



Road Map SVCE 2.0

SVCE Board of Directors Meeting
June 14, 2017



Key Policies

THEN

- Customer Phase-in
- Power Supply Mix
- Product Offering
- Rates
- Reserve Policy
- Funding Program Startup Cost



SILICON VALLEY
CLEAN ENERGY

Funding Program Implementation

THEN

Seek funding from members, loan or line of credit and pay slightly higher interest rate to avoid guarantee or collaterals

NOW

River City Bank offered a Revolving Line of Credit (RLOC) for \$18m with no guarantee and a small Non-Revolving Line Of Credit (NRLOC) for \$2m

Rates



THEN

- Set at 1% below PG&E's Jan. 1, 2017 for CY 2017-18
- Conduct cost of service study in 2018 and set rates accordingly

NOW

- Adjust rates effective Jan. 1, 2018 to maintain a 1% competitive advantage
- Set rates at 2% below PG&E starting in 2019 and adjust annually to maintain the same competitive advantage
- Return any surplus to customers at the end of fiscal year as a dividend

Power Supply Mix

THEN

50% Carbon Free
25% Type 1 Renewable
25% Type 2 Renewable

NOW

xx% Type 1 Renewable
xx% Carbon Free
100% Carbon Free



Product Offering

THEN

GreenStart

50% hydro, 25% PCC1 and 25% PCC2

GreenPrime

50% PCC1 and 50% PCC2



GreenStart

NOW

GreenStart and **GreenPrime** = 100% Carbon Free

GreenStart

PCC1 = RPS Requirement

Hydro = Remaining %

GreenPrime

California PCC1 & Hydro



GreenPrime

Reserves

THEN

5% of revenue to cover reserves and pay debt to cities

INTERMEDIATE

Sweep all surplus in 2017 and 2018 into reserves

NOW

Set reserves at 25/50/75 percent of operating expenses, sweep 80% of surplus into reserves in CY2017-18 and 20% of the following years until 50% target is met

Conclusion

Hold to the principle: To reach regional decarbonization at the least cost while supporting grid reliability;

Adjust roadmap if and when necessary.

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Thank you