



# 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.





**Thank you**