



COUNTY OF SAN MATEO



Date: June 15, 2016

Board Meeting Date: June 21, 2016

Special Notice / Hearing: Yes

Vote Required: Majority

To: Honorable Board of Supervisors

From: Peninsula Clean Energy Authority

Subject: Public Hearing and Resolution Finding “Significant Public Benefits” regarding Peninsula Clean Energy Program

RECOMMENDATION:

Conduct a public hearing regarding the proposed financing of the Peninsula Clean Energy Program and adopt a Resolution making certain findings of “significant public benefits” in connection with proposed financing of the Peninsula Clean Energy Program by the Peninsula Clean Energy Authority

BACKGROUND:

The Peninsula Clean Energy Authority (“PCEA”) was formed on February 29, 2016, by all the cities in the County of San Mateo, as well as the County itself, to administer a community choice aggregation program in San Mateo County. In order to fund certain of its initial costs, PCEA has negotiated a loan from Barclays Bank PLC (“Barclays”) for an amount not to exceed \$12 million, and has requested a loan from the County for \$6 million, which will serve to secure the loan from Barclays (collectively, the “Loans”). The Loans are expected to be presented for PCEA’s Board approval on June 23, 2016.

DISCUSSION:

The proceeds of the Loans are expected to be applied for purposes consistent with the community choice aggregation program established pursuant to California Public Utilities Code Section 366.2, including for the financing of purchased power costs and working capital relating to PCEA’s Clean Energy Program.

Under Government Code section 6586.5(a)(2), the Board of PCEA may not approve the incurrence of the Loans until the County Board of Supervisors has held a public hearing, and upon conclusion of such hearing, made a finding of “significant public benefit” of the Loans to the Authority. For the purposes of this Section of the Government Code, “significant public benefits” means any of the following benefits to the citizens of the County:

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- (a) Demonstrable savings in effective interest rate, bond preparation, bond underwriting, or bond issuance costs.
 - (b) Significant reductions in effective user charges levied by a local agency.
 - (c) Employment benefits from undertaking the project in a timely fashion.
 - (d) More efficient delivery of local agency services to residential and commercial development.

It is anticipated the PCEA will deliver cleaner, more renewable energy at competitive prices as compared to the incumbent utility. The Board of PCEA requests that the County Board of Supervisors affirm that the Loans will result in “significant public benefits” to residents of the County by financing the Clean Energy Program, resulting in demonstrable savings in effective interest costs, and the significant reduction of the cost of, and the more efficient delivery of, clean energy to its inhabitants.

County staff has ensured that notice of the public hearing was published once at least five days prior to the hearing in a newspaper of general circulation in the County in accordance with the requirements of section 6586.5.

Approval of this resolution contributes to the Shared Vision 2025 outcome of a Collaborative Community by promoting efficient financing and the delivery of clean energy.

FISCAL IMPACT:

Adoption by the Board of the Resolution will have no fiscal impact to the County.