Silicon Valley Clean Energy
Finance and Administration Committee Meeting
Wednesday, February 26, 2025
3:00 p.m.

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

MEETING MINUTES

Call to Order

Vice Chair Srinivasan called the meeting to order at 3:05 p.m.

Roll Call

Present:
Vice Chair Murali Srinivasan, Sunnyvale
Director Pat Showalter, Mountain View
Director Elliot Scozzola, Campbell
Alternate Director Ristow
Director Mohan, Cupertino (arrived at 3:27 pm)

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 Alternate Director Ristow abstaining and Director Mohan absent.

1) **Approve Minutes of the November 25, 2024, Finance and Administration Committee Meeting.**

Regular Calendar

2) CEO Update (Discussion)

Monica Padilla, Chief Executive Officer, provided an update regarding the SVCE headquarters building purchase in Sunnyvale.

3) Elect Chair and Vice Chair of the 2025 SVCE Finance and Administration Committee (Action)

Sr. Executive Assistant and Board Clerk Andrea Pizano reviewed the process for selection of Chair and Vice Chair of the Committee.

Vice Chair Srinivasan requested nominations for the role of Chair from committee members; Vice Chair Srinivasan expressed interest in serving as Chair of the 2025 Finance and Administration Committee.

Hearing no other nominations for the role of Chair, Vice Chair Srinivasan requested nominations for the role of Vice Chair from committee members. Director Showalter expressed interest in serving as Vice Chair of the 2025 Finance and Administration Committee.

Director Scozzola provided supportive comments for both the Chair and Vice Chair nominations.

MOTION: Alternate Director Srinivasan moved and Director Scozzola seconded the motion to elect Alternate Director Srinivasan as Chair and Director Showalter as Vice Chair of the 2025 SVCE Finance and Administration Committee.

The motion carried with Director Mohan absent.

Following the vote, newly elected Chair Srinivasan presided over the remainder of the meeting.

4) SVCE's Planning and Budgeting Process and Proposed Financial Stress Test Scenarios (Discussion)

Director Mohan joined the meeting at 3:27 p.m. during Item 4.

Amrit Singh, CFO and Director of Finance and Administration, introduced Scott Wrigglesworth, Director of Risk Management and Analytics, and jointly presented the item. The presentation included the following:

- FY 2025-26 planning and budgeting process timeline;
- Overview of Enterprise Risk Management (ERM) and stress tests;
- Review key drivers of financial risks;
- Review planned financial stress test scenarios; and
- Key elements of an ERM framework, and risk assessment and modeling scenarios.

Staff responded to questions and comments from committee members regarding the fiscal year budgeting timeline, timing of budget updates to the committee, an assessment of consequences from potential risk events, update on federal-level investment tax credit funding, and SVCE's portfolio of battery storage projects.

Chair Srinivasan opened Public Comment.
No speakers.
Chair Srinivasan closed Public Comment.

5) Mid-Year Update on the 2024-25 Fiscal Year Operating Budget (Action)

CFO and Director of Administrative Services Singh presented an update on the 2024-25 Fiscal Year operating budget, with a request for the Finance and Administration Committee to recommend the Board of Directors adopt the mid-year adjusted operating budget. The presentation included the following:

- Mid-year budget highlights, including changes since the adoption of the adjusted budget in December;
- Comparison of annual adjusted budget and the mid-year budget, including key line items;
- Review of the 5-year reserve projections;
- Staffing update, with a review of additional positions being requested; and
- Additional spending alternatives with two proposed options:
  1) An increase in general customer discount in calendar year 2025 to 10 percent; or
  2) Directing $35 million to the Clean Community Fund.

Staff responded to questions and comments from committee members regarding rates, Governor Newsom's executive order, staffing, and the proposed additional spending alternatives.

Committee members discussed the following:

- A potential customer discount in the form of a monthly discount, bill credit, or annual rebate, and its impacts, and
- Both increasing the discount and also putting funds into the proposed Clean Community Fund.

Following a robust discussion, the committee unanimously supported voting for Option 1, to increase the general customer discount to 10 percent in the calendar year 2025. Staff confirmed the manner in which the discount would be implemented would be discussed with the Board of Directors.

Chair Srinivasan opened Public Comment.
No speakers.
Chair Srinivasan closed Public Comment.

MOTION: Director Scozzola moved and Alternate Director Ristow seconded the motion to recommend that the Board of Directors adopt the proposed Mid-year 2024-25 Adjusted Operating Budget with adjustment for any additional funding scenario, with the Committee recommending the 10 percent customer discount in Calendar Year 2025.

The motion carried unanimously with all committee members present.

6) Recommend the SVCE Board of Directors Approve Establishing a Rate Stabilization Fund Under GASB 62 (Action)

CFO and Director of Administrative Services Singh provided a presentation and a request that the committee consider recommending the Board of Directors create a Rate Stabilization Fund using the GASB 62 accounting rule. The presentation included the following:

- Key points regarding deferring revenues to a future period;
- Criteria for deferring and recognizing revenues;
- Net position impact in the financial statements;
- Ability to record after Fiscal Year end; and
- Proposal to start directing earmarked funds beginning with Fiscal Year 2024-25.

Staff responded to questions and comments regarding the impact to financial statements, earmarked budgeted funds for programs, and the timing of deferring revenue funds. Staff noted the intention to put the item on the Consent Calendar at the March 12, 2025 Board of Directors meeting; there were no objections from the committee.

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Chair Srinivasan opened Public Comment.
No speakers.
Chair Srinivasan closed Public Comment.

MOTION: Alternate Director Ristow moved and Director Scozzola seconded the motion for the Finance and Administration Committee to recommend that the Board of Directors establish a rate stabilization fund under GASB 62.

The motion carried unanimously with all committee members present.

Committee/Staff Remarks
None.

Adjournment
Chair Srinivasan adjourned the meeting at 5:14 p.m.

ATTEST:

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Andrea Pizano
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Andrea Pizano, Board Secretary