svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

Silicon Valley Clean Energy
Finance and Administration Committee Meeting

Monday, November 25, 2024
3:00 pm

Silicon Valley Clean Energy Office
333 W. El Camino Real, Suite 330
Sunnyvale, CA

Teleconference Meeting Information:
https://svcleanenergy-org.zoom.us/j/87309193737

Or by Telephone (Audio only):
US: +1 669 219-2599
Webinar ID: 873 0919 3737

Members of the public may observe this meeting electronically by accessing the meeting via instructions above. Public Comments can be sent in advance of the meeting to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be distributed to the Finance and Administration Committee. The public will also have an opportunity to provide comments during the meeting. Members of the public using Zoom may comment during public comment or the applicable agenda item by using the Raise Hand feature and you will be recognized by the Chair. Those using the telephone (audio only) feature should press star 9 on your phones to initiate the "Raise Hand" function in Zoom. You will then be announced, unmuted, and your time to speak will begin.

The public may provide comments on any matter listed on the Agenda. Speakers are customarily limited to 3 minutes each, however, the Committee Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org prior to the meeting for assistance.

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any matter not listed on the Agenda provided that it is within the subject matter jurisdiction of SVCE. Speakers are customarily *limited to 3 minutes each, however, the Committee Chair may increase or decrease the time allotted to each speaker based on the number of speakers, the length of the agenda and the complexity of the subject matter. Speaking time will not be decreased to less than one minute.*

Consent Calendar (Action)

1) Approve Minutes of the August 6, 2024 Finance and Administration Committee Meeting

Regular Calendar

2) Recommend Approval of the Fiscal Year 2024-25 Budget Update (Action)
3) Establish the Affordable Clean Community Fund (Discussion)
4) Creating a Rate Stabilization Fund Using GASB 62 (Discussion)
5) Request the SVCE Finance and Administration Committee Recommend the Board of Directors Approve Policy Updates as Part of the Agency Policy Streamlining Project (Action)

Committee/Staff Remarks

Adjourn

svcleanenergy.org

333 W El Camino Real
Suite 330
Sunnyvale, CA 94087

Pursuant to the Americans with Disabilities Act, if you need special assistance in this meeting, please contact the Clerk for the Authority at (408) 721-5301 x1005. Notification 48 hours prior to the meeting will enable the Authority to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.105 ADA Title II).

Silicon Valley Clean Energy
Finance and Administration Committee Meeting
Tuesday, August 6, 2024
1:00 p.m.

Silicon Valley Clean Energy Office
333 W. El Camino Real, Suite 330
Sunnyvale, CA

DRAFT MEETING MINUTES

Call to Order

Vice Chair Srinivasan called the meeting to order at 1:04 p.m.

Roll Call

Present:
Vice Chair Murali Srinivasan, Sunnyvale
Director Elliot Scozzola, Campbell
Director Pat Showalter, Mountain View

Absent:
Chair Hung Wei, Cupertino

Public Comment on Matters Not Listed on the Agenda
No speakers.

Consent Calendar

Vice Chair Srinivasan opened public comment.
No speakers.
Vice Chair Srinivasan closed public comment.

MOTION: Director Showalter moved and Director Scozzola seconded the motion to approve the Consent Calendar.

The motion carried with Chair Wei absent.

1) **Approve Minutes of the May 13, 2024, Finance and Administration Committee Meeting**

Regular Calendar

2) **Recommend the Board of Directors Approve the Fiscal Year 2024-25 Proposed Operating Budget, Staff Benefits Update, and Proposed Reserve Policy Targets (Action)**

Amrit Singh, CFO and Director of Administration, presented the proposed operating budget for FY 2024-25, starting October 1, 2024 and ending September 30, 2025. The presentation included the following information:

- Key highlights, with a forecast of year-over-year revenues decrease of ~$112 million, a recommendation to continue the 4% discount with an additional 1% directed to low-income customers as bill credits and to revisit in December once there's more certainty in PG&E rates,
- Review of the proposed budget forecast,
- Various reasons for revenue forecast uncertainty, including current market prices for resource adequacy (RA) and renewable portfolio standards (RPS) are significantly above last year's market price benchmark (MPB) levels,
- Power supply cost review, with higher costs than FY 23/24 at the mid-year budget primarily driven by increased power costs,
- Other operating expenses, including merit/cola adjustments of 6%, and transfer to programs,
- Reserve targets and projections, with a recommendation to increase target reserves to 350 Days Cash On Hand (DCOH), and round the upper target to 500,
- An update on office space, noting the Executive Committee concurred with the strategy for staff to continue to research office building leasing options and to revisit an office building purchase around 2028; and
- Benefits upgrades, which includes the addition of Cesar Chavez Day to the holiday schedule, increased paid parental leave to 240 hours, an increase in bereavement to 5 days, accrual of the annual $600 fitness reimbursement for up to $3,000, and a hybrid work reimbursable $500/one-time home office set up for new employees.

Staff responded to questions and comments from the committee regarding meeting timing and incorporating changes to the budget for the upcoming board meeting, the Power Charge Indifference Adjustment (PCIA), personnel recruitment, reserve target rationale, the pros and cons in contracting for long-term contracts, potential SVCE office locations and member agency contacts to assist in identifying potential spaces, SVCE's retirement plan, support for parental leave and other parental benefits, the difficulty in reading and understanding electricity bills, options for customers who are unable to pay their electricity bill, and residential versus commercial and industrial customer numbers and data forecasting.

Vice Chair Srinivasan opened public comment.
No speakers.
Vice Chair Srinivasan closed public comment.

MOTION: Director Scozzola moved and Director Showalter seconded the motion to recommend that the SVCE Board of Directors approve the proposed FY 2024-25 Operating Budget, Benefits Changes, and Reserve Policy Target and Upper Target Levels.

The motion carried with Chair Wei absent.

Committee/Staff Remarks
None.

Adjournment
Vice Chair Srinivasan adjourned the meeting at 2:25 p.m.

ATTEST:

____
Andrea Pizano, Board Secretary

Staff Report – Item 2

Item 2:	**Recommend Approval of the Fiscal Year 2024-25 Budget Update**
From:	Monica Padilla, CEO
Prepared by:	Amrit Singh, CFO and Director of Administrative Services
Date:	11/25/2024

RECOMMENDATION

Staff recommends that the Finance and Administration Committee recommend that the SVCE Board of Directors (Board) approve the proposed operating budget update for fiscal year 2024-25 (FY 2025), which increases the net contribution to reserves from the adopted budget level of $14 million to $96.75 million.

EXECUTIVE COMMITTEE REVIEW

The Executive Committee will have also reviewed this item on November 22, 2024. Any updates based on feedback received will be discussed with the Finance and Administration Committee.

BACKGROUND

When the Board adopted the FY 2025 budget at the September 2024 meeting, staff explained that because of the uncertainty on CPUC's fall update of market price benchmarks (MPB) for Resource Adequacy (RA) and Renewable Portfolio Standards (RPS), staff used conservative assumptions in estimating revenues. Higher MPBs decrease the Power Charge Indifference Adjustment[1] (PCIA). Staff also explained that PG&E recommended that the CPUC cap the RA MPBs at last year's levels. Staff used the prior year's RA and RPS MPBs to develop the budget. The adopted budget showed a contribution to reserves of $14 million. Staff tried to forecast MPBs prices for RA and RPS and, based on this projection, estimated that revenues could increase by an additional $145 million if CPUC's fall MPBs were to align with staff's estimates.

In adopting the FY 2025 budget at the September 2024 meeting, the Board maintained the 4% customer discount rate and provided dollar bill credits for low-income customers equivalent to a 1% discount to all customers. The Board also agreed to revisit funding for additional expenditures when there would be more certainty on PCIA and PG&E generation rates.

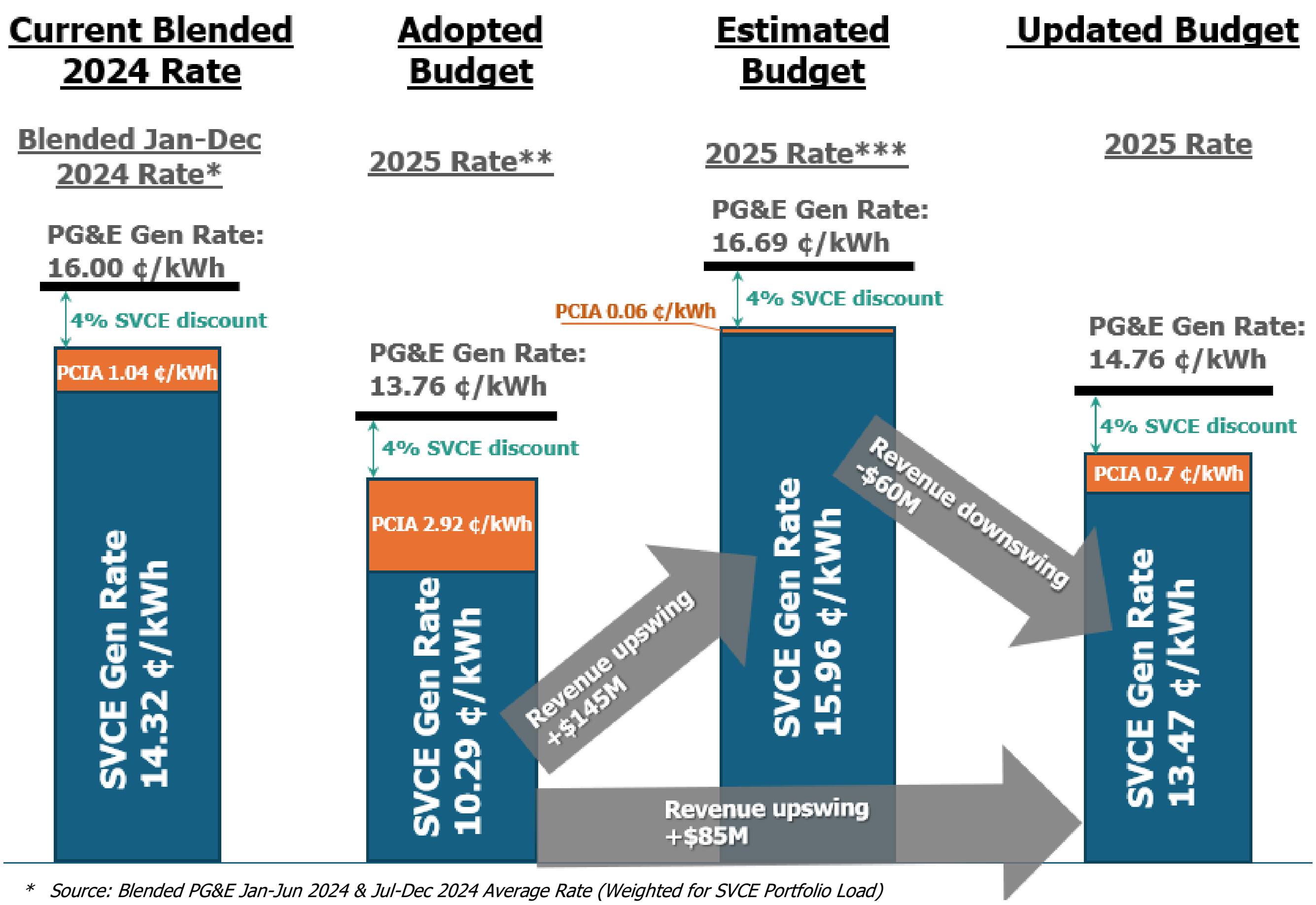
The recently issued CPUC MPBs reflect the higher RA and RPS prices, improving SVCE's financial projections. RA prices for 2024/2025 are up by 55%/179%, and RPS prices are up 72%/125%, respectively, compared to last year's levels. Using the updated MPBs, PG&E issued its initial revised Energy Resource Recovery Account (ERRA)[2] forecast in October. However, after the initial issuance of MPBs, the CPUC's Energy Division made two subsequent corrections, the latest on November 5th, 2024. Since these late corrections, PG&E has not issued an updated ERRA forecast. NewGen Consultant, whose rate models staff uses to forecast rates, has not issued

[1] Public Utility Code Sections 366.1 and 366.2 require the CPUC to make sure that customers leaving PG&E do not burden remaining PG&E customers with costs which were incurred to serve them. To ensure customer indifference, CCAs and Direct Access, or departing load customers are required to pay a power charge indifference adjustment (PCIA).

[2] ERRA, the Energy Resource Recovery Account, is a balancing account utilized by PG&E to record and recover power costs associated with PG&E's authorized procurement plan. ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates.

an updated model in time for staff's use in updating this budget. As a result, staff used PG&E's initial ERRA update along with the non-updated NewGen model to estimate PG&E generation and PCIA rates. If staff receives material updates from any updated PG&E ERRA forecast and NewGen model in time before the December Board meeting, staff may further update this budget projection.

Using the above approach, staff estimates that PG&E generation rates in January 2025 will decrease on average by 8 percent from average 2024 rates[3] and PCIA, on average, to decrease from about 1.04 to 0.70 cents per kWh. Relative to the adopted budget, on average, SVCE's margins improve by about 31 percent, which increases revenue projections by $85 million. However, relative to SVCE's estimated budget margins, it decreases by 16%, which reduces revenues by $60 million. The estimated budget refers to the higher revenues of $145 million that staff had projected using its estimates for RA and RPS MPBs. The biggest driver of lower revenues is because of declines in wholesale energy prices, which significantly reduced the energy MPBs. These changes are depicted in the chart below.



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)*
The above margin analyses ignore minor reductions for franchise fees (0.09 ¢/kWh)

ANALYSIS & DISCUSSION

Based on the updated budget, the projected net contribution to reserves is anticipated to increase from the adopted budget forecast of $14 million to $96.75 million, as illustrated in the table below.

[3] PG&E's generation rate decreased in July 2024 on average by 11% from January 2024 levels.

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

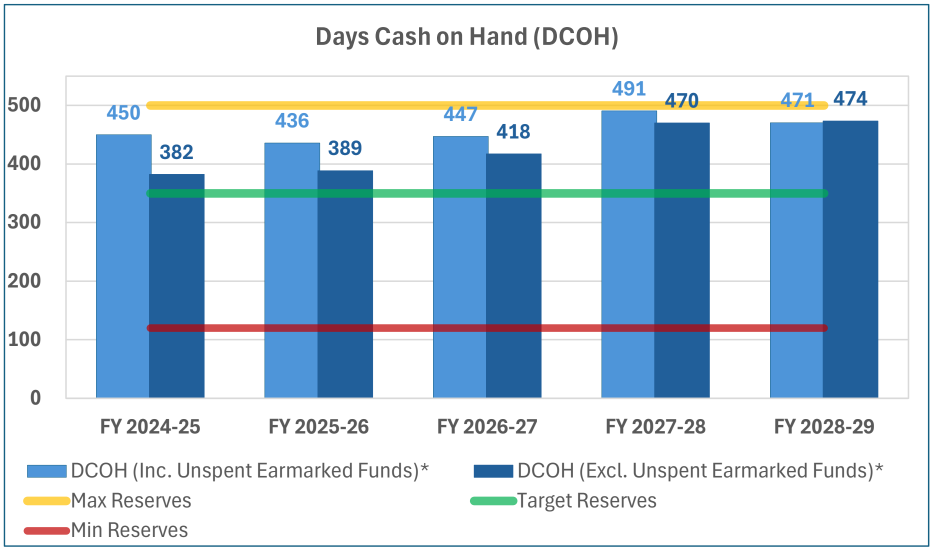
DESCRIPTION	FY 2024-25 ADOPTED BUDGET	FY 2024-25 ADJUSTED BUDGET	Change $	Change %
Energy Revenues	441,050	526,513	85,463	19.4%
Power Supply Expense	387,145	390,091	2,946	0.8%
Operating Margin	**53,905**	**136,422**	**82,516**	**153.1%**
Operating Expenses	36,433	36,433	0	0.0%
Non-Operating Revenue (Expense)	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%**

The primary driver for the improved financials is the improvement to SVCE's margins resulting from lower PCIA and higher PG&E generation rates than those used in creating the adopted budget. The above projections reflect the board-adopted 4 percent customer discount, and an additional 1% discount converted to dollar bill credits for low-income customers.

The forecast also updates power supply expenses. Despite decreases in energy prices, the power supply costs increase slightly due to portfolio updates, including those for additional clean resources and Power Purchase Agreement changes, as well as for higher RPS and RA costs.

Transfers to the Program Funds increase by $1.7 million to match the updated revenue forecast. The updated budget also increases low-income customers' "1%-dollar bill credit" for updated rates. The expected monthly bill credit is about $16.94.

The forecast ending reserves level for FY 25, excluding unspent program funds and funds set aside for an SVCE office purchase, is 382 days of cash on hand (DCOH), above the target threshold of 350 but below the maximum level of 500 DCOH. The 5-year reserve forecast shows reserves above target levels and approaching the maximum reserve levels.



The 5-year financial outlook enables SVCE to consider funding longer-term key SVCE mission-aligned strategic priorities. Staff recommends that when reserves exceed the target level, SVCE sets these funds aside to consider funding longer-term key SVCE mission-aligned strategic priorities. These strategic priorities are discussed in detail in the proposal for the fund, which will be presented to the Finance and Administration Committee for discussion. For FY 2024-25, the forecast amount above the reserve target level is about $40 million. Given uncertainties in preparing a budget forecast, staff proposes funding the strategic priority fund after reviewing the available financial information on the prior fiscal year's results and accounting for the uncertainty in the budget forecast. For FY 25, staff does not recommend any funding because of high uncertainty regarding PCIA and PG&E generation rates.

The final 2024 PCIA and PG&E generation rates are unknown until the end of December after PG&E updates ERRA account balances, the CPUC issues its decision, which is expected to occur at its December 15, 2024, meeting, and PG&E files its Annual Electric True-up advice letter. Usually, after CPUC's Energy Division issues the MPBs in October, PG&E updates the ERRA forecast, NewGen Consultants update their rate models, and staff updates the budget using PG&E ERRA update and the updated NewGen models. CPUC's Energy Division, after releasing the MPBs on October 4th, 2024, made two subsequent corrections, with the latest on November 5th, 2024. As a result of these delays, staff does not have the latest PG&E ERRA updates, and NewGen Consultants updated model.

There's additional uncertainty in the final rates the CPUC will adopt. PG&E, as it did in the May ERRA forecast, proposes capping RA MPBs at last year's much lower levels, which would significantly increase PCIA. CPUC's 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. Nevertheless, PG&E continues to make the case and now argues that the high MPBs create a cost shift. They proposed three scenarios that, if adopted, could reduce SVCE's revenues from about $20 to $134 million. While staff believes it is unlikely these out-of-scope arguments will be adopted in the current proceeding, there's still uncertainty about how the CPUC will rule. CPUC may deny PG&E's request, accept it, or implement rates that moderate rate increases to bundled customers.

Planned Timing and Approach for 2025 Rate Updates

The SVCE rate tables will be updated during the first three weeks of the month PG&E's new rates become effective, which is expected to be January 2025. The exact timing will depend upon when PG&E's updated rates are received and the required time window for implementing new generation rates in SVCE's billing system.

100% Renewable Energy Option

The GreenPrime rate for 2025, SVCE's 100% renewable energy option, will reflect the January 2025 default GreenStart rates plus the premium of $0.017 per kWh adopted by the Board at the November 2024 Board meeting.

STRATEGIC PLAN

Rate setting is directly supported by SVCE Strategic Plan Goal 6 – **"**Maintain healthy financial position; avoid failures in the management of market risk, credit risk, liquidity risk, operational risks, and enterprise risks."

FISCAL IMPACT

The updated budget improves SVCE's financial performance, reflecting an increase in the net contribution to reserves from the adopted budget level of $14 million to $96.75 million.

Staff Report – Item 3

Item 3:	**Establish the Affordable Clean Community Fund**
From:	Monica Padilla, CEO
Prepared by:	Zoe Elizabeth, Deputy Director of Decarbonization Programs and Policy
Date:	11/25/2024

This item will present a proposal for discussion to establish an Affordable Clean Community Fund.

ATTACHMENT
The presentation for this item is posted to the SVCE website.

Staff Report – Item 4

Item 4:	**Creating a Rate Stabilization Fund Using GASB 62**
From:	Monica Padilla, CEO
Prepared by:	Amrit Singh, CFO and Director of Administrative Services
Date:	11/25/2024

This item will seek the Finance and Administration Committee's feedback on an accounting change to create a rate stabilization fund.

ATTACHMENT
The presentation for this item is posted to the SVCE website.

Staff Report – Item 5

Item 5:	**Request the SVCE Finance and Administration Committee Recommend the Board of Directors Approve Policy Updates as Part of the Agency Policy Streamlining Project**
From:	Monica Padilla, CEO
Prepared by:	Michael Callahan, General Counsel
Date:	11/25/2024

RECOMMENDATION

Staff requests the SVCE Finance and Administration Committee (FAC) recommend the SVCE Board of Directors (Board) adopt the revisions to policies proposed herein, and summarized in Attachment 1, including the following policies slated for adoption or retirement:

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 • G&A Files and Records Management Policy • HR Personnel and Reimbursement	• Finance Capital Projects 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 • IT Information Systems Use Policy • HR Smartphone Stipend Policy • HR Recruitment Incentive Policy • HR Paid Time Off Cash Out • HR Tuition Assistance Policy • HR Cash in Lieu of Health Benefits Policy • HR Fitness Reimbursement Benefit Policy • HR Volunteer Time Off Policy • HR Unpaid Leave Policy • G&A Travel and Meeting Expense Reimbursements Policy

Upon Board-approval of the modifications to the various policies, staff will develop the corresponding standards or procedures to ensure proper implementation of the Board-approved policies.

BACKGROUND

Since the agency's inception, the Board has approved forty-eight (48) policies with varying levels of implementation details with many having extensive details. This set of policies has grown and evolved over time in response to several organizational needs without a blueprint for the right amount of policies or level of details to include at the policy level. The current state of Board-approved policies has become unmanageable, resulting in potential gaps in oversight and controls.

At the November 2023, FAC[1], staff raised such concerns with the FAC and proposed an overhaul of the agency's policies. The FAC shared the concern about reviewing policies and supported staff's proposal to undertake a review of existing policies. Staff assessed the policies and identified several changes that allow for modernization, streamlining, and better protection of SVCE.

ANALYSIS & DISCUSSION

Currently, the large number of policies and level of detail within them both publicizes some of SVCE's more sensitive operational information and limits the flexibility of staff to evolve guidance as laws or approaches to work change. Staff recommends general updates and changes to ensure the right level of detail in Board-approved policies while moving operational details into staff-approved standards or procedures.
Staff proposes to update SVCE's policies to modernize, streamline, and protect sensitive information.

Modernization of Policies

Staff seeks to modernize all agency policies, ensuring they comply with changes in law and operational practices. Part of this modernization includes adopting a new structure for agency guidance that includes: (1) Board-approved policies; (2) Chief Executive Officer (CEO)-approved standards; and (3) CEO-approved procedures. This will allow the Board to maintain and set policy direction at an appropriately high level and empower the CEO to implement the policies through more detailed standards and procedures to ensure staff consistently and successfully implement the policies.

Streamlining of Policies

Staff proposes streamlining by consolidating some policies and moving a significant amount of operational-level detail into standards while keeping the most critical guidance in policies. For example, many of the Information Technology (IT) policies were moved into standards to allow for a simpler update process for changes in law and practice. However, the critical policy decisions, including staffing levels and benefits, are retained by the Board through the budgeting process. As a result of this streamlining, staff proposes to reduce the number of policies from forty-eight (48) to twenty-two (22).

Protecting Sensitive Information

Staff recommends protecting sensitive information related to Information Technology (IT) or data security by maintaining them in internal CEO-approved standards and procedures. This would allow staff to avoid posting this information publicly as part of a Board meeting or packet. This information includes SVCE approaches to physical and cyber security, password creation, and procedures for business continuity.

Establishing an Update and Training Cadence

Staff proposes to implement a comprehensive approach to maintaining and training on the policies and standards. To maintain the various documents, staff determined a regular cadence to revisit and consider updates to the policies and standards. This will ensure the policies remain current both with the law and with operational practices. Staff also identified the key individuals and teams that should be trained and a cadence

[1] Item 2: Recommend Approval of the Amendment to Financial Policy 7 – Purchasing Card Policy (Action), https://svcleanenergy.org/wp-content/uploads/2023-1130-Finance-and-Administration-Committee-Meeting-Packet-scrubbed.pdf.

for training those staff for each policy and standard. These details are provided in Attachment 1 to this staff report for informational purposes.

Overview of Policy Changes
Staff proposes to update most of SVCE policies, and provides descriptions and summaries of the proposed changes. Staff compiled the changes and presents them in: (1) high-level updates described in the body of this staff report; (2) summary and detailed descriptions of the changes to each policy and associated standard in the tables in Attachment 2 to this staff report; and (3) where feasible, provided both redline and clean versions of the recommended policies in Attachment 3 to this staff report.

Modernizing and Protecting Information Technology (IT) Policies
The IT policies were largely replaced by new model policies and standards. Staff undertook a review to ensure the key provisions in SVCE' existing policies were included in the new policies and standards. The content moved to standards is either operational-level detail or sensitive from an IT or data security perspective. Due to the complete replacement of the policies, staff does not include a set of redline changes for IT. However, Attachment A includes a description of the changes.

Moving Human Resources (HR) Policies into Standards
As mentioned above, the HR policies are largely moving into standards. Staff created a new HR policy that is derived from existing authority on personnel (Resolution 2021-22) and reimbursements for travel (General and Administrative Policy 1 – Travel and Reimbursements). The Board will continue to make key HR decisions including budget for staffing levels and benefits.

Finance Policies Updated to Reflect Operational Needs
In addition to adjusting the Finance policies to move operational-level details into standards, some of the policies were updated to allow for more efficient operations. This includes expanding the ability of executives to delegate authority to staff and increasing the CEO's delegated signing authority from $100,000 to $250,000 as discussed further in the key changes section below.

General and Administrative (G&A) Policies Updated
The General and Administrative Policies includes largely clean up and consolidation of existing policies. The record retention periods document was consolidated and updated to make it easier to follow.

Key Finance-Related Policy Changes
Staff provides additional information about some key changes in the policies that involve delegation of authority from the Board to staff.

Purchasing Policy: Delegated signing authority increased from $100,000 to $250,000
Staff recommends increasing the CEO's signing authority from $100,000 to $250,000 to improve SVCE's ability to enter into contracts efficiently and reduce administrative burdens for SVCE's smaller contracts. This would result in staff being able to execute certain contracts upon completing negotiations and CEO approval without the additional process of Committees or Board meetings. This will help staff to take advantage of promotional pricing, reduce the time spent preparing and reviewing Board materials, and improve the process for executing agreements by reducing the time between completing negotiations and execution for some contracts. It will also reduce the items on the consent calendar and thus the time needed by Board members to prepare for meetings. The $250,000 limit is expected to cover approximately one-third (33%) more of SVCE's non-energy vendor agreements than under the previous signing authority.

Staff undertook a review of signing authority and identified a range among CCAs represented in Table 1 below. Staff observed that $250,000 is in the middle of the range and consistent with SVCE's partner CCAs, Peninsula Clean Energy and Central Coast Community Energy.

Table 1: CEO Signing Authority Among CCAs

CCA	CEO Signing Authority
Marin Clean Energy	$400,000
Peninsula Clean Energy	$250,000
Central Coast Community Energy	$250,000
Clean Power Alliance	$125,000
Ava Community Energy	$100,000

In proposing to amend the CEO's signing authority, staff also recommends the CEO have the ability to delegate their signing authority while documenting such delegation in purchasing standards. This is intended to improve operational efficiency while ensuring transparency. Staff also revised the emergency funding authorization to move away from using specific dollar amounts to instead use a fixed percentage in excess of the normal delegated signing authority.

Investment Policy: Removing Fossil Fuel Investments
Staff recommends removing the ability for SVCE to invest in fossil fuel extraction, refining, and distribution. This change is intended to align SVCE's investments with its mission to reduce dependence on fossil fuels.

Capitalization Policy: Increasing Capitalization Limit from $1,000 to $5,000
Staff recommends increasing the limit for expenses that are required to be capitalized from a minimum of $1,000 to $5,000. This recommendation was made by SVCE's accountants and aligned with best practices of the Government Finance Officers Association for state and local governments.

Policy Development and Review Process
Prior to seeking Board approval, staff will seek support of the proposed policies changes from either the Executive Committee (ExCom) or the FAC. The FAC will review IT and Finance related policies, and the ExCom will review policies related to HR and G&A as follows:

<table>
<tr><th colspan="3">Policies for Review by the ExCom</th></tr>
<tr><td>• G&A Vehicle Use Policy
• G&A California Public Records Act Policy</td><td>• G&A CEO Absence Policy
• G&A Hybrid Meetings Policy
• G&A Charging Station Policy</td><td>• G&A Vehicle and Charger Use Policy</td></tr>
<tr><th colspan="3">Policies for Review by the FAC</th></tr>
<tr><td>• Finance Accounting Policy
• Finance Budget Policy
• Finance Purchasing and Spending Policy
• Finance Investment Policy
• Finance Delinquent Accounts & Collections Policy
• Finance Capitalization Policy</td><td>• 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</td><td>• IT Information Systems Use Policy
• HR Personnel and Reimbursement Policy
• HR Smartphone Stipend Policy
• HR Recruitment Incentive Policy
• HR Paid Time Off Cash Out</td></tr>
</table>

• Finance Customer Generation Rates • G&A Files and Records Management Policy • Finance Capital Projects Policy • IT Information Technology Policy • G&A Travel and Meeting Expense Reimbursements Policy	• IT Threat-Risk Assessment Policy • IT Satisfaction Policy • IT Data Breach Policy • IT Workstation Security for HIPPA Policy • IT Clean Desk Policy • IT Email Use Policy	• HR Tuition Assistance Policy • HR Cash in Lieu of Health Benefits Policy • HR Fitness Reimbursement Benefit Policy • HR Volunteer Time Off Policy • HR Unpaid Leave Policy

Should the Board adopt the proposed changes to the policies, staff will then move expeditiously to adopt revised standards and procedures.

Through this process, staff is not proposing any substantive updates to the following policies, however staff may return to the Board at a later time with recommended updates:

- G&A Code of Ethics Policy
- G&A Chair and Vice Chair Vacancy Policy
- G&A Ticket and Pass Distribution Policy
- Finance Debt Limitations Policy
- Finance Reserves Policy
- Customer Confidentiality Policy
- Non-Standard Pricing Agreement Policy
- Energy Risk Management Policy

STRATEGIC PLAN

The staff recommendation supports Goal 9 of the SVCE Strategic Plan to enhance systems, standards and procedures to streamline business processes and improve operational effectiveness and reliability.

FISCAL IMPACT

While the changes to the policies are not expected to have a direct fiscal impact, they are expected to result in efficiencies in operations that should streamline some staff activities and have a positive fiscal impact.

ALTERNATIVE

Staff is open to suggestions and feedback from the Board on the proposed policies.

ATTACHMENT

1. Descriptions of Changes and a Summary of Controls
2. Cadence for Updates and Training for Policies and Standards
3. Redline and Clean Versions of Policies

Attachment 1:
Descriptions of Changes and Summary of Controls

NOTE: Policies (P) and Standards (S) are denoted below in the acronyms within each area of SVCE. For example, the IT Policies are referenced as ITP and IT Standards as ITS.

Attachment 1 Table 1: Revisions Snapshot

Human Resources			
Name	**2024 Status**	**Justification for Moving to Standards**	**Revisions Snapshot**
HRP-01 [Personnel & Reimbursement]	New	N/A	Created from existing personnel authority granted in SVCE Resolution 2021-22 and Budget Policy and added reimbursements
[Retired] HRP-01 [Smartphone Stipend Policy]	Retired	Operational-level details	Migrated to a standard HRS-01 - Technology Stipend
[Retired] HRP-02 [Recruitment Incentive]	Retired	Sensitive information and operational-level details	Migrated to a standard HRS-02 Recruitment Incentive
[Retired] HRP-03 [Volunteer Time Off]	Retired	Operational-level details	Migrated to a standard HRS-03 - Volunteer Time Off
[Retired] HRP-04 [Unpaid Leave]	Retired	Operational-level details	Migrated to a standard HRS-04 - Unpaid Leave
[Retired] HRP-05 [Paid Time Off Cash Out]	Retired	Operational-level details	Migrated to a standard - HRS-05 - Paid Time Off Cash Out
[Retired] HRP-06 [Tuition Assistance]	Retired	Operational-level details	Migrated to a standard HRS-06 - Tuition Assistance
[Retired] HRP-07 [Cash in Lieu of Health Benefits]	Retired	Operational-level details	Migrated to a standard HRS-07 - Cash in Lieu of Health Benefits

[Retired] HRP-08 [Fitness Reimbursement Benefit]	Retired	Operational-level details	Migrated to a standard HRS-08 - Fitness Reimbursement Benefit
HR Handbook	Revised	N/A	Updated for corrections, changes in law, and benefits
HRS-01 [Technology Stipend]	New	Operational-level details	Expanded to include all employees and increased stipend amount and scope
HRS-02 [Recruitment Incentive]	New	Sensitive information and operational-level details	No substantive changes except transitioning format to standard [Do not include in HR Handbook]
HRS-03 [Volunteer Time Off]	New	Operational-level details	No substantive changes except transitioning format to standard
HRS-04 [Unpaid Leave]	New	Operational-level details	Added CEO approval for unpaid leave longer than one week
HRS-05 [Paid Time Off Cash Out]	New	Operational-level details	Updated request of leave from form to HR information system
HRS-06 [Tuition Assistance]	New	Operational-level details	No substantive changes except transitioning format to standard
HRS-07 [Cash in Lieu of Health Benefits]	New	Operational-level details	No substantive changes except transitioning format to standard
HRS-08 [Fitness Reimbursement Benefit]	New	Operational-level details	Updated request from form to HR information system
HRS-09 [Flexible Work]	New	Operational-level details	Newly created standard to reflect expectations of flexible work

General & Administration			
Name	**2024 Status**	**Justification for Moving to Standards**	**Revisions Snapshot**
[Retired] GAP01 - Travel and Meeting Expense Reimbursements	Retired	N/A	Migrated detail to a standard GAS-3 - Travel and Meeting Expense Reimbursements
GAS03 - Travel and Meeting Expense Reimbursements	New	Operational-level details	From the original GAP01 - Travel and Meeting Expense Reimbursements Policy
GAP10 - Files and Records Management Policy	Revised	N/A	Migrated most detail to a standard GAS-02 - Files and Records Management
GAS02 - Files and Records Management	New	Operational-level details	From the original Files and Records Management Policy; added clarifying text and adjusted retention periods

Information Technology			
Name	**2024 Status**	**Justification for Moving to Standards**	**Revisions Snapshot**
[Retired] ITP01 - Information Systems Use Policy	Retired	Operational-level details	Migrated to standards ITS-03 - Information Security, and ITS-04 Identity and Access Management

[Retired] ITP02 - Email Use Policy	Retired	Operational-level details	Migrated to standards ITS-01: Data Management, ITS-04: Identity and Access Management and FP-12: Files and Records Management
[Retired] ITP03 - IT Asset Management Policy	Retired	Operational-level details	Migrated to a standard ITS-02 - Asset Management
[Retired] ITP04 - Internet Usage Policy	Retired	Operational-level details	Consolidated under ITS-01 Data Management, ITS-03 - Information Security, and ITS-04 - Identity and Access Management
[Retired] ITP05 - IT Security Plan Policy	Retired	Sensitive IT security information and operational-level details	Consolidated under ITP-01: Information Security; ITS-02: Asset Management, ITS-03: Information Security; ITS-05: Network Management, and ITS-07: Vulnerability Management
[Retired] ITP06 - Access Control Policy	Retired	Operational-level details	Migrated to a standard ITS-04 Identity and Access Management and ITS-07 Vulnerability Management
[Retired] ITP07 - Password Protection Policy	Retired	Sensitive IT security information and operational-level details	Consolidated high-level summary under ITS-03 - Information Security and ITS-04 Identity and Access Management
[Retired] ITP08 - Malware Defense Policy	Retired	Operational-level details	Consolidated under ITS-03 Information Security, ITS-07 - Vulnerability Management, ITS-09 Incident Response, and ITS-09Att01 - Incident Response Plan
[Retired] ITP09 - Security Audit Policy	Retired	Sensitive IT security information and operational-level details	Transferred requirement to ITP-01 Information Technology Policy
[Retired] ITP10 - Disaster Recovery Policy	Retired	Operational-level details	Migrated to standards ITS-03 Information Security, ITS-08 - Business Continuity Disaster Recovery

[Retired] ITP11 - Theat-Risk Assessment Policy	Retired	Sensitive IT security information and operational-level details	Consolidated under ITS-07 - Vulnerability Management and ITS-08 Business Continuity Disaster Recovery
[Retired] ITP12 - IT Satisfaction Policy	Retired	N/A	Not replaced to allow staff to determine most efficient means of assessing satisfaction
[Retired] ITP13 - Data Breach Policy	Retired	Sensitive IT security information and operational-level details	Consolidated under ITS-03 Information Security, ITS-09 Incident Response, ITS-09A01 - Incident Response Plan
[Retired] ITP14- Workstation Security for HIPPA Policy	Retired	Operational-level details	Consolidated under ITS-01 Data Management, ITS-03 - Information Security, ITS-04 Identity and Access Management, and ITS-06 - Physical Security
[Retired] ITP15 - Clean Desk Policy	Retired	Operational-level details	Consolidated under ITS-01 Data Management, ITS-03 - Information Security, ITS-04 Identity and Access Management, and ITS-06 Physical Security
ITP-01 Information Technology	New	N/A	Created an overarching IT policy that identifies areas to be addressed further in standards
ITS-01 [Data Management]	New	Sensitive IT security information and operational-level details	New standard focused on data classification
ITS-02 [Asset Management]	New	Operational-level details	Incorporated policy details on a standard level and streamlined the process and removed use of the IT requisition/disposal form
ITS-03 [Information Security]	New	Sensitive IT security information and operational-level details	Incorporated policy details on a standard level and added subsections such as security and awareness training

ITS-04 [Identity and Access Management]	New	Operational-level details	Incorporated policy details on a standard level and added subsections such as remote access
ITS-05 [Network Management]	New	Sensitive IT security information and operational-level details	Newly created standard focused on network infrastructure and controls
ITS-06 [Physical Security]	New	Sensitive IT security information and operational-level details	Incorporated policy details on a standard level and added subsections such as visitor security
ITS-07 [Vulnerability Management]	New	Sensitive IT security information and operational-level details	Incorporated policy details on a standard level and added subsections such as vulnerability scanning
ITS-08 [Business Continuity Disaster Recovery]	New	Sensitive IT security information and operational-level details	Incorporated policy details on a standard level and added Appendix A - Business Continuity Procedures by Scenario
ITS-09 [Incident Response]	New	Sensitive IT security information and operational-level details	Newly created standard associated with attachment to ITS-09A01 - Incident Response Plan
ITS-09A01 [Incident Response Plan]	New	Sensitive IT security information and operational-level details	Minor revisions including correcting and updating notification information and supporting documents
Finance			

Name	2024 Status	Justification for Moving to Standards	Revisions Snapshot
[Retired] FP03 - Capital Projects Policy	Retired	Operational-level details	Migrated to a standard FS-01 - Capital Projects
[Retired] FP05 - Customer Generations Rates	Retired	Operational-level details	Migrated to a standard FS-03 - Customer Generation Rates
[Retired] FP13 - Chart of Accounts	Retired	Operational-level details	Migrated to a standard FS-07 - Chart of Accounts
[Retired] FP07 - Purchasing Card Policy	Retired	Operational-level details	Migrated to a standard FS-06 - Purchasing Card
FP01 - Accounting Policy	Revised	N/A	Clarified the F&A Committee doesn't need to be five members and other minor updates
FP02 - Budget Policy	Revised	N/A	Clarified the capital projects and debt limit rules will be standards, moved over hire authority to personnel policy
FP06 - Purchasing and Spending Policy	Revised	N/A	Increased delegated authority for CEO contracting to $250K/FY; added delegations of authority, disposal of property, and solicitation details
FS08 - Purchasing and Spending	New	Operational-level details	Created a new standard with solicitation processes, disposal of property, and delegation details flowing from FP06 - Purchasing and Spending Policy
FP08 - Investment Policy	Revised	N/A	Avoids fossil fuel investments; Migrated several sections to a standard F04 - Investments
FP10 - Delinquent Accounts & Collections Policy	Revised	N/A	Clarified SVCE does not disconnect customers, clarified approval control is CFO/Director of Finance

FP11 - Capitalization Policy	Revised	N/A	Increased capitalization limit from $1K to $5K
FS01 - Capital Projects	New	Operational-level details	From the original Capital Projects Policy
FS03 - Customer Generation Rates	New	Operational-level details	From the Customer Generation Rates policy, clarifies rates are based on Board approval/approved budget
FS04 - Investment	New	Operational-level details	From the original Investment Policy with no material revisions
FS06 - Purchasing Card Standard	New	Operational-level details	CEO can set card limits, violations reported to the ROC & CEO, CEO & CFO can approve/delegate cards
FS07 - Chart of Accounts	New	Operational-level details	From the original Chart of Accounts Policy with no material revisions
FS07A01 - Chart of Accounts	Revised	Operational-level details	Placed into a table format

Attachment 1 Table 2: Detailed Revisions

Human Resources	
Name	**Detailed Summary and Revisions**
HRP-01 [Personnel & Reimbursement]	Transition from Resolution 2012-22 to policy level and incorporated budget policy elements for over hires. Added ability to reimburse staff and Board members for expenses to attend meetings and conferences.
[Retired] HRP-01 [Smartphone Stipend Policy]	Employees who hold positions that include the need for a smartphone may receive a stipend of $50 to compensate for business related costs incurred when using their individually-owned smartphone. SVCE will not own smartphones for the use of individual employees. Those who opt for the stipend will configure Office 365 to work with either the Outlook App or the native email app. Employees whose job duties include the frequent need for a smartphone may receive extra compensation, in the form of a monthly stipend, to cover business related costs. Eligibility criteria requires at least one of the following: 1) considerable time outside of his/her assigned office or work area and it is important to SVCE that s/he is accessible during those times, 2) accessible outside of regularly scheduled or normal working hours where time sensitive decisions/notifications are required, and 3) job function requires wireless data and internet access.
[Retired] HRP-02 [Recruitment Incentive]	The purpose of the recruitment incentive is to entice the applicant to sign-on with the organization. The CEO is authorized to offer one-time incentives that do not exceed the greater of 10% of the salary referenced in the offer letter or $15,000 to prospective applicants. Employees who leave employment with the Agency within 12 months from the date from which the bonus is received shall reimburse the Agency in full unless terminated by the Agency.
[Retired] HRP-03 [Volunteer Time Off]	All regular full-time and part-time employees can volunteer up to 40 hours per calendar year with a 501(c)(3) nonprofit or its U.S. equivalent in accordance with SVCE's giving and volunteering guidelines. More than one organization may be chosen. If you are not sure of the status of your chosen organization, please contact the Director of Finance and Administration for guidelines. • Employees will be paid at their normal pay rate for the volunteer hours taken. • No more than 2 days per quarter. • Minimum of 2 hours per opportunity. • VTO is refreshed at the beginning of the each calendar year and cannot be accrued or carried-over into the following year – "use it or lose it" policy. • Usage of this time does not affect PTO or Management Leave usage.

[Retired] HRP-04 [Unpaid Leave]	All full time regular employees employed by SVCE for a minimum of 90 days are eligible to apply for an unpaid personal leave of absence. Job performance, absenteeism and departmental requirements all will be taken into consideration before a request is approved. Approvals of the immediate supervisor, department director and CEO are required. Requests for unpaid personal leave may be denied or granted by SVCE for any reason or no reason and are within the sole discretion of SVCE. SVCE reserves the right to terminate employment for any reason or no reason during the leave of absence. Finance and Administration is responsible for ensuring that any employee on an approved personal leave of absence is not paid. An employee is required to return from the unpaid personal leave on the originally scheduled return date. If the employee is unable to return, he or she must request an extension of the leave in writing. If SVCE declines to extend the leave, the employee must then return to work on the originally scheduled return date or be considered to have voluntarily resigned from his or her employment. Extensions of leave will be considered on a case-by-case basis.
[Retired] HRP-05 [Paid Time Off Cash Out]	SVCE offers a PTO Cash-Out Option for eligible employees. At the time of the cash-out, a minimum of 40 hours MUST be retained in the PTO bank, which is based on current base pay at the time of payout. PTO Cash-Out is subject to all applicable taxes and deductions taken on earnings, and is exempt from deferred compensations (401a, 457b) deductions. There is a limit of two PTO cash-outs and not to exceed 80 hours per calendar year. An irrevocable PTO election form is required and the cash-out pay date will be made on the Friday of the following pay period.
[Retired] HRP-06 [Tuition Assistance]	Employee may be reimbursed up to $5,000 per fiscal year (October 1-September 30) to offset the cost of coursework aligned with SVCE's core mission, the employee's current duties, or future opportunities within the agency. Employee must pay for any expense upfront and will receive reimbursement of approved and eligible expenses upon successful completion of coursework and submission of required documentation within 60 days of course completion. All coursework should be taken during non-work hours. For graded courses, an unofficial transcript with the employee's name is acceptable and must show a grade of "C" or better or "Pass." For non-graded courses, a signed certificate of completion by the institution is acceptable.
[Retired] HRP-07 [Cash in Lieu of Health Benefits]	SVCE offers the opportunity to decline health insurance through the agency and receive a monthly cash payment in-lieu of health insurance of $250. Employee participation will not impact their eligibility to participate in the Flexible Spending Account (FSA) or Health Reimbursement Account (HRA) programs by SVCE. The employee must fill out the Election of Cash In-Lieu Form. Once an employee receives cash in-lieu of health benefits, the employee may only enroll in the agency health plan if a qualifying Section 125 event occurs (e.g., marital status change, number of dependents change, loss of coverage).

[Retired] HRP-08 [Fitness Reimbursement Benefit]	Employees can participate in the voluntary Fitness Reimbursement Program to promote employee health and morale. Participating employees sign and return their Fitness Reimbursement Program Form to the Administrative Services Manager and understand the terms and requirements of the program. The program is not a requirement of their employment, injuries resulting from an employee's participation will not qualify for worker's compensation, and the employee's time spent in fitness activity is not compensable. SVCE will reimburse employees who meet the requirements for reimbursement twice a year, up to a maximum of $600 annually, and reimbursement will be included as an allowance on the employee's paycheck.
HR Handbook	Updates CEO information and includes up-front statements about employment contracts overriding the handbook in the event of a conflict, that nothing in the handbook should be applied to restrict rights under the Employee policies, standards and procedures are summarized in the HR Handbook. Corrected various title changes and descriptions throughout. Added religious and pregnancy accommodations. Added requirement to list salary in job postings and verify eligibility for employment. Added "one day rest in seven" for non-exempt employees. Clarified use of California overtime rules. Consolidated sections on management time off and management wellness time off. Added clarifying language to the professional conduct section. Clarifying that SVCE will report criminal conduct and may use criminal conduct as ground for discipline. Clarifying staff shall not accept gifts of $100 or in exchange for a particular business decision. Incorporated telephone services in telephone use restrictions. Added internet service to technology stipend consistent with the new standard. Added wage disclosure protection for compensation. Added HSA to list of benefits. Removed requirement to work for 90 days before being able to use paid time off (PTO). Added a description of the PTO cash out option. Added requirement to use PTO before unpaid leave. Clarifying sick leave will be reinstated for employees that depart and return to the agency within a year. Added Caesar Chavez Day and Juneteenth to the list of holidays and clarified full-time staff are granted eight (8) hours of pay for each holiday. Clarifications related to short-term disability benefits. Redrafted rights related to Family Medical Leave Act and California Family Rights Act into a single section. Redrafted to expand upon COBRA insurance section. Introducing flexible/remote work standards. Clarifying medical leaves of absence may be approved up to 12 weeks. Adding two (2) additional bereavement leave days for a total of five (5), also added a requirement to be employed for 30 days before getting bereavement leave and for leave to be used within 3 months of the death. Clarifying that PTO does not need to be used for jury duty or serving as a witness in court and that fees and travel costs will not be reimbursed. Added provision for unpaid time off for an adult literacy program. Redrafted section on reproductive loss leave, to include loss by a spouse or domestic partner. Revised pregnancy disability leave to be gender neutral. Redrafted the paid parental leave portion. Redrafted the tuition reimbursement section. Added clarifications and purposes to the volunteer time off program. Added employee acknowledgement about receiving Health Insurance Marketplace Coverage Options.

HRS-01 [Technology Stipend]	No longer limited to smartphone and now includes residential internet service. The technology stipend increases from $50 to $120. New policy expands eligibility to all employees since SVCE is a hybrid work environment. New policy requires smartphone registration to SVCE Mobile Asset Management (MAM) program, residential internet of at least 100 Mbps (download)/20 Mbps (upload), following security guidelines, and configuration of home router.
HRS-02 [Recruitment Incentive]	No changes. Transition from policy to standard level.
HRS-03 [Volunteer Time Off]	Removes reference to SVCE's giving and volunteering guidelines.
HRS-04 [Unpaid Leave]	Adds CEO approval requirement for unpaid leave longer than one week.
HRS-05 [Paid Time Off Cash Out]	Only substantive change is the request via the HR information system instead of Irrevocable PTO Cash-Out Form.
HRS-06 [Tuition Assistance]	Substantive changes are updating form processing from Administrative Services Manager to Human Resources. Additionally, updated verbiage from "Tuition Assistance" to "Tuition Reimbursement."
HRS-07 [Cash in Lieu of Health Benefits]	Updated language from "Eligibility for FSA/HRA Benefits" to "Eligibility for Other Benefits" section and replaced "FSA and HRA programs offered at SVCE" with "any other SVCE offered benefits."
HRS-08 [Fitness Reimbursement Benefit]	Only substantive changes are the request via HR information system instead of the Fitness Reimbursement Form and removing the reimbursement limit of twice per year.

HRS-09 [Flexible Work]	Supervisors should work with HR to solidify and make in-office expectations clear for each role. Company retreats, in-person department meetings and cross-functional collaboration opportunities should be defined at hire or annual goal setting (launch and relaunch). Hires should be considered locally first (San Francisco Bay Area), limited to California, with exceptions to be made by the CEO as needed. Circumstances that may result in an exception include (1) where recruitment efforts have not resulted in an adequate candidate living in California; (2) the role does not require in-person interaction with customers and/or stakeholders on a regular basis, and (3) other extenuating circumstances. Employees should be able to come into the office any time as their role requires. However, some roles may be defined (by HR and supervisor/leadership) as needing more or less local engagement. Should a role be required to have specific weekly, monthly, or quarterly in-office times, supervisors should make reasonable efforts to pre-plan those times and set expectations so that employees can arrange for time as needed. Supervisors should also set expectations for "online" time (typically M-F 8am-5pm PST) and reasonable response times.
General & Administration	
Name	**Detailed Summary and Revisions**
[Retired] GAP01 - Travel and Meeting Expense Reimbursements	Moved to a standard and retired this policy.
GAS03 - Travel and Meeting Expense Reimbursements	Updated incidental expense fee or tip definition to remove taxi cab drivers and replace with transportation. The definition of meetings was updated to exclude SVCE Board or Committee meetings. In-state travel approval was updated from CEO to appropriate department head if the following conditions apply: allowable overnight stay if training/travel is greater than 100 miles from residence, aligns with role or development, employee is in good standing, funds are appropriated as part of the current operating budget, cost of training does not exceed $3,000. If these conditions are not met, CEO approval is required for staff. For accommodations, hotel or motel language was removed and generically referenced to lodging, and fees were added to reimbursement. Reimbursement mileage calculation was added and based on the distance from the SVCE office to the conference or meeting location. If the calculation was greater than the actual distance traveled, the employee should apply the actual distance. Included a definition of coach airfare. Removed prohibition on in-flight meals. Authorized personnel to approve meals now includes relevant department heads rather than Department Director and CEO. Reimbursement claim submission deadline moved from 30 to 60 days, with a cap of 180 days. An approval process for reimbursement was added and any exceptions must be made by the CEO.

GAP10 - Files and Records Management Policy	Updated language on SVCE subject to the CPRA and removed the methods for filing, retaining, and disposing of business records as this information is being transferred to the new GAS-02 Files and Records Management Standard. Additionally, information on digital files, paper files, filing system, record retention and long-term storage, record destruction, record disposal, and records retention periods were removed and transferred to the new GAS-02 Files and Records Management Standard.
GAS02 - Files and Records Management	GAS-02 Files and Records Management is a new standard that accompanies GAP-10 Files and Records Management Policy. The previously detailed sections from the GAP-10 Files and Records Management Policy were transferred to the GAS-02 Files and Records Management Standard: digital files, paper files, filing system, record retention and long-term storage, record destruction, record disposal, and records retention periods. Consolidated and revised retention periods to meet business and legal needs.

Information Technology	
Name	**Detailed Summary and Revisions**
[Retired] ITP01 - Information Systems Use Policy	Outlines the acceptable use of information systems and resources at SVCE. Inappropriate use exposes SVCE to risks including malware, compromise of network systems and services, and legal issues. Transfers the following language to ITS-03 Information Security: information systems limited to SVCE business use; complying with guidelines and policies; prohibited use, which includes unauthorized installation or distribution; reporting suspicious activity or sensitive information being shared; no privacy expectations. Transfers the following language to ITS-04 Identity and Access Management: authorization needed for disclosure of SVCE proprietary information; password and user account management; no sharing of accounts or passwords; authorized staff have the ability to reset passwords if needed; safeguarding sensitive information or only sharing information with business justification and authorization.

[Retired] ITP02 - Email Use Policy	Provides rules on appropriate email use for SVCE email addresses. Transfers the following to ITS-01: Data Management: prohibition on transferring confidential information externally via email. Transfers the following language to ITS-03 Information Security: prohibiting offensive, indecent, or obscene material from being created or distributed; prohibiting the use of SVCE resources for personal use; allows incidental use of personal email accounts on SVCE resources when accessed through a browser; prohibiting automatic forward of SVCE email to external accounts; prohibits the use of personal texting and email accounts for SVCE business; requiring staff to own and control personal devices storing SVCE emails and notify SVCE within 24 hours of losing a device; and establishes no expectation of privacy. Transfers the following language to ITS-04: Identity and Access Management: guidance for email passwords. Removed guidance on email signatures and documents being subject to retention and destruction as that is covered in FP-12: Files and Records Management.
[Retired] ITP03 - IT Asset Management Policy	Establishes policy for asset control outlining the protection of organizational resources. Transfers the following language to ITS-02 Asset Management: definition of asset category types to be tracked (computer systems; printers, copiers, fax machines, handheld devices, networking equipment, desk phones, miscellaneous hardware; IT asset planning, acquisition, inspection, distribution, installation, disposal.
[Retired] ITP04 - Internet Usage Policy	Establishes rules on the appropriate use of network and internet access. Transfers the following language to ITS-03 Information Security: personnel must adhere to acceptable internet use as a violation could result in disciplinary action and/or legal action including termination; employees are held personally liable for damages caused by policy violations; internet access is limited to job-related activities; equipment, services, and technology for internet use are the property of SVCE and the company reserves the right to monitor internet traffic and access data sent or received through its online connections; prohibited use includes inappropriate messages or images, fraud, and introducing malicious software; authorization of sharing files. Transfers language of not sharing passwords to ITS-04 Identity and Access Management. Transfers language of not sharing confidential material to ITS-01 Data Management.
[Retired] ITP05 - IT Security Plan Policy	Provides security requirements for the IT system and network. Transfers the following language to ITP-01: Information Security: requires a security assessment. ITS-02: Asset Management: conduct an inventory of assets; requirement to maintain inventory of all systems. Transferred the following language to ITS-03: Information Security: requirements for training staff on IT security. Transferred the following language to ITS-07: Vulnerability Management: requiring a planning process with an assessment of IT threats and risks. Removing some general guidance and the requirement for an IT Security Plan as the substantive requirements are met within the new IT policy and standards.
[Retired] ITP06 - Access Control Policy	Prevents unauthorized access to or use of SVCE information to ensure its security, integrity, and availability to appropriate parties. Transfers the following language to ITS-04 Identity and Access Management: password and authentication; access is granted on a need-to-know basis; securing IT equipment when unattended. Transfers language on access control logs to ITS-04 Identity and Access Management and ITS-07 Vulnerability Management.

[Retired] ITP07 - Password Protection Policy	Establishes a standard to create strong passwords. Transfers language of creating strong passwords to ITS-04 Identity and Access Management. Transfers language of reporting incidents to ITS-03 Information Security.
[Retired] ITP08 - Malware Defense Policy	Outlines prevention of data loss, corruption, or misuse of SVCE computing resources or information that may occur when malware is introduced to SVCE's IT network. Transfers the following language to ITS-03 Information Security: addressing malware through IT communication and plans. Transfers language of patch management and annual audits to ITS-07 Vulnerability Management. Transfers language on IT security plan to ITS-09 Incident Response and ITS-09A01 Incident Response Plan.
[Retired] ITP09 - Security Audit Policy	Establishes conformance of the IT security system to legal, regulatory, and SVCE requirements. Transfers language of conducting necessary audits and assessments to ITP-01 Information Technology Policy.
[Retired] ITP10 - Disaster Recovery Policy	Defines the baseline Disaster Recovery Plan to recover IT systems, applications, and data from any type of disaster that causes a major outage. Transfers the following language to ITS-08 Business Continuity Disaster Recovery: development and implementation of an IT disaster recovery plan; gathering IT industry information on best practices and recovery priorities; periodic backups of Agency information; auditing and testing. Transfers language of reporting suspicious activity to the IT team in ITS-03 Information Security.
[Retired] ITP11 - Theat-Risk Assessment Policy	Establishes evaluation for threats and vulnerabilities in SVCE IT systems and network. Transfers the following language to ITS-07 Vulnerability Management and ITS-08 Business Continuity Disaster Recovery: types of threats, likelihood, impact, and risk. Transfers the following language to ITS-07 Vulnerability Management: penetration testing, security assessments, and audits.
[Retired] ITP12 - IT Satisfaction Policy	Not replaced to allow staff to determine most efficient means of assessing satisfaction
[Retired] ITP13 - Data Breach Policy	Establishes method of response to a data breach. Transfers language on a data breach containing sensitive data to ITS-03 Information Security. Transfers language of developing communication through an incident response team to ITS-09 Incident Response and ITS-09A01 Incident Response Plan.
[Retired] ITP14-Workstation Security for HIPPA Policy	Provides guidance for workstation security. Transfers language of confidential data, authorized access, and password guidelines to ITS-03 Information Security, ITS-01 Data Management, and ITS-04 Identity and Access Management. Transfers language of physical safeguards and workstation guidelines to ITS-06 Physical Security. Transfers language of unauthorized software and storing sensitive information to ITS-03 Information Security.

[Retired] ITP15 - Clean Desk Policy	Establishes minimum requirements for maintaining a "clean desk" - where sensitive information is secure in locked areas and out of sight. Transfers the following language to ITS-01 Data Management and ITS-03 Information Security: securing sensitive and confidential information; protecting laptops when unattended; password protection. Transfers the following language to ITS-04 Identity and Access Management: locking workstation screens; password guidelines. Transfers the following language to ITS-06 Physical Security: locking file cabinets that store sensitive information when not in use or unattended; removing restricted or sensitive documents or information immediately.
ITP-01 Information Technology	ITP-01 Information Technology is a new overarching policy that lists requirements to ensure the protection of IT resources, and that staff may maintain appropriate operational standards related to ensuring business continuity and disaster preparedness (addressed in ITS-08 Business Continuity Disaster Recovery), appropriate management of IT assets, networks, data, identify and access to systems, vulnerabilities, security, and incident response; the minimum level of access required for personnel to perform business functions (addressed in ITS-01 Data Management and ITS-04 Identity and Access Management); security systems at multiple levels, including physical (addressed in ITS-06 Physical Security), network (ITS-05 Network Management), host (addressed in ITS-09 Incident Response), and personnel security (ITS-04 Identity and Access Management); degree of information security protection (addressed in ITS-07 Vulnerability Management), tracking of information technology resources (addressed in ITS-02 Asset Management); classification of data (addressed in ITS-01 Data Management); ongoing training (addressed in ITS-03 Information Security); personal responsibility for exercising proper control over information according to the operational standards; and a requirement to conduct internal audits and assessments of the IT security management system.
ITS-01 [Data Management]	SVCE classifies data and information systems in accordance with legal requirements, sensitivity, and business criticality to ensure that information is given the appropriate level of protection. Requires all users to protect confidential and proprietary information. Information systems and applications are classified based on the highest classification of data they store or process. Documents classified as public such as marketing materials can be freely distributed outside of the agency. Restricted data (e.g., internal policies and processes and legal documents) is any proprietary agency information requiring thorough protection accessed on a "need-to-know" basis. This is the default classification unless stated otherwise and data can only be distributed outside the agency with approval, which typically involves legal counsel. Confidential data (e.g., customer, financial, and banking data) is highly sensitive and requires the highest level or protection accessed by specific employees or departments, and records can only be shared with approval from the data owner or appropriate agency executive. Data handling is based on classification. Included information to support SVCE adherence to rules for how energy data should be aggregated to maintain customer privacy.

ITS-02 [Asset Management]	Identifies organizational assets and defines appropriate protection responsibilities to prevent unauthorized disclosure, modification, removal, or destruction. All hardware, software, and applications must be approved, inventoried, and purchased by SVCE. Installation of new hardware or software, or modifications to existing hardware or software, must follow approved SVCE procedures and change control processes. All inventories must be reviewed no less than annually. SVCE assets must document the maintenance and repair of assets by the manufacturer's recommended guidelines. If personnel need additional information on the acceptable use of access, they should follow up with the IT department. Upon termination of employment, contract, or agreement, all SVCE assets must be returned to SVCE. Any employee or user who handles SVCE equipment is expected to use reasonable judgment and care to protect and maintain the equipment. Assets at the end of their useful life should be given to IT for proper disposal.
ITS-03 [Information Security]	Establishes practices using information resources to protect the confidentiality, integrity, and availability of information created, collected, and maintained. Personnel are required to promptly report harmful events or standards violations concerning SVCE assets or information to the IT team. Events include but are not limited to technology incidents, data incidents, unauthorized access incidents, and compromise of login credentials. Personnel must comply with the acceptable use of company equipment and information resources including not perpetrating fraud or piracy. No SVCE data may be stored on mobile devices, only in the official service app. All mobile devices must maintain up-to-date versions of all software, applications, and operating systems. SVCE reserves the right to remove mobile device use privileges to maintain information security. All hardware and software must be formally approved by IT management. All SVCE assets should be secured at all times. The use of removable media (e.g., USB flash drives) for SVCE information is not permitted. Use of a safe and trusted network is required at all times. Wi-Fi in public places is not permitted without the authorized SVCE Virtual Private Network (VPN). Personnel should log off from applications or network services when they are not needed. Laptops should be secured at all times. Personnel must complete assigned security awareness trainings by given due dates. Information created, sent, received, or stored on SVCE information resources is not private and may be accessed by authorized SVCE employees at any time.

ITS-04 [Identity and Access Management]	Establishes requirements to ensure access and use of SVCE information resources are managed in accordance with business requirements, information security requirements, and other SVCE standards and guidance. Access to SVCE information resources requires a legitimate business justification on a "need-to-know" basis. All SVCE information resources must document the identification of responsible owners. Access to SVCE information resources must be secured with a username/password, including multifactor authentication (MFA) if possible. All personnel must review and acknowledge the IT standards before access is granted, which includes a documented request and approval. Accounts associated with services containing confidential data must enforce password expiration. Administrative/Special access accounts must be logged and refrain from abuse of privilege only performing tasked required for the job function. Staff may reset passwords for business purposes. Passwords must be constructed using direction provided by the IT department. Remote access occurs through approved remote access methods with data encryption and MFA and must be terminated after one hour of inactivity unless approved.
ITS-05 [Network Management]	Establish rules for maintenance, expansion, improvements, and use of the network infrastructure. The SVCE IT team or an approved contractor must install all cabling to provide a consistent network infrastructure capable of leveraging new networking developments. Technical controls and solutions must be implemented to protect the network from unauthorized access. Connections to the SVCE internal network must be authorized by IT. All connections of the network infrastructure to external third-party networks must be approved and reviewed by SVCE IT. The use of network devices is not permitted without authorization from SVCE IT management. All wireless access points or devices that provide access to the SVCE wireless network must be approved by IT management. Network equipment and distribution racks must be located in a secure room only accessible by the SVCE IT team.

ITS-06 [Physical Security]	Establishes methods to prevent unauthorized physical access or damage to the organization's information and information processing facilities. Physical offices shall meet all local building codes for construction materials and some interior zones may be identified as secure areas where physical access is further restricted (e.g., private offices and wiring closets). Secure areas shall be protected by appropriate entry controls. Where possible, access control systems shall be tied to a centralized system that provides granular access control for individual personnel. Physical security for offices, rooms, and facilities shall be designed and applied to protect from theft, misuse, environmental threats, unauthorized access, and other threats to the confidentiality, integrity, and availability of classified data and systems. Piggy-backing, tailgating, and door propping to circumvent door access controls are prohibited. File cabinets with confidential information should be locked when not in use or unattended. Copies of documents containing confidential information should be immediately removed from printers and fax machines. Where feasible, secure areas shall be monitored through the use of intrusion detection systems, alarms, and/or video surveillance systems. Visitors, delivery personnel, outside support technicians, and other external agents require escort and appropriate oversight. Third parties shall sign in and out of a visitor log maintained by SVCE personnel. Third-party access to secure areas shall be confirmed with appropriate SVCE personnel prior to being granted access. Delivery and loading areas and other points where unauthorized persons could enter secure areas shall be controlled. Visitors and third parties shall comply with SVCE physical security requirements. Photographic, video, audio, or other recording equipment, such as cameras with recording capabilities, are not permitted in secure areas or any other area designated a recording-free zone. Damage and potentially unauthorized access must be reported to the appropriate personnel immediately.
ITS-07 [Vulnerability Management]	Establishes rules for the review, evaluation, application, and verification of system updates to mitigate vulnerabilities in the IT environment and associated risks. Information resource configurations must be logged to record actions. All logs must be stored in a central log management solution and maintained for at least one year. A review of log files must be conducted regularly and must be protected from tampering or unauthorized access. The SVCE IT team maintains responsibility for patch management implementation, operations, and procedures. All information resources must be scanned on a regular basis to identify missing updates and any associated risks. Penetration testing of the internal network, external network, and hosted applications must be conducted at least tri-annually. Vulnerability scans must be conducted at least quarterly. Failed vulnerability scan results will be remediated based on a timeline: critical vulnerabilities remediated within 15 calendar days, high vulnerabilities remediated within 30 days, medium vulnerabilities remediated within 60 days, and low vulnerabilities remediated within 90 days of initial detection.

ITS-08 [Business Continuity Disaster Recovery]	Defines a business continuity and disaster recovery (BC/DR) plan for SVCE in the event of extended service outages caused by factors beyond control (e.g., natural disasters) and to restore services to the widest extent possible in a minimum time frame. The IT team shall determine mitigation actions and will review this standard as well as backup restoration processes on an annual basis. If the SVCE office becomes unavailable, all staff shall work remotely from their home offices or an IT-designated location. Communications shall occur over IT-approved chats, email, phone, and online meeting tools. Key contacts are maintained in the Security Contact Info cloud-based IT Workspace. Responsibilities are outlined where the IT team leads the BC/DR efforts, Directors/Managers are responsible for communicating with their staff, the CEO and CFO are responsible for client communications, the ESCR team leads efforts to maintain the continuity of SVCE services for customers, and the HR Director is responsible for internal communications regarding physical health and safety. Key business processes and continuity strategies are outlined.
ITS-09 [Incident Response]	Establishes methods of response to information security incidents. The actual Incident Response Plan is documented in ITS-09A01 Incident Response Plan and provides direction and focus on the handling of information security incidents that adversely affect SVCE information resources. The Incident Response Commander leads the Incident Management Plan with a response to information security related incidents at the organization affecting SVCE information resources. The plan articulates a process that includes preparation, identification and handling, and recovery. The plan describes required notification both internally and with third parties.
ITS-09A01 [Incident Response Plan]	Provides direction and focus to handling information security incidents that adversely affect SVCE information resources. An incident is defined as a violation or imminent threat of violation of computer security policies, acceptable use policies, or standard security practices that jeopardize the confidentiality, integrity, or availability of information resources or operations. A security incident may involve one or more of the following: violation of an explicit or implied SVCE security policy, attempts to gain unauthorized access to a SVCE information resource, denial of service to a SVCE information resource, unauthorized use of SVCE information resources, unauthorized modification of SVCE information, and loss of SVCE confidential or protected information. Establishes a Cyber Security Incident Handling Team (IHT) consisting of legal experts, risk managers, and other department managers. Establishes a Cyber Security Incident Response Team (CSIRT) comprised of IT management and experienced personnel to move the incident to containment, investigation, and recovery. Outlines detailed Incident Response Framework consisting of six phases - preparation, identification and assessment, containment and intelligence, eradication, recovery, and lessons learned with a summary of checklist items in Appendix III.
Finance	
Name	**Detailed Summary and Revisions**

[Retired] FP03 - Capital Projects Policy	CEO includes a proposed capital budget that identifies capital projects as part of the budget submission. CEO evaluates capital projects based on the benefit to the SVCEA, operations and reliability, life of an asset, total project costs, and completion schedule, risks on not funding, sources of funding, and impact to the operational budget. Operational, administrative, maintenance, and interest expenses incurred prior to actual completion of capital improvement are included in the capital budget. Once the project completes, such costs are included in the operating budget. The CEO provides the Board of Directors a semi-annual Capital Projects Report.
[Retired] FP05 - Customer Generations Rates	Customer Generation Rates will be set at 1% below PG&E's generation rates in January 2017 and remain unchanged, subject to volatility in wholesale power pricing, until January 2019. For rate setting beyond 2018, electric rates are designed to generate sufficient revenue after consideration of interest income and miscellaneous revenue to support the full cost of operations, debt service, equity funding of capital investments, funding of reserve accounts, and any other current obligations. Electric rates will ensure a two-times minimum debt service coverage ratio. A rate adequacy review shall be completed every five years at a minimum through a cost-of-service study.
[Retired] FP13 - Chart of Accounts	Moved to a standard. Assigns ledger accounts a descriptive account title and numbers to produce meaningful financial data for the Agency. Provides design of accounts and arrangement based on the sequence they appear in the financial statements. Short title description and definition of each account should be sufficient, concise, and meaningful.
[Retired] FP07 - Purchasing Card Policy	Moved to the standard level. Allows SVCE purchasing cards to be issued and used by staff, subject to a $20k monthly limit.
FP01 - Accounting Policy	Adds references to standards for delinquent accounts and capitalizing assets; attachments FP-01A (Establish Audit Committee) and FP-01B (Establish Finance and Administration Committee). Removes language requiring five members of the F&A Committee as the number may change due to transitions. Adds language of PG&E issuing bills to customers and power of disconnections to manage delinquent accounts. SVCE staff maintains standards for managing delinquent accounts but has no power for disconnections. Adds language on maintaining a chart of accounts. Changes the minimum frequency of F&A Committee meetings from quarterly to three times a year.
FP02 - Budget Policy	Adds CEO's maintenance of standards related to showings for capital expenditures for budgeting purposes and limitations on debt. Adds customer generation rates being set through the Board-approved budget for the corresponding fiscal year or as designated by the Board after establishing the budget. Updates pronouns from he/she and him/her to they/them. Moved over hire authority to HR Policy 01: Personnel.

FP06 - Purchasing and Spending Policy	Adds language on CEO's ability to delegate their authority to approve and execute energy procurement contracts for terms less than or equal to 12 months to meet SVCE's expected energy, capacity, and hedging needs, which the CEO will timely report to the Board; contracts with a not-to-exceed maximum of $250,000 per vendor and per fiscal year; amendments that improve contract terms; in the event of an emergency, not-to-exceed maximum dollar amount of 150% of $250,000 per fiscal year or 500% of $250,000 per fiscal year with prior written consent of two Executive Committee members. Adds language for CEO to delegate their authority to approve and execute standards related to Purchasing Card issuance and use by staff. If the CEO delegates their authority, documentation must be provided in purchasing standards. Adds language on the CFO approving all ACH and wire transfers. Allows for solicitations, sole source purchasing, cooperative purchasing, and disposal of property according to standards established by the CEO.
FS08 - Purchasing and Spending	Migrated information from FP06 - Purchasing and Spending Policy including solicitation requirements for informal and formal solicitations; sole source purchasing; cooperative purchasing; and disposal of property. Adds significant language on solicitations, such as the requirement of a formal request for proposal for services or quotes for goods over $50,000. For bids between $10,000.10 to $50,000, an informal quote process is applied and documented on the sole source justification form.
FP08 - Investment Policy	Section Delegation of Authority was updated to include CEO's designee and CFO or their designee as authorized to sign investment documents. Removed Sections on Authorized Financial Dealers and Institutions, Authorized and Suitable Investments, Hedging Program, Reporting Requirements, Investment Pools/Mutual Funds, Collateralization, Safekeeping and Custody, Maximum Maturities, Internal Controls, and Performance Standards as the majority of this information is being transferred to a standard FS-04: Investment. Added language that SVCE's portfolio will not include investment in companies in the industries or subindustries of Fossil Fuel Extraction, Refining, and Distribution. Added language on Additional Investment Standards.
FP10 - Delinquent Accounts & Collections Policy	Clarifies PG&E's power of disconnections to manage delinquent accounts and that SVCE does not have the power of disconnection. And clarifies that the CFO must approved accounts that are written off.
FP11 - Capitalization Policy	Clarifies limit is with respect to individual assets. Updates individual asset useful life costing more than $1,000 to costing more than $5,000 to be capitalized and recorded in depreciation records. Any asset that does not meet this criteria will be expensed (e.g., small equipment).
FS01 - Capital Projects	This is a new FS-01 Capital Projects Standard transitioned from the previous FP-03 Capital Projects Policy. There are no changes from the previous policy except to repurpose the policy to a standard format.

FS03 - Customer Generation Rates	This is a new FS-03 Customer Generation Rates Standard transitioned from the previous FP-05 Customer Generation Rates Policy. Removes language of rates being set 1% below PG&E's generation rates and replaces with rates being set by the Board-approved budget for the corresponding fiscal year. Removes references to outdated years (e.g., 2017). Replaces language of interest income with all expenses.
FS04 - Investment	New FS-04 Investments Standard consists of the previous language removed from FP-08 Investment Policy: Subjects on Authorized Financial Dealers and Institutions, Authorized and Suitable Investments, Hedging Program, Reporting Requirements, Investment Pools/Mutual Funds, Collateralization, Safekeeping and Custody, Maximum Maturities, and Performance Standards.
FS06 - Purchasing Card Standard	New FS-06 Purchasing Card Standard that replaces previous FP07 Purchasing Card Policy. Adds language that P-cards may be extended to other staff as designated by the CEO. Adds language to include the CEO and CFO as approvers in the issuance of P-Cards, P-Card Limit, and P-Card Delegation Forms; delegation to other staff with the approval of CEO, CFO/Director of Finance and Administration, or their delegate. Adds language on the development of purchasing card standards. Adds reference to Missing Supporting Documentation Affidavit for any transaction missing documentation. Replaces pronouns his/her with their, replaces any reference of "policy" with "standard", and replaces "personal business expense" with "personal expense" that is not prohibited.
FS07 - Chart of Accounts	New FS-07 Chart of Accounts Standard replaces previous FP-13 Chart of Accounts Policy. Removes account codes from 2017 as the current list of account codes are memorialized in the FS-07A01 Chart of Accounts Standard Attachment. References FS-07A01 containing the current list of the Chart of Accounts.
FS07A01 - Chart of Accounts	New FS-07A01 Chart of Accounts Standard Attachment replaces account definitions in the previous FP-13 Chart of Accounts Policy. Memorializes current list of Chart of Accounts by title, type, number, and notes.

Attachment 1 Table 3: Controls

Human Resources	
Name	**Controls**
HRP-01 [Personnel & Reimbursement]	*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. *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. *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	*One source for employee-facing HR standards and policies. *Updates to any employee-facing HR Standard or Policy is summarized in the HR Handbook. *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]	*Employee registers their smartphone to SVCE Mobile Asset Management (MAM) program *Residential internet service needs to be at least 100 Mbps (download)/ 20 Mbps (upload) *Stipend is neither permanent or guaranteed. SVCE reserves the right to modify or cancel this benefit. *SVCE does not accept liability for claims, charges, or disputes between service provider(s) and the employee.
HRS-02 [Recruitment Incentive]	*Threshold of 10% of salary or $15,000 incentive. *Employee must compensate SVCE if the employee terminates within 12 months from which the bonus is received.
HRS-03 [Volunteer Time Off]	*Threshold of 40 hours per year of Volunteer Time Off (VTO). *VTO must be longer than 2 hours. *VTO must be no more than 2 days per quarter. *VTO does not accrue and is refreshed at the beginning of each calendar year.
HRS-04 [Unpaid Leave]	*Approval of immediate supervisor, department director, and CEO is required for leave longer than one week. *F&A ensures any employee on an approved leave of absence is not paid.
HRS-05 [Paid Time Off Cash Out]	*Minimum of 40 hours must be retained in PTO bank, and confirmation of retention of 40 hrs in PTO bank is verified. *Limit of two PTO cash-outs and not to exceed 80 hours per calendar year.

HRS-06 [Tuition Assistance]	*There needs to be an availability of funding based on the annual budget process. * Two weeks prior to course start, an employee submits the Tuition Assistance Reimbursement form to their supervisor and department director. *Employee provides written justification of coursework that aligns with SVCE's core mission, employee's duties, or future opportunities within the agency. *Documentation (proof of payment, registration completion, and proof of completion) must be received within 60 days of course completion *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]	*Employee submits proof of other current health coverage. *Employee submits Election of Cash In-Lieu form declining all SVCE-offered coverage (medical, dental, and vision).
HRS-08 [Fitness Reimbursement Benefit]	*Injuries resulting from an employee’s participation in this Program will not qualify for worker’s compensation benefits. *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]	*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. *Employees agree to ensure their work documents and devices are secured and confidential and that passwords are protected. *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. *Working outside of the United States is not permitted.
General & Administration	
Name	**Controls**
GAP10 - Files and Records Management Policy	*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.
GAS03 - Travel and Meeting Expense Reimbursements	*Advanced CEO approval is required for incurring expenses for out-of-state travel by SVCE employees. *All in-state travel involving overnight accommodations is approved by the appropriate department head only under specified conditions. *Travel and meeting expenditures shall not exceed approved budget appropriations and

	associated fiscal policies. *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.
GAS02 - Files and Records Management	*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. *Staff shall determine whether files labeled with an energy counterparty name contain confidential information before public release. *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.
Information Technology	
Name	**Controls**
ITP-01 Information Technology	*All staff and designated parties that have access to SVCE IT are personally responsible for exercising the proper control over information according to operational standards and are informed of security measures through ongoing required training. *IT resources are tracked and monitored through established tools. *All operational standards will be reviewed on an annual basis.
ITS-01 [Data Management]	*Defines classification of data types: public, restricted, and confidential where access is restricted to users on a "need-to-know" basis determined by business requirements. The data owner is responsible for identifying additional requirements for specific data or exceptions to data handling. *Data transfer to people or outside entities shall be done with a non-disclosure agreement or a data-sharing vendor agreement with approval from their manager, the IT department, and the General Counsel. *Includes specific limitations from rules related to data privacy.
ITS-02 [Asset Management]	*Hardware, software, and application inventories must be maintained and reviewed no less than annually. *SVCE assets must be maintained and repaired based on the manufacturer's recommended guidelines. *Employees are responsible for ensuring agency equipment is secured and properly attended to. * Assets must be returned to SVCE upon termination of employment or end of the asset's useful life.

ITS-03 [Information Security]	*All hardware must be formally approved by IT Management before being connected to SVCE networks. *Software must be approved and installed by SVCE IT and be properly licensed. *All mobile devices connecting to SVCE’s resources must be setup to use strong encryption and are required to use the approved tools and solutions, defined by SVCE IT. *All personnel must review and acknowledge the IT standards and complete assigned security awareness trainings by assigned due dates.
ITS-04 [Identity and Access Management]	*Accounts created must have an associated, and documented, request and approval. *Accounts and access rights for all Silicon Valley Clean Energy information resources must be reviewed and reconciled at least annually, and actions must be documented. *The level of access required to perform authorized tasks may be approved. *Remote access connections to SVCE networks will be made through the approved remote access methods employing data encryption and multi-factor authentication.
ITS-05 [Network Management]	*Connections to the SVCE internal network must be authorized by IT. *Wireless access points or devices that provide access to SVCE's wireless network must be approved by IT management. *SVCE IT must approve connections of the network infrastructure to external third-party networks. *Network equipment and distribution racks must be located in a secure room only accessible by the SVCE IT team.
ITS-06 [Physical Security]	*Secure areas shall be protected by appropriate entry controls to ensure that only authorized personnel are allowed access. *Physical security for offices, rooms and facilities shall be designed and applied to protect from theft, misuse, environmental threats, unauthorized access, and other threats to the confidentiality, integrity, and availability of classified data and systems. *Secure areas shall be monitored through the use of intrusion detection systems, alarms, and/or video surveillance systems where feasible. *Supporting infrastructure shall be regularly serviced and maintained in accordance with the manufacturer’s recommendations. *Third parties shall sign in and out of a visitor log and shall be escorted or monitored by SVCE personnel.

ITS-07 [Vulnerability Management]	*SVCE-owned and/or managed Information Resources must use the Silicon Valley Clean Energy IT management-approved endpoint protection software and configuration. *Logs to record actions must be stored in a central log management solution and maintained for at least one year. A review of log files must be conducted regularly. *All files must be scanned for malware before use. *All Information Resources must be scanned regularly to identify missing updates. *Failed vulnerability scan results will be remediated based on a timeline: critical vulnerabilities remediated within 15 calendar days, high vulnerabilities remediated within 30 days, medium vulnerabilities remediated within 60 days, and low vulnerabilities remediated within 90 days of initial detection.
ITS-08 [Business Continuity Disaster Recovery]	*In the event of the loss or unavailability of the SVCE office, a natural disaster, or a scenario involving major disruption, the BC/DR plan shall be automatically activated. *The IT team will review the BC/DR standard on an annual basis. *Communications shall take place over IT-approved chats, email, phone, and online meeting tools.
ITS-09 [Incident Response]	*In the event of an information security incident, the Incident Management Plan will provide direction to address the incident with clear steps to prepare, identify, handle, and/or recover SVCE Information Resources. *The plan includes a description of roles and responsibilities, the establishment of an Incident Response Commander, and key contacts.
ITS-09A01 [Incident Response Plan]	*Establishes a Cyber Security Incident Handling Team (IHT) consisting of legal experts, risk managers, and other department managers. The CFO, an IHT member, seeks approval from Executive Management (i.e., the CEO, also an IHT member) to administer the Incident Response Program. *Establishes a Cyber Security Incident Response Team (CSIRT) comprised of IT management and experienced personnel to move the incident to containment, investigation, and recovery. *Outlines detailed Incident Response Framework consisting of six phases - preparation, identification and assessment, containment and intelligence, eradication, recovery, and lessons learned with a summary of checklist items in Appendix III.
Finance	
Name	**Controls**

FP01 - Accounting Policy	*CPAs perform an annual financial audit and an official annual financial report shall be issued no later than six months following the fiscal year end. *Audit and Finance and Administrative Committees are formed for financial oversight. *The Board of Directors has final approval of the audit.
FP02 - Budget Policy	*The Board of Directors approves and adopts the budget. In the event the Board does not adopt the budget by the end of the fiscal year, the Board may adopt a continuing appropriations resolution until such time as the budget is adopted. *Customer generation rates are set through the Board-approved budget for the corresponding fiscal year or as designated by the Board after establishing the budget.
FP06 - Purchasing and Spending Policy	*Delegated CEO authority must be documented *Limits CEO contracting authority to $250,000/fiscal year *Maximum emergency authority requires 2 ExCom Members *CFO must approve all ACH and wire transfers *Established solicitation options and requirements for different sizes of vendor agreements
FS08 - Purchasing and Spending	*Sets requirements to seek multiple bids to ensure low cost for SVCE. *Directs award to be made to vendor in the agency's best interest. *Larger projects (+$50k) must be awarded following an RFP/RFQ process. *Sole source purchasing must be justified without relying on personal preference, cost, vendor performance, local service, features that exceed minimum requirements, explanations of the need for the equipment or service unless it is a unique case. *Cooperative purchasing must satisfy SVCE bidding requirements *Disposal of property will be reported to the Board and may only be disposed of by specified methods.
FP08 - Investment Policy	*No more than 5% of SVCE's total investment portfolio will be invested in a single security type with a single financial institution. *Various limitations on the types of investments possible to manage risk.
FP10 - Delinquent Accounts & Collections Policy	*Three notices are sent to customers that meet delinquent customer criteria. *Closed accounts may be written-off with approval by the CFO.
FP11 - Capitalization Policy	*All assets with value above $5,000 must be capitalized. *There is a lifespan table guide for financial reporting and depreciation: 3 years for computer software, hardware, and office machinery; 5 years for automobiles; 7 years for office furniture and fixtures.
FS01 - Capital Projects	*Board reviews Capital Projects Report twice a year.

FS03 - Customer Generation Rates	*A rate adequacy review shall be completed every five years at a minimum through a cost-of-service study.
FS04 - Investment	*Director of Administration and Finance shall be responsible for preparing a monthly report of transactions for the Board of Directors.
FS06 - Purchasing Card Standard	*Each P-card shall not exceed $20,000 monthly, subject to the CEO's discretion. *CEO, CFO or Director of Finance and Administration must approve P-card issuance. *All P-cards and their limits must be approved on the P-Card Per Cardholder Limit form prior to being issued. *Delegated use of P-Cards must be requested in writing via the P-Card Delegation Form. *Outlines allowable and unauthorized P-Card use in the policy. *Any missing documentation requires written explanation and signed affidavit on the Missing Supporting Documentation Affidavit.
FS07 - Chart of Accounts	*Specifying accounts in advance enables funds to be accounted for properly. *Design of accounts and arrangement is based on the sequence they appear in the financial statements.
FS07A01 - Chart of Accounts	*Qualitative description is transferred to an easier quantitative format to improve visibility and act as a quick reference.

Attachment 2
Cadence for Updates and Training
for Policies and Standards

NOTE: Policies (P) and Standards (S) are denoted below in the acronyms within each area of SVCE. For example, the IT Policies are referenced as ITP and IT Standards as ITS.

Attachment 2 Table 1: Cadence for Updates and Training for Policies and Standards

General & Administration	Cadence for Updates	Cadence for Training	Staff to Train
GAP10 - Files and Records Management Policy	5 Years	2 Years	All Staff
GAS02 - Files and Records Management	5 Years	2 Years	All Staff
GAS03 - Travel and Meeting Expense Reimbursements	5 Years	2 Years	All
Human Resources	**Cadence for Updates**	**Cadence for Training**	**Staff to Train**
HRP-01 [Personnel & Reimbursement]	5 Years	As updated	CEO, CFO, Director of HR
HR Handbook	1 Year	As updated	All Staff
HRS-01 [Technology Stipend]	5 Years	As updated	All Staff
HRS-02 [Recruitment Incentive]	5 Years	None	CEO, Director of HR
HRS-03 [Volunteer Time Off]	5 Years	As updated	All Staff
HRS-04 [Unpaid Leave]	5 Years	As updated	All Staff
HRS-05 [Paid Time Off Cash Out]	5 Years	As updated	All Staff
HRS-06 [Tuition Assistance]	5 Years	As updated	All Staff
HRS-07 [Cash in Lieu of Health Benefits]	5 Years	As updated	All Staff
HRS-08 [Fitness Reimbursement Benefit]	5 Years	As updated	All Staff
HRS-09 [Flexible Work]	5 Years	2 Years	All Staff
Information Technology	**Cadence for Updates**	**Cadence for Training**	**Staff to Train**
ITP-01 Information Technology	1 Year	2 Years	All Staff
ITS-01 [Data Management]	1 Year	1 Year	w/ access to customer data
ITS-02 [Asset Management]	1 Year	2 Year	All Staff
ITS-03 [Information Security]	1 Year	2 Years	All Staff
ITS-04 [Identity and Access Management]	1 Year	2 Year	All Staff
ITS-05 [Network Management]	1 Year	2 Years	All Staff
ITS-06 [Physical Security]	1 Year	2 Years	All Staff
ITS-07 [Vulnerability Management]	1 Year	2 Years	IT Team

ITS-08 [Business Continuity Disaster Recovery]	1 Year	1 Year	Executives and Managers
ITS-09 [Incident Response]	1 Year	2 Years	Incident Response Team
Finance	**Cadence for Updates**	**Cadence for Training**	**Staff to Train**
FP01 - Accounting Policy	5 Years	2 Years	Finance Team
FP02 - Budget Policy	5 Years	2 Years	CEO, Finance Team
FP06 - Purchasing and Spending Policy	5 Years	2 Years	Leadership Team
FP08 - Investment Policy	5 Years	2 Years	Finance Team
FP10 - Delinquent Accounts & Collections Policy	5 Years	2 Years	Finance Team, ESCR
FP11 - Capitalization Policy	5 Years	2 Years	Finance Team
FS01 - Capital Projects	5 Years	5 Years	Finance Team
FS03 - Customer Generation Rates	5 Years	Onboarding	CEO, Finance Team, ESCR
FS04 - Investment	5 Years	2 Years	Finance Team
FS06 - Purchasing Card Standard	5 Years	2 Years	All Cardholders
FS07 - Chart of Accounts	5 Years	2 Years	Finance Team
FS07A01 - Chart of Accounts	5 Years	2 Years	Finance Team
FS08 - Purchasing and Spending	5 Years	2 Years	Leadership Team

SILICON VALLEY CLEAN ENERGY

Attachment 3:
Redline and Clean Versions of Policies

FP1

Category: FINANCE

ACCOUNTING POLICY

I. PURPOSE

The purpose of this policy is to document the Agency's method of accounting, audit schedule, ~~and~~ standards of internal controls, standards for~~.~~ delinquent accounts, and standards for capitalizing assets.

II. POLICY

1. The Agency will establish accounting practices that conform to Generally Accepted Accounting Principles (GAAP) for governmental entities.

2. An independent firm of Certified Public Accountant (CPAs) shall perform an annual financial audit and an official annual financial report shall be issued no later than 6 months following fiscal year-end.

3. Audit contracts shall be competitively bid at least every five years, or sooner as desired by the Board. Staff will present the process and the results of its screening and selection process of the external auditor to the SVCE Board of Directors.

4. Quarterly, the Agency's Accounting Statements, including a Balance Sheet, a Profit and Loss Statement, and Statement of Cash Flows shall be submitted to the SVCE Board of Directors.

5. Internal control procedures shall be developed and routinely updated to ensure accurate financial reporting and an effective internal control structure over the assets of the Agency.

6. The SVCE Board of Directors shall establish an ~~three-member~~ Audit Committee to primarily oversee the audit of the Agency's financial statements by the external auditor, as described in attachment

FP1-A. The external auditor shall report directly to the Audit Committee. A management letter, the by-product of an annual audit, shall be presented to the SVCE Board of Directors by the independent certified public accounting firm no later than 60 days from issuance of the Agency's audited financial report. The SVCE Board of Directors shall have final approval over the audit.

7.

~~6.~~8. The SVCE Board of Directors shall establish a ~~five-member~~ Finance and Administration Committee to primarily provide financial oversight of the Agency, as described in attachment FP1-B.

~~7. A management letter, the by-product of an annual audit, shall be presented to the SVCE Board of Directors by the independent certified public accounting firm no later than 60 days from issuance of the Agency's audited financial report. The SVCE Board of Directors shall have final approval over the audit.~~

9. The CFO has the authority to establish and close bank accounts as needed to manage and account for SVCE funds.

~~8.~~10. Staff shall maintain a chart of accounts.

Policy Compliance

Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

Cadence for Review

- This Policy will be reviewed at least every five (5) years.

Reference Documents

Attachments:

- FP-01A01: Establish an Audit Committee
- FP-01A02: Establish Finance and Administration Committee

SILICON VALLEY CLEAN ENERGY

FP1-A

Category: FINANCE

ESTABLISH AUDIT COMMITTEE

I. PURPOSE

The Board of Directors appoints the A~~a~~udit C~~c~~ommittee to, among other things:

- oversee the accounting and financial reporting process and the audit of the Agency's financial statements by the independent auditor; and
- monitor compliance with ~~the~~ SVCE's C~~c~~onflict of ~~i~~Interest Code ~~policy~~
  - Each member shall be free of any relationship that, in the opinion of the Board of Directors, would interfere with his or her individual exercise of independent judgement.

II. REPORTING

The A~~a~~udit C~~c~~ommittee reports directly to the Board of Directors.

III. COMMITTEE MEMBERSHIP

The A~~a~~udit C~~c~~ommittee shall consist of no fewer than three members and no greater than six members. The members of the A~~a~~udit C~~c~~ommittee shall be appointed annually by the Board of Directors. Eligible Members to serve on the Audit Committee shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Audit Committee Members. No more than one eligible Audit Committee Member shall represent their respective Member Agency. The Audit Committee shall designate the chairperson.

IV. COMMITTEE AUTHORITY and RESPONSIBILITIES

The A~~a~~udit C~~c~~ommittee shall meet as often as it determines necessary or appropriate to fulfill its responsibilities, but no fewer than twice annually – once to review the audit plan and once to review the audited financials, and related documents, and to review the audit engagement, special investigations, financial irregularities and internal control failures. The A~~a~~udit C~~c~~ommittee will be a Brown-Acted meeting. The following are the specific functions of the A~~a~~udit C~~c~~ommittee:

- The ~~a~~Audit ~~c~~Committee shall annually retain or renew the appointment of an independent auditor to conduct the audit, and upon completion, must review the results of the audit and any related management letter.
- Review with the independent auditor the scope and planning of the audit prior to its commencement.
- Upon completion of the audit, review and discuss the following with the independent auditor:
  - Any material risks and weaknesses in internal controls identified by the independent auditor
  - Any restrictions placed on the independent auditor's scope of the activities or access to requested information
  - The adequacy of the Agency's interim and annual accounting and financial reporting process
  - Any recommendations made by the independent auditor
- Assess the performance and independence of the independent auditor on an annual basis.
- Report to the Board of Directors of the committee's activities, and recommend the results of audit findings for approval.

Additional Responsibilities

- Review audit plans for the upcoming year and discuss with the external audit firm and management.
- Review presentation of financial information in the annual report for consistency with the audited financial statements before the annual report is printed.
- Review with management the internal control process, and risk management and mitigation process.
- Periodically review financial-related policies.

Limitation of Audit Committee's Role

The ~~a~~Audit ~~c~~Committee is not responsible for planning or conducting audits. The independent auditor is responsible for planning and conducting audits. Neither is the ~~a~~Audit ~~c~~Committee responsible for (1) preparing and fairly presenting SVCE's financial statements in accordance with generally accepted accounting principles, (2) maintaining effective internal control over financial reporting, nor (3) ensuring SVCE is in compliance with applicable laws, regulations, and other requirements. These responsibilities are management's, and the independent auditor and the A~~a~~udit C~~c~~ommittee have independent and complementary oversight responsibilities for determining that the related objectives of management's responsibilities, as described, are achieved.

SILICON VALLEY CLEAN ENERGY

FP1-B

Category: FINANCE

ESTABLISH FINANCE AND ADMINISTRATION COMMITTEE

I. PURPOSE

The Board of Directors appoints the Finance and Administration Committee to primarily provide financial oversight for SVCE and recommend to the Board the approval of budgets, financial plans, reserve policies and certain financial, accounting, administrative and information technology related policies and plans. Specific t~~T~~ask areas will include budgeting and financial planning, financial reporting and the creation and monitoring of internal controls and accounting ~~ability~~ policies and investments.

II. REPORTING

The Finance and Administration Committee reports directly to the Board of Directors.

III. COMMITTEE MEMBERSHIP

The Finance and Administration Committee shall consist of no fewer than three members and no greater than six members. The members of the Finance and Administration Committee shall be appointed annually by the Board of Directors. Eligible Members to serve on the Finance and Administration Committee shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Finance and Administration Committee Members. No more than one eligible Committee Member shall represent their respective Member Agency. The Finance and Administration Committee shall designate ~~the~~a chairperson.

IV. COMMITTEE AUTHORITY and RESPONSIBILITIES

The Finance and Administration Committee shall meet as often as it determines necessary or appropriate to fulfill its responsibilities, but no fewer than ~~quarterly~~three times per year. The Finance and Administration Committee will be a Brown-Acted meeting.

Budgeting and Financial Reporting

1. Develop an annual operating budget with staff.

2. Set long-range financial goals along with funding strategies to achieve them.
3. Monitor adherence to the budget.
4. Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.
5. Present all financial goals and proposals to the Board of Directors for approval.
6. Develop useful and readable report formats with staff.
7. Present the financial reports to the Board of Directors.

Internal Controls and Accountability Policies

1. ~~Create, approve, and/or U~~update (as necessary) policies that help ensure the assets of the agency are protected.
2. Ensure policies ~~and procedures~~ for financial transactions are documented and reviewed annually, and updated as necessary.
3. Ensure approved financial policies and procedures are being followed.
4. Developing other policies that further serve to protect the Agency including:
    a. Personnel policies
    b. Long-term contracts or leases.
    c. Loans or lines of credit.
    d. IT security.
    e. Capital purchases.
    f. Insurance requirements and reviews.
    g. Records retention.

Investments

1. ~~Draft an investment policy~~Refer to FP-08 Investments Policy detailing the objectives of the investment portfolio and guidelines on the asset allocation of the portfolio based on predetermined level of risk tolerance.
2. Ensure provisions of the policy are followed.
3. Review the policy at least annually and update if necessary.
4. Monitor investment returns.

Finance Policy 1: Accounting

I. Purpose

The purpose of this policy is to document the Agency's method of accounting, audit schedule, standards of internal controls, standards for delinquent accounts, and standards for capitalizing assets.

II. Scope

All SVCE accounting practices.

III. Policy

- The Agency will establish accounting practices that conform to Generally Accepted Accounting Principles (GAAP) for governmental entities.
- An independent firm of Certified Public Accountant (CPAs) shall perform an annual financial audit and an official annual financial report shall be issued no later than 6 months following fiscal year-end.
- Audit contracts shall be competitively bid at least every five years, or sooner as desired by the Board. Staff will present the process and the results of its screening and selection process of the external auditor to the SVCE Board of Directors.
- Quarterly, the Agency's Accounting Statements, including a Balance Sheet, a Profit and Loss Statement, and Statement of Cash Flows shall be submitted to the SVCE Board of Directors.
- Internal control procedures shall be developed and routinely updated to ensure accurate financial reporting and an effective internal control structure over the assets of the Agency.
- The SVCE Board of Directors shall establish an Audit Committee to primarily oversee the audit of the Agency's financial statements by the external auditor and monitor compliance of Resolution No. 2017-03, a resolution of the Board of Directors of the Silicon Valley Clean Energy Amending the Authority's Conflict of Interest Code, as described in attachment FP1-A. The external auditor shall report directly to the Audit Committee. A management letter, the by-

product of an annual audit, shall be presented to the SVCE Board of Directors by the independent certified public accounting firm no later than 60 days from issuance of the Agency's audited financial report. The SVCE Board of Directors shall have final approval over the audit.

- The SVCE Board of Directors shall establish a Finance and Administration Committee to primarily provide financial oversight of the Agency, as described in attachment FP1-B.
- The CFO has the authority to establish and close bank accounts as needed to manage and account for SVCE funds.
- Staff shall maintain a chart of accounts.

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

V. Reference Documents

A. Attachments:

- FP-01A01: Establish an Audit Committee
- FP-01A02: Establish Finance and Administration Committee

Finance Policy 1 Attachment 1: Establish Audit Committee

I. Purpose

The Board of Directors appoints the Audit Committee to, among other things:

- oversee the accounting and financial reporting process and the audit of the Agency's financial statements by the independent auditor; and
- monitor compliance with SVCE's Conflict of Interest Code
  - Each member shall be free of any relationship that, in the opinion of the Board of Directors, would interfere with his or her individual exercise of independent judgement.

II. Reporting

The Audit Committee reports directly to the Board of Directors.

III. Committee Membership

The Audit Committee shall consist of no fewer than three members and no greater than six members. The members of the Audit Committee shall be appointed annually by the Board of Directors. Eligible Members to serve on the Audit Committee shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Audit Committee Members. No more than one eligible Audit Committee Member shall represent their respective Member Agency. The Audit Committee shall designate the chairperson.

IV. Committee Authority and Responsibilities

The Audit Committee shall meet as often as it determines necessary or appropriate to fulfill its responsibilities, but no fewer than twice annually – once to review the audit plan and once to review the audited financials, and related documents, and to review the audit engagement, special investigations, financial irregularities and internal control failures. The

SILICON VALLEY CLEAN ENERGY

Audit Committee will be a Brown-Acted meeting. The following are the specific functions of the Audit Committee:

- The Audit Committee shall annually retain or renew the appointment of an independent auditor to conduct the audit, and upon completion, must review the results of the audit and any related management letter.
- Review with the independent auditor the scope and planning of the audit prior to its commencement.
- Upon completion of the audit, review and discuss the following with the independent auditor:
  - Any material risks and weaknesses in internal controls identified by the independent auditor
  - Any restrictions placed on the independent auditor's scope of the activities or access to requested information
  - The adequacy of the Agency's interim and annual
  - accounting and financial reporting process
  - Any recommendations made by the independent auditor
- Assess the performance and independence of the independent auditor on an annual basis.
- Report to the Board of Directors of the committee's activities,
- and recommend the results of audit findings for approval.

A. Additional Responsibilities

- Review audit plans for the upcoming year and discuss with the external audit firm and management.
- Review presentation of financial information in the annual report for consistency with the audited financial statements before the annual report is printed.
- Review with management the internal control process, and risk management and mitigation process.
- Periodically review financial-related policies.

B. Limitation of Audit Committee's Role

SILICON VALLEY CLEAN ENERGY

- The Audit Committee is not responsible for planning or conducting audits. The independent auditor is responsible for planning and conducting audits. Neither is the Audit Committee responsible for (1) preparing and fairly presenting SVCE's financial statements in accordance with generally accepted accounting principles, (2) maintaining effective internal control over financial reporting, nor (3) ensuring SVCE is in compliance with applicable laws, regulations, and other requirements. These responsibilities are management's, and the independent auditor and the Audit Committee have independent and complementary oversight responsibilities for determining that the related objectives of management's responsibilities, as described, are achieved.

SILICON VALLEY CLEAN ENERGY

Finance Policy 1 Attachment 2: Establish Finance and Administration Committee

I. Purpose

The Board of Directors appoints the Finance and Administration Committee to primarily provide financial oversight for SVCE and recommend to the Board the approval of budgets, financial plans, reserve policies and certain financial, accounting, administrative and information technology related policies and plans. Specific task areas will include budgeting and financial planning, financial reporting and the creation and monitoring of internal controls and accounting policies and investments.

II. Reporting

The Finance and Administration Committee reports directly to the Board of Directors.

III. Committee Membership

The Finance and Administration Committee shall consist of no fewer than three members and no greater than six members. The members of the Finance and Administration Committee shall be appointed annually by the Board of Directors. Eligible Members to serve on the Finance and Administration Committee shall be Board members, Alternate Board members, and Member Agency Staff. Committee Membership shall prohibit the appointment of Alternate Finance and Administration Committee Members. No more than one eligible Committee Member shall represent their respective Member Agency. The Finance and Administration Committee shall designate a chairperson.

SILICON VALLEY
CLEAN ENERGY

IV. Committee Authority and Responsibilities

The Finance and Administration Committee shall meet as often as it determines necessary or appropriate to fulfill its responsibilities, but no fewer than three times per year. The Finance and Administration Committee will be a Brown-Acted meeting.

A. Budgeting and Financial Reporting

- Develop an annual operating budget with staff.
- Set long-range financial goals along with funding strategies to achieve them.
- Monitor adherence to the budget.
- Develop multi-year operating budgets that integrate strategic plan objectives and initiatives.
- Present all financial goals and proposals to the Board of Directors for approval.
- Develop useful and readable report formats with staff.
- Present the financial reports to the Board of Directors.

B. Internal Controls and Accountability Policies

- Update (as necessary) policies that help ensure the assets of the agency are protected.
- Ensure policies for financial transactions are documented and reviewed annually, and updated as necessary.
- Ensure approved financial policies and procedures are being followed.
- Developing other policies that further serve to protect the Agency including:
    - Personnel policies
    - Long-term contracts or leases.
    - Loans or lines of credit.
    - IT security.
    - Capital purchases.
    - Insurance requirements and reviews.
    - Records retention.

SILICON VALLEY CLEAN ENERGY

C. Investments

- Refer to FP-08 Investments Policy detailing the objectives of the investment portfolio and guidelines on the asset allocation of the portfolio based on predetermined level of risk tolerance.
- Ensure provisions of the policy are followed.
- Review the policy at least annually and update if necessary.
- Monitor investment returns.

SILICON VALLEY CLEAN ENERGY

FP2

Category: FINANCE

BUDGET ADOPTION, CONTROL AND REPORTING POLICY

I. PURPOSE

This Budget Adoption, Control and Reporting Policy (“Budget Policy”) ~~budget policy~~ provides clarity about budget authority for the Chief Executive Officer (CEO) of Silicon Valley Clean Energy (SVCE) and lays out budget adoption and periodic budget reporting requirements. The policy also allows for sufficient flexibility to address changes in the market price of energy consistent with SVCE’s Financial Reserves Policy.

II. POLICY

Budget Adoption

The CEO, in concurrence with the Finance and Administration Committee, shall prepare a ~~proposea~~ a ~~d~~ budget and budget overview ~~and submit it to~~for the Board for the following fiscal year two months prior to the end of the fiscal year. The proposed budget ~~Authority’s Budget~~ shall be balanced and in alignment with the proposed Strategic Plan. The b~~Authority’s B~~udget shall reflect~~s~~ all activities, including operating~~, and~~ capital programs expenditures, revenues and risk. The CEO will maintain standards related to showings for capital expenditures for budgeting purposes. A balanced budget is one in which expenditures are matched by revenues and recommended changes to r~~R~~eserves.

The ~~Chief Executive Officer~~CEO shall submit a recommended budget document for adoption to the Board of Directors for approval by Resolution in the month following the proposed budget submittal. When approved by the Board, the budget shall be considered adopted and appropriated at the level it is controlled by the CEO, discussed below.

Adopted: 3/8/2017
Amended: 9/8/2021

SILICON VALLEY CLEAN ENERGY

FP2

Category: FINANCE

In the event that the Board ~~of Directors~~ does not adopt the ~~Authority's B~~proposed budget by the end of the fiscal year, the Board of Directors may adopt a continuing appropriations resolution until such time as ~~the~~a ~~Authority's B~~budget is adopted. A continuing appropriations resolution would provide that payments for services performed on behalf of the ~~Authority~~Agency and authorization of awarded contracts would continue until such time as the ~~Authority's B~~budget is adopted.

Staff will prepare a five-year financial forecast as part of the budget process projecting revenues and expenditures for all operating funds and planned capital projects in alignment with the Strategic Plan.

The budget document will also contain the following, at ~~a~~ minimum~~,~~ a schedule showing revenues, expenses, and changes to financial reserves. The first year of the five-year horizon is the budget to be considered and formally adopted by the Board by Resolution. The final four years are shown for planning purposes and may be shown at more summary levels.

The first-year proposed budget shall further show:

- Expenditures by expense type/category across the organization;
- Projected revenues;
- Organization chart(s) showing all proposed budgeted positions in the organization;
- A current salary schedule for job classifications to be in effect for the proposed fiscal year (Salaries may be adjusted by the CEO in the fiscal year, with salary changes being reported to the Board).

Budget Control

After adoption, the budget shall be controlled by the CEO at the total annual expenditure level for the SVCE organization, which includes power purchases, employee costs, contract and professional services, capital improvements, debt service, and all other costs. Customer Generation Rates will be set per the Board approved budget for the ~~correwsponding~~corresponding fiscal year or as designated by the Board after establishing the budget. The total budget may be amended by the Board during the year by Resolution.

Adopted: 3/8/2017
Amended: 9/8/2021

SILICON VALLEY CLEAN ENERGY

FP2

Category: FINANCE

The CEO may institute separate budget procedures internally that give ~~him/her/~~ the CEO further controls at the department and/or expenditure category level if ~~he/she/~~the CEO ~~y~~ so desiress~~s~~.

Budget Reporting

A budget-to-actual status update report shall be presented to the Board on a quarterly basis.

Authority to Flexibly Staff and Over hire Budgeted Positions

Under the Human Resources Policy 01: Personnel and Reimbursement~~personnel delegation resolution~~, the CEO is ~~designated as the Personnel Officer and is authorized and directed to administer the personnel system, with duties that include the following with budgetary impacts:~~

- ~~Define and prepare position classifications including the establishment of minimum standards of employment and qualifications for the various positions;~~
- ~~Prepare a schedule of compensation including salary and other benefits covering all employees;~~
- ~~Prepare and present to the Authority Board a budget for implementation of the personnel system including employee salary and benefit costs as part of the annual budget process.~~

~~Notwithstanding the duties defined in the resolution above, the CEO is also granted authority to take the following actions which may affect the annual budget:~~

- ~~Outsource functions that are currently staffed by positions when contracting is more advantageous to the operations of the organization or is more cost effective;~~
- ~~Bring in-house any functions that are currently outsourced if the result would be advantageous to the operations of the organization or more cost effective;~~
- ~~Adjust salary schedules for market flexibility during the year to attract and retain talent;~~
- ~~Over-hire the number of positions shown in the annual budget as follows:~~

Adopted: 3/8/2017
Amended: 9/8/2021

SILICON VALLEY CLEAN ENERGY

FP2

Category: FINANCE

- ~~On a temporary basis to minimize the impact that pending vacancies may have on the organization by allowing for cross training and overlap;~~

~~On a permanent basis to improve operations and organization effectiveness, provided that the CEO may not over hire on a permanent basis~~authorized to hire in excess of 10% of the ~~authorized~~ number of positions shown in the annual budget without prior approval of the Board.

In no case shall positions be added or salaries be adjusted during the year that cause the total annual budget to be exceeded in total by fiscal year-end without prior Board approval by Resolution.

Power/Energy Purchases Contingency

The nature of the energy markets is one of rapid changes in prices and market volatility. The ability to quickly adapt to those changes is important for maintaining consistent power delivery to customers. Therefore, the CEO is granted authority to overspend the total annual budget for energy purchases by the lesser of 10% of the annual power supply budget, or $30 million, without Board approval provided the over expenditure is due to higher energy costs or greater customer demand. Overspending for these purposes may require use of reserves and the conditions on use of reserves as stated in the Financial Reserves Policy apply, where reserves cannot be drawn down more than 10% of the year's budgeted cost of power supply or $30 million, whichever is less, nor below the baseline Minimum Operating Reserve level without Board approval.

I. Policy Compliance Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

Finance Policy 2: Budget Adoption, Control and Reporting

I. Purpose

This Budget Adoption, Control and Reporting Policy ("Budget Policy") provides clarity about budget authority for the Chief Executive Officer (CEO) of Silicon Valley Clean Energy (SVCE) and lays out budget adoption and periodic budget reporting requirements. The policy also allows for sufficient flexibility to address changes in the market price of energy consistent with SVCE's Financial Reserves Policy.

II. Scope

All budget requirements.

III. Policy

A. Budget Adoption

- The CEO, in concurrence with the Finance and Administration Committee, shall prepare aa budget and budget overview for the Board for the following fiscal year two months prior to the end of the fiscal year. The proposed budget shall be balanced and in alignment with the proposed Strategic Plan. The budget shall reflect all activities, including operating, capital programs expenditures, revenues and risk. The CEO will maintain standards related to showings for capital expenditures for budgeting purposes. A balanced budget is one in which expenditures are matched by revenues and recommended changes to reserves.
- The CEO shall submit a recommended budget document for adoption to the Board of Directors for approval by Resolution in the month following the proposed budget submittal. When approved by the Board, the budget shall be considered adopted and appropriated at the level it is controlled by the CEO, discussed below.
- In the event that the Board does not adopt the proposed budget by the end of the fiscal year, the Board of Directors may adopt a continuing appropriations resolution until such time as a budget is

adopted. A continuing appropriations resolution would provide that payments for services performed on behalf of the Agency and authorization of awarded contracts would continue until such time as the budget is adopted.

- Staff will prepare a five-year financial forecast as part of the budget process projecting revenues and expenditures for all operating funds and planned capital projects in alignment with the Strategic Plan.
- The budget document will also contain the following, at minimum, a schedule showing revenues, expenses, and changes to financial reserves. The first year of the five-year horizon is the budget to be considered and formally adopted by the Board by Resolution. The final four years are shown for planning purposes and may be shown at more summary levels.
- The first-year proposed budget shall further show:
    - Expenditures by expense type/category across the organization;
    - Projected revenues;
    - Organization chart(s) showing all proposed budgeted positions in the organization;
    - A current salary schedule for job classifications to be in effect for the proposed fiscal year (Salaries may be adjusted by the CEO in the fiscal year, with salary changes being reported to the Board).

B. Budget Control

- After adoption, the budget shall be controlled by the CEO at the total annual expenditure level for the SVCE organization, which includes power purchases, employee costs, contract and professional services, capital improvements, debt service, and all other costs. Customer Generation Rates will be set per the Board approved budget for the corresponding fiscal year or as designated by the Board after establishing the budget. The total budget may be amended by the Board during the year by Resolution.

- The CEO may institute separate budget procedures internally that give the CEO further controls at the department and/or expenditure category level if the CEO so desires.

C. Budget Reporting

- A budget-to-actual status update report shall be presented to the Board on a quarterly basis.

D. Authority to Flexibly Staff and Over hire Budgeted Positions

- Under the Human Resources Policy 01: Personnel and Reimbursement, the CEO is authorized to hire in excess of 10% of the number of positions shown in the annual budget without prior approval of the Board.
- In no case shall positions be added or salaries be adjusted during the year that cause the total annual budget to be exceeded in total by fiscal year-end without prior Board approval by Resolution.

E. Power/Energy Purchases Contingency

- The nature of the energy markets is one of rapid changes in prices and market volatility. The ability to quickly adapt to those changes is important for maintaining consistent power delivery to customers. Therefore, the CEO is granted authority to overspend the total annual budget for energy purchases by the lesser of 10% of the annual power supply budget, or $30 million, without Board approval provided the over expenditure is due to higher energy costs or greater customer demand. Overspending for these purposes may require use of reserves and the conditions on use of reserves as stated in the Financial Reserves Policy apply, where reserves cannot be drawn down more than 10% of the year’s budgeted cost of power supply or $30 million, whichever is less, nor below the baseline Minimum Operating Reserve level without Board approval.

SILICON VALLEY CLEAN ENERGY

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

FP6

Category: FINANCE

PURCHASING AND SPENDING POLICY

~~Scope: The Purchasing and Spending Policy applies to all contracts, vendors and spending "Contracts" excluding energy commodity and related products such as clean energy attributes, energy for hedging, capacity and other Board-approved products as provided for in the Energy Risk Management Policy.~~

1. Delegation to the Chief Executive Officer

The CEO shall have all necessary and proper authority and the ability to further delegate their authority to approve and execute:

~~a.~~ contracts for Energy Procurement for terms of less than or equal to 12 months, to meet SVCE's expected energy, capacity, and hedging needs, which the CEO shall timely report to the Board;

~~b.~~a.

~~c.~~b. contracts with a not-to-exceed maximum dollar amount of less than or equal to $~~100~~250,000 per vendor for a given scope of work, per fiscal year;

~~d.~~c. amendments or addenda to existing contracts, regardless of the existing contract's price or total amount, which improves the terms of the contract to SVCE's benefit without increasing the contract's non-to-exceed maximum dollar amount; and

~~e.~~d. in the event of an emergency situation contracts with a not-to- exceed maximum dollar amount of;

   i. 150% of the maximum dollar amount in Section 1.b if this policy~~$150,000 in the aggregate~~ per fiscal year; or
   ii. 500% of the maximum dollar amount in Section 1.b of this policy~~$500,000 in the aggregate~~ per fiscal year with the prior written consent of two (2) Executive Committee members

In order to avert or alleviate damage to property, to protect the

Adopted:3/08/2017
Revised: 2/13/2019

SILICON VALLEY CLEAN ENERGY

FP6

Category: FINANCE

health, safety and welfare of the community and SVCE's employees, or to repair or restore damaged or destroyed property of SVCE.

An "emergency situation" for purposes hereof is a situation creating an imminent danger to life or property or other material financial loss that calls for immediate action with inadequate time for prior Board approval. The Chief Executive Officer shall within thirty (30) days of the emergency, deliver a report to the Board of Directors explaining the necessity for the action, a listing of expenditures made under these emergency powers and any recommended future actions.

e. The CEO shall develop and maintain Purchasing and Spending Standards related to the vendor and/or goods solicitations, sole source justifications, the use and issuance of Purchasing Cards (P-Cards), disposal of property and general spending under the delegated authority including for employee travel and training, meetings, meals, operations, equipment and workforce development~~,~~ ~~. issuance and use by staff.~~

f. The CEO may delegate their authority under this policy and shall document any such delegations in Purchasing Standards.

g. The Board shall adopt Energy Risk Management Policies which include additional ~~a~~ delegation of authority to the CEO for contracts for energy and related procurement of less than five years in term. ~~All energy related procurement in excess of five years or more, requires Board approval.~~

h. The CEO may authorize staff to make payments utilizing any payment method they deem appropriate. However,- all automated clearinghouse (ACH) payments and wire transfers must be approved by the Chief Financial Officer.

2. Changes to this policy will be reviewed by the Finance and Administration Committee before being presented to the Board.

Adopted:3/08/2017
Revised: 2/13/2019

FP6

Category: FINANCE

I. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

Adopted:3/08/2017
Revised: 2/13/2019

SILICON VALLEY CLEAN ENERGY

Finance Policy 6: Purchasing and Spending

I. Purpose

The purpose of this policy is to describe delegation and parameters for spend.

II. Scope

All SVCE purchases.

III. Policy

A. Delegation to the Chief Executive Officer

- The CEO shall have all necessary and proper authority and the ability to further delegate their authority to approve and execute:
  - contracts for Energy Procurement for terms of less than or equal to 12 months, to meet SVCE's expected energy, capacity, and hedging needs, which the CEO shall timely report to the Board;
  - contracts with a not-to-exceed maximum dollar amount of less than or equal to $250,000 per vendor for a given scope of work, per fiscal year;
  - amendments or addenda to existing contracts, regardless of the existing contract's price or total amount, which improves the terms of the contract to SVCE's benefit without increasing the contract's non-to-exceed maximum dollar amount; and
  - in the event of an emergency situation contracts with a not-to-exceed maximum dollar amount of;
    - 150% of the maximum dollar amount in Section 1.b if this policy per fiscal year; or
    - 500% of the maximum dollar amount in Section 1.b of this policy per fiscal year with the prior written consent of two (2) Executive Committee members

- In order to avert or alleviate damage to property, to protect the health, safety and welfare of the community and SVCE's employees, or to repair or restore damaged or destroyed property of SVCE.
- An "emergency situation" for purposes hereof is a situation creating an imminent danger to life or property or other material financial loss that calls for immediate action with inadequate time for prior Board approval. The Chief Executive Officer shall within thirty (30) days of the emergency, deliver a report to the Board of Directors explaining the necessity for the action, a listing of expenditures made under these emergency powers and any recommended future actions.
    - The CEO shall develop and maintain Purchasing and Spending Standards related to the vendor and/or goods solicitations, sole source justifications, the use and issuance of Purchasing Cards (P-Cards), disposal of property, and general spending under the delegated authority including for employee travel and training, meetings, meals, operations, equipment and workforce development.
- The CEO may delegate their authority under this policy and shall document any such delegations in Purchasing Standards.
- The Board shall adopt Energy Risk Management Policies which include a delegation of authority to the CEO for contracts for energy and related procurement of less than five years in term. All energy related procurement in excess of five years or more, requires Board approval.
- The CEO may authorize staff to make payments utilizing any payment method they deem appropriate. However, all automated clearinghouse (ACH) payments and wire transfers must be approved by the Chief Financial Officer.

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.
- Changes to this policy will be reviewed by the Finance and Administration Committee before being presented to the Board.

SILICON VALLEY CLEAN ENERGY

FP8

Category: FINANCE

Finance Policy 08: Investments~~INVESTMENTS POLICY~~

1. Policy

   Silicon Valley Clean Energy ("SVCE") shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment.

2. Scope

   This investment policy applies to all investment activities and financial assets of SVCE.

3. Objective

   The primary objectives, in priority order, of the investment activities of SVCE shall be:

   a. With respect to all investments:

      i. To be in compliance with all Federal, State and local laws as well as all SVCE policies and procedures.

      ii. All investments of SVCE shall be undertaken in a manner which seeks the preservation of principal.

      iii. To remain sufficiently liquid to enable SVCE to meet all operating requirements which might be reasonably anticipated.

      iv. To maximize return consistent with risk limitations identified herein and prudent investment principles.

   b. With respect to short-term c~~C~~ash m~~M~~anagement objectives:

      i. To accelerate receipt of all funds due to SVCE.

      ii. To accurately monitor and forecast expenditures and revenues, thus enabling SVCE to invest funds to the fullest extent possible.

      iii. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout

Adopted: 3/08/2017
Amended: 10/12/22

budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

4. Standard of Care

   SVCE will manage funds in accordance with the Prudent Investor Standard pursuant to California Government Code 53600.3.1. The "prudent investor" standard shall be applied in the context of managing the overall portfolio. Persons authorized to make investment decisions on behalf of SVCE are trustees and therefore fiduciaries subject to the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency".

5. Delegation of Authority

   The following individuals are authorized to sign investment documents and/or execute cash transfers and make investments of SVCE's funds:

   a. Chief Executive Officer, or his/her~~their~~ designee
   ~~a.~~b. Chief Financial Officer, or his/her~~their~~ designee
   ~~b. Director of Administration and Finance~~

   SVCE may also delegate investment decision making and execution authority to an investment advisor. The advisor shall follow this Investment Policy and such other written instructions as are provided. Investment advisor~~'s~~ must be approved by the SVCE Board prior to engaging with SVCE.

6. Ethics and Conflicts of Interest

   The authorized employees who are responsible for the investment of SVCE funds shall refrain from personal business activity that could conflict with the proper execution of SVCE's investment program, or which could impair the ability to make impartial investment decisions.

Pursuant to SVCE's Conflict of Interest Code, employees shall disclose any financial interests and investment holdings that could affect the performance of SVCE's portfolio or the individual's judgement or decisions regarding SVCE's portfolio.

~~7. Authorized Financial Dealers and Institutions~~

~~The Director of Administration and Finance will maintain a list of approved financial institutions authorized to provide investment services to SVCE. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). A determination should be made to ensure that all approved broker/dealer firms, and individuals covering SVCE, are reputable and trustworthy. In addition, the broker/dealer firms should have the ability to meet all of their financial obligations in dealing with SVCE. The firms, and individuals covering SVCE, should be knowledgeable and experienced in Public Agency investing and the investment products involved. No public deposit shall be made except in a qualified public depository as established by the established state laws. All financial institutions and broker/dealers who desire to conduct investment transactions with SVCE must supply the Director of Administration and Finance with the following: audited financial statements, proof of NASD certification, trading resolution, proof of State of California registration, completed broker/dealer questionnaire, certification of having read the SVCE's investment policy and depository contracts.~~

~~An annual review of the financial condition and registrations of qualified bidders will be conducted by the Director of Administration and Finance. A current audited financial statement is required to be on file for each financial institution and broker/dealer in which SVCE invests.~~

~~If SVCE utilizes an investment advisor, the investment advisor may use its own list of authorized broker/dealers to conduct transactions on behalf of SVCE.~~

~~8.~~7. Socially Responsible Investments

SVCE's investment portfolio shall not include investments in companies in the industries or subindustries of f~~F~~ossil f~~F~~uel e~~E~~xtraction, r~~R~~efining, and/or d~~D~~istribution. SVCE's investment advisor shall provide SVCE information on their screening process.

~~9. Authorized and Suitable Investments~~

~~SVCE is authorized by California Government Code Section 53600 et seq. to invest in the types of securities listed below. A security purchased in accordance with this section shall not have a forward settlement date exceeding 45 days from the time of investment.~~

~~Where this section specifies a percentage limitation for a particular security type, that percentage is applicable only on the date of purchase. Credit criteria listed in this section refers to the credit rating at the time the security is purchased. If an investment's credit rating falls below the minimum rating required at the time of purchase, the Director of Administration and Finance will perform a timely review and decide whether to sell or hold the investment.~~

~~U.S. Treasury Obligations; United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.~~

~~U.S. Agency Obligations; Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government- sponsored enterprises.~~

~~Municipal Obligations; Registered state warrants or treasury notes or bonds of California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of California.~~

~~Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue- producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.~~

~~Bonds, notes, warrants or other evidence of indebtedness of a local agency within California, including bonds payable solely out of the revenues from a revenue- producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.~~

~~Bonds issued by SVCE, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by SVCE or by a department, board, agency, or authority of SVCE.~~

~~SVCE is prohibited from investing in any debt issued by member agencies of SVCE who are parties to the SVCE Joint Powers Agreement.~~

~~Deposits at Bank(s); FDIC insured or fully collateralized demand deposit accounts, savings accounts, market rate accounts, time certificates of deposits ("TCDs") and other types of bank deposits in financial institutions located in California. The amount on deposit in any financial institution shall not exceed the shareholder's equity. To be eligible to receive SVCE's deposits, the financial institution must have received a minimum overall satisfactory rating, under the Community Redevelopment Act, for meeting the credit needs of California Communities in its most recent evaluation. Bank deposits are required to be collateralized as specified under Government Code Section 53630 et seq. The Director of Administration and Finance, at his/her discretion, may waive the collateralization requirements for any portion that is covered by federal deposit insurance. SVCE shall have a signed agreement with any depository accepting SVCE's funds per Government Code Section 53649. The maturity of TCDs may not exceed 5 years in maturity. There is no limit on the percentage of the portfolio that may be invested in bank deposits. However, a maximum of 50 percent of the portfolio may be invested in TCDs.~~

~~Banks eligible to receive deposits will be federally or state chartered and will conform to Government Code 53635.2.~~

~~Placement Service Deposits. Bank deposits placed with a private sector entity that assists in the placement of deposits with eligible financial institutions located in the United States. The full amount of the principal and the interest that may be accrued during the maximum~~

~~term of each deposit shall at all times be insured by federal deposit insurance. Placement Deposits shall meet all of the requirements of Government Code Section 53601.8. Purchases of Placement Service CDs may not exceed 50% of SVCE's investment portfolio.~~

~~Local Agency Investment Fund (LAIF); Funds may be invested in the Local Agency Investment Fund. The LAIF was established by the California State Treasurer for the benefit of local agencies.~~

~~Commercial Paper; Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or (2):~~

~~(1) The entity meets the following criteria: (A) Is organized and operating in the United States as a general corporation. (B) Has total assets in excess of five hundred million dollars ($500,000,000). (C) Has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO.~~

~~(2) The entity meets the following criteria: (A) Is organized within the United States as a special purpose corporation, trust, or limited liability company. (B) Has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond. (C) Has commercial paper that is rated "A-1" or higher, or the equivalent, by an NRSRO.~~

~~Eligible commercial paper shall have a maximum maturity of 270 days or less. Purchases of eligible commercial paper shall not exceed 40% of SVCE's funds.~~

~~Medium Term Notes; Defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for~~

~~investment under this subdivision shall be rated in a rating category of "A" or better by a nationally recognized statistical rating organization (NRSRO). Purchases of medium-term notes shall not exceed 30% of SVCE's funds.~~

~~Negotiable Certificates of Deposits; Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California State Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposits shall not exceed 30% of the SVCE's funds.~~

~~Mortgage Pass-Through and Asset-Backed Securities; A mortgage pass-through security, collateralized mortgage obligation, mortgaged backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate or consumer receivable backed bond. For Securities securities eligible for investment under this subdivision not issued or guaranteed by the United States, a federal agency, or a United States government-sponsored enterprise, the following limitations apply:~~

~~The security shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less.~~

~~(1) Purchase of securities authorized by this subdivision shall not exceed 20% of SVCE's funds.~~

~~Supranational Obligations; United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated in a rating category of "AA" or better by an NRSRO and shall not exceed 30% of SVCE's funds.~~

~~Joint Power Authority Pool; Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (r), inclusive, of Government Code 53601. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:~~

1) ~~The adviser is registered or exempt from registration with the Securities and Exchange Commission.~~
2) ~~The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive, of Government Code 53601.~~
3) ~~The adviser has assets under management in excess of five hundred million dollars ($500,000,000).~~

~~Money Market Funds; Shares of beneficial interest issued by diversified management companies that are Money Market Funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. These funds must either have attained the highest rating/ranking by at least two NRSROs or have retained an investment advisor registered with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).~~

~~Investments in this category will not exceed 20% of SVCE's funds and no more than 10% may be invested in any one money market fund.~~

~~10. Hedging Program~~

~~Staff may examine and recommend to the Board an investment strategy that is consistent with this policy and which will hedge against revenue loss due to high PCIA or increased prices of natural gas commodity.~~

~~11. Reporting Requirements~~

~~The Director of Administration and Finance shall be responsible for preparing a monthly report of transactions for the Board of Directors, as required by California Government Code 53607.~~

~~The Director of Administration and Finance may also prepare an investment report four times a year and the report shall include:~~

~~a. Type of Investment~~
~~b. Institution of Purchase~~
~~c. Date of purchase and maturity~~
~~d. Par and dollar amounts invested~~
~~e. Current market value~~
~~f. Interest rate~~
~~g. Target benchmark~~
~~h. State compliance of the portfolio in accordance with the Policy~~

~~12. Investment Pools/Mutual Funds~~

~~A thorough investigation of the pool/fund is required prior to investing, and on a regular basis. Best efforts will be made to acquire the following information:~~

~~1. A description of eligible investment securities, and a written statement of investment policy and objectives.~~
~~2. A description of interest calculations and how it is distributed, and how gains and losses are treated.~~
~~3. A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.~~
~~4. A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.~~
~~5. A schedule for receiving statements and portfolio listings.~~
~~6. Are reserves, retained earnings, etc. utilized by the pool/fund?~~
~~7. A fee schedule, and when and how is it assessed.~~
~~8. Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?~~

~~13. Collateralization~~

~~Collateralization will be required on certificates of deposit. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be 110% of market value for Certificate of Deposits.~~

~~Collateral will always be held by an independent third party with whom SVCE has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.~~

~~14. Safekeeping and Custody~~

~~All security transactions, entered into by SVCE shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a third-party custodian and evidenced by safekeeping receipts.~~

~~15.~~8. Diversification

SVCE will diversify its investments by security type and institution. With the exception of U.S. Treasury securities, federal agencies, and authorized pools, no more than 5% of SVCE's total investment portfolio will be invested in a single security type or with a single financial institution

~~16. Maximum Maturities~~

~~To the extent possible, SVCE will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, SVCE will not directly invest in securities maturing more than 5 years from the date of purchase unless the Board of Directors has provided approval at least three months prior to the investment. For purposes of compliance with this section, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.~~

~~17. Internal Controls~~

~~The Director of Administration and Finance is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of SVCE are protected from loss, theft, fraud or misuse.~~

~~Accordingly, the Director of Administration and Finance shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.~~

~~18. Performance Standards~~

~~The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.~~

~~SVCE shall establish an appropriate performance benchmark and compare the total return of its portfolio to the total return of the benchmark.~~

~~19.~~9. Additional Investment Standards~~Annual Review~~

Staff will develop additional standards to implement aspects of this policy. These standards shall address, but are not limited to, the following subjects:

1. Authorized Financial Dealers and Institutions
2. Authorized and Suitable Investments
3. A Hedging Program
4. Reporting Requirements
5. Investment Pools/Mutual Funds
6. Collateralization
7. Safekeeping and Custody

8. Maximum Maturities

9. Performance Standards~~The Investment Policy will be reviewed annually. Any changes to the Investment Policy will be submitted to the Board of Directors for approval.~~

I. Policy Compliance

Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

Finance Policy 8: Investments

I. Purpose

Silicon Valley Clean Energy ("SVCE") shall invest public funds in such a manner as to comply with state and local laws; ensure prudent money management; provide for daily cash flow requirements; and meet the objectives of the Policy, in priority order of Safety, Liquidity and Return on investment.

II. Scope

This investment policy applies to all investment activities and financial assets of SVCE.

III. Policy

A. Objective

- The primary objectives, in priority order, of the investment activities of SVCE shall be:
  - With respect to all investments:
    - To be in compliance with all Federal, State and local laws as well as all SVCE policies and procedures.
    - All investments of SVCE shall be undertaken in a manner which seeks the preservation of principal.
    - To remain sufficiently liquid to enable SVCE to meet all operating requirements which might be reasonably anticipated.
    - To maximize return consistent with risk limitations identified herein and prudent investment principles.
  - With respect to short-term cash management objectives:
    - To accelerate receipt of all funds due to SVCE.
    - To accurately monitor and forecast expenditures and revenues, thus enabling SVCE to invest funds to the fullest extent possible.
    - The investment portfolio shall be designed with the

objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.

B. Standard of Care

- SVCE will manage funds in accordance with the Prudent Investor Standard pursuant to California Government Code 53600.3.1. The "prudent investor" standard shall be applied in the context of managing the overall portfolio. Persons authorized to make investment decisions on behalf of SVCE are trustees and therefore fiduciaries subject to the prudent investor standard which states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency".

C. Delegation of Authority

- The following individuals are authorized to sign investment documents and/or execute cash transfers and make investments of SVCE's funds:
    - Chief Executive Officer, or their designee
    - Chief Financial Officer, or their designee
- SVCE may also delegate investment decision making and execution authority to an investment advisor. The advisor shall follow this Investment Policy and such other written instructions as are provided. Investment advisor must be approved by the SVCE Board prior to engaging with SVCE.

SILICON VALLEY CLEAN ENERGY

D. Ethics and Conflicts of Interest

- The authorized employees who are responsible for the investment of SVCE funds shall refrain from personal business activity that could conflict with the proper execution of SVCE's investment program, or which could impair the ability to make impartial investment decisions. Pursuant to SVCE's Conflict of Interest Code, employees shall disclose any financial interests and investment holdings that could affect the performance of SVCE's portfolio or the individual's judgement or decisions regarding SVCE's portfolio.

E. Socially Responsible Investments

- SVCE's investment portfolio shall not include investments in companies in the industries or subindustries of fossil fuel extraction, refining, and/or distribution. SVCE's investment advisor shall provide SVCE information on their screening process.

F. Diversification

- SVCE will diversify its investments by security type and institution. With the exception of U.S. Treasury securities, federal agencies, and authorized pools, no more than 5% of SVCE's total investment portfolio will be invested in a single security type or with a single financial institution

G. Additional Investment Standards

- Staff will develop additional standards to implement aspects of this policy. These standards shall address, but are not limited to, the following subjects:
  - Authorized Financial Dealers and Institutions
  - Authorized and Suitable Investments
  - A Hedging Program
  - Reporting Requirements
  - Investment Pools/Mutual Funds
  - Collateralization

- Safekeeping and Custody
- Maximum Maturities
- Performance Standards

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

FP10

Category: FINANCE

Finance Policy 10: Delinquent Accounts & Collections~~DELINQUENT ACCOUNTS & COLLECTIONS POLICY~~

I. PURPOSE

To provide guidelines for the determination of delinquent accounts.

II. BACKGROUND

Pacific Gas & Electric (PG&E) issues bills to customers and uses the power of disconnection to manage delinquent accounts. Silicon Valley Clean Energy (SVCE) does not have the power of disconnection. For PG&E, ~~A~~accounts become "past due" 18-22 days after the bill is issued. For residential customers, a 15-day notice is sent with the next bill, and the account becomes eligible for disconnection within 50-56 days from original bill issuance. For commercial customers, a 7-day notice is sent, and the account becomes eligible for disconnection after 32 days from when the bill was issued.

III. ~~POLICY~~Policy

Delinquent electricity accounts will be returned to PG&E generation service due to non-payment. Delinquent customers that meet the criteria for termination of SVCE service will receive a series of no less than three monthly notices of their delinquency prior to removal.

The criteria used to determine a customer's ~~worthiness~~ eligibility for noticing and removal are:

1) Customer has past due amounts older than 91 days aged.
2) The amount owed to SVCE in the 91+ day aging bucket is ≥ $100.
3) The delinquent customer does not have a payment plan established with PG&E.

Customers that fail to make a substantial payment will be given 14 days from the date of the third and final notice to either 1) make a substantial payment that reduces the total amount owed to SVCE or 2) enroll in a structured payment plan with PG&E. A substantial payment is one that reduces the total amount owed to SVCE in the 91+ day aged bucket at the time of noticing.

Such substantial payment will cause the series of noticing the customer to reset. Customers that fail to take either of these actions in the allotted time after the third and final notice will be returned to PG&E generation service.

Closed accounts may be written-off with approval by the CFO/Director of

Finance.

I. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

~~Adopted: 9/20/2023~~

SILICON VALLEY
CLEAN ENERGY

Finance Policy 10: Delinquent Accounts and Collections

I. Purpose

To provide guidelines for the determination of delinquent accounts.

II. Scope

Pacific Gas & Electric (PG&E) issues bills to customers and uses the power of disconnection to manage delinquent accounts. Silicon Valley Clean Energy (SVCE) does not have the power of disconnection. For PG&E, accounts become "past due" 18-22 days after the bill is issued. For residential customers, a 15-day notice is sent with the next bill, and the account becomes eligible for disconnection within 50-56 days from original bill issuance. For commercial customers, a 7-day notice is sent, and the account becomes eligible for disconnection after 32 days from when the bill was issued.

III. Policy

- Delinquent electricity accounts will be returned to PG&E generation service due to non-payment. Delinquent customers that meet the criteria for termination of SVCE service will receive a series of no less than three monthly notices of their delinquency prior to removal.
- The criteria used to determine a customer's eligibility for noticing and removal are:
  - Customer has past due amounts older than 91 days aged.
  - The amount owed to SVCE in the 91+ day aging bucket is > $100.
  - The delinquent customer does not have a payment plan established with PG&E.
- Customers that fail to make a substantial payment will be given 14 days from the date of the third and final notice to either 1) make a substantial payment that reduces the total amount owed to SVCE or 2) enroll in a structured payment plan with PG&E. A substantial payment is one that reduces the total amount owed to SVCE in the 91+ day aged bucket at the time of noticing.

SILICON VALLEY CLEAN ENERGY

- Such substantial payment will cause the series of noticing the customer to reset. Customers that fail to take either of these actions in the allotted time after the third and final notice will be returned to PG&E generation service.
- Closed accounts may be written-off with approval by the CFO/Director of Finance.

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY
CLEAN ENERGY

FP11

Category: FINANCIAL MATTERS

Finance Policy 11: Capitalization~~CAPITALIZATION POLICY~~

I. PURPOSE

To capitalize and depreciate SVCE assets with a useful life expectancy of greater than one year and cost greater than $5~~1~~,000.

II. SCOPE

All acquisitions of capital assets for the Agency.

III. DEFINITIONS

Capitalization – Capitalization is the method chosen to record the purchase of fixed assets on SVCE's accounting books. If an asset is capitalized then it is not expensed in the same year the asset is purchased. Instead, the asset is generally recorded on the balance sheet and individually on an asset schedule. Examples of capital expenditures are purchases of office equipment, furniture, and vehicles. The asset is expensed each year as depreciation.

IV. POLICY

- Except for land, ~~all assets~~individual assets with a useful life of greater than one year and costing more than $~~1~~5,000 (per asset basis) will be capitalized and will be recorded in the depreciation records. Any asset that does not meet the above criteria will be expensed, such as small equipment or repairs and maintenance.

- The cost basis of furniture and equipment assets will include all charges relating to the purchase of the asset including the purchase price, freight charges, and installation, if applicable.

- Leasehold improvements, including painting, are to be capitalized if they relate to the occupancy of a new office or a major renovation of an existing office. Expenditures incurred in connection with maintaining an existing facility in good working order should be expensed as a repair.

- The following lifespan table should be used as a guide for the following asset classifications for financial reporting and depreciation purposes:

Property	Asset Description
3-year property	Computer software, hardware and office machinery
5-year property	Automobiles
7-year property	Office furniture and fixtures

I. Policy Compliance

Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

Finance Policy 11: Capitalization

I. Purpose

To capitalize and depreciate SVCE assets with a useful life expectancy of greater than one year and cost greater than $5,000.

II. Scope

All acquisitions of capital assets for the Agency.

III. Policy

- Except for land, individual assets with a useful life of greater than one year and costing more than $5,000 (per asset basis) will be capitalized and will be recorded in the depreciation records. Any asset that does not meet the above criteria will be expensed, such as small equipment or repairs and maintenance.
- The cost basis of furniture and equipment assets will include all charges relating to the purchase of the asset including the purchase price, freight charges, and installation, if applicable.
- Leasehold improvements, including painting, are to be capitalized if they relate to the occupancy of a new office or a major renovation of an existing office. Expenditures incurred in connection with maintaining an existing facility in good working order should be expensed as a repair.
- The following lifespan table should be used as a guide for the following asset classifications for financial reporting and depreciation purposes:

Property	Asset Description
3-year property	Computer software, hardware and office machinery
5-year property	Automobiles
7-year property	Office furniture and fixtures

SILICON VALLEY CLEAN ENERGY

IV. Reference Documents

A. Definitions:

- Capitalization – Capitalization is the method chosen to record the purchase of fixed assets on SVCE's accounting books. If an asset is capitalized then it is not expensed in the same year the asset is purchased. Instead, the asset is generally recorded on the balance sheet and individually on an asset schedule. Examples of capital expenditures are purchases of office equipment, furniture, and vehicles. The asset is expensed each year as depreciation.

V. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

~~FP12~~GAP10

Category: ~~FINANCE~~GAP

General and Administrative Policy 10: Files & Records Management~~FILES & RECORDS MANAGEMENT~~

I. PURPOSE

Silicon Valley Clean Energy ("Agency") is a public agency that is subject to the California Public Records Act ("PRA") and maintains~~should establish a retention schedule and~~ records for public inspection consistent with this policy and any related standards. ~~management plan following the guidelines administered by the State Archives.~~

~~Silicon Valley Clean Energy ("Agency") has an obligation to create and maintain records and information in accordance with accepted record management practices and standards. The Agency will retain records in an orderly fashion for time periods that comply with legal and governmental requirements and as needed for general business requirements; to outline the methods for filing, retaining, and disposing of business records necessary to support our work (including opinions, resolution of differences, conclusions and research utilized in analysis), our correspondence with customers/clients, our work product and items of continuing significance.~~

II. SCOPE

This policy~~procedure~~ applies to all ~~business~~ records~~and documentation~~ generated by the Agency. ~~However, this does not necessarily cover internal or certain day-to-day business correspondence.~~

~~Drafts or other documents not utilized should not be retained. Documents and records transmitted as attachments via email should be considered separately from the email messages to which they are attached.~~

A~~"~~ ~~R~~record includes~~" means~~ every means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols. ~~"any writing containing~~

Adopted: 8/09/2017
Proposed Amendment: 4/12/2023

~~information relating to the conduct offo the public's business prepared, owned, used, or retained by any state or local agency regardless of its physical form characteristics," as defined in~~ See Government Code section 7920.530 & 7920.545.

III. POLICY

~~Silicon Valley Clean Energy ("~~The Agency ~~")~~ has an obligation to create and maintain records and information in accordance with various ~~accepted record management practices and standards~~legal requirements. The Agency will retain records in an orderly fashion for time periods that comply with legal ~~and governmental~~ requirements and as needed for general business requirements. Staff should develop standards~~; to~~ that outline the methods for ~~filing, retaining, and disposing~~maintaining ~~of business~~ records necessary to support ~~our~~SVCE's work ~~(including opinions, resolution of differences, conclusions and research utilized in analysis), our correspondence with customers/clients, our work product and items of continuing significance~~ and our obligation to provide public access and transparency.

SVCE shall maintain a filing system, record retention schedule, and long-term storage approaches~~organization plan,~~ that will be updated as-needed by the Chief Executive Officer, or their designee, and General Counsel.~~. Drafts or other documents not utilized should not be retained. Documents and records transmitted as attachments via email should be considered separately from the email messages to which they are attached.~~

~~A. DIGITAL FILES~~

- ~~Electronic documents and emails shall be maintained on a secure server or secure web site.~~
- ~~Agency files or information should not be stored on personal electronic devices to the extent possible.~~
- ~~Employee hard drives shall be password protected.~~
- ~~Customer correspondence created/maintained for documentation purposes should be stored upon the Customer Records~~

~~Management (CRM) system whenever possible.~~

- ~~Collection letters, invoices and other customer correspondence will be maintained in CRM when feasible or within pertinent folders where appropriate (i.e., collection letters with collections files).~~
- ~~Confidential and Sensitive files should be watermarked or include a header noting the words "CONFIDENTIAL" or "SENSITIVE" or "Subject to NDA", or similar notation, whenever possible. Confidential and Sensitive files include documents exempt from public disclosure, including but not limited to information that must be kept confidential under state and federal laws, confidential legal advice, records prepared in connection with pending litigation, preliminary drafts of interagency and intra-agency memorandums not retained by the Agency in the normal course of business, and other data regarding licensing and employment~~

~~B. PAPER FILES~~

- ~~Whenever possible, the Agency should maintain records electronically.~~
- ~~Confidential and sensitive paper records or correspondence should be maintained in file cabinets with locking capability when not in use.~~
- ~~Certain documents, whenever possible, as a practical matter, shall be stamped, watermarked or headed "CONFIDENTIAL", "SENSITIVE", or "Subject to NDA", or similar notation.~~
- ~~Files labeled with employee names shall be considered confidential personnel files, and shall be accessed only by those who are in the direct line of supervisory authority, or those who are responsible for payroll or other human resource duties, and shall be accessed on a need-to-know basis.~~
- ~~Files labeled with an energy counterparty name shall be considered confidential.~~

~~C. FILING SYSTEM~~

SILICON VALLEY CLEAN ENERGY

~~FP12~~GAP10

Category: ~~FINANCE~~GAP

- ~~To ensure efficient access, filing centers will be established. To reduce the amount of duplicate and unnecessary record retention, individual desk files should be avoided unless they are used in daily operations. All other departmental or agency records should be filed in the departmental central filing areas.~~

- ~~Unless necessary, records should only be kept by the originator or sender and not by the receiver to avoid duplicate filing systems.~~

~~D. RECORD RETENTION AND LONG-TERM STORAGE~~

- ~~Non-permanent physical files will be stored in cardboard file boxes. Each file box will be labeled on the front with the contents, dates covered, and destruction date if applicable. Permanent physical records will be maintained in metal fire-resistant file cabinets.~~
- ~~Files should be stored only in boxes with similar items, dates and retention periods. This will allow easier access and purging of records. A general rule to keep in mind is that it is better to only half-fill a file box than to file dissimilar types of files in the same box.~~
- ~~An employee designated by the Chief Executive Officer will be responsible for categorizing and maintaining a listing of records maintained and the location.~~
- ~~An employee designated by the Chief Executive Officer will be responsible for coordinating the creation, and maintenance of record retention periods, and will maintain and issue the "Records Retention Periods" as appropriate.~~
- ~~Maintain all files for as long as is necessary but only to the extent they serve a useful purpose or satisfy business or legal requirements. "Records Retention Periods" provides a guide.~~
- ~~The Chief Executive Officer may make further updates to the Retention Periods, to this Files and Records Management policy, and to any Retention and Destruction Policy.~~

~~E. RECORD DESTRUCTION~~

SILICON VALLEY CLEAN ENERGY

~~FP12~~GAP10

Category: ~~FINANCE~~GAP

- ~~An employee designated by the Chief Executive Officer will circulate a listing of file categories to be destroyed to all employees thirty days prior to destruction, for review and comment.~~
- ~~Three to six months after each year-end, an employee designated by the Chief Executive Officer will proceed with destruction of all files that have exceeded their recognized holding period.~~
- ~~Destruction of physical files will be performed by an independent, outside service for shredding and disposal. Any paper with a social security number, a federal ID number, confidential information or sensitive data, or a client name on it must be destroyed in this manner.~~

~~F. DISPOSAL OF RECORDS INTO THE AGENCY'S GENERAL TRASH SERVICE IS NOT ALLOWED~~

- ~~Electronic documents are destroyed by deleting them from the medium on which they are stored, and then purging the medium itself.~~
- ~~Email messages not saved for filing in the correspondence file or other appropriate folder should be deleted.~~

~~VI. ATTACHMENTS~~

~~1. Records Retention Periods~~

Policy Compliance

Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

General and Administrative Policy 10: Files and Records Management

I. Purpose

Silicon Valley Clean Energy ("Agency") is a public agency that is subject to the California Public Records Act ("PRA") and maintains records for public inspection consistent with this policy and any related standards.

II. Scope

This policy applies to all records generated by the Agency.

A record includes every means of recording upon any tangible thing any form of communication or representation, including letters, words, pictures, sounds, or symbols. See Government Code section 7920.530 & 7920.545.

III. Policy

- The Agency has an obligation to create and maintain records and information in accordance with various legal requirements. The Agency will retain records in an orderly fashion for time periods that comply with legal requirements and as needed for general business requirements. Staff should develop standards that outline the methods for maintaining records necessary to support SVCE's work and our obligation to provide public access and transparency.
- SVCE shall maintain a filing system, record retention schedule, and long-term storage approaches that will be updated as-needed by the Chief Executive Officer, or their designee, and General Counsel.

IV. Policy Compliance

A. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

SILICON VALLEY CLEAN ENERGY

B. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

Human Resources Policy 1: Personnel and Reimbursement

I. Purpose

The purpose of the Personnel and Reimbursement Policy is to establish a uniform and equitable system of personnel administration to ensure effective service to and on behalf of SVCE and to support procedures for administering personnel matters and reimbursement in compliance with applicable laws and policies.

II. Scope

The Personnel and Reimbursement Policy applies to all employees and any independent contractors that are embedded within SVCE departments. The policy is intended to promote fairness and equity to employees, to attract the best and most competent persons available, to assure the appointment and promotions of employees will be based on merit, to allow reimbursement for meetings and travel, and to incorporate best practices in the administration of SVCE's personnel system.

III. Policy

A. Personnel System

- SVCE shall have a personnel system for the recruitment, selection, employment, classification, compensation, advancement, performance review, discipline, discharge and retirement of employees
- The Chief Executive Officer (CEO) shall be designated as the Personnel Officer and is authorized and directed to administer the personnel system. The Chief Executive Officer may delegate the powers of the Personnel Officer as they deem appropriate.

B. Personnel Officer

- The Personnel Officer shall:

SILICON VALLEY CLEAN ENERGY

- Act as the appointing authority for all employees of SVCE with the exception of SVCE's General Counsel.
- Prepare and implement an employee handbook, along with any personnel rules and regulations necessary for the administration of this personnel system;
- Define and prepare position classifications including the establishment of minimum standards of employment and qualifications for the various positions;
- Prepare a schedule of compensation including salary and other benefits covering all employees;
- Provide the publishing or posting of notices of recruitments for positions and develop and administer procedures of the selection process;
- Prepare and present to the Authority Board a budget for implementation of the personnel system including employee salary and benefit costs as part of the annual budget process;
- Prepare policies and procedures regarding ethics and the conduct of business including, without limitation, policies relating to conflict of interest, fair and equitable treatment of employees, use and safeguarding of Authority property and resources, and standards of ethical conduct by employees.
- Perform such other functions as necessary to administer the personnel system as directed from time to time by the Authority Board including authorization of spending for individual or group travel for meetings, training and workforce development.

C. Right to Contract for Special Services

- The Personnel Officer is also granted authority to take the following actions:
  - Contract for the performance of technical or special services necessary for the establishment or operation of the personnel system including, without limitation, services for the preparation of personnel rules and subsequent revisions and amendments thereof; preparation of classification and pay plans and subsequent revisions and amendments thereof; the design and

SILICON VALLEY CLEAN ENERGY

conduct of employee training programs; the conduct of recruitment and hiring processes; and, other special and technical services of an advisory or informational character on matters related to the administration of the personnel system.
  - Outsource functions that are currently staffed by positions when contracting is more advantageous to the operations of the organization or is more cost effective.
  - Bring in-house any functions that are currently outsourced if the result would be advantageous to the operations of the organization or more cost effective.

D. Authority to Adjust Salary and Positions within Budget and Limits

- Adjust salary schedules for market flexibility during the year to attract and retain talent.
- Over-hire the number of positions shown in the annual budget as follows:
  - On a temporary basis to minimize the impact that pending vacancies may have on the organization by allowing for cross training and overlap;
  - On a permanent basis to improve operations and organization effectiveness, provided that the CEO may not over hire on a permanent basis in excess of 10% of the authorized number of positions shown in the annual budget without prior approval of the Board.
- In no case shall positions be added or salaries be adjusted during the year that cause the total annual budget to be exceeded in total by fiscal year-end without prior Board approval by Resolution.
- In those instances where the CEO does over-hire positions during the year, he/she shall report such actions to the Board in a timely manner.
- Refer to Finance Policy 02: Budget Adoption, Control and Reporting for more policies related to the budget.

SILICON VALLEY CLEAN ENERGY

E. Reimbursement for Meetings and Travel

- All employees and Board members, including alternates, of SVCE may request reimbursement for actual expenses incurred to attend and travel to conferences and meetings for agency business. However, such meetings do not include SVCE Board of Directors or Committee meetings.
- Board members and staff shall get expenses approved in advance of incurring them and shall submit expenses for reimbursement within 180 days of incurring the expense.
- The Personnel Officer may adopt additional standards related to employee reimbursements.

IV. Policy Compliance

F. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

G. Cadence for Review

- This Policy will be reviewed at least every five (5) years.

SILICON VALLEY CLEAN ENERGY

Information Technology Policy 1: Information Technology

I. Purpose

The purpose of the Silicon Valley Clean Energy Information Technology Policy is to establish guiding principles regarding the use of Silicon Valley Clean Energy (SVCE) information resources in order to protect the confidentiality, integrity and availability of information created, collected, utilized, and maintained by the organization. Proper management of information technology is required to support regulatory compliance, minimize legal liability, reduce the risk of criminal activity, and to sustain stakeholder and customer satisfaction.

II. Scope

The SVCE Information Technology Policy applies to all information technology resources, as well as personnel and third parties accessing information resources using SVCE's computers or network infrastructure. Information technology ("IT" or "Information") is a critical SVCE component and will be managed to ensure that it remains complete, accurate, confidential, and available for authorized business activities.

III. Policy

A. Information Technology Requirements

- To ensure protection of information technology resources, operational standards will be in place for all employees and designated third parties to follow. SVCE IT staff may maintain additional standards or guidelines related to the following IT policy requirements and issues including, but not limited to:
  - Ensure business continuity and disaster preparedness.
  - Appropriate management of IT assets, networks, data, identity and access for systems, vulnerabilities, security, and incident response.

- Access to specific information technology resources is to be assigned to SVCE employees or designated third parties with the minimum level of access necessary to perform respective responsibilities.
- Security systems are to be structured to address security at multiple levels, including physical, network, host, and personnel security measures.
- The degree of information security protection is to be commensurate with the impact of inadvertent or intentional misuse, improper disclosure, damage or loss.
- Information technology resources are to be tracked and monitored through established tools to ensure the ongoing security of SVCE.
- Data will be classified, and appropriate security controls will be applied, based on established industry standards to ensure security of sensitive data.
- All SVCE staff, through ongoing training, are informed that security is not an optional component of operations and their involvement is imperative to maintaining SVCE's cyber security posture.
- All staff and designated parties that use or have access to SVCE information technology are personally responsible for exercising the proper control over information according to the operational standards provided to them.
- Operational standards for treatment of information technology are subject to change as needed to protect SVCE based on any changes in systems, threats, and practices. All operational IT standards will be reviewed on an annual basis.
- SVCE shall conduct internal audits or assessments of its security management system as needed and/or as required by compliance standards to determine if its control objectives, controls, processes, and procedures conform to legal/regulatory requirements, and that SVCE information security requirements are effectively implemented, maintained and perform as expected.

IV. Policy Compliance

B. Violations

- Any known violations of this policy must be immediately reported to the Finance and Administration Committee, CEO, and General Counsel.

C. Cadence for Review

- This Policy will be reviewed at least every one (1) year.