SVCE Information Update on 2025 SVCE Board Elections

Executive Committee Meeting
November 22, 2024

SILICON VALLEY
CLEAN ENERGY

Purpose

Review the selection process and timeline for 2025 SVCE appointments for Board of Directors Chair, Vice Chair, and committees.

Selection Process

January BOD Meeting
Board Chair/Vice Chair Appointments

Executive Committee Appointments

December 13th:

- Letters of Interest requested for Board Chair/Vice Chair
- Notification of Executive Committee interest requested

Deadline: December 31st: Notification to Board Clerk for Board Chair, Vice Chair, or Executive Committee due

Selections made at annual meeting on January 8, 2025 by vote

Selection Process (Cont.)

February

All other Committee Appointments (Audit, Finance and Administration, any Ad Hoc Committees)

January 10th:
Request for members to notify Board Clerk of interest in serving on remaining Committees

Deadline: January 31st: Notification to Board Clerk for committee interests due

Selections made at February 12, 2025 Board of Directors Meeting by vote.

Timeline Snapshot

Dec

11th: SVCE **BOD meeting** Info item
13th: Requests for Board Chair/Vice Chair letters and Executive Committee interest emailed
31st: Board Chair/Vice Chair Interest Letters & Executive Committee notification of interest due

Jan

10th: Selections made at **BOD meeting**
11th: Written information for committee interests distributed
31st: Interest responses for committees due

Feb

12th : Remaining committee assignments made at **BOD meeting**

Thank you

Budget Update

Amrit Singh
Executive Committee
November 22, 2024

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Purpose

1. Review updated budget projections
2. Recommend the Board approve the updated budget

Main Areas of Discussion

1. Recap of assumptions used in setting the adopted budget and an update on the budget forecast using the recent rate forecasts
2. Comparison of adopted and updated Budget
3. Updated reserve projection
4. Proposal on funding long-term strategic priorities
5. Additional uncertainty in budget projections

FY24-25 Budget Development Timeline

May
High-level budget framework discussion with the Finance and Admin Committee

May/June
Budget framework discussion with the Executive Committee and the BOD

August
Finance & Admin Committee review of the proposed budget

August
BOD review of the proposed budget

September
BOD adopts the budget and agrees to revisit additional expenditures later in the year when there would be more certainty on PG&E rates

November
Executive Committee and Finance and Admin Committee review the updated budget based on the revised PG&E rate filing and provide feedback on any additional expenditures

December
BOD reviews and adopts amendments to the budget incorporating any additional expenditures

March 2025
Mid-Year Budget Review / Adjustment

Key Messages

Recap of Adopted Budget Assumptions

- Conservative assumptions used in estimating revenues
  - CPUC's fall updating of RA and RPS prices used for setting the Market Price Benchmark (MPB) was highly uncertain
  - Budget conservatively showed contribution to reserves of $14 million using prior year's RA and RPS MPBs
- Staff estimated an additional increase in revenues of $145 million if higher RPS and RA MPB prices were adopted
- Budget provided a 4% customer discount and an additional 1% offered as bill credits to low-income customers

Highlights of the Updated Budget

- SVCE's forecasted revenues are higher by about $85 million using CPUC's updated MPB prices
  - Revenues are $60 million lower than staff anticipated primarily because of the recent decline in energy prices
- Updating for revenues and power supply expenses, the net contribution to reserves increases from $14.0 million to $96.7 million
  - Trues up the budget to fund transfers to programs at 2% of updated revenues and to fund the "1%" low-income customer bill credits
- Reserves slightly exceed the target days of cash on hand of 350 but remain below the maximum target of 500 (excluding earmarked funds)
- Due to several delays in PG&E's ERRA update process, the budget update contains more uncertainty than in the past
  - Staff may update the budget further if additional material ERRA updates are received in time for the December Board meeting

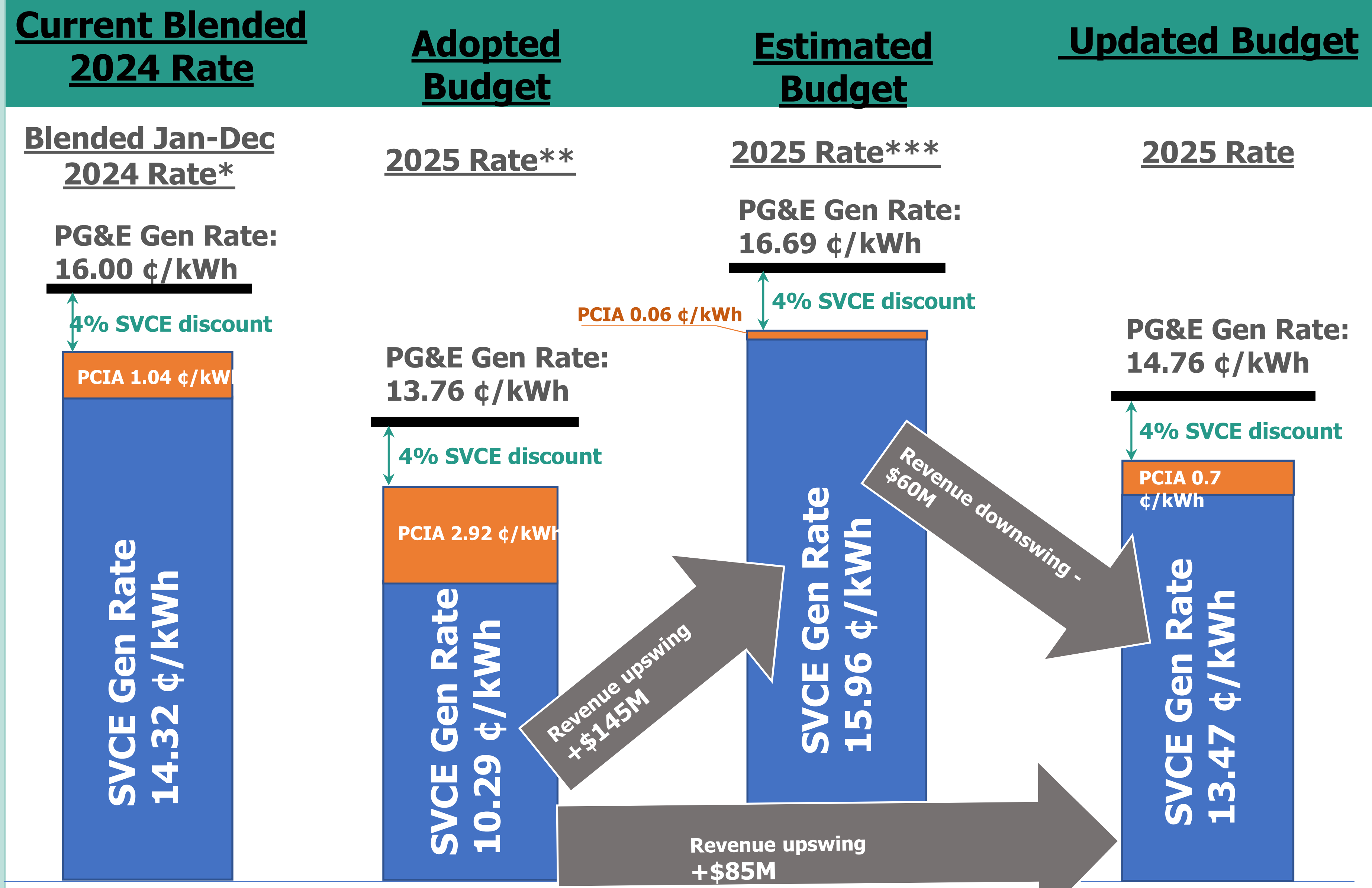
FY 24-25 Adopted and Updated Budget

- Higher RA and RPS MPBs increase revenues
- Power Supply Costs increase slightly
  - Portfolio updates, including those for additional clean resources and Power Purchase Agreement changes and resulting higher RPS and RA costs, more than offset declines in energy prices.
- Program fund is trued up for updated revenues
- Customer bill relief, low-income bill credit, also trued up

SILICON VALLEY CLEAN ENERGY
FY 2024-25 OPERATING BUDGET
($ in thousands)

DESCRIPTION	FY 2024-25 ADOPTED BUDGET	FY 2024-25 ADJUSTED BUDGET	Change $	Change %
Energy Revenues	441,050	526,513	85,463	19.4%
Power Supply Expense	387,145	390,091	2,946	0.8%
Operating Margin	53,905	136,422	82,516	153.1%
Operating Expenses	36,433	36,433	0	0.0%
Non-Operating Revenue (Expense)	16,275	19,168	2,893	17.8%
Annual Transfers and Other Expenses				
Capital Outlay	1,002	1,002	0	0.0%
Building Fund	0	0	0	0.0%
Program Fund	8,821	10,530	1,709	19.4%
Nuclear Allocation	3,708	3,708	0	0.0%
Customer Bill Relief	4,411	5,370	959	21.7%
Hanford Emissions Mitigation Fund	1,800	1,800	0	0.0%
BALANCE AVAILABLE FOR RESERVES	14,005	96,746	82,741	590.8%

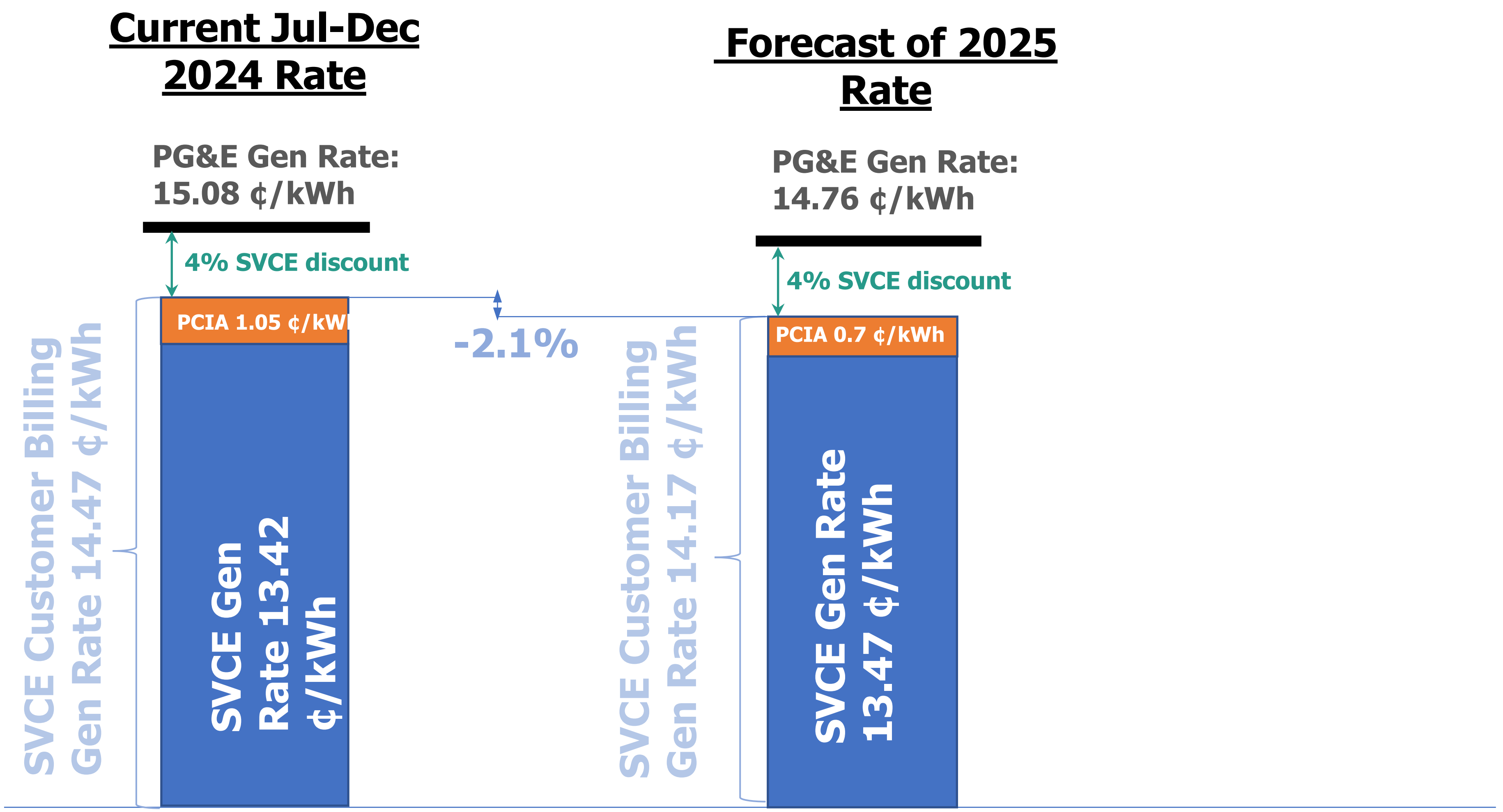
- Market Price Benchmarks (MPB) reflect higher RPS and RA prices
  - RPS prices for 2024/2025 have increased 72%/125%.
  - RA prices for 2024/2025 have increased 55%/179%.
  - Energy prices for 2024/2025 have decreased -13%/-16%.
- Updated budget rate forecast, incorporating latest MPB prices, shows PG&E gen rates in January decreasing on average by 8% from 2024 blended rates.
- Relative to adopted budget assumptions, SVCE's margins, on average, improved by ~**31%.** Resulting in a **~$85** million increase in revenues.
- **Rates are not final until late December**
  - **PG&E continues to challenge CPUC MPB methodology, proposing to utilize last year's MPBs.**
  - **The adoption of one of PG&Es proposals could reduce SVCEs projected FY2025 revenue by $20 to $134 Million.**



* Source: Blended PG&E Jan-Jun 2024 & Jul-Dec 2024 Average Rate (Weighted for SVCE Portfolio Load)
** CalCCA NewGen Model analysis using market data as of 6/28/2024 and CPUC attribute benchmarks adopted for CY 2024 (Weighted for SVCE Portfolio Load)
*** CalCCA NewGen Model analysis using market data as of 6/28/2024 and market RA and RPS prices (Weighted for SVCE Portfolio Load)
Above margin analyses ignore minor reductions for franchise fees (0.09 ¢/kWh)

If Forecasted Rates Prevail, SVCE Customer Rates on Average will Decline Slightly

PG&E's generation rate in July 2024 decreased on average by 11% from January 2024 levels (SVCE portfolio weighted).



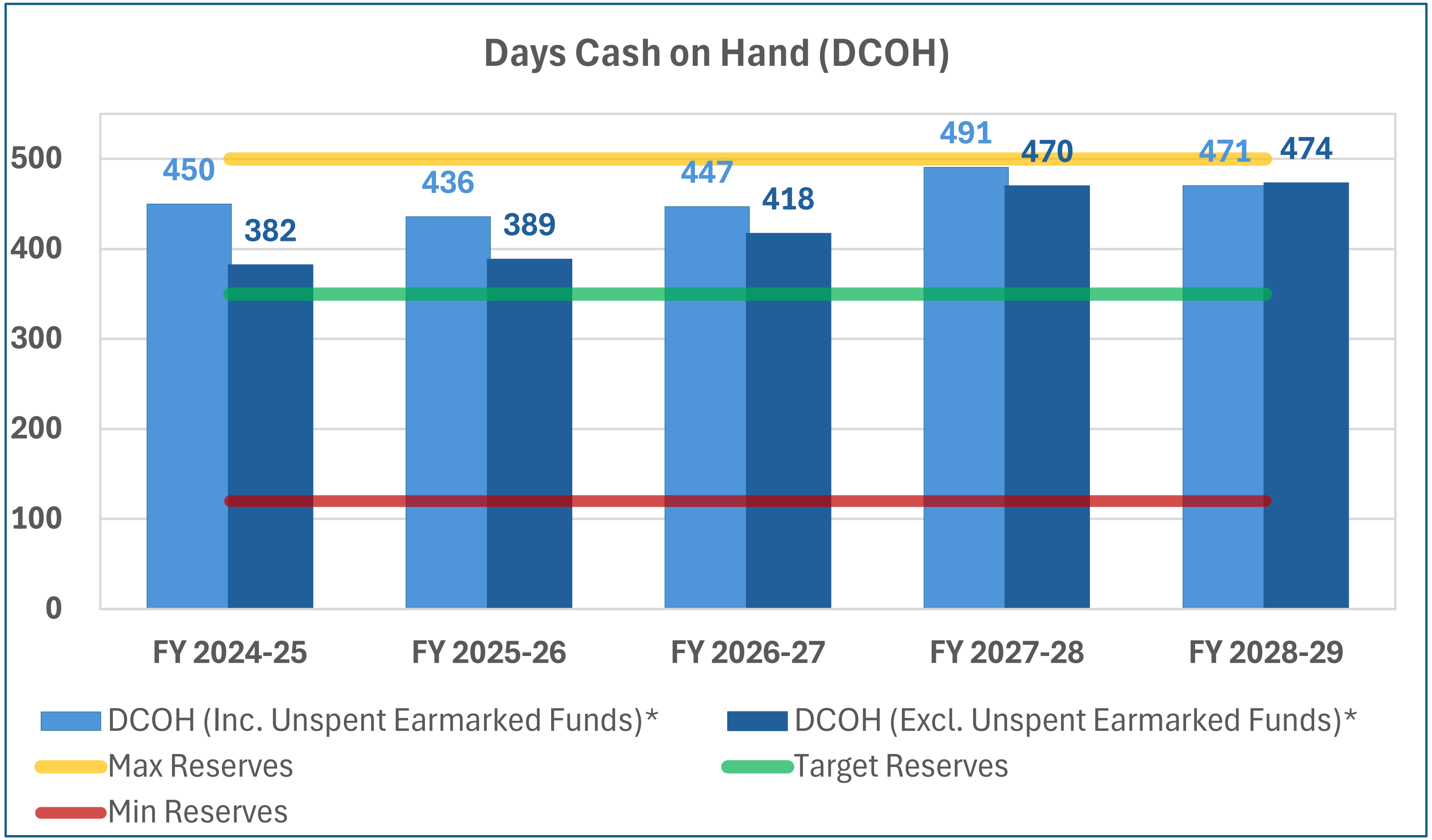
Above margin analyses ignore minor franchise fees (0.09 ¢/kWh)

Reserve Projection

Projected End of FY Reserves:

- 382 Days of Cash on Hand (DCOH)
  - Excludes Unspent Program Funds and Building Fund

- 450 Days of Cash on Hand (DCOH)
  - If unspent Program Funds and Building Fund were included in the reserve calculation



** Earmarked funds are unspent SVCE Program Funds and Building Fund.*

Funds Above Projected SVCE Reserve Target

- 5-yr reserve <u>forecast</u> shows reserves above target levels and approaching the maximum reserve levels

- Financial projection enables SVCE to consider funding longer-term key SVCE mission-aligned strategic priorities
  - These strategic priorities are addressed in the next agenda item

- For fiscal year 2024-25, the <u>forecast</u> ending DCOH is 382, which is 32 DCOH above the target DCOH of 350 and equates to $40 million.

Funding Criteria for Strategic Priorities

- Generally, direct funds above target DCOH
  - During the December budget update or the mid-year budget update, staff will propose the funding level after reviewing the available information on prior fiscal year financial results and accounting for the level of uncertainty in the budget forecast
- For fiscal year 2024-25, Staff does not recommend any funding yet
  - There’s greater uncertainty on rates the CPUC will approve in December
  - Staff may recommend funding during the mid-year budget update

Additional Uncertainty In this Fiscal Year's Budget

- PG&E continues to propose capping RA MPBs at last year's levels
  - CPUC judge ruled earlier that PG&E's arguments were out of scope but could be considered in a new proceeding or a reopening of the PCIA proceeding
  - PG&E now argues that high MPBs create a cost shift
  - SVCE with CalCCA will continue to make the case in this proceeding that PG&E's arguments are out of scope
  - Uncertain how the CPUC will rule
- CPUC's Energy Division released MPBs on October 4th but subsequently made two corrections, with the latest correction on November 5th
  - As a result of these delays, staff does not have all PG&E ERRA updates and NewGen Consultant model updates
- Final rates are expected to be published at the end of December, after PG&E updates ERRA account balances, incorporates CPUC decision likely on Dec. 15, and files its Annual Electric True-up advice letter.

Recommendation

Recommend that the Board of Directors approve the updated Fiscal Year 2024-25 operating budget.

Thank you! / Questions?

Estimated Customer Billing Rate Breakdown and Comparison Y-o-Y

	Residential		Res CARE/FERA*		Small Commercial		Medium Commercial		Large Commercial	
	2024	2025	2024	2025*	2024	2025	2024	2025	2024	2025
Rate Schedule (as of Oct, 2024)	E-TOUC	Est. Avg	E-TOUCL	Est. Avg	B-1	Est. Avg	B-10S	Est. Avg	B-19S	Est. Avg
PG&E Bundled Gen Rate ($/kWh)	$ 0.1501	$ 0.1553	$ 0.1503	$ 0.1553	$ 0.1499	$ 0.1469	$ 0.1581	$ 0.1541	$ 0.1442	$ 0.1459
SVCE Gen Rate ($/kWh)	$ 0.1320	$ 0.1407	$ 0.1323	$ 0.1407	$ 0.1324	$ 0.1330	$ 0.1395	$ 0.1396	$ 0.1270	$ 0.1322
PG&E Delivery Rate ($/kWh)**	$ 0.2807	$ 0.2807	$ 0.1242	$ 0.1242	$ 0.2830	$ 0.2830	$ 0.2108	$ 0.2108	$ 0.1613	$ 0.1613
PG&E PCIA/FF ($/kWh)	$ 0.0121	$ 0.0084	$ 0.0121	$ 0.0084	$ 0.0116	$ 0.0080	$ 0.0122	$ 0.0084	$ 0.0115	$ 0.0079
Total Electricity Cost ($/kWh)**	$ 0.4248	$ 0.4298	$ 0.2685	$ 0.2733	$ 0.4270	$ 0.4240	$ 0.3625	$ 0.3588	$ 0.2998	$ 0.3014
SVCE CARE/FERA Monthly Credit*			$ (12.50)	$ (16.94)						
Est. Average Usage (kWh/month)	491	491	491	491	1,851	1,851	22,540	22,540	148,625	148,625
SVCE Gen Rate Discount vs PG&E	**4%**	**4%**	**~21%***	**~26%***	**4%**	**4%**	**4%**	**4%**	**4%**	**4%**
Est. Av. Monthly Savings vs PG&E	**$ 3.09**	**3.05**	**$ 15.59**	**19.99**	**$ 11.16**	**10.87**	**$ 143.54**	**138.97**	**$ 902.81**	**867.53**

*Estimated, based on PG&E October 2024 ERRA update and average historic residential usage and number of CARE/FARE customers as of September 27, 2024.

**** The 2025 PG&E delivery charges at current levels (as of October 2024) because 2025 rates are not yet available.**

Total CARE/FERA bill discount (including T&D) vs average residential customer, assuming the same usage (491 kWh/month) is about 44%.

On average, CARE/FERA usage is about 12% lower than that of an average E-TOUC customer.

Typical Customer Bill Savings
(Current Rates)

	Residential		Res CARE/FERA*		Small Commercial		Medium Commercial		Large Commercial	
	SVCE	PG&E	SVCE	PG&E	SVCE	PG&E	SVCE	PG&E	SVCE	PG&E
Rate Schedule (eff. July 1, 2024**)**	E-TOUC	E-TOUC			B-1	B-1	B-10	B-10	B-19S	B-19S
Average Usage (kWh/month)	491	491	491	491	1,851	1,851	22,540	22,540	148,625	148,625
Annual Peak Demand (kW)									499	499
PG&E Electric Delivery	$ 124.84	$ 124.84	$ 55.22	$ 55.22	$ 482.30	$ 482.30	$ 4,755.94	$ 4,755.94	$25,884.53	$25,884.53
Electric Generation	$ 68.34	$ 77.36	$ 68.34	$ 77.36	$ 246.10	$ 278.69	$ 3,169.39	$ 3,588.37	$19,964.14	$22,570.19
CARE/FERA monthly bill credit			$ (12.50)							
PG&E Added Fees (PCIA, Franchise	$ 5.93		$ 5.93		$ 21.43		$ 275.44		$ 1,703.24	
Average Total Cost	$ 199.11	$ 202.20	$ 116.99	$ 132.58	$ 749.83	$ 760.99	$ 8,200.77	$ 8,344.31	$47,551.91	$48,454.72
Average Monthly Savings	$ 3.09		$ 15.59		$ 11.16		$ 143.54		$ 902.81	

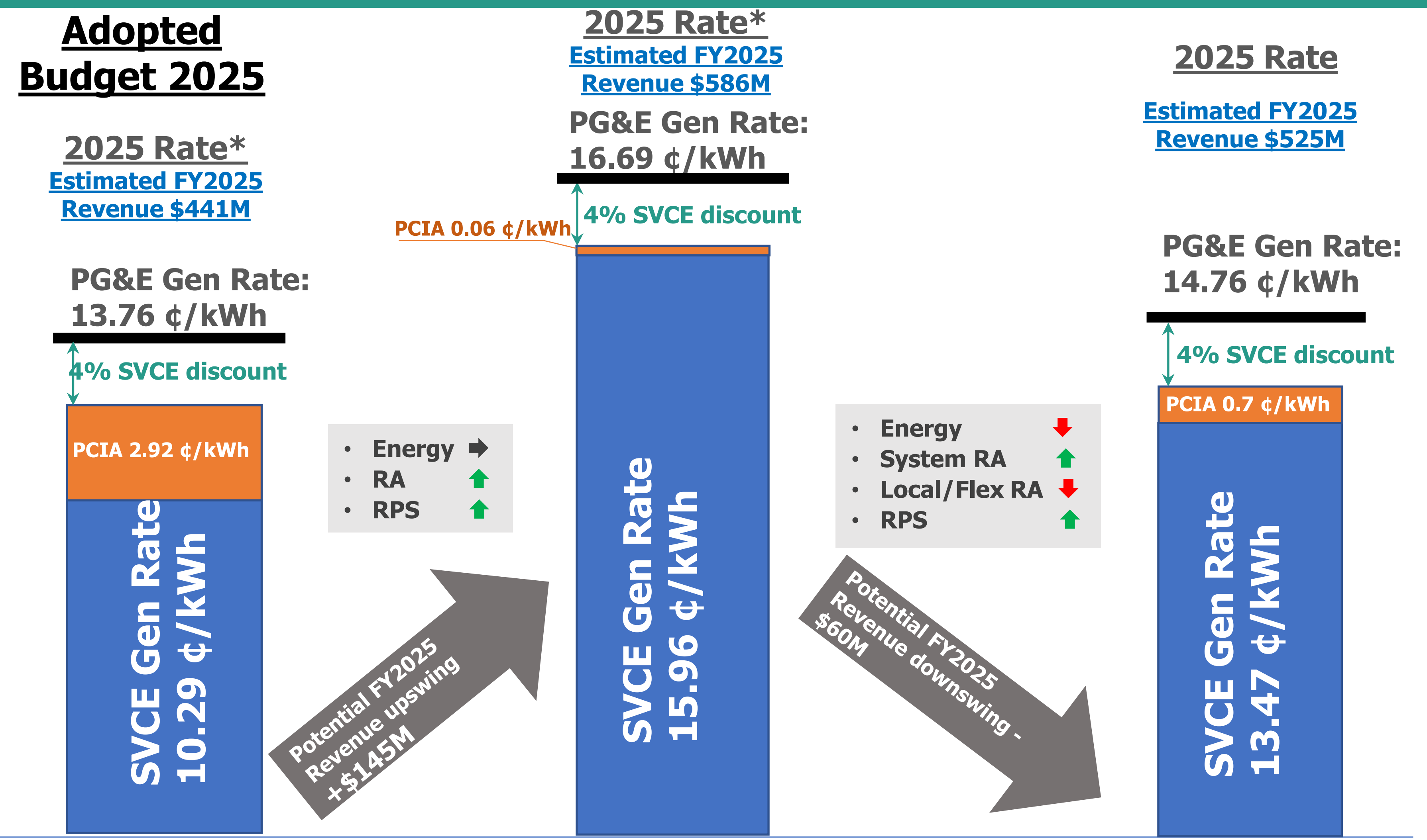
*Estimated based on average residential customer usage, PG&E delivery charges and number of CARE/FERA customers as of July 25, 2024.

MPB Impact on Rate Projections

- MPBs for RA and RPS are significantly above last year's levels, while energy prices have declined.
  - Updated 2025 forecast RPS MPB is ~125% / 31% higher than 2024 forecast/actual MPBs
  - Updated 2025 system RA MPB is ~ 165% / 54% above 2024 forecast / actual MPBs
- CPUC uses a historical volume-weighted average of all IOU, CCA, and ESP market transactions executed in a specific time frame to set next year's MPBs.

	2023	2024	2025
Forecast RPS	Transacted in 09/2021 - 08/2022 for CY 2023	Transacted in 09/2022 - 08/2023 for CY 2024	Transacted in 09/2023 - 08/2024 for CY 2025
Final RPS	Transacted in 12/2021 - 08/2023 for CY 2023	Transacted in 12/2022 - 08/2024 for CY 2024	Transacted in 12/2023 - 08/2025 for CY 2025
Forecast RA - system & flex	Transacted in 09/2021 - 08/2022 for CY 2023	Transacted in 09/2022 - 08/2023 for CY 2024	Transacted in 09/2023 - 08/2024 for CY 2025
Forecast RA - local	Transacted in 09/2019 - 08/2022 for CY 2023	Transacted in 12/2020 - 08/2023 for CY 2024	Transacted in 09/2021 - 08/2024 for CY 2025
Final RA - system & flex	Transacted in 12/2021 - 08/2023 for CY 2023	Transacted in 12/2022 - 08/2024 for CY 2024	Transacted in 12/2023 - 08/2025 for CY 2025
Final RA- local	Transacted in 12/2019 - 08/2023 for CY 2023	Transacted in 12/2020 - 08/2024 for CY 2024	Transacted in 12/2021 - 08/2025 for CY 2025

Set by CPUC in October 2023
Will be set by CPUC in October 2024



** Source: CalCCA NewGen Model analysis using market data as of 6/28/2024 and CPUC MPBs (Market Price Benchmark) adopted for CY 2024 (Weighted for SVCE Portfolio Load)*
*** Blended PG&E Jan-Jun 2024 & Jul-Dec 2024 Average Rate (Weighted for SVCE Portfolio Load)*
**** CalCCA NewGen Model analysis using market data as of 6/28/2024 and estimated CPUC MPBs for CY 2025 (Weighted for SVCE Portfolio Load)*
Above margin analyses ignores minor reductions for franchise fees (0.09 ¢/kWh)

Updated Market Price Benchmark

	Adopted Budget 6/28	Estimated Budget 6/28	Updated Budget 10/25	% Change from Budget	% Change from Est. Budget	Impact on the headroom (gen rate - PCIA) - Est. Budget vs Upd. Budget
2025 Forecast On Peak Energy MPB	64.77	64.77	55.02	-15.1%	-15.1%	-6.5%
2025 Forecast Off Peak Energy MPB	63.78	63.78	53.18	-16.6%	-16.6%	
2024 Actual On Peak Energy MPB	50.75	50.75	44.08	-13.1%	-13.1%	-4.2%
2024 Actual Off Peak Energy MPB	47.95	47.95	42.22	-11.9%	-11.9%	
2025 Forecast RPS MPB	31.73	62.00	71.24	124.5%	14.9%	2.4%
2024 Actual RPS MPB	31.73	50.00	54.56	72.0%	9.1%	0.8%
2025 Forecast System RA MPB	15.23	33.50	42.54	179.3%	27.0%	-0.6%
2025 Forecast Local RA MPB	9.52	20.94	13.29	39.6%	-36.5%	-7.3%
2025 Forecast Flex RA MPB	9.12	20.06	14.16	55.3%	-29.4%	-3.0%
2024 Actual System RA MPB	15.23	21.40	28.65	88.1%	33.9%	4.0%
2024 Actual Local RA MPB	9.52	13.38	12.22	28.4%	-8.6%	-1.1%
2024 Actual Flex RA MPB	9.12	12.81	12.89	41.3%	0.6%	0.0%

Affordable Clean Community Fund

Executive Committee Meeting

November 22, 2024

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Discussion Item

Proposal to establish an Affordable Clean Community Fund

Discussion Structure

1. Why we need this fund
2. Funding priorities and targets
3. Funding allocations and FY24/25 budget estimates
4. Implementation process and accounting overview

Why We Need This Fund

Strategic direction from the Board will enable staff to plan for and grow the impact of SVCE’s strategic community investments.

SVCE Mission

Reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community.

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SVCE is at an inflection point that requires strategic direction.

1. As reserves reach target levels, SVCE can fund longer-term mission-aligned strategic priorities.

2. Increasing electric bills underscore the need for SVCE to have consistent discounts.

3. New air district policies will exponentially increase the demand for heat pumps and the need for support to ensure affordability for all.

4. Evolving market conditions make it more difficult to hit clean targets and amplify the need for new technologies and local developments to supply affordable and reliable clean energy.

Board direction will enable staff to plan for large investments & grow impact.

1. Instead of making decisions every year, we need multi-year strategic direction.

2. Staff has proposed three priority areas for funding.

3. Board retains authority to shift direction if circumstances change.

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Funding Priorities and Targets

By investing in three priority areas, SVCE will be doing its best to ensure the energy transition is affordable and accessible for all in the short, medium and long term.

Determining the Availability of Funds & Allocations

1. Funds above Reserve Policy Targets will be identified as part of budget process.
2. For FY 24-25, based on the updated December 2024 budget estimate, ~$40M is available to establish the ACC Fund.
3. At mid-year Budget, March 2025, staff will confirm estimates and make a recommendation to fund the ACC Fund.

Allocations are based on Board set priorities. The following examples assume $40M available in total.

This three-pronged approach can help clean energy be affordable for all – today and in the future.

1. **Discount Stabilization** – SVCE discount should be secure amid changing conditions.

2. **Scalable Support for Pollution-Free Appliances** – Everyone must be able to upgrade to a heat pump.

3. **Local and Emerging Power Supply Technology** – We need new solutions for a long-term clean supply.

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Discount Stabilization

Recommendation	Customer Benefit	Cost to SVCE
Build a fund to ensure a rate discount even in bad years.	Each 1% discount: ~60 cents/month/residential customer ~$3/month for average non-res customer Larger monthly savings for large C&I who have more usage	Up to $75M Stabilizes discount three years Each 1% discount costs ~$5M/year 5% is about $25M/year

Scalable Support for Pollution-Free Appliances

Recommendation	Customer Benefit	Cost to SVCE
Build a fund to provide scalable rebates and financing for heat pump water heaters (HPWH) installed after regulation.	Rebates and/or financing to lower upfront cost. Customers with the greatest need get the greatest support. Aim design of programs to provide support for up to 100% of HPWH installations. Consistent funding, not come-and-go state programs.	Up to $90M - Estimate needed for three years. - Actual programs deployed will depend on funding available and learnings from ongoing programs. - Program timing would align with regulations going into effect. - Staff ran several scenarios to estimate funding needed for three years of support – example in appendix.

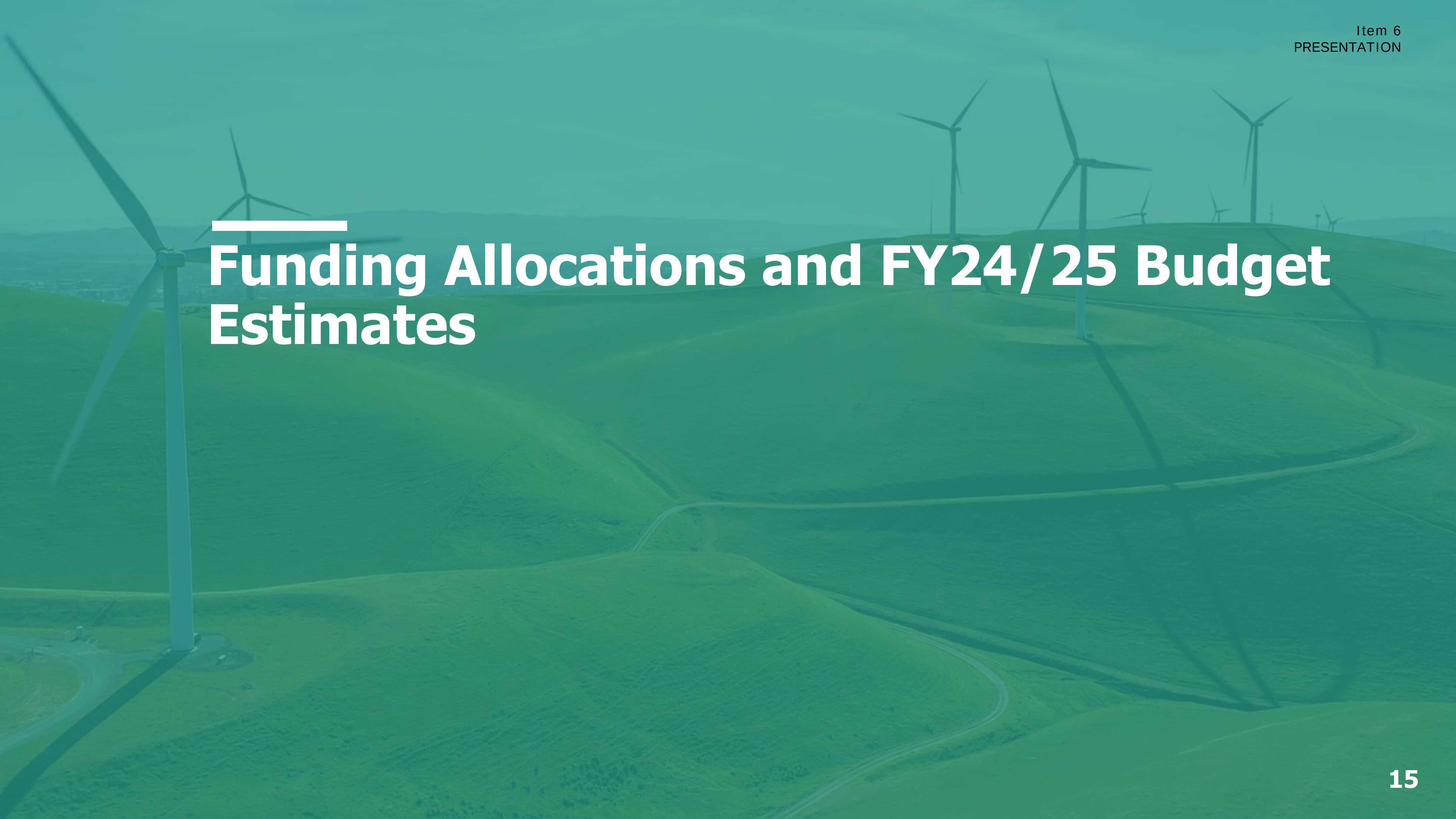
Note: SVCE will also continue to consider external funding sources such as energy efficiency program dollars, to better ensure sufficient support coverage.

Local & Emerging Power Supply Technology

Recommendation	Customer Benefit	Cost to SVCE
Build a fund to invest in the above market costs of local and emerging power supply technologies.	Investments in emerging technology can bring down costs long term and help to stabilize emissions. This fund would be set aside for: • Local projects • Demand flexibility • Emerging technologies	Up to $100M Staff will develop investment recommendations based on level of funding.

Discussion: Summary of Proposed Priorities & Targets

Priority	Investment Cap	Key Risks
Discount Stabilization	**$75M** Estimate needed to secure three years of a 5% discount	- Customers don't notice or feel value
Scalable Support for Pollution-Free Appliances	**$90M** Estimate needed to provide support the first three years of BAAQMD. Example in appendix.	- Low demand (BAAQMD changes) - Programs scaling challenges
Local and Emerging Technology	**$100M** Estimate needed to catalyze a combination of demand flex, local and emerging technologies.	- Technology doesn't work - Costs are much higher - Technology not available



Funding Allocations and FY24/25 Budget Estimates

Option A: Strict Waterfall – Discount Funded First

This option would fund each target fully, in order of priority, starting with the discount. Thus, the preceding priorities wouldn't be funded until the preceding priority was 100%.

Priority	Allocation	FY 24/25 – Estimated $40M
Discount Stabilization	100%	~$40M or 53% of target
Scalable Support of Pollution-Free Appliances	0% until discount funded	$0
Power Supply Emerging Technology	0% until discount and appliances funded	$0

Option B: Strict Waterfall – Appliances Funded First

This option would fund each target fully, in order of priority, starting with appliances. Thus, the preceding priorities wouldn't be funded until the preceding priority was 100%.

Priority	Allocation	FY 24/25 – Estimated $40M
Scalable Support of Pollution-Free Appliances	100%	~$40M or 44% of target
Rate Discount	0% until appliances are funded	$0
Power Supply Emerging Technology	0% until appliances and rate are funded	$0

RECOMMENDED Option C: Percent Allocation

In this option, each priority would receive a portion of funding starting in FY 24/25. Once the discount and appliances allocations are at their targets, all remaining funds would go towards emerging tech.

Priority	Allocation	FY 24/25 – Estimated $40M
Discount Stabilization	40%	~$16M or 21% of target
Scalable Support of Pollution-Free Appliances	40%	~$16M or 18% target
Power Supply Emerging Technology	20%	~$8M or 8% of target

Discussion: Staff Recommends Option C

Priority	Option	Allocation Options FY 24/25	FY 24/25 – Estimated $40M
Discount Stabilization	A	100%	$40M - 53% target
	B	0%	$0 - 0% target
	C	**40%**	**$16M - 21% target**
Universal Support of Pollution-Free Appliances	A	0%	$0 - 0% target
	B	100%	$40M - 44% target
	C	**40%**	**$16M - 18% target**
Power Supply Emerging Technology	A	0%	$0 - 0% target
	B	0%	$0 - 0% target
	C	**20%**	**$8M - 8% target**

Implementation Process and Accounting Overview

Proposed ACC Fund Process and Guidelines

1. Board adopts a resolution to establish the ACC Fund, with threshold to determine funding level available, set funding priorities, targets, and allocations.

2. As part of budgeting process, **if funds are available**, Board approves the annual transfers to each fund based on the predetermined allocations.

3. Staff will bring spending proposals for ACC Fund priorities to the Board for review and approval as necessary.

4. Each ACC Fund priority is capped based on recommended maximums. Total ACC Fund set at $265M. NOTE: This fund is distinct from the programs fund.

5. The Board may adopt changes to the allocation percentages and/or targets at any time.

Appendix

svcleanenergy.org

Zoe.Elizabeth@svcleanenergy.org

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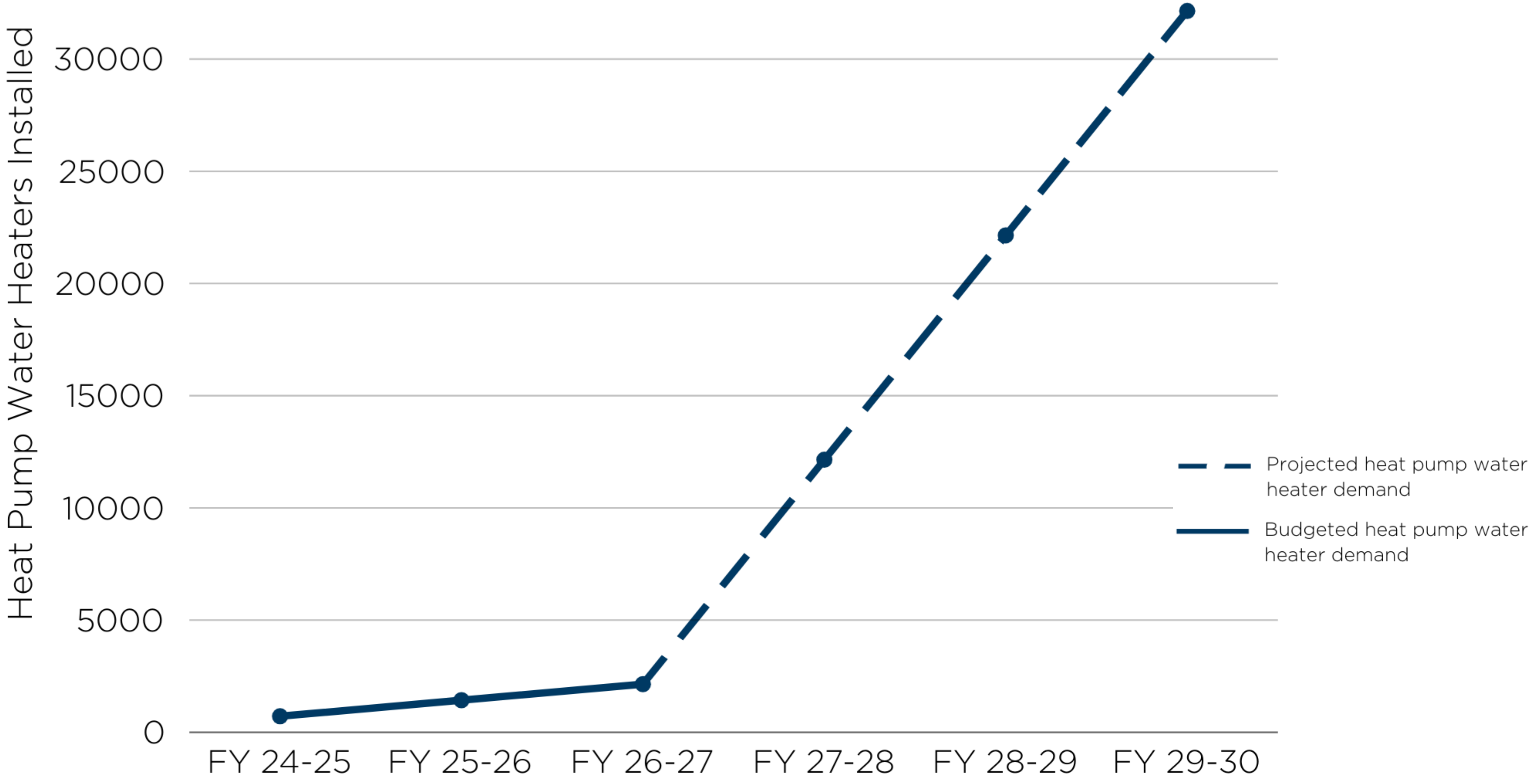
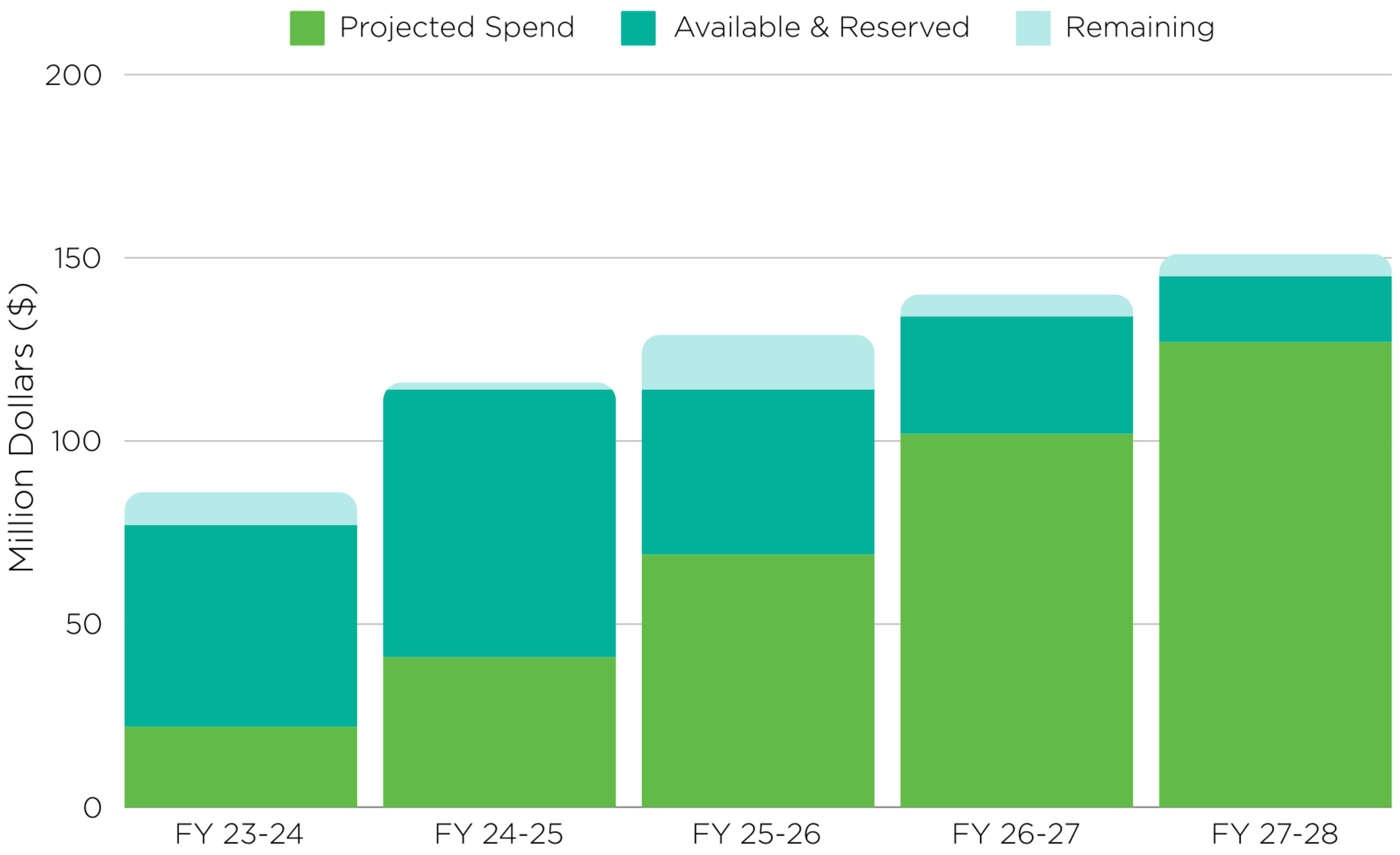
Heat pump water heater demand will exceed current budget

- SVCE has budget for 2,145 new water heaters through FY 26-27.
- In 2027, heat pump water heater demand is expected to increase about 10,000 per year due to local policies.



Current programs budget spend is ramping up; will mostly be deployed by Fiscal Year 2026-2027

- Demonstrating approaches, learning, gathering data, and informing how to scale.
- Actual spend depends on program uptake, so forecast has large uncertainty.
- Budget used for all decarb programs (buildings and transportation), resilience, C&I decarb, E-ELEC, etc.
- Cumulative spend *doubled* over two years prior to FY 23-24.



*Total budget is not inclusive of any additional funding added.

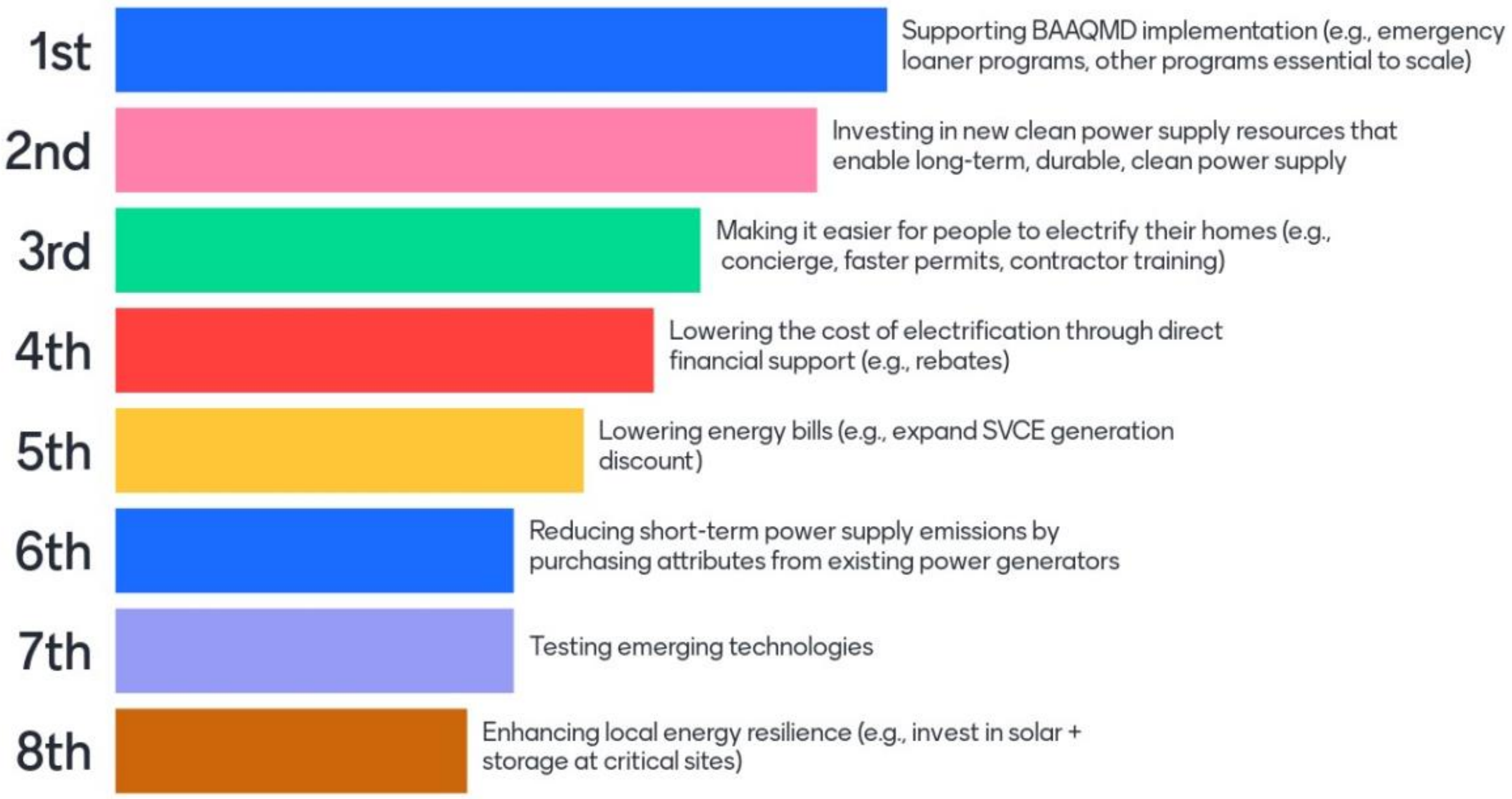
Appliance Support Needed - Example

Major Variables

% Customer Participation	85%
% BAAQMD Compliance	75%
SVCE Admin Cost (%)	20%

Income Group	**AMI Range** ($ for family of 4)	**Offering**	**% SVCE Housing**	**Annual HPWHs through SVCE**	**SVCE Annual Rebate & Finance Cost**	**Annual Admin Cost**	**Total Annual SVCE Cost**
Very Low	<60% (<$84,960)	Full cost coverage	1%	50	$0.4M	$0.08M	**$0.5M**
Low	60-80% ($84,960 - $113,280)	$4,500 rebate	9%	790	$3.6M	$0.7M	**$4M**
Median	80-150% ($113,280 - $212,400)	$2k + 0% financing	49%	4,285	$12.4M	$2.5M	**$15M**
High	>150% ($212,400)	$1k or 0% financing	41%	3,560	$4.6M	$0.9M	**$6M**
SMB	-	$2k + 0% financing	-	300	$0.9M	$0.2M	**$1M**
TOTAL			100%	8,685	$21M	$4M	**$26M**

Community Advocates Ranking Recommendations



Thank you!

svcleanenergy.org

Zoe.Elizabeth@svcleanenergy.org

SILICON VALLEY
CLEAN ENERGY

Policy Streamlining Project

Michael Callahan
Demarie Weber
November 22, 2024

SILICON VALLEY CLEAN ENERGY

Recommendation for ExCom

Adopt staff's proposed revisions to policies including the following:

Policies for Adoption	Policies for Retirement
• G&A Vehicle and Charger Use Policy • G&A California Public Records Act Policy • G&A CEO Absence Policy • G&A Hybrid Meetings Policy • ~~G&A Files and Records Management Policy~~ • ~~HR Personnel and Reimbursement Policy~~	• G&A Vehicle Use Policy • G&A Charging Station Policy • ~~G&A Travel and Meeting Expense Reimbursements Policy~~ • ~~HR Smartphone Stipend Policy~~ • ~~HR Recruitment Incentive Policy~~ • ~~HR Volunteer Time Off Policy~~ • ~~HR Unpaid Leave Policy~~ • ~~HR Paid Time Off Cash Out~~ • ~~HR Tuition Assistance Policy~~ • ~~HR Cash in Lieu of Health Benefits Policy~~ • ~~HR Fitness Reimbursement Benefit Policy~~

Framework

2024 Policy Refresh

November 2023: Discussion with Finance and Administration Committee

- Review all policies for needed updates
- Ensure right level of detail

2024: Internal staff work to recommended changes

- Update and reduce language
- Eliminate redundancies
- Transfer extensive or sensitive details to standards
- Keep key policy details at the Board

November 22, 2024: Executive Committee

Reviewing Changes

- General and Administrative
- Human Resources

November 25, 2024: Finance and Administration Committee

Reviewing Changes

- Finance
- Information Technology

December 11, 2024: Board Meeting

Adopt Changes

- Retire policies
- Adopt new policies

December 2024: After Board decision

- Staff Adopts all finalized standards

Near-term Post Adoption

- Roll out to staff

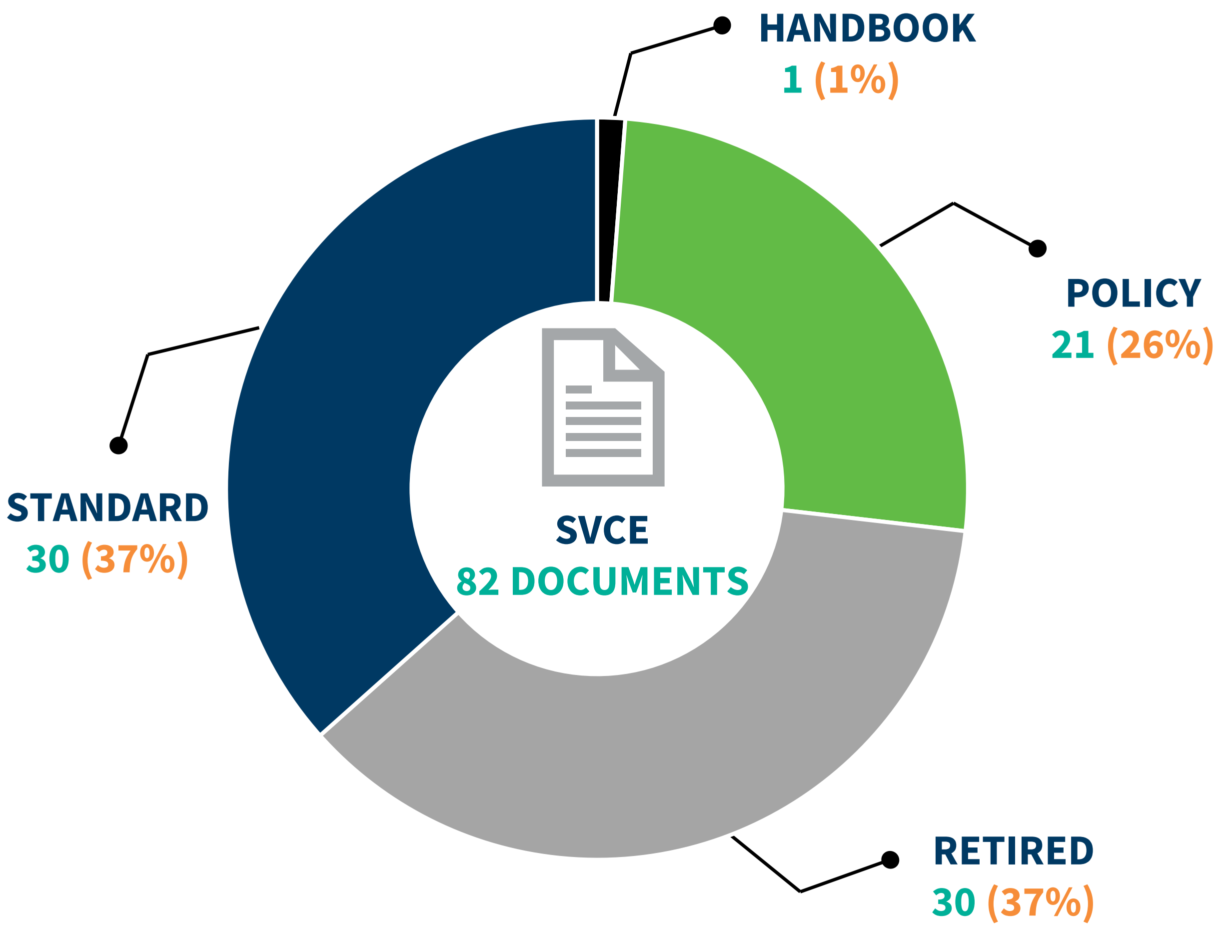
Long-term Post Adoption

- Regular reviews
- Regular trainings

Status Summary

2024 Policy Refresh

RECORDS BY TYPE (%)



TAKEAWAYS

63% (52 of 82 records) are existing records.

- 26% (21 of 82 records) are policies.
- 37% (30 of 82 records) are standards.
- 1% (1 of 82 records) is a handbook that includes information found in policies and standards.

37% (30 of 82 records) are retired policies.

- 13% (4 of 30 retired policies) fall under Finance.
- 10% (3 of 30 retired policies) fall under General and Administrative.
- 27% (8 of 30 retired policies) fall under Human Resources.
- 50% (15 of 30 retired policies) fall under Information Technology.

Policy

Standard

Handbook

Retired

General and Administrative Policy Takeaways

2024 Policy Refresh

KEY TAKEAWAYS

1) Consolidation of the vehicle and charger use policies
2) California Public Records Act was refreshed to include exceptions

Other General and Administrative Revisions

- Vehicle and Charger Use policies consolidated into a single new policy with a new standard
- CEO Absence and Hybrid Meetings policies were refreshed with administrative clean up
- No changes to the Code of Ethics, Chair and Vice Chair, and Ticket and Pass Distribution policies
- California Public Records Act policy includes additional administrative clarifications

General and Administrative

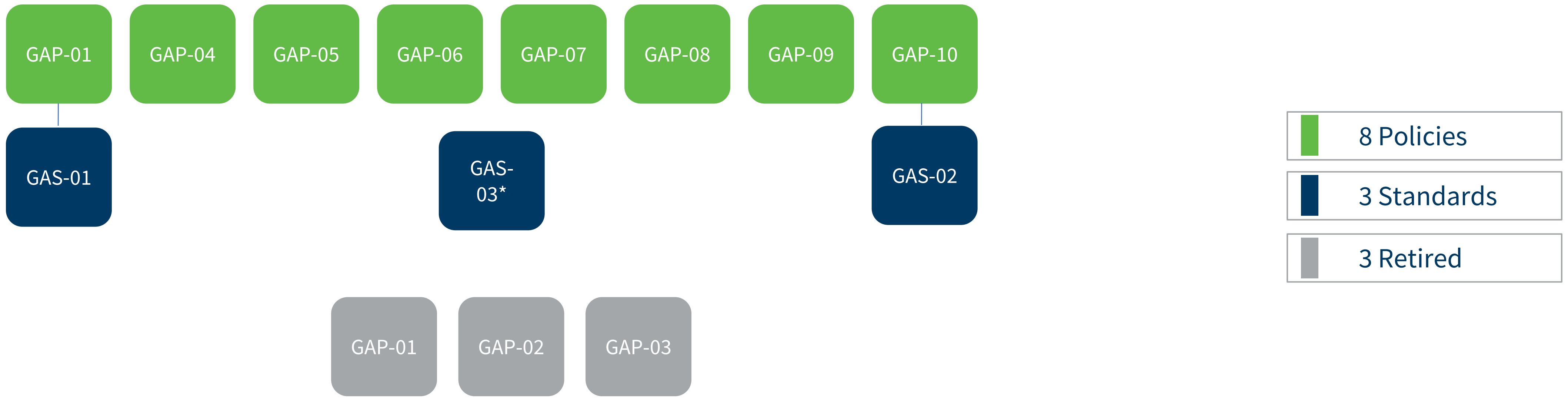
2024 Policy Refresh

SUMMARY GRAPHIC – GENERAL AND ADMINISTRATIVE

GAP01 - Vehicle and Charger Use
GAP04 - California Public Records Act
GAP05 - Code of Ethics
GAP06 - Chair and Vice Chair Vacancy
GAP07 - CEO Absence
GAP08 - Ticket and Pass Distribution
GAP09 - Hybrid Meetings
GAP10 - Files and Records Management

GAS01 - Vehicle and Charger Use
GAS02 - Files and Records Management
GAS03 - Travel and Meeting Expense Reimbursements

[Retired] GAP01 - Travel and Meeting Expense Reimbursements
[Retired] GAP02 - Vehicle Use Policy
[Retired] GAP03 - Charging Station Policy



GAS-03 falls under HRP-01 Personnel and Reimbursement

Next Steps

- Nov 25 - Finance and Administration Committee
  - Information Technology Policies
  - Finance Policies
- Dec 11 – Board Meeting
  - All policies
- ~Dec 12 – Staff adopts standards
- Q1 2025 – Roll out policy changes to staff & train incoming Board members
- Continuous improvement with regular reviews and trainings

Thank you! Questions?

Appendix A: FAC Policies

Recommendation for FAC

Adopt staff’s proposed revisions to policies including the following:

Policies for Adoption	Policies for Retirement	
• Finance Accounting Policy • Finance Budget Policy • Finance Purchasing and Spending Policy • Finance Investment Policy • Finance Delinquent Accounts & Collections Policy • Finance Capitalization Policy • Finance Customer Generation Rates • IT Information Technology Policy	• Finance Capital Projects Policy • IT Information Systems Use Policy • IT Email Use Policy • IT Asset Management Policy • IT Internet Usage Policy • IT Security Plan Policy • IT Access Control Policy • IT Password Protection Policy • IT Malware Defense Policy	• IT Security Audit Policy • IT Disaster Recovery Policy • IT Threat-Risk Assessment Policy • IT Satisfaction Policy • IT Data Breach Policy • IT Workstation Security for HIPPA Policy • IT Clean Desk Policy

Recommendation for FAC

Adopt staff's proposed revisions to policies including the following:

Policies for Adoption	Policies for Retirement
• G&A Files and Records Management Policy • HR Personnel and Reimbursement Policy	• G&A Travel and Meeting Expense Reimbursements Policy • HR Smartphone Stipend Policy • HR Recruitment Incentive Policy • HR Volunteer Time Off Policy • HR Unpaid Leave Policy • HR Paid Time Off Cash Out • HR Tuition Assistance Policy • HR Cash in Lieu of Health Benefits Policy • HR Fitness Reimbursement Benefit Policy

Appendix B: Controls

General and Administrative Controls

2024 Policy Refresh

Name	Controls
GAP02 - Vehicle and Charger Use Policy Purpose: SVCE EV and officer charger use Cadence: Review every five (5) years	1) Staff maintains standards for AOV management that include pre-driving and qualification requirements, reservation process, driving requirements, reported accidents; traffic violations, parking tickets; required documentation, and serving the AOV. 2) Staff maintains standards for electric vehicle charging stations located at the SVCE office, which include charging requirements and limitations, safety, and limitation of liability.
GAP04 - CA Public Records Act Policy Purpose: Managing PRA requests Cadence: Review every five (5) years	1) SVCE must adhere to the California Public Records Act (CPRA) and SVCE affirms the public's right to access its public records. SVCE staff will cooperate fully with the Board Clerk in producing records in a timely manner typically within 10 calendar days starting the day after the request receipt date except in cases with unusual circumstance. 2) The requestor is responsible for any direct cost of producing a paper or electronic record if applicable. If a request requires compilation, extraction, or computer programming to produce the record, or requires the production of an electronic record that is otherwise produced only at regularly scheduled intervals, the requester shall bear the cost of producing the electronic copy, including the fully burdened hourly rate of staff members required to construct the record or the cost charged by an outside programmer or consultant. SVCE is not required to reconstruct electronic copies of records that are no longer maintained or available in an electronic format.

General and Administrative Controls

2024 Policy Refresh

Name	Controls
GAP02 - Vehicle and Charger Use Policy Purpose: SVCE EV and officer charger use Cadence: Review every five (5) years	1) Staff maintains standards for AOV management that include pre-driving and qualification requirements, reservation process, driving requirements, reported accidents; traffic violations, parking tickets; required documentation, and serving the AOV. 2) Staff maintains standards for electric vehicle charging stations located at the SVCE office, which include charging requirements and limitations, safety, and limitation of liability.
GAP05 - Code of Ethics Policy Purpose: Obligations to public, gifts, conflicts Cadence: Review every five (5) years	1) Officers and employees of SVCE at all levels are guardians of the public trust. SVCE officers and employees are required to be impartial and responsible in the fulfillment of their duties. 2) SVCE officers and employees are prohibited from making, participating in making, or attempting to influence a decision of SVCE in which he or she has a financial interest as defined by law. 3) In addition to any other penalty as provided by law, employees who violate the Code of Ethics will be subject to disciplinary action, up to and including termination. Members of the Board of Directors or other officers who intentionally or repeatedly do not follow this Code of Ethics may be reprimanded or formally censured by the Board, lose committee assignments, or have official travel restricted.
GAP06 - Chair and Vice Chair Vacancy Policy Purpose: Procedures for Interim Chair Cadence: Review every five (5) years	1) At any meeting where the Chair and Vice Chair are not present, the previous Chair of that body will serve as Interim Chair. If that person is not present, the longest-serving member of that body will serve as Interim Chair. If it is a new committee, members will draw lots to determine the Interim Chair.

General and Administrative Controls

2024 Policy Refresh

Name	Controls
GAP07 - CEO Absence Policy Purpose: For temporary CEO absences Cadence: Review every five (5) years	1) When the CEO is absent from work and unavailable to perform the regular functions of the role, the CEO shall designate one Department Director to serve as Acting CEO during their absence. In cases where the CEO is unable to designate an Acting CEO or should an absence extend beyond 30 days, a special meeting of the Executive Committee shall be called to appoint an Acting CEO.
GAP08 - Ticket and Pass Distribution Policy Purpose: Rules for tickets given to staff Cadence: Review every five (5) years	1) SVCE is subject to the Political Reform Act. The use of tickets of passes is a privilege extended by SVCE and not the right of any person to which the privilege may from time to time be extended. Tickets or passes shall not be transferred to any other person except to members of such SVCE Official's Immediate Family or no more than one guest solely for their attendance at an event. 2) Within 30 days of adopting of amendment of this Policy, the Policy shall be posted on SVCE's website and the link of the website shall be emailed to the FPPC. 3) Within 45 days of distribution of a ticket or pass, SVCE must report the distribution on FPPC Form 802 containing agency, function, recipients, and verification.
GAP09 - Hybrid Meetings Policy Purpose: Allows remote Board participation Cadence: Review every five (5) years	1) At least a quorum of the members of the SVCE's Board of Directors/Committee members must participate in person at a singular physical location within the agency's jurisdiction where the public can attend.

General and Administrative Controls

2024 Policy Refresh

Name	Controls
GAP10 - Files and Records Management Policy Purpose: Rules for maintaining SVCE records Cadence: Review every five (5) years	1) SVCE is subject to the CPRA and must maintain records for public inspection. SVCE developed standards that outline methods for record maintenance to support public access and transparency.
GAS01 - Vehicle and Charger Use Purpose: SVCE EV and officer charger use Cadence: Review every five (5) years	1) AOV drivers must be added to the insurance plan, sign off on the AOV driver code-of-conduct, submit a new driver checklist, and be approved by the Director of ESCR or his or her designee. 2) The SVCE charging station stalls are limited to 4 hours of use. Authorized SVCE personnel may disconnect the vehicle at any time.
GAS02 - Files and Records Management Purpose: Rules for maintaining SVCE records Cadence: Review every five (5) years	1) Files labeled with employee names are considered confidential personnel files only accessible to those who are in direct line of supervisory authority or those responsible for payroll or human resource duties on a need-to-know basis. 2) Staff shall determine whether files labeled with an energy counterparty name contain confidential information before public release. 3) Record Retention Periods is a guide for record maintenance. Three to six months after year-end, a CEO-designated SVCE employee will proceed with record destruction for files that have exceeded their holding period.

General and Administrative Controls

2024 Policy Refresh

Name	Controls
GAS02A01 - Files and Records Management Att - Retention Periods Purpose: Records retention guide for maintaining SVCE records Cadence: Review every five (5) years	1) Describes records retention periods for records maintenance.
GAS03 - Travel and Meeting Expense Reimbursements Purpose: Reimbursement for business expenses Cadence: Review every five (5) years	1) Advanced CEO approval is required for incurring expenses for out-of-state travel by SVCE employees. 2) All in-state travel involving overnight accommodations is approved by the appropriate department head only under specified conditions. 3) Travel and meeting expenditures shall not exceed approved budget appropriations and associated fiscal policies. 4) Reimbursement claims should be submitted no later than 60 days, and in no event later than 180 days, after the event and include an itemization of expenses, a brief explanation, and original receipts.

Human Resources Controls

2024 Policy Refresh

Name	Controls
HRP-01 [Personnel & Reimbursement] Purpose: Delegate personnel authority to CEO Cadence: Review every five (5) years	1) CEO is designated as the Personnel Officer and is authorized and directed to administer the personnel system, and may delegate powers of the Personnel Officer as appropriate. 2) The Personnel Officer and General Counsel will act as appointing authorities for all employees of SVCE implementing an employee handbook, personnel rules and regulations necessary for personnel administration. 3) Board approval needed to add a position added or adjust salary that causes the total annual budget to be exceeded in total by fiscal year-end.
HR Handbook Purpose: HR rights and policies for staff Cadence: Review every one (1) year	1) One source for employee-facing HR standards and policies. 2) Updates to any employee-facing HR Standard or Policy is summarized in the HR Handbook. 3) Generally provides limitations and requires various approvals by HR and Finance and Administration for the different types of leave and benefits including unpaid leave, accommodations, PTO cash out option, etc.
HRS-01 [Technology Stipend] Purpose: Benefit for phone & internet service Cadence: Review every five (5) years	1) Employee registers their smartphone to SVCE Mobile Asset Management (MAM) program. 2) Residential internet service needs to be at least 100 Mbps (download)/ 20 Mbps (upload). 3) Stipend is neither permanent or guaranteed. SVCE reserves the right to modify or cancel this benefit. 4) SVCE does not accept liability for claims, charges, or disputes between service provider(s) and the employee.

Human Resources Controls

2024 Policy Refresh

Name	Controls
HRS-02 [Recruitment Incentive] Purpose: Support competitive hiring Cadence: Review every five (5) years	1) Threshold of 10% of salary or $15,000 incentive. 2) Employee must compensate SVCE if the employee terminates within 12 months from which the bonus is received.
HRS-03 [Volunteer Time Off] Purpose: Staff benefit to volunteer Cadence: Review every five (5) years	1) Threshold of 40 hours per year of Volunteer Time Off (VTO). 2) VTO must be longer than 2 hours. 3) VTO must be no more than 2 days per quarter. 4) VTO does not accrue and is refreshed at the beginning of each calendar year.
HRS-04 [Unpaid Leave] Purpose: Allows leave without accruals Cadence: Review every five (5) years	1) Approval of immediate supervisor, department director, and CEO is required for leave longer than one week. 2) F&A ensures any employee on an approved leave of absence is not paid.
HRS-05 [Paid Time Off Cash Out] Purpose: Option to give staff flexibility Cadence: Review every five (5) years	1) Minimum of 40 hours must be retained in PTO bank, and confirmation of retention of 40 hrs in PTO bank is verified. 2) Limit of two PTO cash-outs and not to exceed 80 hours per calendar year.

Human Resources Controls

2024 Policy Refresh

Name	Controls
HRS-06 [Tuition Assistance] Purpose: Reimbursement for eligible education Cadence: Review every five (5) years	1) There needs to be an availability of funding based on the annual budget process. 2) Two weeks prior to course start, an employee submits the Tuition Assistance Reimbursement form to their supervisor and department director. 3) Employee provides written justification of coursework that aligns with SVCE's core mission, employee's duties, or future opportunities within the agency. 4) Documentation (proof of payment, registration completion, and proof of completion) must be received within 60 days of course completion 5) If an employee voluntarily leaves, they must repay tuition reimbursements received within 12 months preceding the employee separation date or a deduction from employee compensation is due.
HRS-07 [Cash in Lieu of Health Benefits] Purpose: For staff that are separately insured Cadence: Review every five (5) years	1) Employee submits proof of other current health coverage. 2) Employee submits Election of Cash In-Lieu form declining all SVCE-offered coverage (medical, dental, and vision).

Human Resources Controls

2024 Policy Refresh

Name	Controls
HRS-08 [Fitness Reimbursement Benefit] Purpose: Benefit to support wellbeing Cadence: Review every five (5) years	1) Injuries resulting from an employee's participation in this Program will not qualify for worker's compensation benefits. 2) Expense reimbursement submitted in HRIS demonstrates reimbursement meets requirements of the program along with receipts and inputs of approved health club, fitness program, equipment, or service.
HRS-09 [Flexible Work] Purpose: Allows remote work with conditions Cadence: Review every five (5) years	1) Employees agree to ensure that they have a workspace that lends itself to remote work in that it is 1) free from distractions that would impede success; 2) safe and free from hazards that could lead to harm or injury; 3) compliant from a cyber security perspective; and 4) aligned with the required IT requirements outlined in the technology stipend. 2) Employees agree to ensure their work documents and devices are secured and confidential and that passwords are protected. 3) Employees who are approved to live outside the SVCE service territory do so at their own choosing and will not be reimbursed for regular travel. expenses associated with required in-office time. 4) Working outside of the United States is not permitted.