Silicon Valley Clean Energy Authority
Board of Directors Meeting
Wednesday, October 11, 2017
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.

Consent Calendar (Action)

1a) Approve Minutes of the September 13, 2017, Board of Directors Meeting

1b) Approve Invitation Letter to the City of Milpitas

1c) August 2017 Treasurer Report

1d) Confirm Interim SVCE Standby (S) Rate

Regular Calendar

2) Executive Committee Report (Discussion)

3) CEO Report (Discussion)

4) Approve Change of November SVCE Board of Directors Meeting (Action)

5) Amend Motion for Customer Programs Advisory Group Formation (Action)

6) SVCE Member Agency Working Group (Discussion)

Board Member Announcements and Direction on Future Agenda Items

Adjourn
Call to Order

Chair Rennie called the meeting to order at 7:00 p.m.

Roll Call

Present:
Chair Rob Rennie, Town of Los Gatos
Director Courtenay C. Corrigan, Town of Los Altos Hills (arrived 7:10 p.m.)
Alternate Director Anthony Eulo, City of Morgan Hill
Director Jim Griffith, City of Sunnyvale
Director Howard Miller, City of Saratoga
Director Rod Sinks, City of Cupertino
Director Liz Gibbons, City of Campbell
Director Jeannie Bruins, City of Los Altos (arrived at 7:01 p.m.)
Director Burton Craig, City of Monte Sereno

Absent:
Vice Chair Daniel Harney, City of Gilroy
Director Margaret Abe-Koga, City of Mountain View
Director Dave Cortese, County of Santa Clara

Public Comment on Matters Not Listed on the Agenda

Chair Rennie opened public comment.
No speakers.
Chair Rennie closed public comment.

Consent Calendar

Director Griffith requested to pull Item 1c and Alternate Director Eulo requested to pull Item 1f.

Director Bruins arrived at 7:01 p.m.

Chair Rennie opened public comment.
No speakers.
Chair Rennie closed public comment.
MOTION: Director Miller moved and Director Sinks seconded the motion to approve the Consent Calendar with the exception of Items 1c and 1f.

The motion carried unanimously with Vice Chair Harney, and Directors Corrigan, Abe-Koga, and Cortese absent).

1a) Approve Minutes of the August 9, 2017, Board of Directors Meeting
1b) Approve Revisions to SVCE Information Technology Policies
1d) Authorize CEO to Approve Confirmation Agreements with Calpine Energy Services, L.P. to Acquire Resource Adequacy Capacity
1e) July 2017 Treasurer Report

1c) Authorize CEO to Draft Invitation Letter to the City of Milpitas
Interim CEO Don Eckert provided information and responded to Board questions.

Chair Rennie opened public comment.
No speakers.
Chair Rennie closed public comment.

MOTION: Director Griffith moved and Director Sinks seconded the motion to authorize CEO to Draft Invitation Letter to the City of Milpitas.

The motion carried unanimously with Vice Chair Harney, and Directors Corrigan, Abe-Koga, and Cortese absent.

1f) Approve Budget Transfer Policy
Interim CEO Eckert provided information and responded to Board’s questions.

Chair Rennie opened public comment.
No speakers.
Chair Rennie closed public comment.

MOTION: Alternate Director Eulo moved and Director Sinks seconded the motion to approve the budget transfer policy as recommended with the exception of parameter 3 with no more than 2% of the amount budgeted for power supply line item may be transferred to another expense category and no more than 15% for the remaining line items.

Director Griffith amended the motion to exclude any transfer of power supply line item and no more than 15% for the remaining line items, with flexibility for staff to return to the Board with a budget transfer proposal for the power supply line item, if desired.

Alternate Director Eulo and Director Sinks accepted the amended motion.

The motion carried unanimously with Vice Chair Harney, and Directors Corrigan, Abe-Koga, and Cortese absent.
**Regular Calendar**

2) **Executive Committee Report**

Chair Rennie announced that the Executive Committee meeting for August was cancelled.

Chair Rennie opened public comment.
No speakers.
Chair Rennie closed public comment.

3) **CEO Report**

Interim CEO Eckert presented the CEO report which included an update on SVCE new hires, CEO Recruitment, strategies for long-term power supply, the policy direction workshop on October 9th, the deposit with ZGLOBAL, and the CalCCA annual meeting on October 3rd.

Director Corrigan arrived at 7:10 p.m.

Regulatory/Legislative Analyst Hilary Staver provided a regulatory and legislative update on PCIA, regionalization, the state of AB 813, AB 726, and SB100, and responded to Board’s questions. Interim CEO Eckert provided additional information.

Chair Rennie opened public comment.
No speakers.
Chair Rennie closed public comment.

4) **Approve FY 2017-18 Operating Budget (Action)**

Interim CEO Eckert presented the item and responded to Board questions. Manager of Account Services Don Bray provided additional information.

Chair Rennie opened public comment.
No speakers.
Chair Rennie closed public comment.

MOTION: Director Miller moved and Director Gibbons seconded the motion to approve the item as submitted, with staff flexibility to reorder goals as necessary.

Alternate Director Eulo amended the motion and suggested that organization goal #11 should start with a verb to read “maintain a secure Information Technology Infrastructure that is reliable…”

Director Miller and Director Gibbons accepted the amendment to give staff flexibility to make grammatical changes as necessary.

The motion carried unanimously with Vice Chair Harney, and Directors Abe-Koga and Cortese absent.

5) **Approve Formation of Customer Programs Advisory Group (Action)**

Community Outreach Manager Pamela Leonard presented the staff report and responded to Board questions. General Counsel Trisha Ortiz, Director of Marketing and Public Affairs Alan Suleiman, and Manager of Accounts Bray provided additional information.

Chair Rennie opened public comment.
James Tuleya, Sunnyvale resident, expressed support for the advisory group having enough chance for meaningful input on criteria and program planning, suggested the Board have involvement in selecting the members, that the group should provide progress updates, that the group be formed for nine months, and expressed support for Option #2 as a long term pilot, less rigid structure, flexibility of Board to select members for optimal balance, and emphasis on residential and small business input.

Steve Schmidt, Los Altos Hills resident, spoke in favor of energy programs, suggested more quantifiable criteria, and responded to Board questions.

Bruce Karney, Mountain View resident, suggested that the Sustainability Manager’s Roundtable could be enhanced to act as the advisory group. Karney suggested that each Director could appoint one person to represent their jurisdiction and the CEO can appoint a small number of other individuals to balance the group. Karney commented on the approaches of other CCE’s regarding community advisory groups.

Chair Rennie closed public comment.

MOTION: Director Miller moved and Director Sinks seconded the motion to form an ad-hoc community oversight committee, authorize Board members to appoint one member from their respective community to the committee, authorize the CEO to appoint three at-large members to the committee, assign one objective to start to vet and review programs, to subject the committee to the Brown act with minutes to be published, and that committee facilitation be required.

Director Miller directed staff to bring back to the Board a plan for the structure of the current technical advisory committee.

Director Gibbons amended the motion to include have legal counsel report back to the Board with a ruling on whether financial disclosure should be required in the application, and that staff report back to the Board with a proposed list of potential conflicts of interest.

MOTION: Director Griffith moved and Director Bruins seconded to ask for a restated motion.

RESTATED MOTION: Director Miller moved and Director Sinks seconded to establish a committee that would provide input on program selection, to authorize each Director to appoint one resident who is an SVCE customer, to have staff prepare a uniform application for member agencies to distribute to potential members of the Committee, to have the application include a financial disclosure section developed with legal counsel, to subject the committee to the Brown Act and have minutes published, to have the committee report to the Board of Directors, to subject the committee to a nine-month timeline, to have staff reports reflect both input from this committee and the Sustainability Manager’s Roundtable.

Director Bruins corrected the restated motion to clarify that a conflict of interest section instead of a financial disclosure section would be part of the application, and that a separate ruling from legal counsel will determine whether the application would require financial disclosure.

Director Miller directed staff to review the meeting recording for other directions given on what to include in the application.

The motion carried with Director Corrigan dissenting, and with Vice Chair Harney, and Director Abe-Koga and Director Cortese absent.

**Board Member Announcements and Direction on Future Agenda Items**

Director Gibbons thanked Community Outreach Manager Leonard for assisting her particularly in regards with customer communication. Director Gibbons requested further help for Directors from staff in
understanding of legislative bills important to SVCE. Director Gibbons also thanked staff for attending the Campbell Farmer’s Market.

Director Miller requested a future agenda item to discuss the proposed structure of the technical advisory committee.

Director Sinks attended a meeting in Pleasanton on August 31st and their City Council decided not to participate. Director Sinks announced that he would be attending the October 3rd CalCCA annual meeting in Riverside and highlighted the importance of supporting emerging CCE’s.

Director Craig announced that SVCE’s first anniversary will be here soon and expressed that the organization has been an outstanding success. Director Craig expressed importance for supporting the emergence of new CCE’s, and proposed making a video of SVCE’s first year and posting it online so that other communities could be introduced to what SVCE has accomplished in Silicon Valley.

Director Bruins suggested having a birthday cake for the first anniversary.

**Adjourn**

Chair Rennie adjourned the meeting at 9:33 p.m.
Staff Report – Item 1b

To: Silicon Valley Clean Energy Authority Board of Directors

From: Donald Eckert, Interim CEO

Item 1b: Approve Invitation Letter to the City of Milpitas

Date: 10/11/2017

RECOMMENDATION
Approve the Invitation Letter to the City of Milpitas.

BACKGROUND
At the September 13, 2017 Board of Directors Meeting, the Board authorized staff to draft a letter of invitation to the City of Milpitas to join Silicon Valley Clean Energy.

ANALYSIS & DISCUSSION
The topic of choosing a direction on Community Choice Energy (CCE) was on the City of Milpitas Council agenda on September 19, 2017, which staff attended. The item was deferred to the 2nd City Council meeting in October. The options for Milpitas listed in the staff report included:

- Consider joining SVCE
- Consider joining East Bay Clean Energy
- Consider joining San Jose Clean Energy
- Milpitas establish its own CCE
- Take no action and remain with PG&E

At a meeting of the City’s Economic Development Commission on Monday October 9th, the Commission voted unanimously to recommend that the Milpitas City Council move forward with community choice energy by joining Silicon Valley Clean Energy. This recommendation will be presented to Council at the October 17th meeting.

Fiscal Impact
The City of Milpitas represents significant incremental load to SVCE’s portfolio. To serve Milpitas will result in increased costs. Variable costs will include incremental power supply, data management and billing services fees. There will also be fixed costs related to notifications, community outreach, and legal and regulatory fees. However, these costs will be offset by the incremental revenue generated with an overall positive impact to SVCE’s net margin.

Timeline
Staff would prefer the implementation of the City of Milpitas conclude by summer 2018 to coincide with the higher load months. To achieve that timeline, a decision to move forward by the City of Milpitas would be needed by end of 2017 in order to accommodate the ninety days for approval of the filing of the implementation plan with the California Public Utilities Commission (CPUC) and the additional sixty days for the initial notification process.
ATTACHMENTS
1. Invitation Letter
2. Presentation
October 12, 2017

The Honorable Rich Tran  
Mayor, City of Milpitas  
455 E. Calaveras Boulevard  
Milpitas, CA 95035

RE: Invitation to Join Silicon Valley Clean Energy

Dear Mayor Tran:

On behalf of our Board of Directors, it is with great pleasure that we invite the City of Milpitas to join Silicon Valley Clean Energy (SVCE). We are excited to have the City of Milpitas join our other twelve Member Agencies in Santa Clara County and receive carbon-free, clean power while saving money for your residents.

The benefits of joining SVCE include:

- **Expedited enrollment**: SVCE has completed the phase-in of 235,000 accounts in our service territory three months ahead of schedule. SVCE staff has the experience and knowledge to lead a successful enrollment for Milpitas residents and businesses.
- **Low opt-out rate**: SVCE is proud of a 97% participation rate, proving our customer base is excited to receive carbon-free electricity and appreciates our great customer service.
- **No entrance fees**: The City of Milpitas will not be required to contribute toward working capital or pay an entrance fee. SVCE is financially stable and will pay back the start-up loan from our Member Agencies ahead of schedule.
- **Saving our customers money**: SVCE is committed to competitive rates below PG&E. For the next fiscal year, that amounts to $3.4 million in avoided utility costs for customers in our service territory.
- **Community-owned**: The City of Milpitas will have a voice in guiding SVCE’s future and community benefits. Decisions are made locally, here in Santa Clara County, rather than by state officials or private shareholders.

The timing could not be better as SVCE prepares to enter our next stage of returning value to our communities in the form of clean energy programs and keeping rates low. We look forward to the City of Milpitas being part of future decisions that will guide a clean energy future for Silicon Valley.

Please do not hesitate to reach out to SVCE with questions. We are here to help to make this an effortless and exciting process.

Sincerely,

Donald Eckert  
Interim Chief Executive Officer

Rob Rennie  
Chair, Board of Directors
Community Choice Energy and SVCE

City of Milpitas Council Meeting
Sept 19, 2017

Alan Suleiman
Director of Marketing
SVCE
What is Community Choice?

- Community Choice Aggregation (CCA) is a program that allows cities and counties to source/generate electricity for their residents and businesses.

- Incumbent utility continues to deliver power, bill customers and maintain lines.

- For the first time in over 100 years, electric customers are able to choose their provider.
Introducing Silicon Valley Clean Energy

• Launched April 3, 2017
• Serving all Santa Clara County and cities (except San Jose, Palo Alto, Santa Clara and Milpitas)
• Sources carbon-free, clean power at more competitive rates than PG&E
• Very low opt out - currently at 2.2% with ~235,000 customers enrolled
• Highly experienced staff delivering sound performance
• Governed by a Board of Directors from each community’s elected officials
SVCE Communities

Campbell | Cupertino | Gilroy | Los Altos | Los Altos Hills

Los Gatos | Monte Sereno | Morgan Hill | Mountain View

Santa Clara County | Saratoga | Sunnyvale
Board of Directors

Board meetings are open to the public and take place at 7 p.m. on the second Wednesday of each month at:

Cupertino Community Hall
10350 Torre Ave
Cupertino, CA
# SVCE Financials: Conservative Outlook

## Silicon Valley Clean Energy Authority
### Financial Plan for Fiscal Years 2017/18 Through 2022/23

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<td>103,566</td>
<td>239,658</td>
<td>228,982</td>
<td>227,630</td>
<td>228,750</td>
<td>229,838</td>
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<td><strong>POWER SUPPLY</strong></td>
<td>66,671</td>
<td>181,368</td>
<td>178,513</td>
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<td><strong>OPERATING EXPENSES</strong></td>
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<td><strong>NET MARGIN</strong></td>
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<td>39,890</td>
<td>34,905</td>
<td>25,239</td>
<td>21,125</td>
<td>14,627</td>
<td>7,739</td>
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</table>
What does it mean to Milpitas

- New options for clean, renewable electricity at **competitive** rates
- Help Milpitas and its communities to take **a big and immediate step** to reduce carbon emissions and support its climate action plan
- A prominent seat on this locally governed agency supporting **clean energy investment, innovation and transformation** here in Santa Clara County
- Investing in energy programs locally supporting economic development and local control
Steps for Milpitas to Join:

• Milpitas completes and submits to PG&E form 79-1030 “Declaration of Mayor of Chief County Administrative Officer regarding investigation, pursuit or implementation of Community Choice Aggregation”

• City passes ordinance to implement a CCA program within its jurisdiction by and through participation in SVCE

• SVCE Board approves membership request

• Milpitas executes SVCE JPA agreement

• SVCE prepares and submits revised implementation plan to the CPUC

• SVCE starts enrolling customers
Thank You
Any Questions?

Alan Suleiman
TREASURER REPORT
Fiscal Year to Date
As of August 31, 2017
(Preliminary & Unaudited)
Issue Date: October 11, 2017

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<td>Statement of Cash Flows</td>
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<td>Actuals to Budget Report</td>
<td>8-9</td>
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<td>Customer Accounts</td>
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<tr>
<td>Accounts Receivable Aging Report</td>
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SVILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights ($ in 000’s)

Financial Highlights for the month of August 2017:
SVCE has now completed Phase 2 which is the final phase of implementation. Approximately 247,000 accounts are on-line as of August.

> SVCE operations resulted in net gain for the month of $8.6 million, bringing the year-to-date to $21.9 million.
  > Energy Sales year-to-date are $70.6 million, slightly below budget based on lower than forecast MWh sales.
  > As expected, revenues experienced a jump in August due to the roll-out and the summer weather.
  > Gross Margin year-to-date is 35.9%.
> Retail MWh sales were 1.4% less than budget year-to-date.
  > Retail sales for the month were 1.7% above budget with 316,453 MWh served in August.
  > Residential load was approximately 36% with the remainder Commercial, Industrial, Street Lighting and Agriculture.
> Power Supply
  > SVCE was a net buyer of power from CAISO during the month.
  > Partially offsetting Power Supply costs was $0.2 million gain from Congestion Revenue Rights.
  > Power Supply costs are 9% below budget year-to-date.
> Financing - SVCE made no draws against the Lines of Credit in August.
  > During August, SVCE paid down the outstanding balance of the non-revolving line of credit.
  > Staff forecasts no further draws against lines of credit will be needed.

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<th>Change in Net Assets</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
<th>Budget</th>
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<td>Actual</td>
<td>(42)</td>
<td>(190)</td>
<td>(252)</td>
<td>(261)</td>
<td>(464)</td>
<td>(391)</td>
<td>69</td>
<td>5,114</td>
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<td>5,472</td>
<td>8,611</td>
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<th>Dec</th>
<th>Jan</th>
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<th>Apr</th>
<th>May</th>
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<th>Aug</th>
<th>Sept</th>
<th>Total</th>
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<td>484</td>
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<th>Other</th>
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<th>Feb</th>
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<td>Energy Programs</td>
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<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
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<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Total</th>
<th>Budget</th>
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<td>Retail Sales Actual</td>
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<td>64,381</td>
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<td>316,453</td>
<td>892,831</td>
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<td>Retail Sales Budget</td>
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<td>70,835</td>
<td>139,852</td>
<td>147,248</td>
<td>236,688</td>
<td>311,145</td>
<td>330,922</td>
<td>1,236,689</td>
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</table>
YTD EXPENSES

- Power Supply: 91%
- Personnel: 3%
- Professional: 2%
- Billing: 2%
- Marketing: 1%
- G & A: 1%

Other Statistics and Ratios

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
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<tr>
<td>Working Capital</td>
<td>$21,314,889</td>
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<tr>
<td>Current Ratio</td>
<td>1.6</td>
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<td>Contribution Margin</td>
<td>$25,352,389</td>
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<td>Opt-Out Accounts</td>
<td>5,192</td>
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<tr>
<td>Opt-Up Accounts</td>
<td>2,275</td>
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### Operating Revenues
- **Electricity Sales, Net**: $70,379,582
- **GreenPrime electricity premium**: $197,773

**Total Operating Revenues**: $70,577,355

### Operating Expenses
- **Cost of Electricity**: $44,265,883
- **Staff Compensation and benefits**: $1,337,504
- **Data Manager**: $755,349
- **Service Fees - PG&E**: $203,734
- **Consultants and Other Professional Fees**: $570,645
- **Legal**: $320,356
- **Communications & Noticing**: $700,949
- **General & Administrative**: $369,270
- **Depreciation**: $20,241

**Total Operating Expenses**: $48,543,931

**Operating Income (Loss)**: $22,033,424

### Nonoperating Revenues (Expenses)
- **Interest Income**: $1,078
- **Interest and related expenses**: ($68,807)
- **Financing costs**: ($73,218)

**Total Nonoperating Expenses**: ($140,947)

### Change in Net Position
- **Net Position at beginning of period**: ($1,110,365)
- **Net Position at end of period**: $20,782,112
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION
As of August 31, 2017

ASSETS

<table>
<thead>
<tr>
<th>Current Assets</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>16,619,770</td>
</tr>
<tr>
<td>Accounts Receivable, net of allowance</td>
<td>17,308,701</td>
</tr>
<tr>
<td>Accrued Revenue</td>
<td>17,209,854</td>
</tr>
<tr>
<td>Other Receivables</td>
<td>638,133</td>
</tr>
<tr>
<td>Prepaid Expenses</td>
<td>120,771</td>
</tr>
<tr>
<td>Restricted cash - lockbox</td>
<td>2,500,000</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>54,397,229</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent assets</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital assets, net of depreciation</td>
<td>168,663</td>
</tr>
<tr>
<td>Deposits</td>
<td>128,560</td>
</tr>
<tr>
<td>Restricted cash - debt collateral</td>
<td>1,900,000</td>
</tr>
<tr>
<td><strong>Total Noncurrent Assets</strong></td>
<td>2,197,223</td>
</tr>
</tbody>
</table>

| **Total Assets**                   | 56,594,452 |

LIABILITIES

<table>
<thead>
<tr>
<th>Current Liabilities</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>135,294</td>
</tr>
<tr>
<td>Accrued Cost of Electricity</td>
<td>28,794,401</td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
<td>7,648</td>
</tr>
<tr>
<td>Accrued Payroll &amp; Benefits</td>
<td>171,836</td>
</tr>
<tr>
<td>Other Accrued Liabilities</td>
<td>390,000</td>
</tr>
<tr>
<td>User Taxes and Energy Surcharges due to other gov'ts</td>
<td>683,161</td>
</tr>
<tr>
<td>Notes Payable to Bank</td>
<td>2,900,000</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>33,082,340</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Noncurrent Liabilities</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans Payable to JPA members</td>
<td>2,730,000</td>
</tr>
<tr>
<td><strong>Total Noncurrent Liabilities</strong></td>
<td>2,730,000</td>
</tr>
</tbody>
</table>

| **Total Liabilities**              | 35,812,340 |

NET POSITION

| Net investment in capital assets   | 168,663  |
| Unrestricted (deficit)             | 20,613,449 |
| **Total Net Position**             | $20,782,112 |
CASH FLOWS FROM OPERATING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipts from electricity sales</td>
<td>$35,571,266</td>
</tr>
<tr>
<td>Tax and surcharge receipts from customers</td>
<td>1,015,337</td>
</tr>
<tr>
<td>Energy settlements received</td>
<td>14,770,083</td>
</tr>
<tr>
<td>Payments to purchase electricity</td>
<td>(30,241,566)</td>
</tr>
<tr>
<td>Payments for staff compensation and benefits</td>
<td>(1,183,776)</td>
</tr>
<tr>
<td>Payments for consultants and other professional services</td>
<td>(1,326,957)</td>
</tr>
<tr>
<td>Payments for legal fees</td>
<td>(324,820)</td>
</tr>
<tr>
<td>Payments for communication and noticing</td>
<td>(681,605)</td>
</tr>
<tr>
<td>Payments for general and administrative</td>
<td>(453,563)</td>
</tr>
<tr>
<td>Tax and surcharge payments to other governments</td>
<td>(474,142)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by operating activities</strong></td>
<td><strong>16,670,257</strong></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from bank notes</td>
<td>4,400,000</td>
</tr>
<tr>
<td>Proceeds from loans from JPA members</td>
<td>165,591</td>
</tr>
<tr>
<td>Payments of deposits and collateral</td>
<td>(5,000,000)</td>
</tr>
<tr>
<td>Principal payments on loan</td>
<td>(1,500,000)</td>
</tr>
<tr>
<td>Deposits and collateral returned</td>
<td>500,000</td>
</tr>
<tr>
<td>Interest and related expense payments</td>
<td>(61,159)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(73,218)</td>
</tr>
<tr>
<td><strong>Net cash provided (used) by non-capital financing activities</strong></td>
<td><strong>(1,568,786)</strong></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of capital assets</td>
<td><strong>(188,904)</strong></td>
</tr>
</tbody>
</table>

CASH FLOWS FROM CAPITAL AND RELATED

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income received</td>
<td><strong>1,078</strong></td>
</tr>
</tbody>
</table>

Net change in cash and cash equivalents                           | 14,913,645    |
Cash and cash equivalents at beginning of year                     | 1,706,125     |
Cash and cash equivalents at end of period                          | **$16,619,770**|
SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)
October 1, 2016 through August 31, 2017

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating Income (loss) $22,033,424

Adjustments to reconcile operating income to net cash provided (used) by operating activities

- Depreciation expense 20,241
- Revenue reduced for uncollectible accounts 354,660
- (Increase) decrease in net accounts receivable (17,663,361)
- (Increase) decrease in other receivables (638,133)
- (Increase) decrease in accrued revenue (17,209,854)
- (Increase) decrease in prepaid expenses (95,396)
- Increase (decrease) in accounts payable (19,661)
- Increase (decrease) in accrued payroll & benefits 161,347
- Increase (decrease) in energy settlements payable 1,504,076
- Increase (decrease) in accrued cost of electricity 27,290,325
- Increase (decrease) in accrued liabilities 249,428
- Increase (decrease) taxes and surcharges due to other governments 683,161

Net cash provided (used) by operating activities $16,670,257
# SILICON VALLEY CLEAN ENERGY
## BUDGETARY COMPARISON SCHEDULE
### October 1, 2016 through August 31, 2017

### REVENUES & OTHER SOURCES

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance</th>
<th>%</th>
<th>FY 2016-17 Budget</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Sales</td>
<td>$ 70,379,582</td>
<td>$ 75,520,047</td>
<td>$(5,140,465)</td>
<td>-7%</td>
<td>$ 103,303,000</td>
<td>-7%</td>
</tr>
<tr>
<td>Green Prime Premium</td>
<td>197,773</td>
<td>181,154</td>
<td>16,619</td>
<td>9%</td>
<td>247,000</td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,078</td>
<td>8,000</td>
<td>(6,922)</td>
<td>-87%</td>
<td>16,000</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL REVENUES &amp; OTHER SOURCES</strong></td>
<td><strong>70,578,433</strong></td>
<td><strong>75,709,201</strong></td>
<td><strong>(5,130,768)</strong></td>
<td>-7%</td>
<td><strong>103,566,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

### EXPENDITURES & OTHER USES

#### CURRENT EXPENDITURES

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance</th>
<th>%</th>
<th>FY 2016-17 Budget</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power Supply</td>
<td>44,265,885</td>
<td>48,790,911</td>
<td>4,525,026</td>
<td>9%</td>
<td>66,671,000</td>
<td>66%</td>
</tr>
<tr>
<td>Data Management</td>
<td>755,349</td>
<td>760,698</td>
<td>5,349</td>
<td>1%</td>
<td>1,030,000</td>
<td>73%</td>
</tr>
<tr>
<td>PG&amp;E Fees</td>
<td>203,734</td>
<td>318,269</td>
<td>114,535</td>
<td>36%</td>
<td>430,000</td>
<td>47%</td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>1,337,504</td>
<td>1,727,000</td>
<td>389,496</td>
<td>23%</td>
<td>1,902,000</td>
<td>70%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>891,001</td>
<td>1,585,833</td>
<td>694,832</td>
<td>44%</td>
<td>1,730,000</td>
<td>52%</td>
</tr>
<tr>
<td>Marketing &amp; Promotions</td>
<td>454,337</td>
<td>215,417</td>
<td>(238,920)</td>
<td>-111%</td>
<td>235,000</td>
<td>193%</td>
</tr>
<tr>
<td>Notifications</td>
<td>246,612</td>
<td>400,000</td>
<td>153,388</td>
<td>38%</td>
<td>410,000</td>
<td>60%</td>
</tr>
<tr>
<td>Office Lease</td>
<td>185,061</td>
<td>215,375</td>
<td>30,314</td>
<td>14%</td>
<td>245,000</td>
<td>76%</td>
</tr>
<tr>
<td>General &amp; Administrative</td>
<td>184,209</td>
<td>114,583</td>
<td>(69,626)</td>
<td>-61%</td>
<td>125,000</td>
<td>147%</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT EXPENDITURES</strong></td>
<td><strong>48,523,692</strong></td>
<td><strong>54,128,086</strong></td>
<td><strong>5,604,394</strong></td>
<td>10%</td>
<td><strong>72,778,000</strong></td>
<td>67%</td>
</tr>
</tbody>
</table>

#### OTHER USES

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance</th>
<th>%</th>
<th>FY 2016-17 Budget</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Programs</td>
<td>-</td>
<td>333,334</td>
<td>333,334</td>
<td>0%</td>
<td>400,000</td>
<td>0%</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>188,904</td>
<td>250,000</td>
<td>61,096</td>
<td>24%</td>
<td>250,000</td>
<td>76%</td>
</tr>
<tr>
<td>CPUC Deposit</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
<td>0%</td>
<td>100,000</td>
<td>100%</td>
</tr>
<tr>
<td><strong>TOTAL OTHER USES</strong></td>
<td><strong>288,904</strong></td>
<td><strong>683,334</strong></td>
<td><strong>394,430</strong></td>
<td>58%</td>
<td><strong>750,000</strong></td>
<td>39%</td>
</tr>
</tbody>
</table>

#### DEBT SERVICE

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance</th>
<th>%</th>
<th>FY 2016-17 Budget</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing</td>
<td>73,218</td>
<td>77,000</td>
<td>3,782</td>
<td>5%</td>
<td>77,000</td>
<td>95%</td>
</tr>
<tr>
<td>Interest</td>
<td>68,807</td>
<td>74,000</td>
<td>5,193</td>
<td>7%</td>
<td>84,000</td>
<td>82%</td>
</tr>
<tr>
<td><strong>TOTAL DEBT SERVICE</strong></td>
<td><strong>142,025</strong></td>
<td><strong>151,000</strong></td>
<td><strong>8,975</strong></td>
<td>6%</td>
<td><strong>161,000</strong></td>
<td>88%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Expenditures, Other Uses &amp; Debt Service</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance</th>
<th>%</th>
<th>FY 2016-17 Budget</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>48,954,621</td>
<td>54,962,420</td>
<td>6,007,799</td>
<td>11%</td>
<td>73,689,000</td>
<td>66%</td>
</tr>
</tbody>
</table>

Net Increase(Decrease) in Available Fund Balance

<table>
<thead>
<tr>
<th>Item</th>
<th>FYTD Actual</th>
<th>FYTD Budget</th>
<th>Variance</th>
<th>%</th>
<th>FY 2016-17 Budget</th>
<th>% Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance</td>
<td>$ 21,623,812</td>
<td>$ 20,746,781</td>
<td>$ 877,031</td>
<td>4%</td>
<td>$ 29,877,000</td>
<td></td>
</tr>
</tbody>
</table>
SILICON VALLEY CLEAN ENERGY AUTHORITY

BUDGET RECONCILIATION TO STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Net Increase (decrease) in available fund balance per budgetary comparison schedule $ 21,623,812

Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position

- Subtract depreciation expense (20,241)
- Add back capital asset acquisitions 188,904
- Add back collateral deposits 100,000

Change in Net Position 21,892,475
## SILICON VALLEY CLEAN ENERGY AUTHORITY
### STATEMENT OF REVENUES, EXPENSES
#### AND CHANGES IN NET POSITION
**October 1, 2016 through August 31, 2017**

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity sales, net</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,590,587</td>
<td>$ 11,950,163</td>
<td>$ 11,496,728</td>
<td>$ 18,021,184</td>
<td>$ 25,320,919</td>
<td>$ 70,379,581</td>
</tr>
<tr>
<td>Green electricity premium</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,298</td>
<td>47,461</td>
<td>48,590</td>
<td>61,428</td>
<td>197,777</td>
<td></td>
</tr>
<tr>
<td>Total operating revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,590,587</td>
<td>11,990,461</td>
<td>11,544,189</td>
<td>18,069,774</td>
<td>25,382,347</td>
<td>70,577,358</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of electricity</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,144,030</td>
<td>6,370,292</td>
<td>6,751,773</td>
<td>11,977,621</td>
<td>16,022,168</td>
<td>44,265,884</td>
</tr>
<tr>
<td>Staff compensation and benefits</td>
<td>21,312</td>
<td>20,014</td>
<td>64,175</td>
<td>111,207</td>
<td>120,565</td>
<td>163,943</td>
<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
<td>265,349</td>
<td>143,130</td>
<td>755,349</td>
</tr>
<tr>
<td>Data manager</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
<td>265,349</td>
<td>143,130</td>
<td>755,349</td>
</tr>
<tr>
<td>Service fees - PG&amp;E</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>75,000</td>
<td>75,000</td>
<td>75,000</td>
<td>265,349</td>
<td>143,130</td>
<td>755,349</td>
</tr>
<tr>
<td>Consultants and other professional fees</td>
<td>14,390</td>
<td>12,587</td>
<td>8,304</td>
<td>5,081</td>
<td>4,399</td>
<td>3,658</td>
<td>46,862</td>
<td>51,088</td>
<td>37,933</td>
<td>13,097</td>
<td>570,651</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>42,240</td>
<td>49,129</td>
<td>49,129</td>
<td>23,269</td>
<td>84,141</td>
<td>36,732</td>
</tr>
<tr>
<td>Communications and noticing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48,104</td>
<td>135,705</td>
<td>73,751</td>
<td>63,254</td>
<td>72,431</td>
<td>220,097</td>
</tr>
<tr>
<td>General and administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,427</td>
<td>7,427</td>
<td>7,427</td>
<td>7,427</td>
<td>7,427</td>
<td>7,427</td>
</tr>
<tr>
<td>Depreciation</td>
<td>-</td>
<td>281</td>
<td>356</td>
<td>2,946</td>
<td>2,223</td>
<td>3,239</td>
<td>2,455</td>
<td>2,455</td>
<td>2,455</td>
<td>2,455</td>
<td>2,455</td>
<td>2,455</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>41,759</td>
<td>189,990</td>
<td>175,373</td>
<td>259,028</td>
<td>259,028</td>
<td>259,028</td>
<td>3,513,154</td>
<td>6,866,877</td>
<td>7,311,510</td>
<td>12,587,233</td>
<td>16,764,139</td>
<td>48,543,934</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NONOPERATING REVENUES (EXPENSES)</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>228</td>
<td>256</td>
<td>256</td>
<td>379</td>
<td>215</td>
<td>-</td>
</tr>
<tr>
<td>Interest and related expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,368)</td>
<td>(11,952)</td>
<td>(7,840)</td>
<td>(9,013)</td>
<td>(9,736)</td>
<td>(9,642)</td>
</tr>
<tr>
<td>Financing costs</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(77,000)</td>
<td>3,782</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(37,218)</td>
</tr>
<tr>
<td>Total nonoperating revenues (expenses)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(77,000)</td>
<td>(2,368)</td>
<td>(11,952)</td>
<td>(7,840)</td>
<td>(8,785)</td>
<td>(9,480)</td>
</tr>
</tbody>
</table>

| CHANGE IN NET POSITION | $ (41,759) | $ (189,990) | $ (252,373) | $ (261,396) | $ (463,567) | $ 391,096 | $ 68,648 | $ 5,114,104 | $ 4,227,198 | $ 5,472,149 | $ 8,610,560 | $ 21,892,478 |
## PERSONNEL REPORT

### HEADCOUNT

<table>
<thead>
<tr>
<th>Position</th>
<th>Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
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<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Account Representative I / II</td>
<td>2</td>
<td>2</td>
<td>0</td>
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<tr>
<td>Account Services Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Analyst</td>
<td>2</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Board Clerk/Executive Assistant</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Community Outreach Manager</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Community Outreach Specialist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Administration &amp; Finance</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Marketing &amp; Public Affairs</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Director of Power Resources</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Finance Manager</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>General Counsel &amp; Director of Government Affairs</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Power Contracts &amp; Compliance Specialist</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Power Resource Planning &amp; Programs Analyst</td>
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<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Regulatory/Legislative Analyst</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>19</strong></td>
<td><strong>13</strong></td>
<td><strong>6</strong></td>
</tr>
</tbody>
</table>

### CONTINGENT POSITIONS

<table>
<thead>
<tr>
<th>Position</th>
<th>Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interns / Part-Time</td>
<td>4,300</td>
</tr>
</tbody>
</table>
CUSTOMER ACCOUNTS

RESIDENTIAL ACCOUNTS

Thousands

Actual
Budget

COMMERCIAL & INDUSTRIAL ACCOUNTS

Thousands

Actual
Budget
WEATHER STATISTICS

COOLING DEGREE DAYS

HEATING DEGREE DAYS
## SILICON VALLEY CLEAN ENERGY AUTHORITY
## ACCOUNTS RECEIVABLE AGING REPORT
## October 1, 2016 through August 31, 2017

<table>
<thead>
<tr>
<th>Days</th>
<th>Total</th>
<th>0-30</th>
<th>31-60</th>
<th>61-90</th>
<th>90-120</th>
<th>Over 120</th>
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</thead>
<tbody>
<tr>
<td>Accounts Receivable</td>
<td>$17,671,938</td>
<td>$17,324,797</td>
<td>$269,266</td>
<td>$64,129</td>
<td>$13,743</td>
<td>$3</td>
</tr>
<tr>
<td>Period %</td>
<td>100%</td>
<td>98.0%</td>
<td>1.5%</td>
<td>0.4%</td>
<td>0.1%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>
Staff Report – Item 1d

To: Silicon Valley Clean Energy Authority Board of Directors

From: Don Eckert, Interim CEO

Item 1d: Confirm Interim SVCE Standby (S) Rate

Date: 10/11/2017

RECOMMENDATION
Confirm interim SVCE Standby (S) rate.

BACKGROUND
During its June 2016 meeting, the SVCE Board approved a policy to set electric rates at 1% below the generation rates offered by PG&E on January 1, 2017. The Board also approved that the rates established for 2017 remain in effect through December 2018. The policy allows reexamination of the rates during the first two years of operation, provided significant deviations in market prices or other extraordinary circumstances mandate an adjustment to the rates.

On January 11, 2017, the SVCE Board approved a full set of detailed SVCE generation rates effective April 1, 2017. These rates currently remain in effect. During this round of approval, one small customer class was omitted from the proposed rates – Standby. The PG&E Standby (S) tariff serves six accounts in SVCE territory.

ANALYSIS & DISCUSSION

Rate Design Methodology
The interim SVCE S tariff utilizes the same methodology used to calculate other 2017 SVCE rates. Each PG&E generation rate or generation rate component was reduced by 1%, and the PG&E customer surcharges were subtracted, yielding the SVCE generation rate. Therefore, the SVCE generation rate is below the PG&E equivalent rate, and the resulting SVCE generation rates allow for the participating customer’s generation cost to be reduced despite the imposition of the PG&E customer surcharges.

Standby customers typically have high but irregular demand needs, and consume little energy overall compared to other customers with like levels of demand. These customers have some form of onsite generation which often covers most or all their load.

In determining whether to create the “S” version of the tariff, we considered the following:

• what courses of action other CCEs have taken
• reasons why standby customers may or may not be cost effective to serve

As for what other CCE's have done, they have made decisions on a case-by-case basis. If standby customers did not meet a desirable usage profile, they were shifted back to PG&E. If they did have a desirable profile, they remained enrolled with the CCE and a corresponding CCE standby tariff was created and assigned.

In evaluating whether SVCE may serve standby customers cost-effectively, we consulted their historical usage. A history of extremely high demand (e.g. 100+ MW) followed by months or days of low usage would
make this customer difficult to serve. For these six SVCE standby customers, their respective loads were only in the 3 MW or lower range, often with multiple days or a month of typical usage. The annual load for these accounts is 9,580,474 kWh or 0.22% SVCE's total load. For this metric, each customer usage pattern looked appropriate to serve.

Given the above, all six customers met the criteria for service with a new interim SVCE Standby (S) tariff.

**Timing and Approach for 2017 Standby Rate Updates**
To minimize the potential delays associated with billing, these affected customers have been billed on the interim S tariff as of September 2017, using the agreed-upon 1% rate reduction methodology.

**FISCAL IMPACT**
Confirmation of this interim rate and serving these customers on an ongoing basis will maintain an estimated $670,600 in gross revenue per year, based on approximately $0.07 per kWh for large C&I customers.

**CONCLUSION**
We request the Board confirm this interim standby rate (S), based on the 1% reduction methodology as applied to all other SVCE rates. Upon confirmation, this rate will be incorporated into the SVCE’s full list of approved tariffs.
Staff Report – Item 3

To: Silicon Valley Clean Energy Authority Board of Directors

From: Don Eckert, Interim CEO

Item 3: CEO Report

Date: 10/11/2017

REPORT

CalCCA Annual Meeting
CalCCA’s Annual Meeting was held in Riverside on October 2nd with the Board Meeting on October 3rd.

The meeting was well attended. A presentation from Dawn Weisz of MCE is attached that provides a summary of what hurdles have been overcome, CCA accomplishments, and challenges ahead.

Highlights from the Board Meeting include:

- **Best Practices** – CalCCA will be creating Best Practices for ensuring strong programs, including financial and credit standards, risk management practices, and good governance.
- **Inclusiveness** – CalCCA is committed to expanding social and environmental benefits of community choice to all Californians. CalCCA will eventually build a fund to help pay for the early feasibility studies in disadvantaged communities.
- **PCIA “Exit Fees”** – 2018 will be pivotal year for CCA’s with many regulatory and legislative issues to address. The most significant will be the PCIA. The budget for the legal fund will be expanded next year to adequately fund the challenge ahead.
- **Staffing** – The Board approved the reclassification of the Operations Director for CalCCA to Executive Director and authorized the hiring of one additional administrative staff. The proposed budget for FY 2017-18 and 2018-19 is attached.
- **The Future** – CalCCA is committed to supporting a future where all Californians enjoy the benefits of publicly managed power generation, whether through municipal utilities or community choice. History has shown that ratepayers and cities and counties benefit when generation is managed by local public boards.

CPUC Workshop
There is an upcoming workshop on October 31 dealing with Customer Choice in Sacramento. This workshop follows Peterman’s workshop on CCA’s as well as an en banc on the varieties of customer choice. There are many varieties of which customers are exercising their right to choose. However, there is a need to make sure that the grid is functional as these choices are being made. How are we making sure that customers are protected? If there is a massive departure from utilities, how do we make sure that there are providers of last resort? These are questions that need to be answered. This workshop is intended to gather more information in customer choice programs that exist in other states such as Texas, New York, and Hawaii, as well as Great Britain.

Long Term Power Supply
Staff conducted a pre-bidders WebEx conference on September 28th as part of the RFO process. It was attended by over thirty potential power suppliers. As a reminder, the response deadline is October 13th.

Results of the RFO will be presented at the November Board Meeting.
Z Global Deposit Update
As mentioned in the September CEO Report, SVCE deposited $2.0 million with ZGlobal in anticipation of CAISO requiring a deposit based on historical and projected payments. During September, SVCE contributed another $1.3 million for a total of $3.3 to ZGlobal as deposit. CAISO did make a deposit call. The transactions will be reflected in the current asset section of the balance sheet for September. SVCE expects the funds to be returned before the end of the calendar year.

Finance and Audit Committee
Staff plans to have its first meeting on October 27th with the goal of selecting an external auditor. Meetings will be held at the SVCE Office on the last Friday of each quarter or as needed to address time sensitive issues.

CEO Agreements Executed
The following agreements have been executed by the CEO, consistent with the authority delegated by the Board:

1) Public Service Company of Colorado: Agreements to Acquire PCC2 for Energy Volumes for 2017 and 2018
2) High Desert Power Project, LLC: Agreements to Acquire Resource Adequacy Capacity for 2018
3) Calpine Energy Services, L.P.: Agreements to Acquire Resource Adequacy Capacity for 2018
4) Tenaska Power Services Co.: Agreements to Acquire Resource Adequacy Capacity for 2018
5) Shell Energy North America (US), L.P.: Replacement Agreements to Acquire Resource Adequacy Capacity for 2018
   * Shell Energy North America (US), L.P. needed to replace the 2018 RA volumes from two confirmation agreements, executed in June 2017, as the CPUC lowered the amount of RA quantities that the designated generating units could provide in 2018. Therefore, two new, amended & restated confirmation agreements were executed with change only to the designated generating units providing the RA, but with no change in prices or quantities.

ATTACHMENTS
1. Regulatory/Legislative Update, September/October 2017
2. Community Outreach Update, September/October 2017
3. CalCCA 2017 Annual Meeting Presentation
4. CalCCA Budget for 2017-18, 2018-19
5. Agenda Planning Document, November 2017 – December 2018
### SVCE Regulatory and Legislative Update

**October 6th, 2017**

Hilary Staver, Manager of Regulatory and Legislative Affairs

#### Regulatory Update

**PCIA and Portfolio Allocation Methodology (PAM)**  
(A. 17-04-018)

- **Recall:** On July 10th, the California Public Utilities Commission (CPUC) released an Order Instituting Rulemaking (OIR) “to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment.” The OIR dismisses the investor owned utilities’ (IOUs’) PAM application, and opens a new proceeding to consider reforms to the PCIA more broadly.

- **On September 25th,** the CPUC released a Scoping Memo detailing the schedule of the proceeding and the topics it would cover. The proceeding will have two tracks. Track 1 will discuss the topic of PCIA exemptions for CARE and Medical Baseline customers; Track 2 will cover evaluation of changes to the PCIA methodology. Proposed decisions are expected by April and July 2018 respectively, and with testimony detailing PCIA alternatives in Track 2 due March 2018.

- **CalCCA has convened a PCIA task force to develop a shared proposal for PCIA modification, and retained Evelyn Kahl of Alcantar & Kahl to act as CalCCA’s counsel on this proceeding.** The task force’s first task is to obtain contract and other data from the investor-owned utilities that will be necessary to develop and evaluate new PCIA alternatives. Negotiations on data access between the CCAs and IOUs are ongoing, and are expected to be complete within the next two months.

**PCIA Reform Rulemaking**  
(R. 17-06-026)

**Integrated Resource Planning**  
(R. 16-02-007)

- The CPUC released the Proposed Reference System Plan on September 19th, with comments due on October 26th. The Reference System Plan is a statewide optimization that the CPUC will use as a benchmark for what the Integrated Resource Plans (IRPs) of all the individual load-serving entities (LSEs) should achieve in aggregate when they are implemented. It will also include proposed rules for development and filing of LSE Integrated Resource Plans (IRPs).

- **CalCCA has scheduled a meeting with CPUC Energy Division staff to discuss ambiguities in the CCA compliance requirements as they are laid out in the Reference System Plan.** The Reference System Plan does not address the fact that the original Staff Proposal for IRP implementation issued this past spring appeared to require an increase in CPUC oversight over CCA procurement. At the time it seemed probable that this legislative session would grant such authority, but it has not and the Reference System Plan does not appear to scale back the CCA requirements in order to reflect this.

**CCA Rulemaking**  
(R. 03-10-003)

- **Recall:** On July 7th, SVCE and other CCAs filed testimony through CalCCA proposing an updated methodology for calculating the Financial Security Requirement (FSR, aka bond) that new CCAs must pay as insurance against failure and dissolution. In contrast to the IOUs’ argument for including an estimated cost of emergency procurement for involuntarily returning customers, CalCCA proposes that the FSR should cover only the administrative costs of re-incorporation.

- **Evidentiary hearings are scheduled for October 11th and 12th; CalCCA’s witness on the stand will be Mark Fulmer of MRW & Associates.** (Evidentiary hearings are used for “findings of fact,” ie to disentangle situations where the nature of an event or object key to the proceeding [e.g. the likelihood of CCA financial failure] is in dispute. They usually involve cross-examination of the witnesses who submitted testimony.)

**Diablo Canyon Closure**  
(A. 16-08-006)

- **Recall:** In June 2016, PG&E announced its intention to retire its Diablo Canyon nuclear facility when the licenses on the facility’s two reactors expire in 2024 and 2025. PG&E subsequently submitted an application to the CPUC requesting permission to procure replacement energy for the Diablo facility and pass the costs on to ratepayers. After PG&E retracted part of its application due to
strong criticism, evidentiary hearings were held in April on the remaining tranche 1, which covers energy efficiency and requests pre-approved cost recovery of about $1.3 billion from ratepayers. Joint opposition parties, including SVCE and other CCAs, participated in the hearings and have filed an opening brief opposing adoption of tranche 1. On June 16th, the Joint Opponents (including SVCE) filed a reply brief responding to the arguments put forth in other parties’ opening briefs.

➢ No new news: A Proposed Decision on whether to adopt tranche 1 of PG&E’s replacement energy procurement proposal is expected this fall.

AB 1110 Implementation

➢ Recall: AB 1110 (Ting, Chapter 656, Statutes of 2016) was passed in 2016 for the purpose of augmenting the information available to electricity consumers in the annually-distributed Power Content Label (PCL). AB 1110 requires that starting in 2020, in addition to displaying power mix the PCL will include the greenhouse gas emissions intensity (in lbs CO₂e/MWh) of each LSE’s portfolio (or, if it offers multiple electricity products, of each individual product). AB 1110 also directs the California Energy Commission (CEC) to develop guidelines on how to treat unbundled RECs when calculating the power mix and GHG intensity metrics. On June 27th, the CEC released its proposed implementation plan for AB 1110. The proposal contains several provisions that could threaten SVCE’s claim of being carbon-free. Most importantly, the CEC proposes that for the purposes of calculating carbon intensity, PCC2 (aka “bucket 2”) RECs would have the emissions profile of the substitute energy that firms and shapes the energy product (usually gas) rather than that of the zero-carbon resource that generates the RECs. Secondly, PCC3 (unbundled) RECs would be reported in a footnote but not included in power mix or GHG intensity calculations. MWh for which SVCE has purchased unbundled RECs would thus no longer be carbon-free.

➢ Outreach continues with the CEC commissioners to try to reverse these provisions. CEC staff have indicated that they are making changes to the proposal. An updated version is being reviewed by the Commissioners and is expected to be publicly released within the month.

Tree Mortality NBC (A. 16-11-005)

➢ Recall: In 2016, an emergency proclamation by Governor Brown and a bill passed by the legislature (SB 692) separately ordered the IOUs to procure extra energy from biomass in order to dispose of trees killed by the drought. SB 692 explicitly authorizes the IOUs to recover the above-market cost of this procurement through a new non-bypassable charge (NBC), but Governor Brown’s proclamation does not. The IOUs would like to combine the procurement costs of these two mandates and recover both through a single new NBC. On July 14th, CalCCA submitted a Motion challenging a pre-hearing conference ruling in which the Administrative Law Judge (ALJ) erroneously determined the IOUs’ proposed combined NBC to be legal and acceptable.

➢ No new news: We are currently awaiting a CPUC response to CalCCA’s Motion, followed by a Scoping Memo clarify the scope and schedule for the rest of the proceeding.

Transportation Electrification (R. 13-11-007)

➢ Recall: On June 16th, SVCE filed an opening brief as part of the joint CCA parties that highlights the need for IOUs to coordinate with CCAs in areas where they are implementing their Priority Review Projects (PRPs, aka proposed transportation electrification pilot projects). This was followed by a reply brief on July 10th.

➢ No new news: A Proposed Decision on the approval or rejection of the IOUs’ PRPs was expected in September but has not yet been issued.

Low Carbon Fuel Standard

➢ SVCE continues to work with the other members of the Smart EV Charging Group coalition to attain LCFS credit eligibility for CCAs. Most recently, on October 6th the group submitted proposed regulatory language allowing CCAs to earn LCFS credits for the difference in carbon intensity between their electricity portfolios and the portfolios of the IOUs that would otherwise be serving their customers.
Legislative Update

The 2017 legislative session adjourned on September 15th. As detailed at the previous Board meeting, SVCE and CalCCA were successful in all their major legislative efforts this session. AB 726 and AB 813 were both withdrawn without a vote, although they are expected to return next year. SB 100 was supported by CalCCA after helpful amendments from the author’s office, but ultimately did not pass. SB 618 was passed and signed by Governor Brown, but in an amended form that is not a threat to the CCA community. CalCCA is planning a legislative debrief for CCA staff sometime in the next month, and any observations or plans that come out of that will be shared at future Board meetings.
Community Outreach Update  
**September - October 2017**

1. **Events and Presentations**

Community events are winding down this fall, but staff will continue to look at scheduling an outreach table at farmer’s markets to continue being available to answer questions and build awareness.

Completed and Upcoming Events and Meetings:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Event Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 20</td>
<td>3:30 – 5 PM</td>
<td>Tech Museum Volunteers - presentation</td>
<td>The Tech Museum, San Jose</td>
</tr>
<tr>
<td>Sept. 21</td>
<td>11 AM – 2 PM</td>
<td>Lockheed Employee Go Green Fair - tabling</td>
<td>Lockheed Martin, Mountain View</td>
</tr>
<tr>
<td>Sept. 26</td>
<td>9 AM – 1 PM</td>
<td>Cupertino Annual Wellness and Benefit's Fair - tabling</td>
<td>Quinlan Community Center, Cupertino</td>
</tr>
<tr>
<td>Oct. 8</td>
<td>3 – 4 PM</td>
<td>Sunnyvale Cub Scouts - presentation</td>
<td>De Anza Park, Sunnyvale</td>
</tr>
<tr>
<td>Oct. 13</td>
<td>10 AM – 1 PM</td>
<td>Morgan Hill Senior Resource Fair</td>
<td>Morgan Hill Community and Cultural Center</td>
</tr>
<tr>
<td>Oct. 18</td>
<td>6 – 8 PM</td>
<td>BayREN, Energy Upgrade Workshop</td>
<td>Hillview Community Center, Los Altos</td>
</tr>
</tbody>
</table>

2. **Business Outreach**

Staff attended the Silicon Valley Business Journal’s Structures Awards on Sept. 21 to reach out to the commercial real estate and developer community.

Commercial customer engagement is ongoing with meetings and communications with select opt out customers.

Staff will be tabling at a Genentech employee event on Oct. 19 to promote SVCE’s electricity choices to employees who live in the SVCE service area.

3. **Enrollment Notifications, Upgrade and Opt Out Update**

The post-enrollment Opt Out period for Phase 2 customers has concluded.

Post-enrollment notices for the October solar customer enrollment are in progress. Pre-enrollment notices for the January NEM enrollees will begin to mail during the last week of October.

Below is the number of GreenPrime Upgrades and Opt Outs as of Oct. 5, as well as the total opt out percentage in overall accounts, and opt out percentage by load.
<table>
<thead>
<tr>
<th></th>
<th>Upgrade</th>
<th>Opt Out</th>
<th>Opt Out by Account Type</th>
<th>Total Opt Out, All Accounts</th>
<th>Opt Out Percentage by Load</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>800</td>
<td>5,571</td>
<td>2.61%</td>
<td>2.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1495</td>
<td>559</td>
<td>1.98%</td>
<td></td>
<td>9%</td>
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</table>

4. **Media**

Press releases:
- [GreenPrime Electricity Receives Green-e Certification](#), published 9-15-2017

News:
- [Community Choice is Coming to Communities Throughout California](#), AARP California, 10-06-2017
- [A 100 percent clean-energy future is possible for SLO](#), The Tribune, 9-28-2017
  - Story also appears in [New Times SLO](#), 10-05-2017
CCA: Past, present, future...
Early CCA planning & due diligence

2002
CCA enabled by State Legislature: AB117

2004 – 2007
Feasibility studies, analysis, planning

2008
First CCA is formed
Why CCA?

• Customer choice
• Local decision-making
• Rate competition/rate stability
• Green energy choices
• Energy efficiency and community-based programs
DON’T BE LEFT IN THE DARK.
Marin Can’t Afford a Costly Energy Scheme.

WATCH OUT!
The Marin Energy Authority is mailing notices to launch its GOVERNMENT-RUN ENERGY BUREAUCRACY.

COMMON SENSE
MARIN COUNTY JANUARY 2010 Vol. II

CONSUMER ALERT!

WHO DO YOU TRUST: EXPERTS OR POLITICIANS?
Politicians are pushing a new government-run energy scheme in Marin, without your vote, that will automatically switch your electric service and enroll you, unless you proactively opt out. THE INDEPENDENT VOICES SAY IT’S A RISK WE CAN’T AFFORD.

ASK THE EXPERTS
“We long have been troubled by... Its requirement that consumers “opt out” of the program rather than consciously choose to participate in it.”
Marin Independent Journal

“Placing this complex, expensive and volatile business venture in the hands of rotating city/county elected officials... presents the Marin taxpayers with an unacceptable risk.”
Marin County Civil Grand Jury

“We cannot afford nor do we have the expertise to buy, own, and operate commercial power/facilities...”
Michael Smith
Treasury Tax Collector
MARIN COUNTY

IN THE DARK.

IN THE DARK.
Uneven playing field

PG&E spent $50M to prevent MCE’s launch

- $3.9M spent to prevent San Joaquin Valley Power Authority (program suspended)
- $1.6M spent opposing San Francisco’s CCA

MCE spent $2.5M to launch
CCAs begin to launch...2010
PG&E Initiative to stop CCA

- Would require 2/3 vote of public before a CCA program could form
- Local governments and public utilities not permitted to lobby or spend funds to oppose
- PG&E spent over $45M

<table>
<thead>
<tr>
<th>Results</th>
<th>Votes</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>No</td>
<td>2,820,135</td>
<td>52.8%</td>
</tr>
<tr>
<td>Yes</td>
<td>2,526,544</td>
<td>47.2%</td>
</tr>
</tbody>
</table>
Key CCA reforms are won...

2011
SB790 (Leno) creates “Code of Conduct” for IOUs

2012
PCIA reform reduces customer costs by 50%

PCIA costs reformed
Sonoma Clean Power...2013
Redwood Coast Energy Authority...2017
Silicon Valley Clean Energy...2017
Pico Rivera Innovative Municipal Energy (PRIME) ... 2017
CCA today...
## Current Operational Member* Overview

<table>
<thead>
<tr>
<th>Member</th>
<th>Customer Accounts</th>
<th>Peak Load MW</th>
<th>Minimum RPS</th>
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<td>CalCCA Member Totals</td>
<td>1,853,000</td>
<td>4,480 MW</td>
<td>45% (avg)</td>
<td>1.8% (avg)</td>
<td>22,409 GWh</td>
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</table>

* East Bay Clean Energy and Pioneer Clean Energy are also Operational Members of CalCCA with data forthcoming in 2017/18
** Represents partial enrollment with additional phases planned for 2018
*** Represents estimates for program launching in 2018
CCA Portfolios in 2016/2017

*PG&E and SCE included for comparison.
The future will be defined by all of us together
Future new CCAs:
Monterey Bay Community Power, and more...
Low-income solar rebates

• A CCA Allocated $155,000 in solar rebates to low-income customers
• Helped fund 68 solar installations for low-income families → 167 kWs of new, local solar
• $1.5M in expected energy savings for low-income families from avoided electricity costs
• Estimated 3,000 metric tons of GHG emissions eliminated
$1 Million+ earned by solar customers in 2016

City of Benicia: $100,000+
West Contra Costa School District: $28,000+

Solar Cash Out
Feed-in tariff results

2 MW

- Online February 2017
- Richmond, CA
- 26 jobs supported
- Ground Mounted Solar
- $550,000 yearly revenue
- Powering 600 homes per year
Local Power Purchase Agreement

1 MW carport shade structure

- Online April 2016
- Novato, CA
- 25 jobs supported
- Cupertino Electric, IBEW
  1245 signatory contractor
Local solar and jobs

10.5 MW

ground-mounted solar

- Under construction, expected online December 2017
- Richmond brownfield site
- 341 jobs supported, 50% local hire requirement
CCAs have accomplished...

Building California Renewables

- Constructing renewables quickly
- Takes 3-4 years of operations to create a diverse long-term portfolio
- Over $1 billion in construction to date
- Majority of spending on projects with project labor agreements

Job Creation

- 2,800+ California jobs supported by MCE since 2010
- 80 jobs created by Lancaster Choice Energy since 2015
- 1.2 million union labor hours created through MCE renewable projects in 2016
Value for Underserved Communities

CleanPowerSF
• $2M allocated for solar rebates for underserved residential customers
• Larger rebates for low-income customers
• 20-40% more for environmental justice neighborhoods
• 500% more for CARE customers
• GRID Alternatives local job training, focusing on underserved communities

Lancaster Choice Energy
• Focus on low-income customers with California HERO and California first to offer Property Assessed Clean Energy (PACE) financing
• Partnering with Antelope Valley Transit Authority to convert to all-electric bus fleet in three years
• AVTA provides free local transit to seniors
Value for Underserved Communities

Sonoma Clean Power
• Electric vehicle purchase and lease discounts for CARE customers
• 30% of electric vehicle rebates allocated for low-income customers
• Property Assessed Clean Energy (PACE) financing for home retrofits and solar
• Free Do it Yourself Toolkit for home efficiency retrofits in all public libraries

MCE
• $1.7 M/year for Low-Income Tenants & Families (LIFT) energy efficiency
• $75,000 allocated for 150 low-income solar rebates
• $100,000 to RichmondBUILD solar and energy efficiency job training academy
• $85,000 allocated to Rising Sun Energy Center to train San Pablo and El Cerrito youth for green collar jobs
• Partners with Communities for a Better Environment, the Greenlining Institute, Grid Alternatives, and environmental justice groups for inclusive programs and policies
Legislative Success to-date

• Blocked legislation threatening CCA procurement responsibility
• Blocked legislation threatening CCA growth & CCA local governance
• Preserved legislative language ensuring CCA oversight of Integrated Resource Planning
• Deepened relationships with legislators & breath of engagement across the state
The future will be defined by us

- Collaboration
- Growing partnerships
- Innovation & cross pollinating
- Environmental benefits
- Community benefits
Keeping CCA strong

• Stay aware of key issues that impact CCAs
• Coordinate & communicate with other CCA programs
• Maintain active presence in the regulatory & legislative arenas
• Together we are strong
### CalCCA Budget

**FY 2018-19**

<table>
<thead>
<tr>
<th>Item 3</th>
<th>Attachment 4</th>
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<table>
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<th>Dues in $</th>
<th>Litigation Fund in $</th>
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<td>in $ millions</td>
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**Notes**

- Revenues for EBCE, LACCE and Pioneer are estimates
- Dues are $10,000+0.03% of operating revenue
- Dues capped at $200,000
- Litigation fund is $25,000+0.07% of operating revenue
- Smaller members can combine their representation on the board and save on the fixed portion of their membership dues

**FY 2017-18**

<table>
<thead>
<tr>
<th>in $ millions</th>
<th>Dues in $</th>
<th>Litigation Fund in $</th>
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<td>in $ millions</td>
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**Notes**

- Revenues for EBCE, LACCE and Pioneer are estimates
- Dues are $10,000+0.03% of operating revenue
- Dues capped at $200,000
- Litigation fund is $25,000+0.07% of operating revenue
- Smaller members can combine their representation on the board and save on the fixed portion of their membership dues
- Litigation fund is capped at $150,000
## SVCE Board of Directors Agenda Planning

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<th>MISSIONS</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
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<td>Approve 2018 Electric Rates</td>
<td>Fiscal Year-End Review</td>
<td>Approve Updates to 2018 Electric Rates</td>
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## ADMINISTRATION, POLICIES

- Short-listed Offers for Joint RFO between SVCE and MBCP

## MILESTONES

- Approve 2018 Electric Rates
- Fiscal Year-End Review
- Approve Updates to 2018 Electric Rates
- Community Power Purchase Program

## STAFFING

## CONTRACTS

- Short-listed Offers for Joint RFO between SVCE and MBCP
Staff Report – Item 4

To: Silicon Valley Clean Energy Authority Board of Directors
From: Donald Eckert, Interim CEO

Item 4: Approve Change of November SVCE Board of Directors Meeting

Date: 10/11/2017

RECOMMENDATION
Approve moving the November Board of Directors meeting to November 15, 2017 and change the meeting location for November 15, 2017 to the following:

Sunnyvale Community Center | Recreation Center
Community Room
550 E Remington Drive
Sunnyvale, CA

BACKGROUND
At the August 9, 2017 Board of Directors meeting, staff had presented a proposal to approve the new rates for 2018 based on best estimates of PG&E’s projected rates and PCIA which will be made available in early November.

The Board supported moving the November Board meeting to the third Wednesday of the month to accommodate the release of dates from PG&E and allow time for staff to update proposed rate schedules.

Staff has been made aware that the Cupertino Community Hall will not be available on November 15, 2017 to host the SVCE Board of Directors meeting, so the meeting location would change to the following:

Sunnyvale Community Center | Recreation Center
Community Room
550 E Remington Drive
Sunnyvale, CA

Staff has also been made aware that this meeting change will conflict with those Board members planning to attend the National League of Conference City Summit from November 15-18 and will confirm with the Board at the October meeting that a quorum will be present in November to approve rates.
Staff Report – Item 5

To: Silicon Valley Clean Energy Authority Board of Directors

From: Donald Eckert, Interim CEO

Item 5: Amend Motion for Customer Program Advisory Group Formation

Date: 10/11/2017

RECOMMENDATION
Amend motion for Customer Program Advisory Group formation.

BACKGROUND
An outcome of the program discussion at the Aug. 9 SVCE Board of Directors meeting was for staff to consider processes for acquiring additional stakeholder involvement in the analysis, development and recommendation of program goals and investments. Staff provided a proposed structure for an ad-hoc Customer Program Advisory Group (CPAG) at the Sept. 13 Board meeting. The Board voted to approve the formation of the CPAG as a temporary body with the purpose of specifically providing input on program selection. The Board provided additional direction in the motion for the proposed structure and appointment process.

The motion includes the following:
• Establish a committee to provide input specifically on program selection
• Each city would appoint one resident who is an SVCE customer
• CEO may appoint three at-large members
• Staff will prepare uniform application for cities to distribute to potential committee members
• Application will include conflict of interest screening
• Ruling from legal counsel to be provided on whether financial disclosure would be required in the application
• Subject to Brown Act, minutes published
• Committee will report to Board
• Nine-month timeline
• Staff reports will reflect Sustainability Manager Roundtable and Customer Program Advisory Group

ANALYSIS & DISCUSSION
Based on the Board’s motion, staff recommends amending the motion regarding the selection process for CPAG members. Below are the two options for discussion and to move forward with the formation of the CPAG.

Option A – Continue with the formation and selection process as passed by the original motion. The Board will each select one member from their community utilizing a uniform application.

Option B – Staff recommends forming a subcommittee of the Board to review and select applicants to attempt to include members with a wide breadth of expertise and interests. Board members may still provide a ranking of the top recommended applicants from their communities to the selection subcommittee.
The recommendation by Staff for Option B will allow the Board subcommittee to review the entire pool of applicants from all communities. This will assist the Board in appointing members with a representative variety of interests and backgrounds to serve on the CPAG. **Allowing for the CEO to appoint three-to-five members from the applicant pool will further assist with achieving the desired range of interests to serve on the CPAG, as defined in the membership section below.**

It is important that SVCE programs serve all members of our community, and establish a representative cross-section of customers to help determine the types of programs that customers value will help to ensure the successful adoption of SVCE programs.

**Membership**
- 15 participants
  - 12 members will be selected and appointed by the full Board of Directors at the Dec. 13 Board meeting
  - The CEO may appoint up to three-to-five members from the pool of applicants
- Participation will be focused on SVCE residential and small and medium business customers, who must live or have a business in the SVCE service area. Appointments will attempt to represent the communities and demographics of the service territory.
  - Applicants interested in serving on the CPAG should have experience in at least one of the following areas:
    - Community, neighborhood, service, environmental, social justice, and other community organizations
    - Business organizations
    - Qualified individuals with expertise in related energy or environmental fields
    - Experience participating in or being a member of an industry or trade association as it relates to SVCE’s mission (e.g. building planning and development, engineering, architecture, transportation, and housing community)
- Members are subject to conflict of interest disclosures

**Recruitment**
Staff will work with member agency communications staff to assist with publicly advertising the opportunity to apply to the CPAG. SVCE will also advertise the opportunity to our subscribers and followers.

**Timeline**
Once the Advisory Group is formed, it is expected to sunset in nine months.
- September 2017 – Develop application and define group function and structure
- October 2017 – Approve and post application, recruit applicants, select facilitator
- November 2017 – Applicants are selected
- December 2017 – Appointment by the Board
- January 2018 – Kick-off meeting to define charter
- June 2018 – Report to the Board of Directors the recommendations from the Advisory Group; this may also occur at an earlier point throughout the process

**Conflict of Interest**
During the Board’s discussion of the Customer Program Advisory Group at the Sept. 13 Board meeting, the Board asked if the group members would be subject to disclosures under the Political Reform Act. SVCE general counsel provided the following information:

The general rule is that a person that serves on an advisory committee is not a “public official” for the purposes of the Political Reform Act. This means that the Political Reform Act does not require such person to file a “statement of economic interest” (also known as a Form 700) and such person...
would not have any conflicts of interest under the Political Reform Act.

An important exception to this general rule is when the advisory committee “makes substantive recommendations and, over an extended period of time, those recommendations have been regularly approved without significant amendment or modification by another public official or governmental agency.” (See FPPC Regs. Sec. 18700 (c)(2)(iii)).

This last statement means that if the Board were to form a long-standing customer advisory committee that is more than just a temporary group, and the Board begins to regularly approve their recommendations without significant modifications, they could be construed as public officials under the FPPC Regulations, and subject to the Political Reform Act.

Given that the Customer Program Advisory Group members are not public officials under the FPPC Regulations, the Board could choose to subject them to SVCE’s local conflict of interest code and require the group members to disclose certain interests related to the advisory work they are doing. SVCE staff recommends including a required conflict of interest question on the application for the CPAG for applicants to self-report.

**Additional Customer Input**
Staff will meet with commercial, industrial and agriculture customers through periodic workshops to solicit their input on program development tailored to their needs.

**FISCAL IMPACT**
Professional Services costs associated with the use of a meeting facilitator and rental fees for the use of building facilities.

**ATTACHMENT**
1. Draft Application
Application for Silicon Valley Clean Energy Customer Program Advisory Group

Silicon Valley Clean Energy (SVCE) seeks qualified applicants for its volunteer Customer Program Advisory Group (CPAG). SVCE asks that anyone wishing to apply submit the following form no later than November XX, 2017. All applications received by the deadline will be acknowledged with an email.

An ad hoc committee of the SVCE Board of Directors will review applications, interview candidates and make a recommendation to the full Board of Directors.

This application is a public document and will be available for review upon request. Please email Pamela Leonard, Community Outreach Manager, at Pamela.Leonard@svcleanenergy.org if you have any questions.

Note that SVCE CPAG members must reside or work in the SVCE service area (Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Los Gatos, Monte Sereno, Morgan Hill, Mountain View, Saratoga, Sunnyvale and Unincorporated Santa Clara County).

Your Information

Name:

________________________________________

Home Street Address:

________________________________________

City Where You Reside:

________________________________________

Email Address:

________________________________________

Primary Phone Number:

________________________________________

Alternate Phone Number (optional):

________________________________________

Occupation (or previous, if retired):

________________________________________
Employer (or previous, if retired):

If you work in one of SVCE’s member communities, address where your office is located. Please note applicants must live or work in the SVCE service area.

Qualifications
Silicon Valley Clean Energy seeks applicants with experience in at least ONE of the following areas. Experience in more than one of these areas is welcome, but not necessary*.

*If you have limited or no experience in one of these areas, simply respond N/A or Not Applicable in that section.

Resumes and letters of recommendation may be submitted as optional supplemental materials.

Please limit responses in this section to 300 words or fewer per question.

Please note that Customer Program Advisory Group members will represent only themselves personally and will not represent any organization while serving on the committee.

1. Please briefly describe your involvement in your local community, or experience with community, neighborhood, service, environmental, social justice, and other community organizations.

2. Please briefly describe your experience or involvement with local business organizations.

3. Please briefly describe your experience or expertise in related energy or environmental fields.

4. Please briefly describe your experience participating in or being a member of an industry or trade association as it relates to SVCE’s mission to reduce dependence on fossil fuels by providing carbon free, affordable and reliable electricity and innovative programs for the SVCE community.
Commitment

Silicon Valley Clean Energy requests members of the Customer Program Advisory Group make a personal commitment of time and energy to attend meetings of this committee, and to helping the organization meet its mission and goals to attain its full potential.

Members are expected to attend 75% of CPAG meetings. The CPAG is expected to meet monthly for nine months and members need to allow 2 – 3 hours per meeting. Meetings will take place on weekday afternoons, during lunch hours, or potentially during weeknight evenings. This will be determined once members are selected.

*Please limit responses in this section to 300 words or fewer per question.

1. Please describe why you are interested in serving on the SVCE Customer Program Advisory Group, and what you would like to achieve while serving on it.

2. Please describe your ability to make the commitment described above.

3. Please describe your experience serving on public committees or boards:

4. Please list any potential conflicts of interest you may have with serving on this committee.
   (Examples may include: Applicant works for a solar company, an energy efficiency company, an electric vehicle manufacturer or electric auto sales company, etc.)

   Note "N/A" if you have no potential conflicts.

   * This information is for public transparency and may or may not affect your appointment to this advisory group.

Thank you for your interest in Silicon Valley Clean Energy!
Staff Report – Item 6

To: Silicon Valley Clean Energy Authority Board of Directors

From: Donald Eckert, Interim CEO

Item 6: SVCE Member Agency Working Group

Date: 10/11/2017

BACKGROUND
To prepare for the launch of Silicon Valley Clean Energy, staff organized a Communications Working Group of member agency staff to assist with communications and outreach for customer enrollment through 2017. The group was a combination of sustainability staff, board clerks, assistant city managers and communications staff and included members from all 12 member jurisdictions. The group assisted with message development, provided input on the best outreach channels for each community, and arranged community meetings.

To help advise SVCE on member agency priorities for carbon emissions reduction and related programs, another member agency working group was formed, referred to as the “Sustainability Managers Roundtable.” This group formed as a CEO-directed initiative to help inform SVCE staff and provide member agencies a way to effectively partner with SVCE to implement their local Climate Action Plans and initiatives. This group has been open to all member agencies and generally garnered participation from staff focused on sustainability, from the SVCE member agencies where Climate Action Plans are being developed or managed. To date, this working group has helped shape SVCE’s plans for GHG accounting and metrics development, and initial brainstorming on program criteria and candidate programs.

The presentation regarding the formation of a Customer Program Advisory Group included the recommendation for staff to continue working with member agencies in order to continue coordination around SVCE programs, and maintain a valuable channel for input from this key stakeholder group.

ANALYSIS & DISCUSSION
Staff made the decision to merge both the member agency staff Communications Working Group and Sustainability Managers Roundtable due to two factors. First, as enrollment activities come to an end, the need for an outreach-specific working group to gather for a monthly coordination call is no longer needed at this frequency. Second, there is significant overlap for some cities with dedicated sustainability staff that serve as the main point of contact for SVCE. Where there are some member agencies with no sustainability staff, the members who served in the Communications Working Group, may make up that representation in the newly formed body.

The new SVCE Member Agency Working Group is aimed to better facilitate representation from all member jurisdictions, and will continue to meet monthly.

Purpose
- Provide regular input to SVCE staff on member agency Climate Action Plan priorities, and related current and planned activities
Agenda Item: 6  

• Provide input to SVCE’s GHG accounting and metrics activities, such that resulting data can be utilized/leveraged by member agencies in their related efforts  
• Provide input and feedback on SVCE program development, particularly as it relates to support of member agency CAP goals and activities  
• Help to enable development of model ordinances and incentives related to decarbonization, for deployment across SVCE member agencies  
• Assist with outreach for SVCE programs, once developed  

Structure  
• Group will be run as a working group  
• Members are member agency staff or a designated technical representative  
• Meetings will occur once a month, or as-needed  
• Staff will continue to work with member agencies for input and gather additional community information through various workshops and focus groups  
• Meeting outcomes will be communicated through the monthly CEO Report to the Board  

FISCAL IMPACT  
Staff time for organization and facilitation.