



Strategic Plan Review

Executive Committee, June 26, 2018
Girish Balachandran, CEO

Strategic Plan Overview

- Approved by the SVCE Board of Directors in June 2017
- Intended to be a living document which would be changed and altered
- A few of the previous goals and tactics have become outdated and additional items have been identified to be updated
- This update has several minor changes, a few major changes and some areas that need to be updated over the next year

Workplace

Minor Changes

Removed outdated figures

Major Changes

Addition of a bi-annual compensation study to Strategy 1.6, Reward staff to keep them engaged

TBD Next Update

N/A

Customer and Community

Minor Changes

Updated timeline for achieving goals in customer awareness, conducting a customer survey, measurement methodology and baseline, decarbonization program roadmap, and GHG inventory data.

Major Changes

Addition of Strategy 5.4, Establish SVCE customer resource center, and 5.5, Establish SVCE customer interval data analytics platform

TBD Next Update

Goal 5: "Work with the community to achieve energy and transportation GHG reductions of 30% from the 2015 baseline, by 2021" to be updated with goals for 2021, 2025 and 2030.

Finance and Fiscal Responsibility

Minor Changes

Updated timeline for receiving an investment grade credit rating, removed member agency loan pay back tactic, and changed Annual 5-year net revenue update to Bi-Annual update.

Major Changes

N/A

TBD Next Update

N/A

Regulatory and Legislative

Minor Changes

Additional emphasis on contributing to CalCCA and taking an active role in engaging the community on SVCE's advocacy efforts

Major Changes

N/A

TBD Next Update

N/A

Power Supply

Minor Changes

Updated timeline for RPS goals and California's mandated energy storage requirement.

Major Changes

Addition of Strategy 9.3, Identify and pursue cost effective, local distributed energy resources to meet RPS needs, Goal 11: Manage power supply resources and risks to financial and rate objective, and Strategies 11.1, Optimize existing resources to increase value to SVCE customers and evaluate opportunities to minimize cost of procuring and scheduling electricity and related products and 11.2, Manage market price, credit, load and supplier volume risk to meet rate and financial objective.

TBD Next Update

N/A

Information Technology

Minor Changes

N/A

Major Changes

A majority of the IT goals and tactics were revised to reflect a more specific plan for ensuring reliability and security of SVCE's IT infrastructure.

TBD Next Update

N/A

Questions and Comments





“Super JPA” – Proposed New JPA for Increased Collaboration Between CCAs

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Need

- Resource Adequacy
- Green Book
- Renewable Power Purchases in bulk
- Credit
- Decarbonization programs
- Other Services

Scope of Joint Energy Programs

- Engage in the acquisition of wholesale power supplies
- Resource adequacy and renewable attributes
- Joint consulting and contracting services via master agreements
- Bulk purchasing and financing of decarbonization products
- Energy risk management and CAISO scheduling services
- Energy related programs

Other Elements of the JPA

- **Project risk**
 - Each project will have a separate project development agreement with separate voting mechanisms related to member share of the project
 - Liabilities to be fire-walled within the Project
- **Board of Directors**
 - CEO of each CCA, appointed and removed by CCA Board
- **Debt & Liabilities**
 - Liability is limited to member commitments to specific Projects
- **Membership Levels**
 - Three tiers of membership based on size; small, medium and large CCAs
- **Term and Termination**
 - Effective when at least 2 Members execute. Agreement in effect until terminated; however it cannot be terminated until such time as all principal of and interest on bonds and other forms of indebtedness issued by CC Power are paid in full.

Value & Risk

Value

- Economies of scale
- Shared risks and opportunities
- Enhance weaker credit
- Lower cost
- Efficiencies
- A-la carte approach

Risk

- Once created, hard to dissolve
- Risk extended beyond project commitments?
- Lose ability to tailor products and services?
- Competition between new JPA and CCA for services?

Several of the identified risks could be mitigated via JPA terms and conditions

Timeline

- **June 25** – Comments to other CCAs
- **June 26** – SVCE Executive Committee – Comments
- **July 11** – SVCE Board – Comments
- **July & August** – Comments from other CCAs and changes to agreement
- **September - December** – SVCE Board – Recommend Approval; Bring back to Board, if further changes needed

Committee Input

- Questions?
- Comments?
- Concerns?