2019 Rate Update Approach
Presentation and Discussion

Executive Committee
March 22, 2019
Overview

• PG&E interim gen rate increase March 1\textsuperscript{st}, SVCE discount v/v PG&E now 9%

• Review and discuss four rate change options for 2019
  o gen rate changes and timing, discount %, and reserve contribution

• Discuss process for August rate update, given July BOD holiday
## Summary

<table>
<thead>
<tr>
<th>SVCE Rate Options</th>
<th>Summary</th>
<th>May Discount</th>
<th>Rate Change</th>
<th>August Discount</th>
<th>Rate Change</th>
<th>Variance to Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option A</td>
<td>No change in rates until August 1, then 1%</td>
<td>9%</td>
<td>0%</td>
<td>1%</td>
<td>+1.5%</td>
<td>$0MM</td>
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<tr>
<td>Option B</td>
<td>Two Rate Changes – 6% May 1 1% August 1</td>
<td>6%</td>
<td>+3%</td>
<td>1%</td>
<td>-1.5%</td>
<td>$3.6MM</td>
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<tr>
<td>Option C</td>
<td>Two Rate Changes – 3% May 1 3% August 1</td>
<td>3%</td>
<td>+6%</td>
<td>3%</td>
<td>-6.5%</td>
<td>$3.8MM</td>
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<tr>
<td>Option D</td>
<td>Two rate changes – 6% May 1 3% August 1</td>
<td>6%</td>
<td>+3%</td>
<td>3%</td>
<td>-3.5%</td>
<td>$0MM</td>
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</table>
Current SVCE Rates: ~9% discount to PG&E

**Figure 1: SVCE Rate Scenario – Current**

- In 2018, SVCE implemented a 6% gen rate discount relative to PG&E.
- On March 1st, 2019 PG&E implemented an interim gen rate increase of 3% compared to 2018.
- SVCE’s average gen rate discount relative to PG&E is now ~9%.

![Diagram showing rate scenario with 6% savings vs PG&E in 2018 and 9% savings vs PG&E in 2019 interim effective 3/1/19.]
Option A:
No rate change until August, then 1% discount
Option A:
No rate change until August, then 1% discount

*Actual Data through April 2019, proposed May 2019 forward; average gen rate includes PCIA
Option B: Two rate changes – 6% discount in May, 1% discount in August

*Actual Data through April 2019, proposed May 2019 forward; average gen rate includes PCIA
Option C: Two rate changes – 3% discount in May, 3% discount in August

*Actual Data through April 2019, proposed May 2019 forward; average gen rate includes PCIA*
Option D: Two rate changes – 6% discount in May, 3% discount in August

*Actual Data through April 2019, proposed May 2019 forward; average gen rate includes PCIA*
Rate Setting Approach – June/August

• No Board Meeting in July

• At June Board Meeting, SVCE staff will present recommended discount level (options) and associated pro forma impacts for new SVCE rates effective Aug 1

• Board will vote on recommended [x%] discount level option for new SVCE rates, based on defined range of July 1 PG&E gen and PCIA rate changes

• Assuming PG&E gen/PCIA rate changes are within range, BOD will authorize CEO to set new SVCE gen rates effective August 1, based on the following calculation:
  ○ [X]% discount from new PG&E generation rates effective July 1, 2019, less associated PCIA and Franchise Fee rates

• If PG&E rate/PCIA changes out of anticipated range?
Evolving Stakeholder Engagement Needs and Proposed Approach

Executive Committee
March 22, 2019
Overview

• Engagement Priorities - Then and Now
• Current Engagement Needs
• Engagement Mechanisms To Date
• Proposed New Function – ‘Community Coalition’
• Benefits
Stakeholder Engagement Priorities

Focus of Customer & Stakeholder Input

2017-2018
The “big what”

• Big picture
• Broad representation
• General awareness
• Define scope of activities for programs

2019-2020
The “big how”

• Programs –
  • Sector-specific
  • Technical
  • Subject matter expertise
• Inbound and outbound communications for program support and awareness
• Advocacy
Needs for Community & Customer Engagement

• Create a regular ‘channel’ for time-effective inbound and outbound communication with targeted stakeholder groups
  o ongoing energy education and awareness – staying ‘top of mind’
  o community input and feedback

• Engage key community allies in program roadmap implementation activities, amplifying SVCE reach

• Assist with legislative & regulatory coalition building as applicable
Key Stakeholder Engagement Channels 2017/18

- Board of Directors
- Member Agency Working Group
- Watts for Lunch (C&I Customer Roundtable)
- Customer Program Advisory Group (CPAG)
- Ad hoc customer and stakeholder meetings
- Newsletter
- Direct emails
- Presentations & Events
- Advertising
- Customer Surveys
- Community Engagement Grants
Stakeholder Engagement Channels 2019/2020

Board of Directors
Member Agency Working Group
Watts for Lunch (C&I Customer Roundtable)
Domain-specific SVCE interest groups
Ad hoc customer and stakeholder meetings
SVCE “Community Coalition”

Newsletter
Direct emails
Presentations & Events
Advertising
Customer Surveys
Community Engagement Grants
Single channel for regular engagement with important stakeholder groups, e.g.:
Approach (Draft)

Staff to form and pilot a Silicon Valley Clean Energy Community Coalition that consists of representatives from interested stakeholder groups:

- Informal group to advise staff and be a resource in the community
- Meet in person, with webinar option
- Host meetings every other month (will adjust frequency, more or less, after 12-month pilot)
- Inbound insights to community and stakeholder priorities
- Outbound communications about SVCE initiatives
- Serve as informal focus group for selected SVCE activities and resources, e.g. customer resource center and Time-of-Use transition
Benefits

• Keep SVCE ‘top of mind’ with key advocates and stakeholders
• Opportunity for stakeholders to contribute to SVCE initiatives
• Create community ambassadors for SVCE and decarb goals
• Group ready to mobilize and amplify advocacy efforts
MCE Case Study

- MCE has hosted a similar function since 2016
- 35 members representing community organizations
- Focus on broad interests from environmental justice to open space and conservation
- Creates a bi-direction communications network
- MCE provides updates, and groups interested in particular updates follow up with staff or coordinate with each other for local campaigns aligned with MCE’s work
Questions?