SILICON VALLEY CLEAN ENERGY

FY 2016-17 Financial Review

Don Eckert, Interim CEO

HIGHLIGHTS

- End year stable financial condition
  - Good liquidity
    - 1.8 Current Ratio
    - Building reserves
  - 34% Gross Margin
  - $29.7 million change in net position
    - Low fixed costs

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HIGHLIGHTS

- 97% Participation Rate
  - One of the lowest opt-outs of operational CCAs
- Compressed 3 Phases to 2
- Maintained 1% below PG&E Rates
  - Power procurement well hedged
- Extensive Community Outreach
- Aggressive carbon-free approach

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REVENUE HIGHLIGHTS

- Energy Sales – 9% unfavorable variance
  - Phase-In year, variance expected
  - Few accounts but large volume on commercial opt-out
  - Regional issue (weather/efficiency)
- Investments

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EXPENSE HIGHLIGHTS

- Power Supply – 11% favorable variance
  - Driver was lower than forecasted sales
- Operating – 22% favorable variance
- Debt Service
  - Paid off NRLOC advances in August
  - Draws well below LOC limits
- No Programs Investments

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INTERNAL CONTROLS

- Policies
  - Risk Management
  - Board Policies
    - 14 Financial
    - 15 IT
    - Various Administrative
  - Internal procedures
- Bill.com platform for Accounts Payable

OPPORTUNITY

- NEW LOAD - MILPITAS
- POWER PROCUREMENT
  - Long-Term Planning
  - Power Purchase Agreements
- PROGRAMS

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RISK

- REGULATORY
  - PCIA
  - BOND
  - ?
- COMMERCIAL OPT-OUT

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QUESTIONS?

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