Silicon Valley Clean Energy
Executive Committee Meeting

Friday, December 5, 2025
10:00 a.m.

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

Teleconference Meeting Information:
https://svcleanenergy-org.zoom.us/j/85939552695

Telephone (Audio only):
US: +1 669 219 2599
Webinar ID: 859 3955 2695

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 via email up to three hours before the meeting begins to Board Clerk Andrea Pizano at Andrea.Pizano@svcleanenergy.org and will be distributed to the Executive 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

<u>Call to Order</u>

<u>Roll Call</u>

<u>Public Comment on Matters Not Listed on the Agenda</u>

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

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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 October 24, 2025, Executive Committee Meeting

Regular Calendar

2) CEO Update (Discussion)
3) Recommend the Silicon Valley Clean Energy Board of Directors Approve the Proposed Updated Fiscal Year 2025-2026 Budget and 2026 Rate Changes (Action)
4) Community Grants Program Development (Informational)

Committee/Staff Remarks

Adjourn

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Silicon Valley Clean Energy
Executive Committee Meeting
Friday, October 24, 2025
10:00 a.m.

Silicon Valley Clean Energy Office
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Sunnyvale, CA

DRAFT MEETING MINUTES

Call to Order

Vice Chair Meadows called the meeting to order at 10:01 a.m.

Roll Call

Present:
Chair Yvonne Martinez Beltran, Morgan Hill (arrived at 10:05 a.m.)
Vice Chair Sally Meadows, City of Los Altos
Director Elliot Scozzola, City of Campbell
Director George Tyson, Town of Los Altos Hills
Director Tina Walia, City of Saratoga

Absent:
Director Larry Klein, City of Sunnyvale

Prior to Public Comment, Director Tyson announced he would need to leave the meeting early due to another commitment.

Public Comment on Matters Not Listed on the Agenda
Bruce Karney, Mountain View resident, presented handouts to the committee (Attachment 1) and commented on his research in the 2024 greenhouse gas emissions data from the state for SVCE and other CCAs, noting that based on the 2024 data, SVCE's carbon footprint has been increasing. Mr. Karney suggested that SVCE divert money that is currently going to be subsidized for the price of electricity to all of SVCE's customers be used for subsidies for electrification efforts.

Chair Martinez Beltran arrived during Public Comment.

Consent Calendar

Vice Chair Meadows opened Public Comment.
No speakers.
Vice Chair Meadows closed Public Comment.

MOTION: Director Walia moved and Director Tyson seconded the motion to approve the Consent Calendar.

The motion carried with Director Klein absent.

1) **Approve Minutes of the August 29, 2025, Executive Committee Meeting**

Following the vote on the Consent Calendar, Chair Martinez Beltran presided over the remainder of the meeting.

Regular Calendar

2) CEO Update (Discussion)

Chief Executive Officer Monica Padilla provided a report which included:

- On October 22, 2025, SVCE funded its fourth Prepay transaction in the amount of $845 million, representing a 10.8% discount on the current market price of power;
- An update on SVCE's headquarters building permit application status and potential increase in project budget;
- The CEO's attendance in October to two strategic retreats, one for the CalCCA Board and the other for the California Community Power Board; and
- Information on CEO Padilla's speaking engagement at the "Converging for a Sustainable Future" event on October 30, 2025, hosted by Supervisor and SVCE Board member Otto Lee.

Staff responded to questions and comments regarding the fourth Prepay transaction, an update on electrification reach codes, and the CalCCA Board's priorities for 2026.

Chair Martinez Beltran opened Public Comment.

Bruce Karney commented support for advocacy in upcoming council meetings with second readings relating to reach codes, noting he recently became the adult advisor for the Los Altos/Mountain View chapter of the Climate Action team of Silicon Valley Youth Climate Action and would try to get more young people to attend.

Chair Martinez Beltran closed Public Comment.

3) Recommend the Silicon Valley Clean Energy Board of Directors Approve the Transportation Electrification Program Plans and Budget Reallocation (Action)

Director Tyson left the meeting at 10:58 a.m. during Item 3.

Nupur Hiremath, Manager of Decarbonization Programs, and Hannah Gustafson, Programs Lead, presented a request for the Committee to recommend that the SVCE Board of Directors approve the reallocation of $7.2 million from Transportation Electrification (TE) closed program funds to scale three existing TE initiatives. The presentation included a recap of SVCE's TE programs, an update on programs' impact in member agency territories, program learnings and ongoing EV education outreach initiatives.

Programs Lead Gustafson recommended the reallocation of $7.2 million from closed TE programs to scale existing programs by adding funds as follows:

- $5.1 million to EV charging rebates
- $1.0 million to EV rebates and education
- $1.1 million to EV charging technical assistance

SILICON VALLEY CLEAN ENERGY

Staff responded to committee member questions and comments regarding earmarked funds for planned projects, use of funds for affordable housing EV charging, fast charging installs in multifamily housing, customer EV rebates income qualification, and clarification of the program for new construction affordable housing EV charging.

Chair Martinez Beltran opened Public Comment.

Bruce Karney provided a statement regarding trends in EV demand, information on proposed legislation vetoed by Governor Gavin Newsom that would have redirected state EV incentive money to super commuters, and noted his hope that SVCE would be supportive of the reproduction and passage of that proposed legislation.

Chair Martinez Beltran closed Public Comment.

MOTION: Director Walia moved and Director Scozzola seconded the motion to recommend the SVCE Board of Directors approve the Transportation Electrification Program plans and budget reallocation.

The motion carried with Directors Tyson and Klein absent.

Following the motion, Director Scozzola shared that Director Tyson’s vote, though not official, was also in support of staff’s recommendation.

4) Launch of Financial Levers Framework, Analysis and Discussion (Discussion)

CEO Padilla introduced the item; Justin Zagunis, Director of Customer Success, provided a presentation regarding SVCE’s key financial levers relating to customer rates, clean energy products and program investments. Director of Customer Success Zagunis’ presentation included a timeline for strategic decisions, forecasted future Pacific Gas and Electric (PG&E) rates, forecasted and budgeted power supply costs, and information on the three key levers: rate setting, clean product, and program funds.

Staff responded to committee member questions and comments regarding the projected Transmission and Distribution (T&E) rate, comparison with other CCAs and expected impacts from a cost perspective due to the federal level project changes that would indirectly impact the supply industry, outcomes of SVCE’s 2024 clean energy goals and current engagement for meeting 2025 clean energy goals, when staff would return to the Board in the event a clean target may not be met, modeling clean impacts for SVCE’s programs and including a metric about emission reductions per dollar spent, understanding which programs SVCE would like to focus on, and SVCE’s rates in comparison to PG&E and maintaining a discount.

Chair Martinez Beltran opened Public Comment.

Bruce Karney provided the following comments: 1) some SVCE customers believe SVCE charges are a tack-on to PG&E due to the layout of the bill, 2) his belief that increasing the discount to customers to 4% was a mistake as subsidies are hard to take away, and 3) a suggestion to separate the commercial rate lever from residential rate lever when doing analyses.

Chair Martinez Beltran closed Public Comment.

Committee members provided feedback on the proposed levers and analysis in preparation for the future Board workshop in December.

5) Report on Comprehensive Member Agency Services (Informational)

Due to time constraints, the Committee was in consensus to skip Item 5.

CEO Padilla and Zoe Elizabeth, Director of Decarbonization Policy and Community Strategies, briefly responded to inquiries from Committee members regarding SVCE staff support to member agencies, and ongoing development of collaborative partnerships relating to reach code implementation.

6) Program Snapshot: EV Rebates, Education, and Tax Credits: A Joint CCA Outreach Campaign (Informational)

Pamela Leonard, Deputy Director of Marketing and Communications, introduced Sunny Zhang, Senior Marketing Specialist, who provided a presentation regarding the joint CCA EV discount campaign focused on EV rebates and EV educational webinars aimed at increasing customer outreach, and SVCE's marketing efforts to increase awareness of expiring federal-level EV tax credits.

Staff responded to committee member questions and comments regarding SVCE's EV rebate program.

Chair Martinez Beltran opened Public Comment.
No speakers.
Chair Martinez Beltran closed Public Comment.

Committee/Staff Remarks

Andrea Pizano, Board Clerk, announced a potential date change for the next Executive Committee meeting; she advised a future poll for availability to identify a new meeting date would be distributed.

Adjournment
Chair Martinez Beltran adjourned the meeting at 12:02 p.m.

ATTEST:

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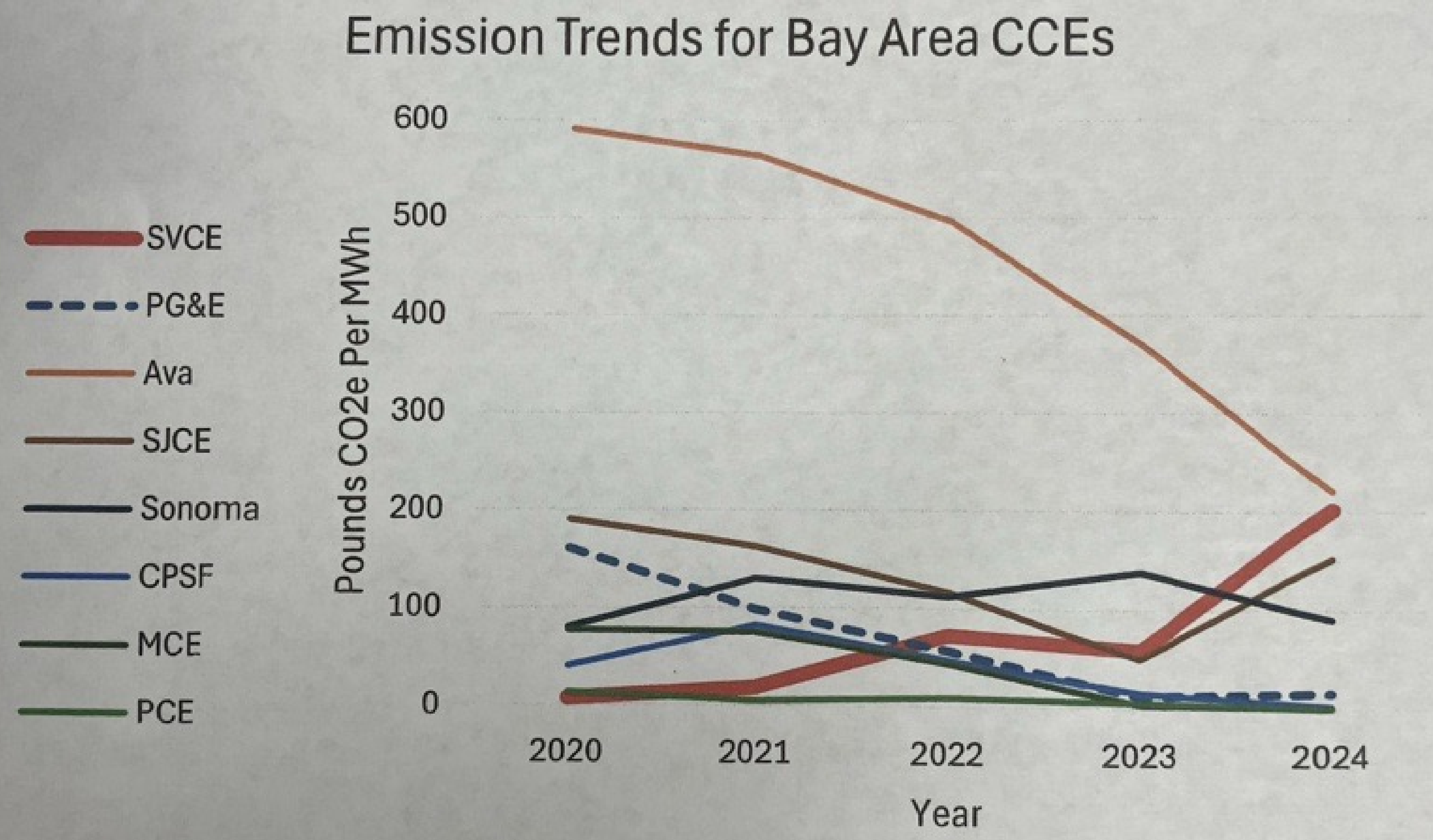
Andrea Pizano, Board Secretary

ATTACHMENT:
1. Public Comment Handout from Bruce Karney



Emission Trends for Bay Area CCEs
SVCE
PG&E
Ava
SJCE
Sonoma
CPSF
MCE
PCE
Pounds CO2e Per MWh
600
500
400
300
200
100
0
2020
2021
2022
2023
2024
Year

Emission Data for all CCEs in PG&E Territory

Pounds of CO2e per MWh

Entity Name	2020	2021	2022	2023	2024
California Power Mix	466	456	422	373	359
Pacific Gas & Electric	160	98	56	12	16
Ava Community Energy	591	564	496	370	221
Central Coast Community Energy	151	494	637	725	417
CleanPowerSF	40	82	47	15	3
King City Community Power	486	567	580	641	627
MCE	77	75	44	4	1
Peninsula Clean Energy Authority	13	5	9	6	0
Pioneer Community Energy	603	542	343	346	573
Redwood Coast Energy Authority	447	615	49	73	404
Sonoma Clean Power Authority	80	130	112	138	91
San Jose Clean Energy	190	162	116	50	152
Silicon Valley Clean Energy	7	18	72	58	202
Valley Clean Energy Alliance	190	722	709	449	32

SILICON VALLEY CLEAN ENERGY

96%

Participation

Of eligible customers enrolled in electricity service

~~27%~~ 10-15%

Reduction

In annual greenhouse gas emissions compared 2015

$141

Million

On-bill savings for SVCE customers since 2017

What's New

September 26, 2025

Peninsula Clean Energy and Silico alle Energy Recognized at Cli Y

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Staff Report – Item 2

Item 2:	**CEO Update**
From:	Monica Padilla, CEO
Prepared by:	Andrea Pizano, Sr. Executive Assistant and Board Clerk
Date:	12/5/2025

This item will be addressed in the form of an oral report to the Executive Committee from Monica Padilla, Chief Executive Officer.

Staff Report – Item 3

Item 3:	**Recommend the Silicon Valley Clean Energy Board of Directors Approve the Proposed Updated Fiscal Year 2025-2026 Budget and 2026 Rate Changes**
From:	Monica Padilla, CEO
Prepared by:	Amrit Singh, CFO
Date:	12/5/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Executive Committee recommend that the Board of Directors (Board) approve:

1. The proposed operating budget update for fiscal year 2025-26 (FY 26), which increases the withdrawal from reserves from the adopted budget level of $40.1 million to $60.5 million after updating for revenues, power supply expenses, investment-earning forecasts, and an additional transfer of $5.5 million to the building fund.
2. Setting SVCE generation rates starting in January 2026 at a 1% discount to comparable PG&E generation rates, providing a monthly bill credit of $12 to California Alternate Rates for Energy[1] (CARE) and Family Electric Rate Assistance (FERA)[2] customers; and
3. Establishing a new GreenPrime premium of $0.0074/kWh ($7.40/MWh), effective January 2026.

FINANCE AND ADMINISTRATION COMMITTEE RECOMMENDATION

At the November 24th, 2025, Finance and Administration Committee meeting, staff presented the updated budget and customer rate recommendations. The Committee engaged in a thorough discussion to understand the proposed budget, staff's presentation of the 5-year financial outlook, and staff's analyses supporting the customer rate recommendations. Staff noted that its analysis, discussed later in this report, demonstrates that even if the current customer rate methodology were to continue in 2026, where rates are set at a competitive advantage relative to Pacific Gas and Electric (PG&E) rates, the delay in reaching SVCE's proposed financial target over the 5-year forecast period is not significant. Staff explained that delaying, at least until 2027, allows time for implementing a better-optimized customer rate and product strategy. The Committee also inquired about the potential impact on SVCE's finances and future customer rates if rates in 2026 are set at the same level as PG&E's rates. Staff estimated (and later confirmed) that the impact would be small. For these reasons, the Committee unanimously recommended that the Board adopt the proposed budget update and customer rate recommendations.

BACKGROUND

When the Board adopted the FY 2026 budget at the September 2025 meeting, staff explained that the prices set by the California Public Utilities Commission (CPUC) for Market Price Benchmarks (MPBs), issued in the fall

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[1] Eligible low-income customers who are enrolled in the CARE program receive a 30-35% discount (not including additional SVCE discount and bill credits) on their total electric bills and a 20% discount on their natural gas bills. Eligible customers are those whose total household income is at or below certain income limits that vary depending on household size. For example, the income limit for households of 4 is $64,300.

[2] The FERA program offers an 18% discount (not including additional SVCE discount and bill credits) on customers' total electricity bills if the household income slightly exceeds the CARE allowances. For example, the income limit for households of 4 is $80,375.

and used to determine Power Charge Indifference Adjustment (PCIA) rates, will significantly impact the budget. Staff discussed the high volatility in energy market prices, Resource Adequacy (RA) prices, and Renewable Portfolio Standard (RPS) prices, which make financial projections highly uncertain. Lower MPBs decrease generation rates and raise the PCIA, reducing SVCE's competitive margin. In developing the September budget, staff used its estimates of MPBs in calculating SVCE revenues with the NewGen Strategies model. These estimates, which also reflect the new CPUC methodology for calculating RA MPBs, led staff to estimate that revenues could decrease by $165 million compared to FY 2024-25 if CPUC's fall MPBs align with staff's estimates.

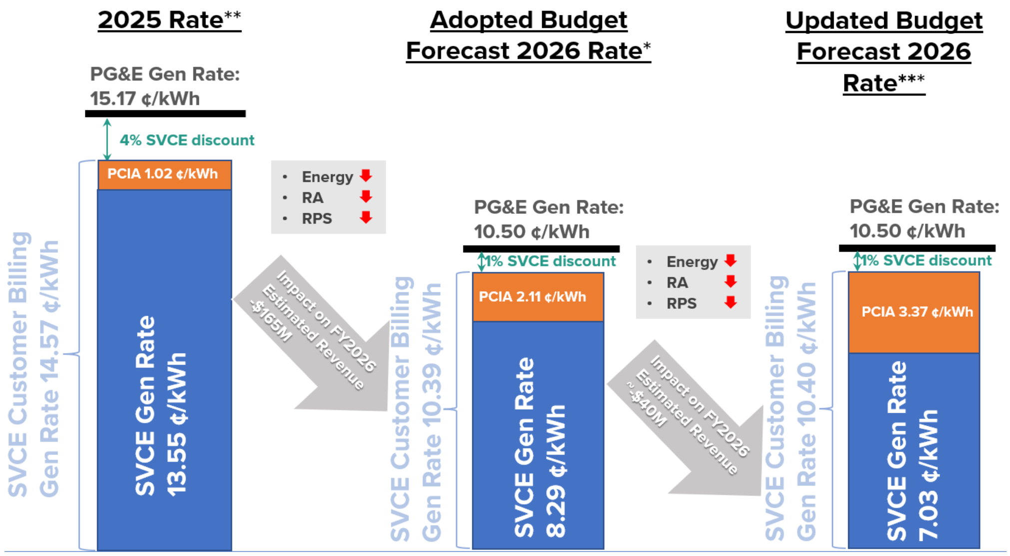
The adopted budget showed a withdrawal from reserves of $40.1 million. When adopting the budget at the September 2025 meeting, the Board maintained the 4% customer discount rate and the $17.50 monthly bill credit for low-income customers through December 2025. It then reduced the customer discount to 1% and the low-income monthly bill credit to $12, starting January 2026. The Board also agreed to revisit the budget, the proposed customer discount rate, and the low-income monthly bill credit in December 2025, when there would be more certainty regarding PCIA and PG&E generation rates.

The recently issued CPUC MPBs reflect significantly lower RA, energy, and RPS prices, which collectively weaken SVCE's financial projections, assuming SVCE desires to maintain a discount to PG&E's rates. System RA MPB prices for 2025/2026 are down by 72%/71%, and RPS prices are down 10%/12%, respectively, compared to 2025 MPB forecast levels published a year ago. Using the updated MPBs, PG&E issued its initial revised Energy Resource Recovery Account (ERRA)[3] forecast in October and another revised forecast – Fall Update ERRATA in November.

Based on PG&E's latest revised ERRA forecast and rate update, the average PG&E generation rate in January 2026 is expected to decrease by ~31 percent from the average 2025 rates, and PCIA, on average, is expected to increase from about 1.02 to 3.37 cents per kWh, or about 230 percent[4]. Relative to the September adopted budget, SVCE's margins are estimated to decrease further by approximately 15 percent, which reduces revenue projections by about $40 million. The most significant contributors to lower revenues are the overall softening of wholesale energy, RA, and RPS prices, which reduced the final 2025 and forecast 2026 MPBs. These changes are depicted in the chart below.

[3] 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 that can be recovered in rates.

[4] The final 2026 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 will likely occur at its December 18, 2025, 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 forecasts, NewGen Consultants updates their rate models, and staff updates the budget and financial outlook using PG&E's ERRA update and the updated NewGen models.



** Source: CalCCA NewGen Model analysis using market data as of 6/27/2025 and estimated CPUC attribute benchmarks for CY 2025-2026 (Weighted for SVCE Portfolio Load)*
*** PG&E 2025 Average Rate, effective January 1, 2025 (Weighted for SVCE Portfolio Load)*
**** Estimated 2026 rates, based on PG&E Fall Update Errata, effective January 1, 2026 (Weighted for SVCE Portfolio Load)*
Above margin analyses ignores minor reductions for franchise fees (0.1¢/kWh)

ANALYSIS & DISCUSSION

The FY 26 Proposed Operating Budget update, shown in Attachment 1, is balanced and presents SVCE in a stable financial condition.

Based on the updated budget, the projected withdrawal from reserves increases from the adopted budget forecast of $40.1 million to $60.5 million, as illustrated in the table below.

($ in thousands)	FY25-26 ADOPTED BUDGET	FY25-26 ADJUSTED BUDGET	Change $	Change %
Energy Revenues	358,416	319,324	(39,092)	-10.9%
Power Supply Expense	368,896	344,221	(24,675)	-6.7%
Operating Margin	(10,480)	(24,897)	(14,417)	137.6%
Operating Expenses	43,193	43,193	0	0.0%
Non-Operating Revenue (Expense)	21,384	20,854	(531)	-2.5%
Annual Transfers and Other Expenses				
Capital Outlay	512	512	0	0.0%
Additional Transfer to Building Fund	0	5,500	5,500	100.0%
Program Fund	7,251	7,251	0	0.0%
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	7,763	13,263	5,500	70.8%
BALANCE AVAILABLE FOR RESERVES	(40,052)	(60,500)	(20,448)	51.1%

The primary reason for the increased draw on reserves is the decline in SVCE's margin, which was caused by a higher PCIA than the one used by staff in creating the September-adopted budget.

Power Supply Update

The forecast also updates power supply costs. Since the Board approved the budget in September 2025, forward market prices for energy, resource adequacy (RA), and RPS attributes have decreased, while carbon-free attributes have increased[5]. These changes are the main factors that have led to lower projected supply costs for FY25-26 overall. The decline in energy costs is also due to the updated Energy Risk Management Policy, which considers the PCIA's financial hedge impact on an estimated basis, thereby reducing further deterioration of SVCE's financial position that would otherwise occur in a falling market price environment. The adopted budget assumed power supply costs at $368.8 million, but this updated forecast projects costs of $344.2 million, a reduction of $24.6 million. The revised costs also reflect changes in the power supply portfolio positions, including a favorable regulatory outcome that lowers RA costs by about $5 million in complying with CPUC's Mid-Term Reliability order, where any annual shortfalls do not need to be bridged with import RA if SVCE can comply by 2028.

Transfer to Building Fund

As part of the FY23–24 budget, the Board approved allocating $20 million to the Building Fund for the purchase of a new office facility. Staff completed the acquisition in February 2025 and have since been working with designers and architects to develop plans for the headquarters renovation and build-out.

In September, staff received the initial cost estimate for the construction of the new headquarters. After factoring in renovation, construction, permits, consultant fees, project management, and related costs, the projected total now exceeds the remaining balance in the originally approved $20 million Building Fund, requiring an additional allocation of $5.5 million. This estimate represents the best available information at this stage plus a contingency for added expenses; more precise figures will be available once formal project bids are received in late December. Staff intends to return to the Board in January with a proposed construction contract.

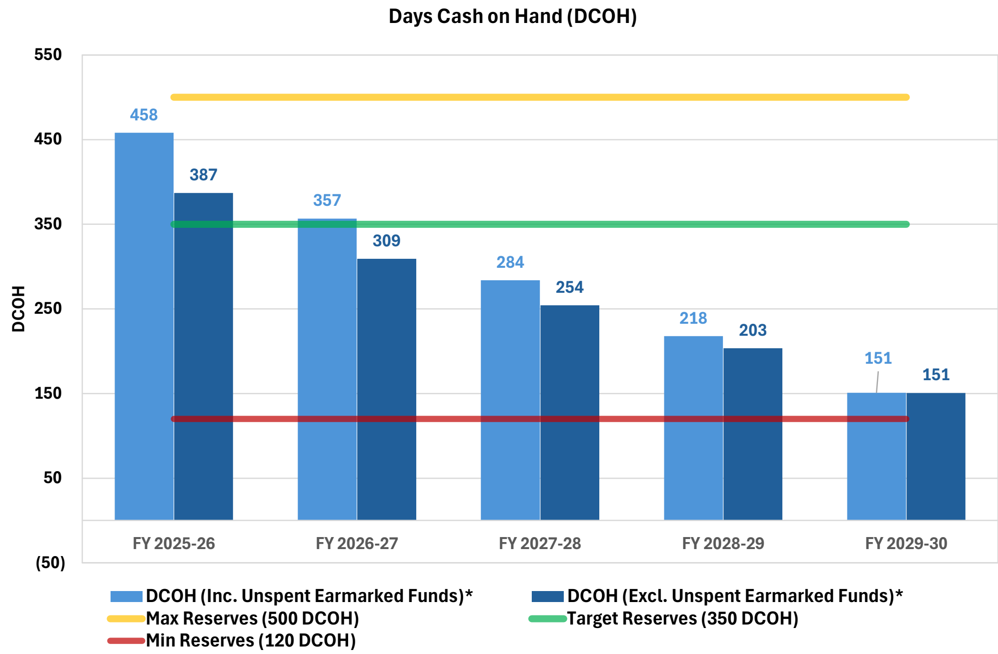
Because the contract requires Board approval before March 2026, and the mid-year budget update is not scheduled until then, staff is bringing this funding request forward as part of this budget update. Staff was unable to present this request during the September Board meeting for budget approval, as the necessary cost information was not available at that time. However, the timing cannot be delayed until March 2026 because contract execution and construction must begin in January 2026 in order to move in by July 2026.

Staff is therefore requesting Board approval to allocate an additional $5.5M in this budget update to fund the projected costs for the new office building renovation and related fees.

5-yr Financial Outlook Update and Recommended 2026 Customer Rate Proposal

The 5-year margins remain negative under the business-as-usual scenario. This scenario is defined as all SVCE rates set at a competitive advantage to comparable PG&E rates. The 5-year financial outlook is similar to the one provided in the September adopted budget. Based on discussions with credit rating agencies and considering the current financial outlook, Staff recommends that SVCE manage its finances such that the Days Cash on Hand (DCOH) does not fall below 250. Under this scenario, reserves are forecasted to remain above 250 through the end of fiscal year 2027-2028 and then start declining below 250 in fiscal year 2028-2029, reaching 151 by the end of the 5-year forecast period.

[5] The September approved budget anchored market prices to the end of June 2025. This proposed budget update anchors market prices to the end of October 2025.



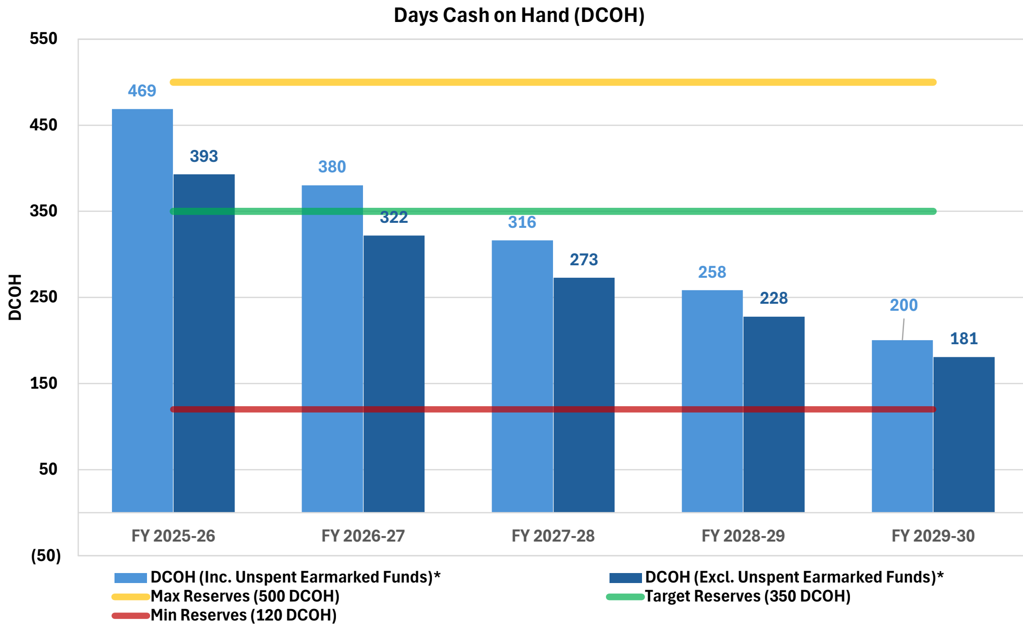
**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

In planning the 5-year forecast, staff recommends including extra financial reserves or liquidity to account for some contingencies built into the creation of the budgets and the natural delay in customer adoption of program incentives.

In creating budgets, operating expenses, excluding power supply, are built with contingencies to provide operational flexibility and avoid the need for frequent budget amendments. For example, staff salaries are generally budgeted at a higher percentile of the salary band to account for adjustments, such as promotions, that may occur during the fiscal year. Similarly, other expenses are budgeted with contingencies to ensure necessary expenditures do not exceed the budget. While such contingencies are reasonable for seeking approval of a budget, over a 5-year forecast period, it is appropriate to account for the expected level of expenditure when projecting DCOH. Examining historical budget variances and considering forward expenditures, staff estimates that the costs required for budget flexibility are approximately $6.5 million per year. While remaining in the budget, these costs can be assumed to be unspent when assessing the agency's financial liquidity over a 5-year forecast period.

Another liquidity buffer that can be included is the lag in customer uptake of program incentives. For example, at the beginning of FY 2026, the budgeted but unspent program funds are close to $100 million. The above 5-year forecast assumes that by the end of the forecast period, the remaining program fund balance is zero. Staff recommends a reasonable scenario that assumes a remaining balance of $25 million. Under this scenario, if the program spending exceeds the levels that place a significant strain on finances, staff will propose any adjustments to the Board.

Incorporating the above adjustments to the reserve outlook improves the reserves as shown in the chart below:



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

The resulting 5-year DCOH on hand improves to 200. Under the business-as-usual scenario, SVCE rates would need to be 1.8% higher than PG&E's forecasted comparable rates (starting in 2026) to reach the recommended DCOH level of 250. However, if SVCE continues the business-as-usual scenario for at least one year and sets rates for 2026 according to staff's proposal—offering a 1% discount to PG&E's rates plus a $12 monthly bill credit for low-income customers—and then adjusts rates in 2027 to reach an ending DCOH of 250, then SVCE rates would need to be 2.7% higher than the forecasted PG&E rates. From this analysis, the rate difference is 0.9% when charging the premium is delayed by one year, assuming continued operation under the business-as-usual scenario.

SVCE is already evaluating different operating scenarios referred to as the "Financial Levers" analyses. Suppose the current, uncertain financial forecasts, as explained in prior staff reports, including the June 2025 stress test report and presentation, were to prevail. In that case, SVCE will make adjustments as needed to the operating model as informed by the Financial Levers analyses. However, before completing the Financial Levers analyses and reviewing and discussing the analyses with the Finance and Administration Committee, the Executive Committee, and the Board, staff does not recommend making any abrupt changes at this time. SVCE has built reserves to ensure the agency can withstand such financial outcomes. As the above analysis demonstrates, even under the business-as-usual scenario, the impact of a one-year delay is not significant. Additionally, it is worth noting that SVCE customer rates are expected to drop by approximately 30% in 2026 compared to 2025 levels.

Planned Timing and Approach for 2026 Rate Updates

The SVCE rate tables will be updated during the first three weeks of the month when PG&E's new rates become effective, which is expected to be January 2026. 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 2026, SVCE's 100% renewable energy option, will reflect the January 2026 default GreenStart rates plus a premium of $0.0074 per kWh, as computed according to the Board-adopted methodology at the November 2024 Board meeting. The proposed premium represents a decrease of $0.0096 per kWh, reflecting the lower cost of purchasing renewable energy for 2026.

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."

ALTERNATIVE

Staff is open to feedback and suggestions from the Executive Committee. At a strategic level, the Board can adjust the discount to PG&E, reduce the carbon-free and/or renewable percentages in the power supply portfolio, and cut expenditures on decarbonization programs.

FISCAL IMPACT

The updated budget reflects an increase in the withdrawal from reserves from the adopted budget level of $40.1 million to $60.5 million.

ATTACHMENT

1. FY25-26 Adjusted Budget Update
2. 5-year Financial Forecast

SILICON VALLEY CLEAN ENERGY
FY25-26 OPERATING BUDGET
($ in thousands)

DESCRIPTION	FY25-26 ADOPTED BUDGET	FY25-26 ADJUSTED BUDGET	Change $	Change %
ENERGY REVENUES				
Energy Sales	360,057	321,123	(38,934)	-10.8%
Green Prime	2,469	2,469	0	0.0%
Customer Bill Relief (Existing CARE/FERA)	(4,110)	(4,268)	(158)	3.9%
Other Income	0	0	0	0.0%
TOTAL ENERGY REVENUES	**358,416**	**319,324**	**(39,092)**	**-10.9%**
ENERGY EXPENSES				
Power Supply	368,896	344,221	(24,675)	-6.7%
OPERATING MARGIN	**(10,480)**	**(24,897)**	**(14,417)**	**137.6%**
OPERATING EXPENSES				
Data Management	3,764	3,764	0	0.0%
PG&E Fees	1,569	1,569	0	0.0%
Salaries and Retirement	18,870	18,870	0	0.0%
Professional Services	10,902	10,902	0	0.0%
Marketing & Promotions	2,347	2,347	0	0.0%
General & Administrative	5,742	5,742	0	0.0%
TOTAL OPERATING EXPENSES	**43,193**	**43,193**	**0**	**0.0%**
OPERATING INCOME (LOSS)	**(53,673)**	**(68,091)**	**(14,417)**	**26.9%**
NON-OPERATING REVENUES				
Interest Income	21,413	20,882	(531)	-2.5%
TOTAL NON-OPERATING REVENUES	**21,413**	**20,882**	**(531)**	**-2.5%**
NON-OPERATING EXPENSES				
Financing	29	29	0	0.0%
TOTAL NON-OPERATING EXPENSES	**29**	**29**	**0**	**0.0%**
TOTAL NON-OPERATING INCOME (EXPENSES)	**21,384**	**20,854**	**(531)**	**-2.5%**
CHANGE IN NET POSITION	**(32,289)**	**(47,237)**	**(14,948)**	**46.3%**
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER				
Capital Outlay	512	512	0	0.0%
Additional Transfer to Building Fund	0	5,500	5,500	100.0%
Program Fund	7,251	7,251	0	0.0%
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	**7,763**	**13,263**	**5,500**	**70.8%**
BALANCE AVAILABLE FOR RESERVES	**(40,052)**	**(60,500)**	**(20,448)**	**51.1%**

($ in Thousands)					
	FY 2025-26	**FY 2026-27**	**FY 2027-28**	**FY 2028-29**	**FY 2029-30**
Operating Revenue	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
Electricity Sales, Net[1]	$321,123	$301,154	$357,822	$385,564	$402,578
GreenPrime Electricity Premium	$2,469	$2,510	$2,336	$2,309	$2,361
Reduction in Revenue[1]	$(4,268)	$(957)	$0	$0	$0
Other Income	$0	$0	$0	$0	$0
Total Operating Revenues	**$319,324**	**$302,706**	**$360,158**	**$387,872**	**$404,939**
Operating Expense					
Power Supply	$344,221	$347,583	$363,375	$384,686	$406,000
Operating Margin	**$(24,897)**	**$(44,877)**	**$(3,218)**	**$3,186**	**$(1,061)**
Data Management	$3,764	$3,952	$4,149	$4,357	$4,575
PG&E Service Fees	$1,569	$1,647	$1,729	$1,816	$1,907
Salaries and Retirement	$18,870	$19,814	$20,805	$21,845	$22,937
Professional Services	$10,902	$11,447	$12,019	$12,620	$13,251
Marketing & Promotions	$2,347	$2,464	$2,587	$2,717	$2,852
General and Administration	$5,742	$5,526	$5,803	$6,093	$6,397
Transfers to Programs Fund	$7,251	$6,054	$7,203	$7,757	$8,099
Total Operating Expenses	**$394,665**	**$398,487**	**$417,671**	**$441,890**	**$466,018**
Operating Income	**$(75,342)**	**$(95,781)**	**$(57,513)**	**$(54,018)**	**$(61,079)**
Nonoperating Revenue					
Investment Income	$20,882	$15,222	$10,803	$9,477	$7,405
Grant Income	$0	$0	$0	$0	$0
Total Non-Operating Revenues	$20,882	$15,222	$10,803	$9,477	$7,405
Nonoperating Expense					
Financing Cost	$29	$29	$29	$29	$29
Capital Outlay	$512	$50	$50	$50	$50
Total Non-Operating Expense	**$541**	**$79**	**$79**	**$79**	**$79**
Non-Operating Income	**$20,342**	**$15,144**	**$10,724**	**$9,399**	**$7,327**
Change in Net Position/Available for Reserves	**$(60,500)**	**$(80,637)**	**$(46,789)**	**$(44,619)**	**$(53,752)**
Begin, Net Financial Position	**$585,328**	**$495,287**	**$389,499**	**$324,886**	**$263,808**
Adjustment for Program Expenditure and Building Fund[2]	**$(29,542)**	**$(25,151)**	**$(17,824)**	**$(16,459)**	**$(17,368)**
End, Net Financial Position	**$495,287**	**$389,499**	**$324,886**	**$263,808**	**$192,687**

1. Assumptions: 4% discount relative to comparable PG&E rates for CY 2025 and 1% discount for CY 2026-30. FY 2025-26 includes additional discount in the form of CARE/FERA bill credit estimates to low-income customers for $4.3 million and FY 2026-27 for $1 million (through Dec 2026 only). No CARE/FERA bill credit is assumed for CY 2027-30.

2. Each year the Board transfers funds from the Operating Budget to the Decarbonization Programs Fund as shown in the above forecast under line item Transfers to Programs Fund. The line item Adjustment for Program Expenditure accounts for the difference between forecasted spend for programs versus the amount transferred to the fund. This adjustment is needed because program spending to date has been less than the amount transferred to the programs fund. The $20 million in Building Fund and the additional $5.5 million to be allocated in FY25-26 are expected to be spent by end of FY25-26.

Staff Report – Item 4

Item 4:	**Community Grants Program Development**
From:	Monica Padilla, CEO
Prepared by:	Zoe Elizabeth, Director of Decarbonization, Policy, and Community Strategies Jessica Cornejo, Decarbonization and Community Strategies Lead
Date:	12/5/2025

RECOMMENDATION

Staff recommends that the Silicon Valley Clean Energy (SVCE) Executive Committee receive an update on the development of the Community Grants Program.

BACKGROUND

In 2024, the SVCE Board of Directors ("Board") approved $10 million in community grants (SVCE Board of Directors Meeting, March 13, 2024, Item 5) to support building and transportation electrification, energy resilience, and community engagement projects. The program is divided into three areas: 1) Noncompetitive Member Agency Grants ($3 million), 2) Competitive Member Agency Grants ($3.5 million), and 3) Competitive Community Grants ($3.5 million) for Community Organizations. Each member agency was awarded a noncompetitive allocation that can be used for a variety of projects that support building or transportation electrification, energy resilience, or community engagement on these topics. Both the Noncompetitive and Competitive Member Agency Grants launched on October 30, 2024.

The Competitive Community Grants will launch in the Spring of 2026. The Community Grants will provide funding for schools ($2.2 million) and community organizations such as nonprofits, faith-based institutions, and community-based organizations ($1 million) to support projects that address building and transportation electrification and energy resilience. SVCE has dedicated funds for community organizations in this grant cycle to build partnerships at a local level that will strengthen and sustain long-term decarbonization goals.

To expand accessibility, equity, and education for electrification and energy resilience projects, SVCE will provide an opportunity for all grant awardees to "opt-in" for Technical Assistance to support planning, developing, and implementing their projects. $300,000 has been allocated to bring on a Technical Assistance Consultant in March 2026 to support the awardees for the full duration of the grant (projects to be completed by 2030). This Technical Assistance Consultant will work with awardees developing building electrification and building energy resilience projects. For Electric Vehicle and EV infrastructure projects, Technical Assistance support will be offered through SVCE's Electric Vehicle Technical Assistance Program which is anticipated to relaunch in 2026.

During the August Executive Committee meeting (SVCE Executive Committee Meeting, August 29, Item 3), the Board approved reallocating $500,000 of unused funds in the 2022 Decarbonization Demonstration Grant to the 2024 Noncompetitive Member Agency Grant, adding $38,461 to each of the 13-member agencies' allocation and expanding the budget from $3 million to $3.5 million. On September 10, SVCE's Board approved the reallocation.

ANALYSIS & DISCUSSION

In May 2025, SVCE staff conducted a survey directed toward schools and community organizations to gauge interest in and experience with electrification projects. The survey results revealed that approximately half of all respondents were only "somewhat familiar" with decarbonization, which was consistent across stakeholder segments, including environmental sectors. Most respondents, primarily community-based organizations, indicated that they would need support to implement electrification projects. Schools, however, more often indicated that they would need less support but more funding for capital projects. Based on these findings, SVCE staff determined that schools and community organizations have differing capacities when it comes to implementing electrification projects. In response, SVCE staff created two separate funding pools, one for schools and one for community organizations. Staff also built Technical Assistance into the program to provide hands-on support for all grant awardees that indicated interest in and a need for it. The Technical Assistance component was designed to ensure that organizations receive the guidance necessary to successfully complete their projects.

In the 2022 grant cycle, community organizations were eligible to apply, but only one school applied and was awarded funding. In the 2020 grant cycle, Member Agencies were allowed and encouraged to partner with community organizations for their Community Resilience project. No Member Agencies took this option. Given the learnings from the survey and the past grants, staff created a dedicated grant program to ensure these groups have the opportunity to apply and developed a separate timeline to allow for the expanded engagement and support necessary to ensure eligible organizations are aware of the opportunity and have the resources to apply.

The Competitive Community Grants will launch in Spring 2026 with a deadline anticipated in Summer 2026. To meet eligibility criteria, the community organization must be an SVCE customer, regularly gather groups such as students, residents, or others, and ideally own the building. Further design considerations will be made as the program progresses. Staff will select winners based on the scope of the project, thoroughness of the education and outreach component, and scale of impact on the community.

During the August 2025 Executive Committee meeting, members asked questions about the Competitive Community Grants and how it was decided to include faith-based institutions in the definition of Community Organizations. Staff explained that the intention of the grants is to demonstrate electrification in locations where communities regularly gather. Staff will explore the designation 501(c)(3) in its eligibility criteria for these groups.

STRATEGIC PLAN

The grant programs are in direct support of SVCE's overall mission and directly support SVCE's Strategic Plan Goal 7, "Support all SVCE communities to decarbonize through local investments that reduce barriers and demonstrate sensible, scalable, and equitable solutions."

FISCAL IMPACT

N/A