Ava Community Energy – 1999 Harrison Street, Suite 2300 Oakland, CA 94612
- Silicon Valley Clean Energy – 333 W. El Camino Real, #330 Sunnyvale, CA 94087
- Clean Power Alliance - 801 S. Grand Ave., Ste. 400. Los Angeles, CA 90017
- Pioneer Community Energy – 2510 Warren Dr., Suite B, Rocklin, CA 95677

Members of the public who wish to observe the meeting may do so at one of the locations listed above or telephonically via the following teleconference call-in number and meeting ID:

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https://us02web.zoom.us/j/87343304744

Dial-in: (669) 900-6833
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Agenda

1. Call to Order & Roll Call

Present

Dwayne Woods – Central Coast Community Energy (CCCE)
Monica Padilla – Silicon Valley Clean Energy (SVCE)
Vicken Kasarjian – Marin Clean Energy (MCE)
Howard Chang – Ava Community Energy (Ava)
Ted Bardacke (Chair) – Clean Power Alliance (CPA)

<u>Staff and Others:</u>
Adrian Bankhead – Board Clerk
David Ruderman – General Counsel
Garth Salisbury –Treasurer/Controller
David McNeil – CFO and Treasurer - Clean Power Alliance and member of the Working Group
Kate Freeman – Strategic Finance Manager - Clean Power Alliance
Amrit Singh – CFO - Silicon Valley Clean Energy and member of the Working Group

Dwayne Woods served as the alternate for Robert Shaw (Central Coast Community Energy).

2. Agenda Update and/or Changes
No updates or changes were made to the agenda.

3. Public Comment
This item is reserved for persons wishing to address the Board of Directors on any CCCFA-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. As with all public comment, members of the public who wish to address the Board are customarily limited to three minutes per speaker.

<u>Chair Bardacke opened the public comment period. There were no comments.</u>

4. Consent Calendar (Discussion/Action)
   a. Consider approval of 6/27/24 meeting minutes

<u>Action: It was M/S/C (Kasarjian/Woods) to approve the Consent Calendar. The motion carried 5/0/0/0/0 (yes/no/abstain/recuse/absent):</u>

<u>Approval of Consent Calendar Vote:</u>
<u>CCCE – Yes</u>
<u>SVCE – Yes</u>
<u>MCE – Yes</u>
<u>CPA – Yes</u>
<u>Ava – Yes</u>

5. Consider Approval of Resolutions 2024-2, 2024-3 and 2024-4 authorizing the issuance of up to three Clean Energy Project Revenue Bonds to finance the acquisition of a long-term supply of electricity for Clean Power Alliance (Discussion/Action):

a. Resolution 2024-2: Resolution of the California Community Choice Financing Authority Authorizing the Issuance of One or More Series of Clean Energy Project Revenue Bonds From Time to Time in an Aggregate Principal Amount Not to Exceed $4,500,000,000 to Finance the Acquisition of Long-Term Supplies of Electricity for Clean Power Alliance of Southern California and Other Matters Relating Thereto.

b. Resolution 2024-3: Resolution of the California Community Choice Financing Authority Authorizing the Issuance of One or More Series of Clean Energy Project Revenue Bonds From Time to Time in an Aggregate Principal Amount Not to Exceed $4,500,000,000 to Finance the Acquisition of Long-Term Supplies of Electricity for Clean Power Alliance of Southern California and Other Matters Relating Thereto.

c. Resolution 2024-4: Resolution of the California Community Choice Financing Authority Authorizing the Issuance of One or More Series of Clean Energy Project Revenue Bonds From Time to Time in an Aggregate Principal Amount Not to Exceed $4,500,000,000 to Finance the Acquisition of Long-Term Supplies of Electricity for Clean Power Alliance of Southern California and Other Matters Relating Thereto.

Chair Bardacke introduced the item, and **David McNeil** and **Kate Freeman** discussed the item.

Member Chang spoke about the total size of the authorization ($4.5 billion) and its potential impact on other CCAs looking to issue prepay bonds. He asked whether approving multiple transactions at once was out of the norm for CCCFA and explored the possibility of market saturation. **David McNeil** responded by explaining that while the total authorization was for $4.5 billion, CPA anticipated the actual issuances to be closer to $3 billion, with each transaction likely around $1 billion.

Member Chang also asked about the depth of the market and potential impacts on other CCAs. This led to a discussion about market dynamics and the informal coordination that had occurred in the past between CCAs when issuing bonds. In response to these concerns, **Member Chang** suggested that the Working Group should develop protocols to manage the flow, volume, and timing of bond issuances.

Member Padilla raised concerns about potential conflicts of interest for board members representing different CCAs. She noted the challenge of balancing the interests of individual CCAs with the responsibilities of being on the CCCFA board and spoke about the need for clear transaction guidelines established in advance.

Member Woods suggested implementing a time limit on the authorization and regular reporting to the board. He expressed concern about the potential for lingering authorizations and spoke about the importance of board oversight.

Member Woods also spoke about the board's ongoing oversight of bond issuances and suggested that there should be a reporting mechanism back to the board on authorizations given. There was a general consensus by the Board that the Working Group should establish a regular reporting cadence to inform the board about completed deals, outstanding authorizations, and market conditions.

Action: Member Padilla motioned to approve the recommendation with the added condition that the authority would be limited to 12 months, and the CCCFA staff will return in 11 months with the recommendation on whether or not to revoke the authorization.
Chair Bardacke offered a friendly amendment that, rather than limit the authority to 12 months, the board would consider in 11 months whether or not to revoke the authority. Member Padilla accepted the friendly amendment, which was seconded by Member Chang. The motion carried 5/0/0/0/0 (yes/no/abstain/recuse/absent):

Approval of Consent Calendar Vote:
CCCE – Yes
SVCE – Yes
MCE – Yes
CPA – Yes
Ava – Yes

6. Draft Outline of CCCFA Membership and New Deal Criteria: The Board will receive an update of proposed membership and new deal criteria (Discussion/Action)

Chair Bardacke introduced the Draft Outline of CCCFA

Membership and new Deal Criteria, and **Garth Salisbury** provided background. **Garth Salisbury** noted that **Member Chang** initiated the process before becoming a board member, the working group collaborated on the draft and **David Ruderman** finalized it.

Member Woods approved of the criteria but requested that the working group consider a risk analysis related to adding more members and bonds.

David McNeil pointed out that item 4B refers to non-existent CCCFA template documents and asked that the board direct their creation.

Chair Bardacke questioned **David Ruderman** about potential antitrust concerns regarding limiting the pool of underwriters and counsel for first transactions. **David Ruderman** explained that as a public agency and issuer, CCCFA can make such determinations without antitrust concerns, especially since the limitation only applies to a member's first transaction.

Action: It was M/S/C (Chang/Woods) to approve the Draft Outline of CCCFA Membership and New Deal Criteria. The motion carried 5/0/0/0/0 (yes/no/abstain/recuse/absent):

Approval of Draft Outline of CCCFA Membership and New Deal Criteria Vote:
CCCE – Yes
SVCE – Yes
MCE – Yes
CPA – Yes
Ava – Yes

7. Working Group Project List: The Board will receive an update on the Treasurer/Controller Working Group's current and planned projects (Discussion/Action)

Chair Bardacke introduced the item. He clarified that it was not meant as an action item but rather an opportunity for board members to ask questions about the working group's list of current and planned projects.

The discussion primarily focused on suggestions for new items to be added to the working group's project list:

1. Referencing the earlier discussion from Item 5, **Member Padilla** suggested adding guidelines or rules for seeking authorities for

prepays. **Chair Bardacke** added that the analysis should focus on the size and cadence of prepay transactions.

2. **Member Kasarjian** requested that the working group consider developing an onboarding process for new individual board members (not new member organizations). **David Ruderman** suggested that he and **Adrian Bankhead**, in consultation with **Garth Salisbury**, could handle this task, as they typically manage the onboarding of new board members.

3. **Garth Salisbury** returned to a previous request for the working group to provide regular updates to the board on completed deals. He suggested this could be done annually or at another agreed-upon cadence, and that the update could provide information such as the number of deals, their sizes, and savings achieved for different CCAs over a given period.

8. Board Member Announcements (Discussion)
There were no Board Member Announcements.

9. Adjourned at 2:32pm.

Next CCCFA Board meeting is scheduled for August 22, 2024 at 1:00 pm

DISABLED ACCOMMODATION: If you are a person with a disability which requires an accommodation, or an alternative format, please contact the Clerk of the Board at (510) 906-0491, 72 hours prior to the scheduled meeting to ensure reasonable accommodations are provided.

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California Community Choice Financing Authority

Staff Report – Item 5

Item 5:	Resolution No. 2024-5: Resolution of the Board of Directors of the California Community Choice Financing Authority (CCCFA) Approving Peninsula Clean Energy Authority as an Associate Member of CCCFA
From:	The CCCFA Treasurer/Controller's Working Group
Date:	8/22/2024
Attachment:	CCCFA Resolution 2024-5;

RECOMMENDATION

The CCCFA Treasurer/Controller's Working Group, consisting of a representative from each of the five-founding member Community Choice Aggregators (CCAs), asks that the Board consider approving Peninsula Clean Energy Authority's request to join CCCFA as an Associate Member.

BACKGROUND

Article III, Section 3.02 of CCCFA's Joint Powers Agreement allows public CCA agencies to join CCCFA as an associate member, subject to approval of a majority of the Directors in attendance at a regular or special meeting. Associate members do not have a seat on the CCCFA Board of Directors or provide a representative to the CCCFA Treasurer/Controller's Working Group. The CCCFA Board adopted a $50,000 new membership fee that must be paid by any new members of CCCFA.

CCCFA's Membership Criteria, adopted by the Board in July 2024, further provides that, to be eligible to become an Associate Member of CCCFA, one must:

1. Comply with all requirements for associate membership under CCCFA's JPA, including:
    a. Be a current CCA that is actively serving load in California as required under the CCCFA JPA.
    b. File a resolution of the applicant's legislative body approving CCCFA's JPA and requesting associate membership.
    c. Receive approval by a majority of CCCFA's Board in attendance as required under the CCCFA JPA.
    d. File an executed counterpart to the CCCFA JPA with the Board clerk.

   e. Pay the new member fee and agree to pay ongoing costs for share of CCCFA planning costs, any prepay transaction fee, or any other future fees agreed upon by the Board.
2. Complete the required onboarding process as detailed by CCCFA (onboarding documents currently being prepared but are not yet completed).

ANALYSIS & DISCUSSION

Peninsula Clean Energy Authority (PCE) is a CCA formed in 2016 that serves San Mateo County, its incorporated cities, and the City of Los Banos. PCE has expressed interest in Associate Membership in CCCFA. The CCCFA Working Group has determined that an additional Associate Member would result in a positive fiscal impact.

CCCFA would receive a fiscal benefit from accepting PCE as a member. As a new member, PCE would help capitalize CCCFA and defray the costs for existing members. PCE would be required to pay a $50,000 new membership fee and will start paying a pro-rata share of the CCCFA General and Administrative expenses for the full year in the year it joins.

Since Associate Members do not have Board representation, adding PCE as an Associate Member is not expected to create significant additional administrative complexity associated with operating CCCFA.

FISCAL IMPACT

CCCFA would receive a $50,000 new membership fee.

RECOMMENDED MOTION

Move to adopt Resolution No. 2024-5 approving PCE as an associate member of CCCFA.

Attachments:

A. Resolution No. 2024-5 Resolution of the Board of Directors of the California Community Choice Financing Authority (CCCFA) Approving Peninsula Clean Energy Authority as an Associate Member of CCCFA
B. Letter Agreement with Peninsula Clean Energy regarding payment of general and administrative expenses, including attached resolution of PCE's Board of Directors regarding CCCFA associate membership
C. CCCFA New Membership Criteria and Prepay Transaction Criteria (approved July 25, 2024)

RESOLUTION NO. 2024-5

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CALIFORNIA COMMUNITY CHOICE FINANCING AUTHORITY APPROVING PENINSULA CLEAN ENERGY AUTHORITY AS AN ASSOCIATE MEMBER OF CCCFA

WHEREAS, the California Community Choice Financing Authority ("CCCFA") is a joint powers authority established on June 25, 2021, and organized under the Joint Exercise of Powers Act, constituting Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code, as amended and supplemented (the "Act");

WHEREAS, CCCFA was established pursuant to a Joint Powers Agreement, as amended from time to time ("CCCFA Joint Powers Agreement");

WHEREAS, CCCFA members include the following community choice aggregators: Ava Community Energy, Central Coast Community Energy, City of San José, Clean Power Alliance, Marin Clean Energy, Pioneer Community Energy, and Silicon Valley Clean Energy;

WHEREAS, Peninsula Clean Energy Authority ("Peninsula Clean Energy" or "PCE") is a community choice aggregator, as defined in Section 331.1 of the Public Utilities Code, and a public agency as defined in Section 6500 of the Government Code, which has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code; and

WHEREAS, Peninsula Clean Energy possesses the power to purchase and sell electric energy, enter into related contracts for such purposes, and is qualified to join membership in CCCFA; and

WHEREAS, on April 25, 2024, Peninsula Clean Energy requested membership in CCCFA; and

WHEREAS, the CCCFA Joint Powers Agreement allows a new member to join as a Founding Member or an Associate Member, subject to approval by the CCCFA Board of Directors; and

WHEREAS, the CCCFA Board of Directors adopted a $50,000 new membership entry fee during the March 11, 2022 CCCFA Board Meeting for a share of organization planning, and other costs and charges ("Membership Fee"); and

WHEREAS, Peninsula Clean Energy requested to join CCCFA as an Associate Member.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of CCCFA as follows:

1. The above recitals are true and correct and incorporated by this reference.

2. Peninsula Clean Energy Authority is hereby approved as an Associate Member of CCCFA.

3. Upon satisfaction of the following conditions, the Secretary is directed to file an executed counterpart of the CCCFA Joint Powers Agreement as an amendment thereto, effective upon such filing. Upon completion of these conditions, Peninsula Clean Energy Authority shall become an Associate Member for all purposes:

   a. Peninsula Clean Energy Authority shall file an executed counterpart of the CCCFA Joint Powers Agreement with the Secretary.

   b. Peninsula Clean Energy Authority shall pay, upon invoice by the Treasurer/Controller, CCCFA's $50,000 Membership Fee.

4. The officers, employees and agents of CCCFA are hereby authorized and directed, jointly and severally, to execute and deliver any and all documents, agreements and instruments and to do any and all things which they may deem necessary or advisable in order to consummate the transaction herein authorized and otherwise to carry out, give effect to and comply with the terms and intent of the CCCFA Joint Powers Agreement and this Resolution.

PASSED AND ADOPTED at a regular meeting of the CCCFA Board of Directors on this 22nd day of August 2024, by the following vote:

	YES	**NO**	**ABSTAIN**	**ABSENT**
Ted Bardacke				
Robert Shaw				
Vicken Kasarjian				
Monica Padilla				
Howard Chang				

____

CHAIR, CCCFA

Attest:

____

SECRETARY, CCCFA

PENINSULA CLEAN ENERGY

August 15, 2024

Please respond to: jstalzer@smcgov.org

Jennifer Stalzer
Associate General Counsel
Peninsula Clean Energy
2075 Woodside Road
Redwood City, California 94061

Via electronic mail

California Community Choice Financing Authority (CCFA)
1125 Tamalpais Avenue
San Rafael, CA 94901
BDias@Orrick.com
druderman@chwlaw.us

Re: Peninsula Clean Energy Application for Membership the California Community Choice Financing Authority ("CCCFA")

Dear CCCFA:

On April 25, 2024 the Peninsula Clean Energy (PCE) Board of Directors reviewed and approved a Resolution authorizing PCE to become an associate member of the California Community Choice Financing Authority ("CCCFA"). The executed resolution is attached hereto as "Exhibit A". The Resolution on the matter was introduced and voted upon. The resolution was approved and executed by the PCE Board Chair and the Clerk of the Board. The Resolution indicates that "PCE must further agree in writing to pay CCCFA a share of organization, planning and other appropriate costs and charges as determined by the Board of CCCFA to be appropriate." In the final paragraph of the resolution, the PCE Board further delegates authority to the Chief Executive Officer, in consultation with PCE's General Counsel, to finalize and execute agreements establishing PCE as a member of the CCCFA. Per Peninsula Clean Energy's Policy 14, entitled "Non-Energy Agreement Signatory and Delegation Policy" attached hereto as "Exhibit B", PCE's CEO is authorized by the PCE Board to execute agreements and direct payment up to $250,000. In conclusion, PCE and its Counsel affirm that PCE agrees to pay CCCFA for its share of organization, planning and other costs and charges as determined by the Board of CCCFA to be appropriate. The CEO is fully authorized by the Board to execute Agreements and pay CCCFA dues as required. We look forward to CCCFA's review of PCE's membership application and participation in CCCFA.

Dated Aug 16, 2024 PENINSULA CLEAN ENERGY AUTHORITY

By Shawn Marshall
boxSIGN 4P85R5W4-17YRLR79

Shawn E. Marshall

CEO, Peninsula Clean Energy

By

Jennifer Stalzer

Assistant General Counsel, Peninsula Clean Energy

EXHIBIT A

RESOLUTION NO. 2024-21

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

APPROVAL OF CONTINUED EVALUATION AND PREPARATION FOR A POSSIBLE PREPAY BOND TRANSACTION, INCLUDING APPROVAL TO JOIN THE CALIFORNIA COMMUNITY CHOICE FINANCE AUTHORITY AND THE ENGAGEMENT OF A FINANCIAL ADVISOR AND PREPAY COUNSEL (ACTION)

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

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

WHEREAS, the use of energy prepayment on a tax advantaged basis enables a meaningful power procurement cost savings opportunity in which PCE can utilize its tax-exempt status to access the municipal bond market to prepay energy supply contracts at a discount rate; and

WHEREAS, long-term power prepay transactions utilize the municipal bond market and as such, require that PCE become a member of a bond issuing entity in order to participate; and

WHEREAS, the California Community Choice Financing Authority ("CCCFA") is a joint exercise of powers agency established under California Government Code section 6500 et seq. (the "JPA Law") and a Joint Powers Agreement (the "CCCFA Joint Powers Agreement") among various CCAs for the purpose of undertaking the financing and refinancing of energy prepayments that can be financed with tax advantaged bonds on behalf of one or more of its members by, among other things, issuing or incurring bonds and entering into related contracts; and

WHEREAS, PCE is a community choice aggregator, as such term is defined in Section 331.1 of the Public Utilities Code of the State of California (the "Public Utilities Code"), that is also a public agency, as such term is defined in the JPA Law, which has implemented a CCA program pursuant to Section 366.2 of the Public Utilities Code, and possesses the power to purchase and sell electric energy and enter into related contracts for such purposes and, therefore, PCE is eligible to become a member of CCCFA pursuant to the terms of the CCCFA Joint Powers Agreement; and

WHEREAS, for CCCFA to finance or refinance energy prepayments and issue bonds on behalf of PCE, PCE must become a member of CCCFA; and

WHEREAS, PCE has determined that CCCFA is the best-fit least-cost option to serve as a bond issuing entity to enable PCE to participate in one or more energy prepayment transactions and therefore PCE desires to become an associate member of CCCFA; and

WHEREAS, to become an associate member of CCCFA, this Board must file an executed counterpart of the CCCFA Joint Powers Agreement with CCCFA, together with a copy of the resolution of the Board of Directors of PCE approving the CCCFA Joint Powers Agreement and the execution and delivery hereof, and requesting to be added as an associate member of CCCFA and PCE must further agree in writing to pay CCCFA a share of organization, planning and other costs and charges as determined by the Board of CCCFA to be appropriate, if any; and

WHEREAS, on March 11, 2022, the CCCFA Board established a membership entry fee of $50,000 for a new associate member's portion of organization, planning, and other costs, in addition to each member's equal share of general and administrative costs as determined by the CCCFA Board; and

WHEREAS, on December 16, 2022, the CCCFA Board established a transaction fee of $20,000 to cover the "Prepayment Project" costs as defined in Section 1.11 of the CCCFA Joint Powers Agreement; and

WHEREAS, under the JPA Law and the CCCFA Joint Powers Agreement, CCCFA is a public entity separate and apart from the parties to the CCCFA Joint Powers Agreement, and the debts, liabilities, and obligations of the CCCFA will not constitute debts, liabilities, or obligations of the PCE; and

WHEREAS, in addition to membership in CCCFA, PCE must engage a Municipal Financial Advisor and engage specialized prepayment legal counsel to advise on and help prepare for an energy prepay transaction; and

WHEREAS, after research and conducting an interview process, PCE has selected PFM Financial Advisors LLP as Financial Advisor and Chapman and Cutler LLP as Prepay Counsel; and

WHEREAS, PCE seeks the Board's approval of agreements with PFM Financial Advisors LLP for financial advice services associated with a possible prepay transaction in an amount not to exceed $350,000; and

WHEREAS, PCE also seeks the Board's approval for an agreement with Chapman and Cutler LLP for legal services associated with a possible prepay transaction in an amount not to exceed $250,000;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the Board of Directors hereby authorizes Peninsula Clean Energy's continued evaluation and preparation for a possible prepay transaction and in aid of such delegates authority to the Chief Executive Officer, in consultation with PCE's General Counsel, to finalize and execute agreements establishing PCE as a member of the CCCFA, with PFM Financial Advisors LLP in an amount not to exceed $350,000, and with Chapman and Cutler LLP in an amount not to exceed $250,000.

RESOLUTION NUMBER: 2024-21

INTRODUCED AND PASSED: April 25, 2024

AYES:

Dave Pine, San Mateo County
Ray Mueller, San Mateo County
Rick DeGolia, Atherton
Tom McCune, Belmont
Coleen Mackin, Brisbane
Donna Colson, Burlingame
Sam Hindi, Foster City
Harvey Rarback, Half Moon Bay
Leslie Ragsdale, Hillsborough
Paul Llanez, Los Banos
Betsy Nash, Menlo Park
Ann Schneider, Millbrae
Tygarjas Bigstyck, Pacifica
Jeff Aalfs, Portola Valley
Elmer Martinez Saballos, Redwood City
Marty Medina, San Bruno
Amourence Lee, San Mateo
James Coleman, South San Francisco
Ned Fluet, Woodside

NOES:

ABSENT:

Dave Pine, San Mateo County
Ken Gonzalez, Colma
Roderick Daus-Magbual, Daly City
Carlos Romero, East Palo Alto
John Dugan, San Carlos

ABSTENTIONS:

ATTEST:

Nelly Wogberg

box SIGN 4Q2PX8V1 4KYYKKR5

Board Clerk

APPROVED:

box SIGN 1XVW7W86-4KYYKKR5

Board Chair
Peninsula Clean Energy

EXHIBIT B

Policy Number: 14
Board Adoption: November 16, 2017
Revised: January 24, 2019
Revised: January 26, 2023
Revised: August 24, 2023
Revised: June 27, 2024

Non-Energy Agreement Signatory and Delegation Policy

Overview and Purpose

Peninsula Clean Energy (PCE) is committed to effective and efficient management of its operations and finances. The purpose of this policy is to:

- Establish the principles that govern the delegation of non-energy contracting and financial commitment authority.
- Support accountability and efficiency in non-energy contracting
- Approval of expenses and disbursement authority is outlined in PCE Operating Rules and Regulations Policy 17, “Disbursement and Invoice Approval Authority”

1. Responsible Parties

The Chief Executive Officer, Chief Operating Officer and Chief Financial Officer are responsible for ensuring that uniform policies and procedures are followed for delegating and implementing approval authorities.

2. General Policy Guidelines

The cumulative amount of contracts and financial authority is limited by approved budgets. Approval from the Board of Directors for all financial commitments is required in order to exceed a budgeted amount as directed by PCE’s Joint Powers Agreement, Section 5.2.3.

3. Scope

3.1 This policy applies to all the employees of Peninsula Clean Energy.

3.2 This policy is for staff only and does not cover the Board of Directors’ powers and responsibilities, which are detailed in PCE’s Joint Powers Agreement.

4. Policy Details

4.1 The Chief Executive Officer, the Chief Operating Officer, or the Chief Financial officer may approve and enter into any contract agreement if the total amount payable under the agreement is less than $250,000 in any fiscal year, as stated in the PCE Joint Powers Agreement, section 3.4, except for the specific approval authority granted in PCE Operating Rules and Regulations Policy 15 “Energy Supply Procurement Authority”,, and the approval amount is included in the Board-approved budget for the current fiscal year.

4.2 In the absence of the Chief Executive Officer, with written approval delegating their authority by the CEO or the Board Chair, the Chief Financial Officer (CFO) and/or the

Chief Operating Officer (COO), may execute the delegated non-energy agreement as approved by the Board of Directors.

4.3 Upon request by the Board of Directors, The Chief Financial Officer will prepare a written monthly report for the Chief Executive Officer and Chief Operating Officer that lists all contract agreements approved that month.

CCCFA Membership Criteria

To be eligible to become an Associate Member of CCCFA, one must:

1. Comply with all requirements for associate membership under CCCFA's JPA, including:
   a. Be a current CCA that is actively serving load in California as required under the CCCFA JPA.
   b. File a resolution of the applicant's legislative body approving CCCFA's JPA and requesting associate membership.[1]
   c. Receive approval by a majority of CCCFA's Board in attendance as required under the CCCFA JPA.
   d. File an executed counterpart to the CCCFA JPA with the Board clerk.
   e. Pay the new member fee and agree to pay ongoing costs for share of CCCFA planning costs, any prepay transaction fee, or any other future fees agreed upon by the Board.
2. Complete the required onboarding process as detailed by CCCFA.[2]

To be eligible to become a Founding Member of CCCFA, one must:

1. Be an Associate Member of CCCFA.
2. Comply with all requirements for founding membership under CCCFA's JPA, including:
   a. File a resolution of the applicant's legislative body approving CCCFA's JPA and requesting founding membership.
   b. Receive approval of two-thirds of the entire CCCFA board as stated in JPA.
   c. File an executed counterpart to the CCCFA JPA with the Board clerk.
   d. Pay the new member fee (if 3.b below applies) and agree to pay ongoing costs for share of CCCFA planning costs, any prepay transaction fee, or any other future fees agreed upon by the Board.
3. Have either:
   a. received energy deliveries through a CCCFA prepay transaction for a minimum of one year, or

[1] CCCFA recommends use of its model resolution for applicants.

[2] Onboarding documents currently being prepared under contract with Chapman and Cutler.

   b. employ a Director/Manager-level staff member with at least one year's direct oversight of prepay issuances and prepay operations while employed by a Founding Member CCA.

4. Be in good standing in all compliance related obligations related to the energy prepay transaction, including but not limited to ongoing disclosures, arbitrage rebate reporting and payments, eligible energy deliveries and/or remediation.

5. Designate a CCA full-time employee (at Director/Manager level or above) to serve in the CCCFA Treasurer/Controller working group as an active participant for one year and commit to continued future contributions in the working group.

6. Be current on all CCCFA associated fees and other energy prepay related fees and payments.

7. Must comply with any other transactional requirements as set forth and required by CCCFA.

CCCFA Prepay Transaction Criteria

To be eligible to for approval of a member's first prepay issuance through CCCFA, a member must:

1. Use an underwriter that has previously executed an electricity prepay issuance for a CCA in California
2. Utilize legal counsel to provide advice related to several issues, including but not limited to bonds, tax, disclosures, energy prepay buyer, and energy procurement. Tax counsel, disclosure counsel, and energy prepay buyer counsel must have prior experience with electricity prepay transactions. All legal counsel must be licensed to practice law in California.
3. Employ the services of an MSRB-accredited Municipal Financial Advisor that has previously advised on electricity prepay issuance in California.
4. Prepare the following materials for Board consideration:
    a. Staff report that summarizes the transaction in addition to the documents the Board must approve.
    b. Redlines of changes to template prepay documents provided by CCCFA to identify significant changes for Board.
5. Receive approval by a majority of CCCFA's Board in attendance as required under the CCCFA JPA.
6. Pay the transaction fee or any other future fees agreed upon by the Board.
7. Comply with all applicable legal requirements before debt issuance and maintain such compliance throughout the life of the prepay transaction.

To be eligible for approval of a member's second or any subsequent prepay issuance through CCCFA, a member must:

1. Utilize legal counsel to provide advice related to several issues, including but not limited to bonds, tax, disclosures, energy prepay buyer, and energy procurement. All legal counsel must be licensed to practice law in California.
2. Employ the services of an MSRB-accredited Municipal Financial Advisor.
3. Comply with requirements 4 through 7 appliable to approval of a member's first prepay issuance through CCCFA.

California Community Choice Financing Authority

Staff Report – Item 6

Item 6: CCCFA Treasurer/Controller's Working Group Project List Report

From: Garth Salisbury, Treasurer/Controller
David J. Ruderman, General Counsel

Date: 8/22/2024

1. New Business

a. Peninsula Clean Energy seeking associate membership at August Board meeting and new transaction approval in September

b. Move 10/14 Working Group meeting to 10/15? 10/14 is Indigenous People's Day (Ava closed)

c. Follow-up discussion on new member criteria re credit rating minimum and savings percentage

d. The Board suggested the WG consider adding guidelines or rules for seeking authority for prepays. Analysis should focus on the size and cadence of prepay transactions.

e. Establishing a set of template prepay documents against which new transaction documents can be compared.

2. Old Business

a. New member/transaction criteria—Adopted by Board at July meeting.

b. CCCFA time and task assessment (McNeil)
   i. Adrian circulated draft share doc to identify all activities undertaken by Treasurer/Controller and WG—Ruderman to add McNeil's suggestions and all others to add going forward.
   ii. Once we have a list we can ensure the work is spread equitably across WG members and hire outside help as needed.
   iii. The Board will find this document useful.
   iv. The result will inform the amount of funding needed from new deals and/or new members

c. CCA prepay savings measurement (McNeil)

i. WG is researching a "best practice" methodology to measure and compare savings on different prepay transactions on an apples-to-apples basis.

ii. Table for the time being?

d. New Member On-Boarding Packet (Salisbury)

i. Doug Bird under contract with CCCFA to prepare on-boarding packet. Work remains in process.

e. Insurance (McNeil)

i. Renew insurance policy and explore additional insurance product options other than D&O, e.g., cyber, etc.

f. Garth to speak to Valley Clean Energy about membership.

g. Board Agenda Planning

i. August 22:

(1) Peninsula Clean Energy membership?

(2) Any others?

3. Information/Tracking List

a. Change to annual remediation/true-up of "bad sales" for Morgan Stanley deals—SVCE and Ava—Amendments completed. No action required (Salisbury)

b. San Jose Clean Energy associate membership—executed JPA, still waiting for new member payment. (Salisbury)

c. Petition for Declaratory Order filed with FERC by Energy Southeast, and Southeast Energy Authority denied. (Ruderman)

d. Distribution list protocol and consistency (Zellers?)

i. Bankhead to follow-up on a few outstanding deals and work with IT (Jelar) to update

e. CCCFA Website Updates (Bankhead/Lamb Consulting)

f. Preparation of records and email retention policy (Ruderman)

i. Work in progress to prepare draft for WG consideration

g. Treasurer/Controller increased CCA staff reimbursement rate for work done on behalf of CCCFA from $119/hr to $150/hr.

BOARD OPTIONS

Board discretion.

FISCAL IMPACT

N/A

RECOMMENDED MOTION

None. Information only.