

**AMENDMENT TO AGREEMENT
BETWEEN THE COUNTY OF SAN MATEO AND
PACIFIC ENERGY ADVISORS, INC.**

THIS AMENDMENT TO THE AGREEMENT, entered into this fifteenth day of December, 2015, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and Pacific Energy Advisors, Inc., hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, the parties entered into an Agreement for the purpose of providing consulting services to prepare a technical study on Community Choice Aggregation on May 19, 2015; and

WHEREAS, the parties wish to amend the Agreement to provide additional technical consulting services for Phase 2 of the Peninsula Clean Energy Program in San Mateo County, extending the term through December 31, 2016, and increasing the agreement amount by \$265,000 from \$175,000 to \$440,000 for a new not to exceed amount of \$440,000.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Section 1. Exhibits and Attachments of the agreement is amended to read as follows:

Exhibit A1 – Additional Services
Exhibit B – Revised (12/15/15)

2. Section 2. Services to be performed by Contractor is amended to read as follows:

In consideration of the payments set forth herein and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions, and specifications set forth herein and in Exhibits A and A1.

3. Section 3. Payments is amended to read as follows:

In consideration of the services provided by Contractor in accordance with all terms, condition, and specifications set forth herein and in Exhibits A and A1, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. County reserves the right to withhold payment if the quantity or quality of the work

performed by contractor is inconsistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. However, County shall not unreasonably withhold any contractor payment, and County shall be responsible for communicating in writing the basis for any withheld payment. In no event shall County's total fiscal obligation under this Amended Agreement exceed four hundred forty thousand dollars (\$440,000).

4. Section 4. Term and Termination is amended to read as follows:

Subject to compliance with all terms and conditions, the term of this Amended Agreement shall be December 15, 2015 through December 31, 2016.

All other terms and conditions of Section 4. Term and Termination between the County and Contractor shall remain in full force and effect.

5. All other terms and conditions of the agreement dated May 19, 2015, between the County and Contractor shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives,
have affixed their hands.

COUNTY OF SAN MATEO

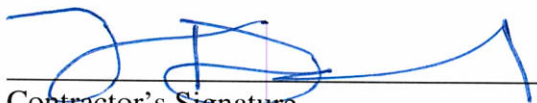
By: _____
President, Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

Pacific Energy Advisors, Inc.

 _____ VICE PRESIDENT, PEA
Contractor's Signature

Date: December 3, 2015

Exhibit A1
Additional Services

In consideration of the payments set forth in Exhibit B (Revised December 15, 2015) Contractor shall provide the following services:

Goal

Contractor will provide consulting and technical services in the following areas during Peninsula Clean Energy's (PCE) implementation, which is anticipated to conclude with the commencement of PCE service in the Fall of 2016.

Implementation Plan

Background

As specified in the California Public Utilities Code (Section 366.2.(c)(3)), the Community Choice Aggregation Implementation Plan and Statement of Intent is a prerequisite of CCA/CCE formation, which will describe key elements of the PCE program including:

- An organizational structure of the program, its operations, and its funding;
- Rate setting and other costs to participants;
- Provisions for disclosure and due process in setting rates and allocating costs among participants;
- The methods for entering and terminating agreements with other entities;
- The rights and responsibilities of program participants, including, but not limited to, consumer protection procedures, credit issues, and shutoff procedures;
- Termination of the program; and
- A description of the third parties that will be supplying electricity under the program, including, but not limited to, information about financial, technical, and operational capabilities.

Tasks

Contractor shall develop and complete the following key tasks in collaboration with county staff to assist PCE in preparing a statutorily responsive plan:

- Facilitate discussion(s) with PCE leadership to develop key elements of the Plan, including but not limited to retail product offerings (e.g., default product mix and voluntary green pricing option), customer phase-in and rate-related considerations;
- Develop and maintain an operating pro forma and cash flow financial model related to PCE operations;
- Prepare draft Implementation Plan document for PCE;
- Coordinate with designated staff of the California Public Utilities Commission ("CPUC") regarding any questions/comments that may arise in relation to the PCE Implementation Plan; assist PCE in addressing such inquiries; and
- Monitor CPUC certification process to ensure timely review.

The estimated budget for the Implementation Plan task is \$60,000.

Supplier Selection and Contracting

Background

Prior to serving customers, PCE will need to secure requisite energy products and services, including shaped energy (i.e., a quantity of energy delivered by the supplier(s) according to an agreed upon schedule/shape), resource adequacy capacity (i.e., reserve capacity required to meet mandatory compliance obligations for CCEs and other load serving entities), renewable energy, carbon-free energy, scheduling coordinator services (which will be required to facilitate PCE participation in California's wholesale energy market) and data management services (which will be required to facilitate PCE customer service support, billing, data management and reporting among other important functions). For California's operating CCE programs, such energy products and services have typically been procured via competitive solicitation processes, which have resulted in the identification of highly qualified product and service providers at prevailing market prices. The Contractor has direct experience in assisting each operating CCE program with such solicitation processes and related contract negotiations, successfully securing necessary energy products and services for each CCE program.

Tasks

Contractor shall develop and complete the following key tasks in collaboration with county staff related to supplier selection and related contracting:

- Develop a detailed load forecast utilizing 2014 PG&E Item 16 customer information for all participating PCE jurisdictions;
- Determine desired energy and capacity quantities, which would support the successful launch of PCE's first customer phase, including anticipated participation in PCE's default and voluntary (100% renewable, as anticipated) retail service options;
- Prepare draft solicitation materials, including a Request for Proposals/Offers document and related bid workbooks (which will provide an organized, uniform framework for bidder responses), to support the procurement of necessary energy and capacity products as well as scheduling coordinator services;
- Prepare draft solicitation materials, including a Request for Proposals/Offers document and related bid workbooks to support the procurement of necessary data management services;
- Assist PCE in developing and finalizing form transaction documents for desired products and services;
- Evaluate offers received by PCE in response to the aforementioned solicitation processes and assist PCE in selecting the preferred supplier(s) of such products and services;
- In conjunction with PCE's selected legal counsel, support contract negotiation for desired products and services;
 - Note: Contractor recommends that PCE retain the services of qualified legal counsel to support pertinent contract negotiations; the provision of such services is not included in the following budget estimate.

- Support “go/no-go” decision to launch PCE’s first customer phase based on final power supply prices and then-current PG&E retail electric rates; and
- Perform necessary coordinative activities with PCE’s selected supplier(s) during startup.

The estimated budget for the Supplier Selection and Contracting task is \$75,000.

Startup Funding

Background

Based on PCE’s recently completed Technical Study, it is anticipated that various startup costs will be incurred prior to service commencement. Because PCE will not be receiving customer revenues during this startup period, it will be necessary to self-finance related expenses and/or secure third-party financing (via loan or access to a sufficient line of credit) to support a successful launch. Contractor has assisted certain operating CCEs with such efforts, providing insight regarding expected financial performance and general operations during meetings with prospective financiers. Contractor has deep experience with California aggregation programs has been effective in addressing various questions and concerns during such financing discussions.

Tasks

To support PCE’s startup funding discussions, Contractor will complete the following activities:

- Quantify PCE’s initial financing requirements based on the selected customer phase-in schedule and other parameters; and
- Support negotiations with prospective financiers (for bank loans or other funding sources).

The estimated budget for the Startup Funding task is \$10,000.

Program Development

Background

Contractor understands that PCE intends to offer certain complementary programs that would be designed to support local distributed renewable infrastructure buildout, including customer-sited renewable generation (i.e., behind-the-meter rooftop solar, which would be installed for the primary purpose of reducing a customer’s reliance on off-site energy sources) and smaller-scale wholesale renewable generators, which would supplement PCE’s other wholesale supply sources. Both Marin Clean Energy (MCE) and Sonoma Clean Power (SCP) have been successful in developing and administering such programs, supporting expedited buildout of clean energy sources within the respective service territories of each program, and the contractor has been instrumental

in working with these programs during the design of related tariffs and program descriptions.

Tasks

To promote the successful development and administration of PCE's desired complementary energy programs, which are expected to include a Net Energy Metering ("NEM") and Feed-In Tariff ("FIT") offering, Contractor will complete the following activities:

- Prepare a draft NEM tariff, including applicable tariff language and sample customer impact analyses;
- Prepare a draft FIT, including applicable project eligibility criteria, pricing schedules and an appropriate power purchase agreement (which will be developed in conjunction with PCE's designated power contracting counsel);
- Coordinate with PCE's selected data management services provider to ensure the effective implementation of NEM rates and related bill calculations; and
- Coordinate with PCE's selected Qualified Reporting Entity to ensure that energy production from FIT projects is appropriately communicated to and tracked within the Western Renewable Energy Generation Information System ("WREGIS").

The estimated budget for the Program Development task is \$20,000.

Regulatory Registrations and Compliance Systems

Background

As a Load Serving Entity ("LSE") within the state of California, PCE will be required to comply with a variety of regulations, including participation in certain reporting programs administered by the CPUC and California Energy Commission ("CEC"). While certain of these reporting programs will not be applicable until PCE's second year of operation, other programs will require attention prior to service commencement or shortly thereafter. In particular, PCE's annual electric load forecast (as it relates to PCE's future reserve capacity, also known as "resource adequacy," compliance obligations), WREGIS account registration, preparation of joint cost comparisons (a customer communication requirement created by SB 790) and preliminary power source disclosures will all require pre-launch completion.

Tasks

To ensure that PCE will be compliant with these requirements, Contractor shall complete the following activities:

- Prepare a regulatory compliance calendar and reporting matrix to ensure that PCE has a thorough understanding of currently applicable technical reporting requirements and related submittal deadlines;
- Prepare load forecast and related filings to ensure compliance with California's resource adequacy program;

- Assist PCE in completing requisite registration materials to become a WREGIS account holder – a WREGIS account will be necessary to track and report on PCE's renewable energy purchases for purposes of complying with California's Renewables Portfolio Standard program and substantiating procurement of renewable energy, generally speaking;
- Assist PCE in becoming a candidate Congestion Revenue Rights ("CRR") holder with the California Independent System Operator ("CAISO") – CRRs may help mitigate certain financial risks associated with energy delivery within the CAISO market; and
- Assist PCE in preparing requisite customer cost comparisons, which indicate the cost comparative cost impact of taking service with PCE relative to PG&E, and prospective power source disclosures.

The estimated budget for the Regulatory Registrations and Compliance Systems task is \$20,000.

Rate Setting

Background

Establishing PCE's initial customer rates will be a key task during the pre-startup phase. Such rates will be established in consideration of PG&E's then-effective rates schedules under which prospective PCE customers currently receive electric service. Contractor has considerable experience in CCE rate setting activities, having supported all of California's operating CCE in this important endeavor. Effective rate setting will ensure that PCE is able to fulfill its financial obligations while remaining competitive with the incumbent utility.

Tasks

Contractor shall develop and complete the following work items:

- Develop preliminary and final revenue requirements for PCE's first year of program operation;
- Prepare preliminary and final PCE rate schedules; and
- Prepare PCE/PG&E cost comparisons to ensure an understanding of anticipated customer cost impacts.

The estimated budget for the Rate Setting task is \$50,000.

General Implementation Support

Background

During PCE's startup phase, there may be a need for technical support with regard to a variety of implementation activities. Contractor has provided such support on an as-

needed basis to California's other CCE programs, ensuring that sufficient expertise is available to address a broad range of potential needs.

Tasks

Contractor's general support may include, but is not limited to the following:

- Coordination with staff, suppliers and other contractors to ensure effective PCE launch;
- Prepare for and participate in PCE Board meetings, providing technical support during key discussions and decision making; PCE would be available to assist PCE staff in preparing meeting materials and presenting such materials at meetings;
- Coordination with pertinent jurisdictional regulatory agencies: to the extent that jurisdictional regulatory agencies have questions regarding applicable reports/submittals and/or general questions regarding PCE operations, PCE would be available to address such inquiries and/or participate in related meetings or teleconferences;
- Coordination with key customers: PCE would be available to participate in discussions/meetings with key customer accounts, providing technical expertise related to rates, resource planning, power supply and anticipated environmental impacts; and
- General as-needed advisory services.

The estimated budget for the General Implementation Support task is \$30,000.

Exhibit B
(Revised 12/15/15)

In consideration of the services provided by Contractor in Exhibits A and A1, and subject to the terms of the Agreement, County shall pay Contractor based on the following fee schedule and terms:

Payment: In performance of this work, the County shall reimburse the Contractor for actual time spent in completion of the Scope of Services, as specified in Exhibits A and A1, in consideration of the Contractor's professional services rate schedule:

Contractor's Rate Schedule

Staff	Hourly Rate
John Dalessi	\$295
Kirby Dusel	\$250
Brian Goldstein	\$205

All time shall be billed to County by Contractor in one-quarter hour increments in an amount not to exceed \$440,000. Contractor shall invoice County for all services rendered on a monthly basis, and County shall pay Contractor within thirty (30) days of invoice receipt. Source documentation supporting billed costs must be submitted with invoice. Any additional work will require a separate Agreement signed by both parties.

Contractor shall be reimbursed for all expenses incurred in the performance of the scope of services identified in Exhibits A and A1.