



**SILICON VALLEY
CLEAN ENERGY**

Board of Directors Meeting

June 8, 2016

Guiding Policies

- 1) Program roll out
- 2) Electric generation rates
- 3) Working capital requirement, level & source
- 4) Reserves and start-up cost repayment
- 5) Power resource preference



Program Roll Out

Phase	Composition	Date	Accounts	Annual Energy
Phase 1	20% of residential All small and medium commercial	April 2017	37,600 residential 18,700 non-residential	1,100 GWh
Phase 2	35% of residential All large commercial and industrial	July 2017	65,900 residential 1,045 non-residential	1,750 GWh
Phase 3	45% of residential All agricultural, street lighting and other	October 2017	84,600 residential 2,190 non-residential	595 GWh



Alternative Roll Out Scenarios

Earlier Start

- Unknown PG&E rates
- Winter negative cash flow

Longer roll out

- Different messaging
- Regulatory risks



Rate Setting

Objectives

- For Customers: Competitive & steady
- For SVCEA: Financial stability
- For the Community: Maximize GHG free supply

Alternative Rate Setting Scenarios

- Follow conventional approach
- Offer higher discount
- Offer shorter certainty



Working Capital

- Set at 4 weeks of operating expenses
- Seek voluntary members funding
- Seek bank funding
- Supplier funded



Revenue Allocation to Reserves

- Hold 5% of operating revenue

- *Pay back initial funding of \$2.7 million in 4 years*
- *Pay back working capital of \$20 million + interest in 5 years*
- *Rate stabilization fund*



Supply Portfolio Mix

- Meet legislative mandate
- Maximize reduction of GHG
- Fund local renewable projects



Thank you



**SILICON VALLEY
CLEAN ENERGY**

Board of Directors Meeting | June 8, 2016

| 9