Item 3
PRESENTATION

Silicon Valley Clean Energy Authority
Report to the Board of Directors
March 11, 2026

Introduction

sorren

Kellin Gilbert, CPA

Audit Partner

17 years in public accounting and performing audits of government entities

Currently working with several CCA's throughout California

Aliandra Schaffer

Engagement Supervisor

6 years in public accounting and performing audits of governments (CCA's)

Alauna Rico

Audit Supervisor

4 years in public accounting and performing audits of governments (CCA's)

Transition to Sorren CPAs P.C.

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As of May 2025, legacy Pisenti & Brinker combined practices with several other like-sized firms and rebranded as one unified firm “Sorren.”

By combining resources with the strategic merger, we can make even greater investments in technology as well as our greatest assets, our people and clients.

Sorren is a new national top 50 firm and currently has twenty-three office locations and over a thousand employees.

The Santa Rosa office will continue to be the lead office for Silicon Valley Clean Energy Authority. No changes to the current engagement team, costs or timing of the services we provide to SVCE.

Results of Current Year Audit

The audit is complete. We reported the following:

- Unmodified opinion – Based on our audit, the financial statements are materially accurate.

- No significant deficiencies or material weakness in internal control noted.

Audit of the year ended September 30, 2025 Financial Statements

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Relative Roles & Responsibilities

- **Management** is responsible for preparing the Financial Statements and establishing a system of internal control.

- **Auditor** is responsible for auditing the Financial Statements
  - Considering risks of material misstatement in the Financial Statements
  - Considering internal controls relevant to the Financial Statements
  - Performing tests of year-end balances based on risk assessment
  - Evaluating adequacy of disclosures

Risk Assessment for the year ended September 30, 2025

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Our audit is a risk-based audit. Risk assessment procedures include:

- Gain understanding of the entity's operating characteristics, practices, and procedures.
- Compare to our knowledge of similar entities, industry and professional guidance.
- Review procedures and controls surrounding significant transaction cycles and business processes.

Risk Assessment for the year ended September 30, 2025

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Significant areas of focus for the audit:

- Revenue recognition
  - Accounts receivable and accrued revenue
    - Test a sample of customer billings
    - Relate total cash received during the year to revenue
    - Review revenue recognition through year-end and method for determining (accrued revenue)
- Cash & Investments
  - Confirmations sent to financial institutions
- Accrued Cost of Electricity
  - Review subsequent bills from electricity providers and cash payments
- Financial Statement Note Disclosures – Complete and without bias

Required Board Communications

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- As discussed in Note 11, SVCE adopted GASB 102 and 104 which did not have a material effect on the financial statements.

- We did not propose any audit adjustments to the financial statements.

- We did not identify any significant or unusual transactions or applications of accounting principles where a lack of authoritative guidance exists.

- There have been no disagreements with management concerning the scope of our audit and we have not encountered any difficulties in dealing with management during the performance of our audit.

- We issued a letter to the board dated February 23rd detailing these required communications.

Thank You

Kellin Gilbert

Partner

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Changing the Fiscal Period to a Calendar Year

Amrit Singh
Board of Directors
March 11, 2026

SILICON VALLEY CLEAN ENERGY

Purpose

Action: Adopt Resolution Approving changing the fiscal period to a calendar year, along with the proposed transition plan and change to the Budget Policy

Main Areas of Discussion

1) Current budgeting and planning timeline and process
2) Revised timeline and process under a calendar year fiscal period
3) Proposed transition plan
4) Proposed change to the budget Policy

Why Change the Fiscal Period?

More closely align adoption of Annual Budget with Customer Rate Changes

Background:

- JPA allows the Board to change the fiscal year by resolution
- Changed once before in September 2016
  - From the period July 1 - June 30 to the current period, October 1 - September 30
  - Changed to facilitate compliance with loan covenants during SVCE's startup, which are no longer relevant.

Proposed Fiscal Period:

- Calendar Year, commencing January 1 and ending December 31.

Benefits from the change:

- Avoids setting a budget in September and then amending it 3 months later when there's more certainty on upcoming PG&E rates and PCIA charges
- Aligns with the timeline for many external compliance requirements and internal planning processes

Current Budgeting and Planning Process and Timeline

January, February, and March

- Enterprise Risk Assessments
- Stress Tests Proposals
- Mid-year budget review and adoption
- Completion of prior year's financial audit

May and June

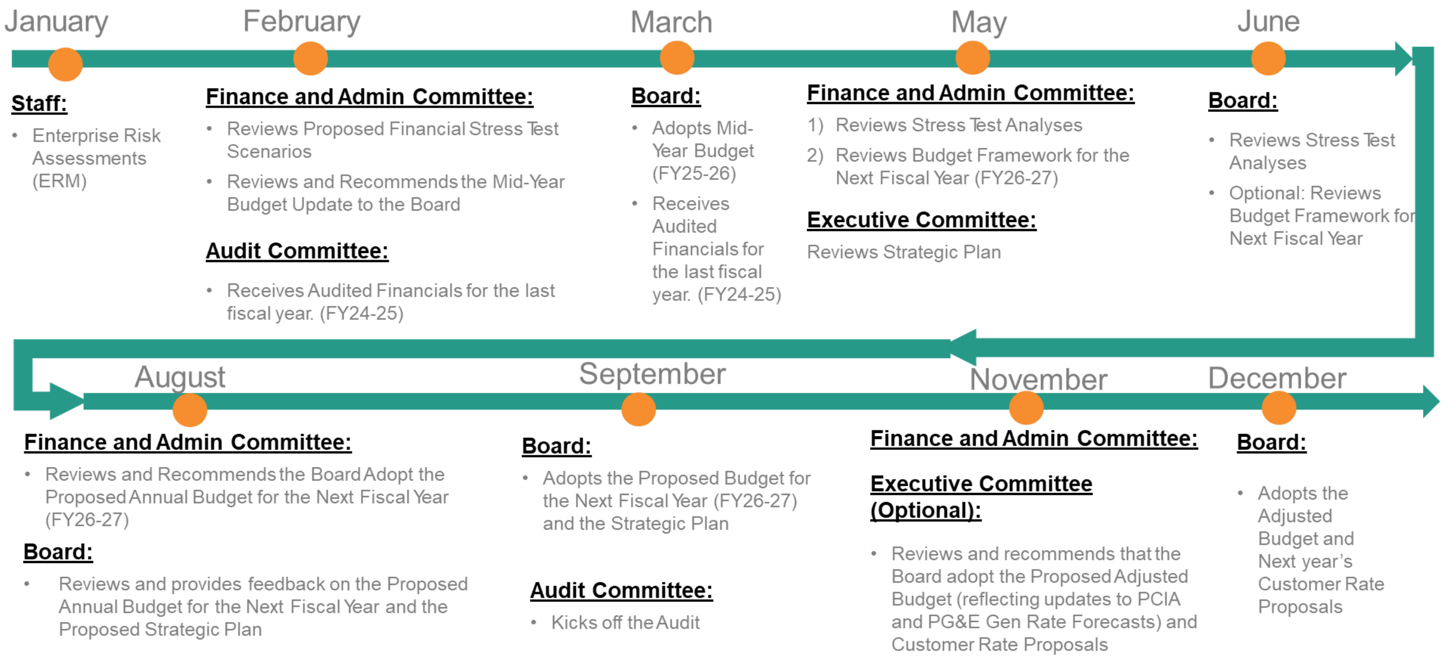
- Stress test analyses
- Reserve adequacy
- Next fiscal year's budget framework review
- Strategic plan review (biennially)

August and September

- Annual budget and strategic plan review and feedback, and adoption one month later

November and December

- Budget adjusted to reflect updates to:
  - PCIA and PG&E generation rate forecasts
  - Customer Rate Proposals



Larger timeline slide shown in the appendix

Budgeting and Planning Process and Timeline

If the Fiscal Period is Changed to Calendar Year

February or March

- High-level Budget and Reserves update to the Finance and Administration Committee

March, May, and June

- Enterprise Risk Assessments
- Stress Tests Proposals
- Mid-year budget review and adoption
- Completion of prior year's financial audit

August and September

- Stress test analyses
- Reserve adequacy
- Next fiscal year's budget framework review
- Strategic plan review (Biennially)

November and December

- Annual budget, strategic plan, and customer rate proposal review by Committee(s) and adoption by the Board in December

Full timeline slide shown in the appendix

Key Change: The Board will not have the opportunity to review and provide feedback on the proposed budget two months prior to the end of the fiscal year.

Requires a Transition Period

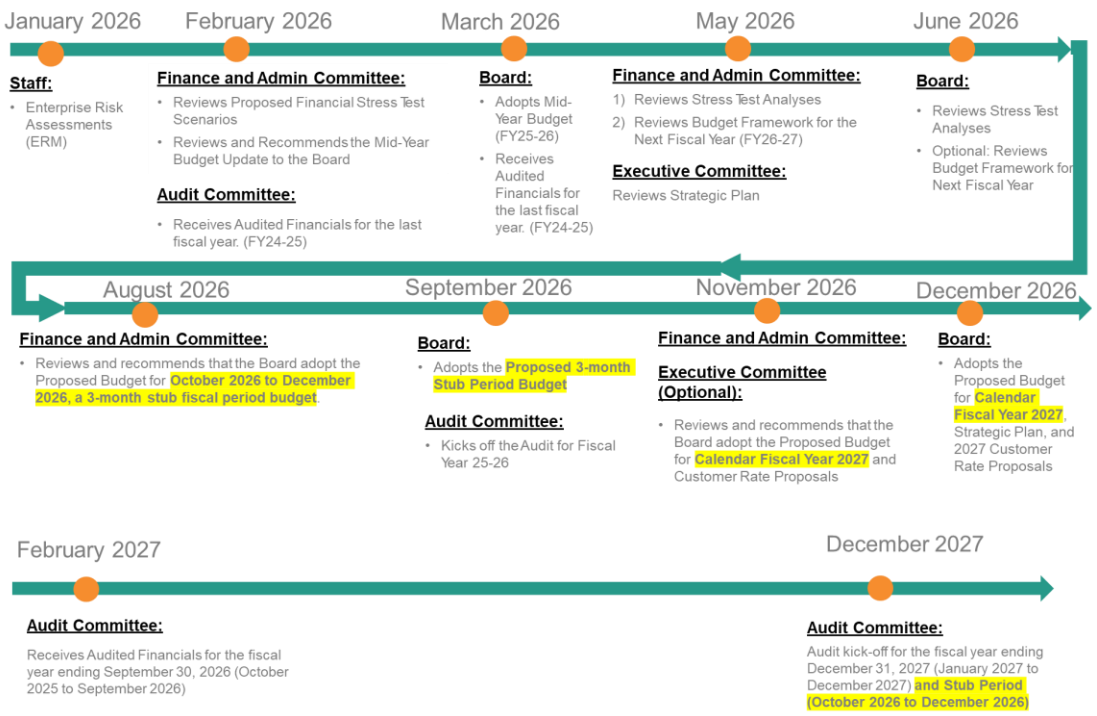
Staff proposes to transition to a calendar fiscal period starting January 1, 2027

1. Need an interim 3-month transition fiscal period, stub fiscal period, from October 2026 to December 2026

2. Board sets the budget for the interim 3-month fiscal period in September 2026

3. Board sets the budget for the new 12-month, calendar-year fiscal period in December 2026

4. Board allows the auditor to perform a combined, two-period audit covering:
    - The 3-month stub period (October 2026 to December 2026)
    - The first full calendar year (1/1/27 to 12/31/2027)



Full timeline slides are shown in the appendix

Requires Changes to Budget Policy

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

Remove the requirement to provide a budget overview two months prior to the end of the fiscal year, as staff will not have the updated PCIA and PG&E generation rata information in time to prepare the budget.

Recommendation

Adopt Resolution 2026-08 Approving:

1. Changing SVCE's fiscal period to a Calendar Year (January 1 to December 31), beginning January 1, 2027

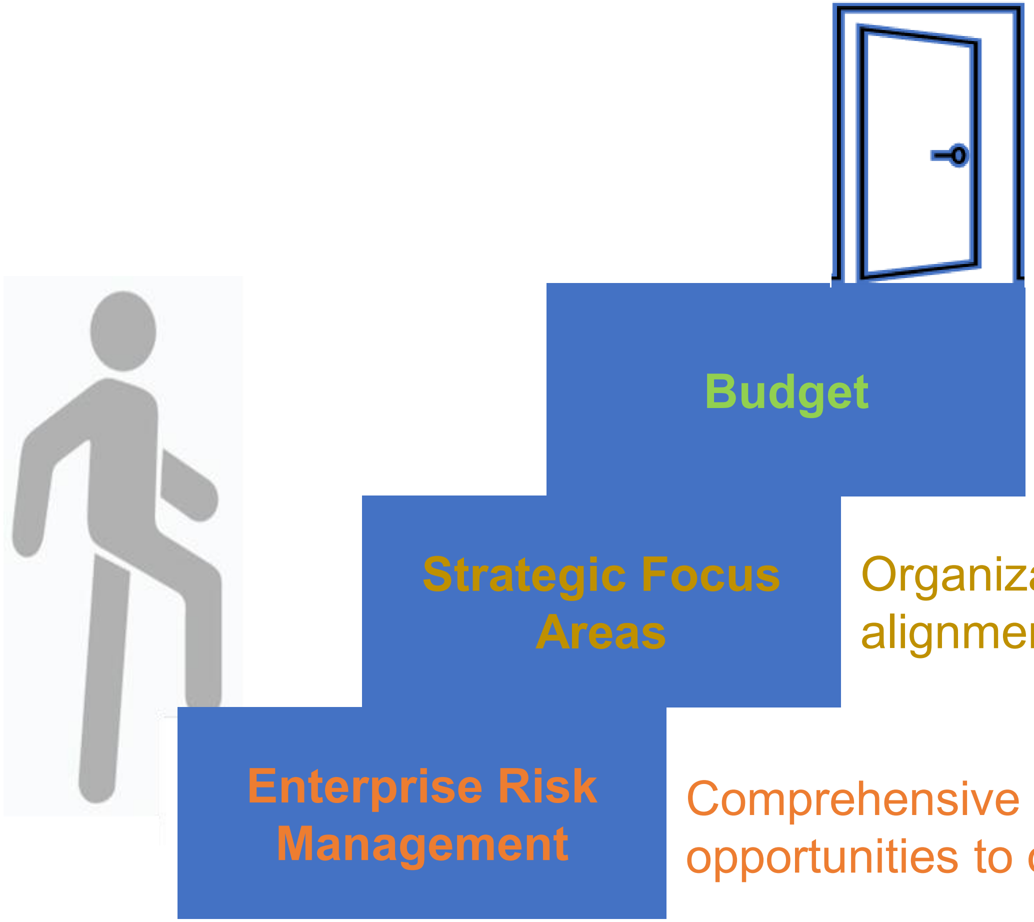
2. Establishing an interim 3-month stub fiscal period, starting October 1, 2026, and ending December 31, 2026, and adopting a schedule to approve the stub period budget at the September 2026 Board meeting

3. Authorizing a combined two-period audit covering the 3-month stub-period, along with the first audit of the new fiscal year

4. Amending the Budget, Adoption, Control and Reporting Policy to remove the requirement to provide a budget overview two months prior to the end of a fiscal year.

Thank you! / Questions?

SVCE's Budgeting & Planning Process



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

Funding in alignment with achieving the strategic focus areas

Organization-wide priorities and alignment toward achieving the mission

Comprehensive assessment of risks and opportunities to optimally achieve mission

Current Budgeting and Planning Process and Timeline

January

Staff:

- Enterprise Risk Assessments (ERM)

February

Finance and Admin Committee:

- Reviews Proposed Financial Stress Test Scenarios
- Reviews and Recommends the Mid-Year Budget Update to the Board

Audit Committee:

- Receives Audited Financials for the last fiscal year. (FY24-25)

March

Board:

- Adopts Mid-Year Budget (FY25-26)
- Receives Audited Financials for the last fiscal year. (FY24-25)

May

Finance and Admin Committee:

1) Reviews Stress Test Analyses
2) Reviews Budget Framework for the Next Fiscal Year (FY26-27)

Executive Committee:

Reviews Strategic Plan

June

Board:

- Reviews Stress Test Analyses
- Optional: Reviews Budget Framework for Next Fiscal Year

August

Finance and Admin Committee:

- Reviews and Recommends the Board Adopt the Proposed Annual Budget for the Next Fiscal Year (FY26-27)

Board:

- Reviews and provides feedback on the Proposed Annual Budget for the Next Fiscal Year and the Proposed Strategic Plan

September

Board:

- Adopts the Proposed Budget for the Next Fiscal Year (FY26-27) and the Strategic Plan

Audit Committee:

- Kicks off the Audit

November

Finance and Admin Committee:

Executive Committee (Optional):

- Reviews and recommends that the Board adopt the Proposed Adjusted Budget (reflecting updates to PCIA and PG&E Gen Rate Forecasts) and Customer Rate Proposals

December

Board:

- Adopts the Adjusted Budget and Next year's Customer Rate Proposals

Budgeting and Planning Process and Timeline

If Fiscal Period Changed to Calendar Year

Late February or March

Finance and Admin Committee:

- High-level ("Mini") Budget & Reserves Update (Revenues and Power Supply Updated)

March

Staff:

Enterprise Risk Assessments (ERM)

May

Finance and Admin Committee:

- Reviews Proposed Financial Stress Test Scenarios
- Reviews and Recommends the Mid-Year Budget Update to the Board

Audit Committee:

- Receives Audited Financials for the last fiscal year.

June

Board:

- Adopts Mid-Year Budget
- Receives Audited Financials for the last fiscal year.

August

Finance and Admin Committee:

- Reviews Stress Test Analyses
- Reviews Budget Framework for the Next Fiscal Year

Executive Committee:

- Reviews Strategic Plan

September

Board:

- Reviews Stress Test Analyses
- Optional: Reviews Budget Framework for Next Fiscal Year

Late November

Finance and Admin Committee

Executive Committee (Optional):

- Reviews and Recommends that the Board Adopt the Proposed Annual Budget and Customer Rate Proposals

Board:

- Reviews the Proposed Strategic Plan

December

Board:

- Adopts the Proposed Budget, Strategic Plan, and Next Year's Customer Rate Proposals

Audit Committee:

- Kicks off the Audit

Transition Timeline and Plan

New Fiscal Period Starts January 1, 2027

January 2026

Staff:

- Enterprise Risk Assessments (ERM)

February 2026

Finance and Admin Committee:

- Reviews Proposed Financial Stress Test Scenarios
- Reviews and Recommends the Mid-Year Budget Update to the Board

Audit Committee:

- Receives Audited Financials for the last fiscal year. (FY24-25)

March 2026

Board:

- Adopts Mid-Year Budget (FY25-26)
- Receives Audited Financials for the last fiscal year. (FY24-25)

May 2026

Finance and Admin Committee:

1) Reviews Stress Test Analyses
2) Reviews Budget Framework for the Next Fiscal Year (FY26-27)

Executive Committee:

Reviews Strategic Plan

June 2026

Board:

- Reviews Stress Test Analyses
- Optional: Reviews Budget Framework for Next Fiscal Year

August 2026

Finance and Admin Committee:

- Reviews and recommends that the Board adopt the Proposed Budget for **October 2026 to December 2026, a 3-month stub fiscal period budget**.

September 2026

Board:

- Adopts the **Proposed 3-month Stub Period Budget**

Audit Committee:

- Kicks off the Audit for Fiscal Year 25-26

November 2026

Finance and Admin Committee:

Executive Committee (Optional):

- Reviews and recommends that the Board adopt the Proposed Budget for **Calendar Fiscal Year 2027** and Customer Rate Proposals

December 2026

Board:

- Adopts the Proposed Budget for **Calendar Fiscal Year 2027**, Strategic Plan, and 2027 Customer Rate Proposals

Transition Timeline and Plan - Continued

New Fiscal Period Starts January 1, 2027

February 2027

Audit Committee:

Receives Audited Financials for the fiscal year ending September 30, 2026 (October 2025 to September 2026)

~August 2027*

Audit Committee:

Selects a new auditor

December 2027

Audit Committee:

Audit kick-off for the fiscal year ending December 31, 2027 (January 2027 to December 2027) **and Stub Period (October 2026 to December 2026)**

- **Starting in 2028, the February Audit Committee will move to May**

- **September Audit Committee moves to December**

** An additional Audit Committee meeting in 2027 to select a new auditor is not because of the change to a new fiscal period. SVCE's policies require selecting a new auditor every 5 years. The proposed period is tentative; the new auditor needs to be selected before December 2027, the kick-off of the new audit.*

MY 25-26 Adjusted Operating Budget

Amrit Singh
Board of Directors Meeting
March 11, 2026

SILICON VALLEY CLEAN ENERGY

Purpose

Action: Adopt Resolution Approving Mid-Year 2025-2026 (MY 26) Adjusted Operating Budget

Main Areas of Discussion

- Highlight changes since the adoption of the adjusted budget in December
- Compare mid-year and adjusted budget key line items
- Compare final 2026 PG&E Generation and PCIA rates with those forecasted in December and the impact on SVCE margins
- Review 5-yr Reserve Projections
- Adopt Resolution

Mid-Year FY26 Budget Highlights

Negative 5-yr Financial Outlook Trend Continues; Deteriorates Further with Declines in Energy Prices

- Ending 5-year **Days Cash on Hand (DCOH) Forecast***:
  - December 2025 Adjusted Budget: 200
  - **Mid-Year Budget**: **142**
- With declining prices, the **FY26 budget improves**, but at the expense of a **larger deterioration of the FY27 outlook** (**Net Negative**)
  - 2026 PCIA and PG&E rates are set
  - Deviations between actuals and market price estimates used to set the 2026 rate will be trued-up in setting next year's rates
    - Leading to larger 2027 PCIA and likely lower 2027 PG&E Generation rates

**With additional operating liquidity assumptions*

FY26 Budget Update:

- December 2025 Budget: Negative $60.5 Million
- **Mid-Year Budget: Negative $12.5 Million** ($12.5 million draw from reserves) $48 Million improvement
  - **$32 million decrease in power supply costs**
  - **$16 million increase in revenues**
- **Power costs decrease due to lower prices**
- **Revenues improve due to a positive regulatory outcome** that reduced some (vintages) PCIA rates and increased PG&E's generation rates

FY27 Outlook:

- December 2025 Adjusted Budget: Negative $81 Million
- Mid-Year Budget: **Negative $131 Million**

Annual Adjusted Budget vs. Mid-Year Budget

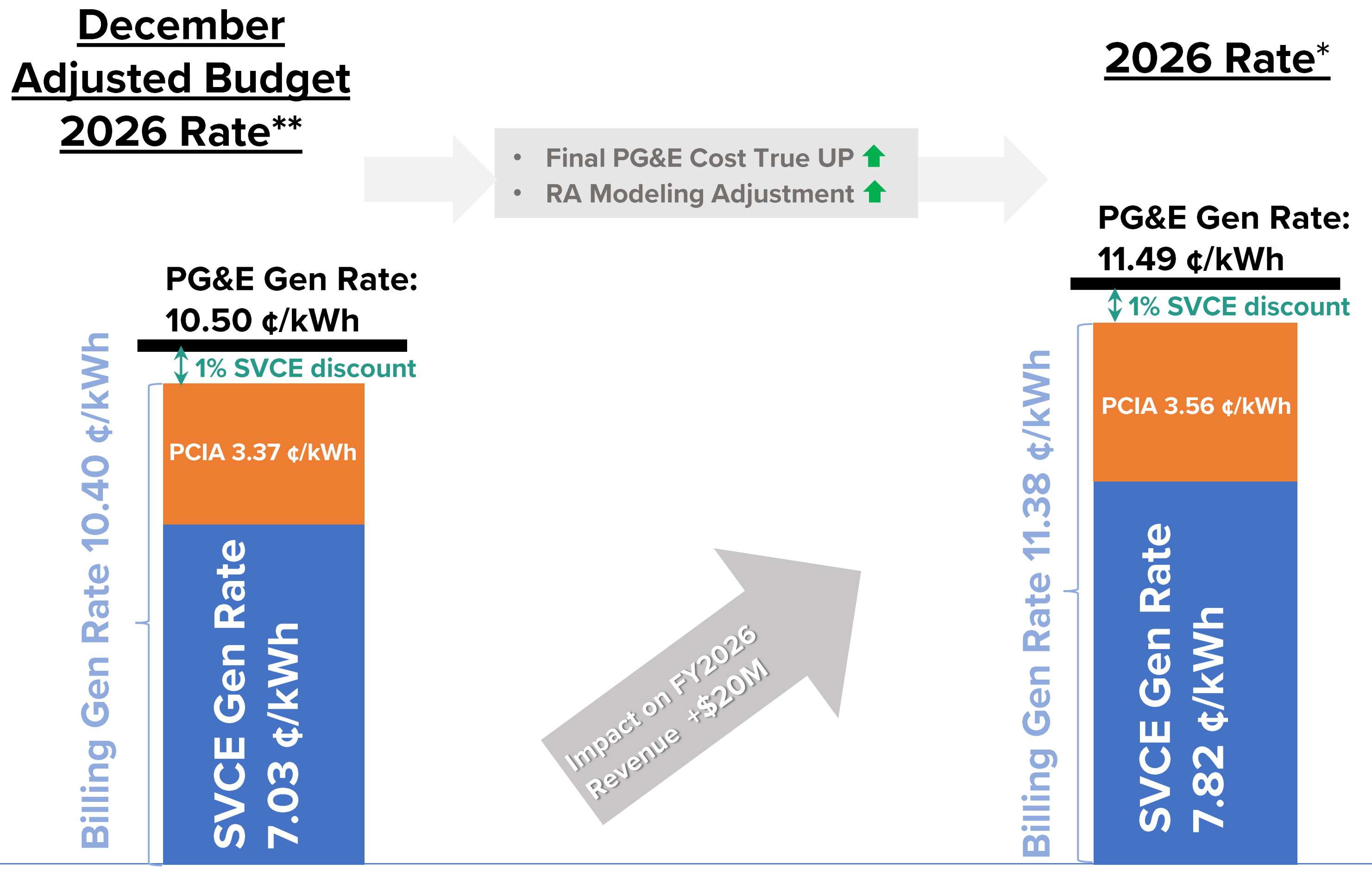
- Revenues slightly higher
  - Final PG&E 2026 gen rates came in higher than projected due to a positive regulatory decision, adjusted RA modeling methodology (+$20 million).
- Power Supply Cost decrease
  - Market price decreases, benefiting SVCE's physical open positions

($ in thousands)	FY25-26 ADJUSTED BUDGET	FY25-26 MID-YEAR ADJUSTED BUDGET	Changes to Reserves Contribution* $	Changes to Reserves Contribution* %
Energy Revenues	319,324	335,478	16,155	5.1%
Power Supply Expense	(344,221)	(311,996)	32,225	9.4%
Operating Margin	(24,897)	23,482	48,379	194.3%
Operating Expenses	(43,193)	(42,684)	509	1.2%
Non-Operating Revenue (Expense)	20,854	20,106	(748)	-3.6%
Annual Transfers and Other Expenses				
Capital Outlay	(512)	(611)	(99)	-19.3%
Transfer to Building Fund	(5,500)	(5,500)	0	0.0%
Program Fund	(7,251)	(7,251)	0	0.0%
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	(13,263)	(13,362)	(99)	-0.7%
BALANCE AVAILABLE FOR RESERVES	(60,500)	(12,458)	48,042	79.4%

** Positive values (increases) in contribution to reserves can result from increases in Revenues, as well as decreases in Expenses. Negative values (decreases) in contribution to reserves can result from decreases in Revenues, as well as increases in Expenses.*

Final PG&E Rate Improved SVCE Margins

- Relative to Assumptions in the December Adjusted Budget:
  - PG&E's average 2026 generation rate increased by about 9%
  - PCIA increased from 3.37¢/kWh to 3.56¢/kWh
- Relative to Adjusted Budget, SVCE's 2026 margin improved by about 11%
- The rate changes were effective Jan 1, 2026.

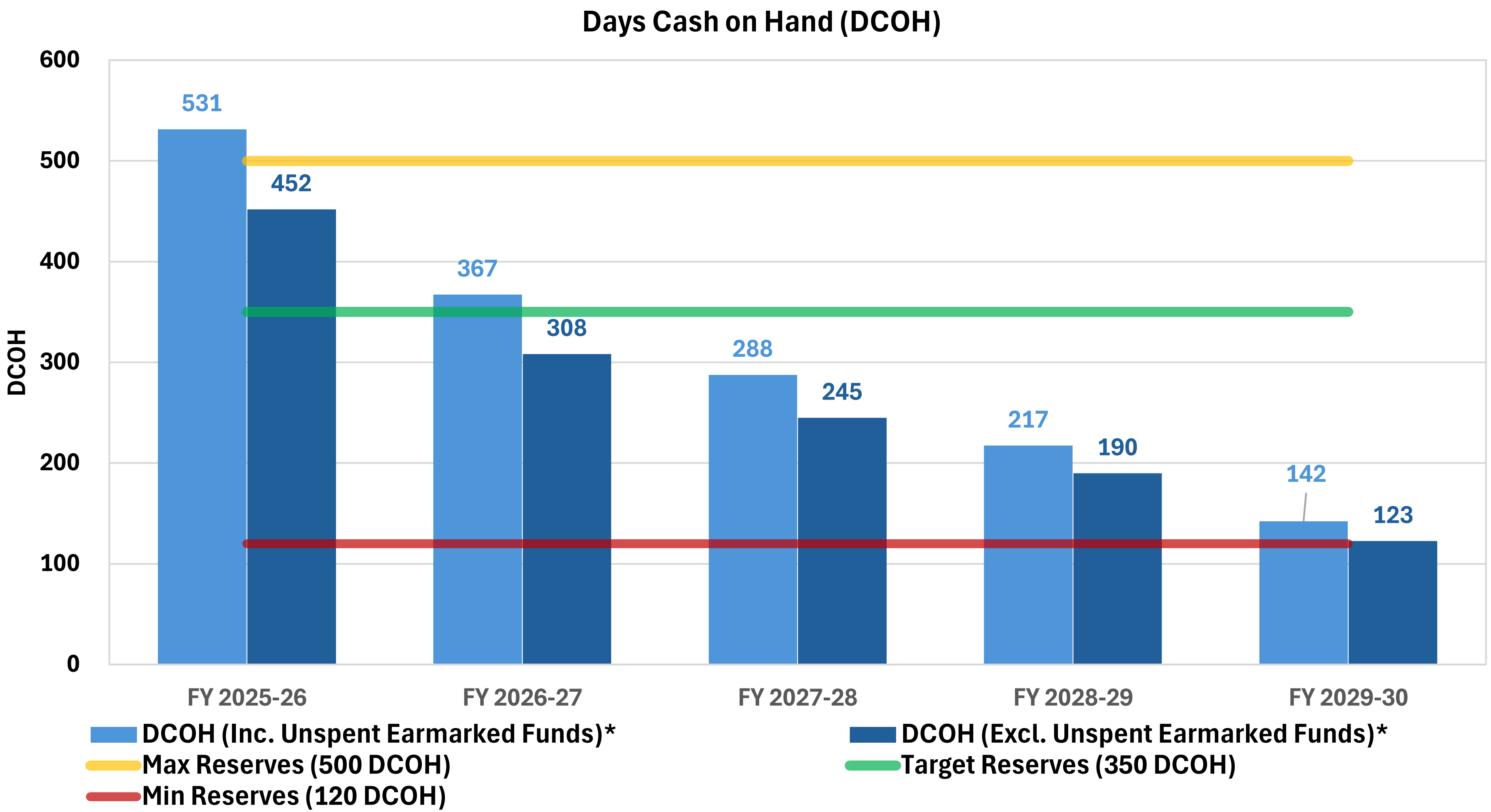


* Source: PG&E 2026 Average Rates, effective January 1, 2026 (Weighted for SVCE Portfolio Load)
** Estimated 2026 rates, based on PG&E Fall Update Errata, effective January 1, 2026 (Weighted for SVCE Portfolio Load)
Above margin analyses ignores minor reductions for franchise fees (0.06 ¢/kWh)

Business-as-Usual Scenario* with Additional Operating Liquidity Assumptions from December

Additional Operating Liquidity Assumptions:

1. Lag in customer uptake of programs
   - $25 million program fund balance remains at the end of the 5-year period - (Beginning of FY 26 unspent program fund balance was ~$100 million)
2. Operational flexibility within operating expenses (other than power supply expenses)
   - $6.5 million a year in expected underrun of other operating expenses



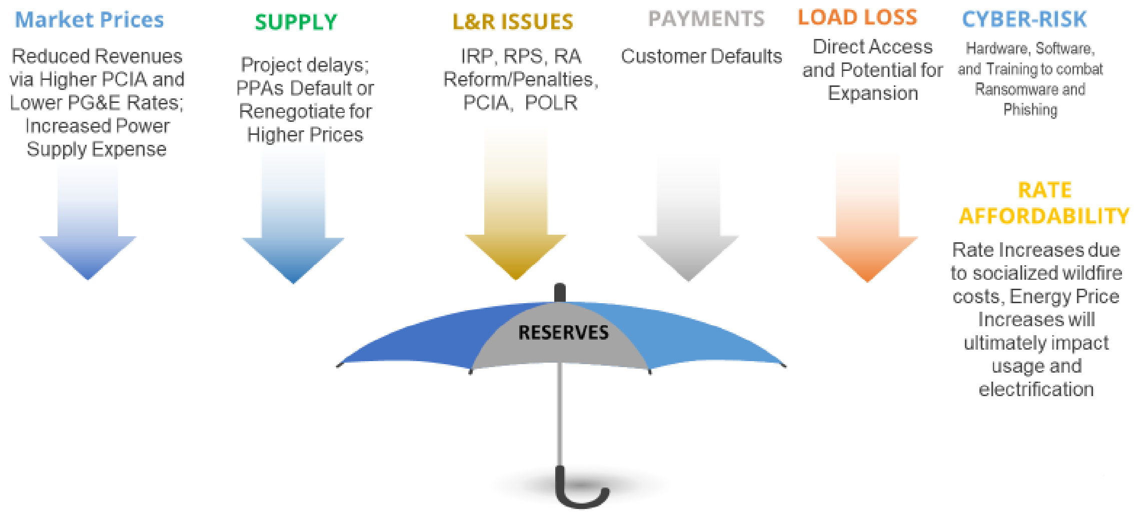
**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

** Business-as-usual here is defined as all SVCE rates set at a competitive advantage to comparable PG&E rates.*

Summary – While Declining Energy Prices Improve FY26 Adjusted Operating Budget, 5-year Financial Outlook Deteriorates Further

- Staff continues the work on Financial Levers Analyses started last year
- Reserves built for such financial outcomes position SVCE well even under the business-as-usual scenario, with reserves over the critical 2-year forecast period remaining above 350 DCOH
- However, if the 5-year expected trend prevails, SVCE will need to adjust the business-as-usual operating scenario, which is the objective of the Financial Levers Analyses
- Staff will conduct additional financial stress test analyses and recommend any updates to the reserve targets in May to the Finance and Admin Committee and in June to the Board

Many Risks can Deplete Reserves



Recommendation

Adopt Resolution 2026-09 Approving the Mid-year 2025-26 Adjusted Operating Budget that projects withdrawing $12.5 million from the reserves.

Thank you! / Questions?

2025-2026 Mid-Year Adjusted Operating Budget

($ in thousands) DESCRIPTION	FY25-26 MID-YEAR ADJUSTED BUDGET
ENERGY REVENUES	
Energy Sales	335,858
Green Prime	2,439
CARE/FERA Bill Credit	(4,163)
Other Income	1,344
TOTAL ENERGY REVENUES	**335,478**
ENERGY EXPENSES	
Power Supply	(311,996)
OPERATING MARGIN	**23,482**
OPERATING EXPENSES	
Data Management	(3,764)
PG&E Fees	(1,569)
Salaries and Retirement	(18,870)
Professional Services	(10,645)
Marketing & Promotions	(2,189)
General & Administrative	(5,647)
TOTAL OPERATING EXPENSES	**(42,684)**
OPERATING INCOME (LOSS)	**(19,202)**
NON-OPERATING REVENUES	
Interest Income	20,272
TOTAL NON-OPERATING REVENUES	**20,272**
NON-OPERATING EXPENSES	
Financing	(166)
TOTAL NON-OPERATING EXPENSES	**(166)**
TOTAL NON-OPERATING INCOME (EXPENSES)	**20,106**
CHANGE IN NET POSITION	**904**
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	
Capital Outlay	(611)
Transfer to Building Fund	(5,500)
Program Fund	(7,251)
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	**(13,362)**
BALANCE AVAILABLE FOR RESERVES	**(12,458)**

5-Year Forecast

Budget View – without additional liquidity assumptions

For forecast years FY25-26 onward:

- **Revenues are based on SVCE's load forecast and CalCCA NewGen Model for SVCE margin analysis using market data as of 1/31/2026**
- **Power Supply Costs are based on updated portfolio positions and latest market data**
- **Operating Expenses are assumed to grow 5% / year**

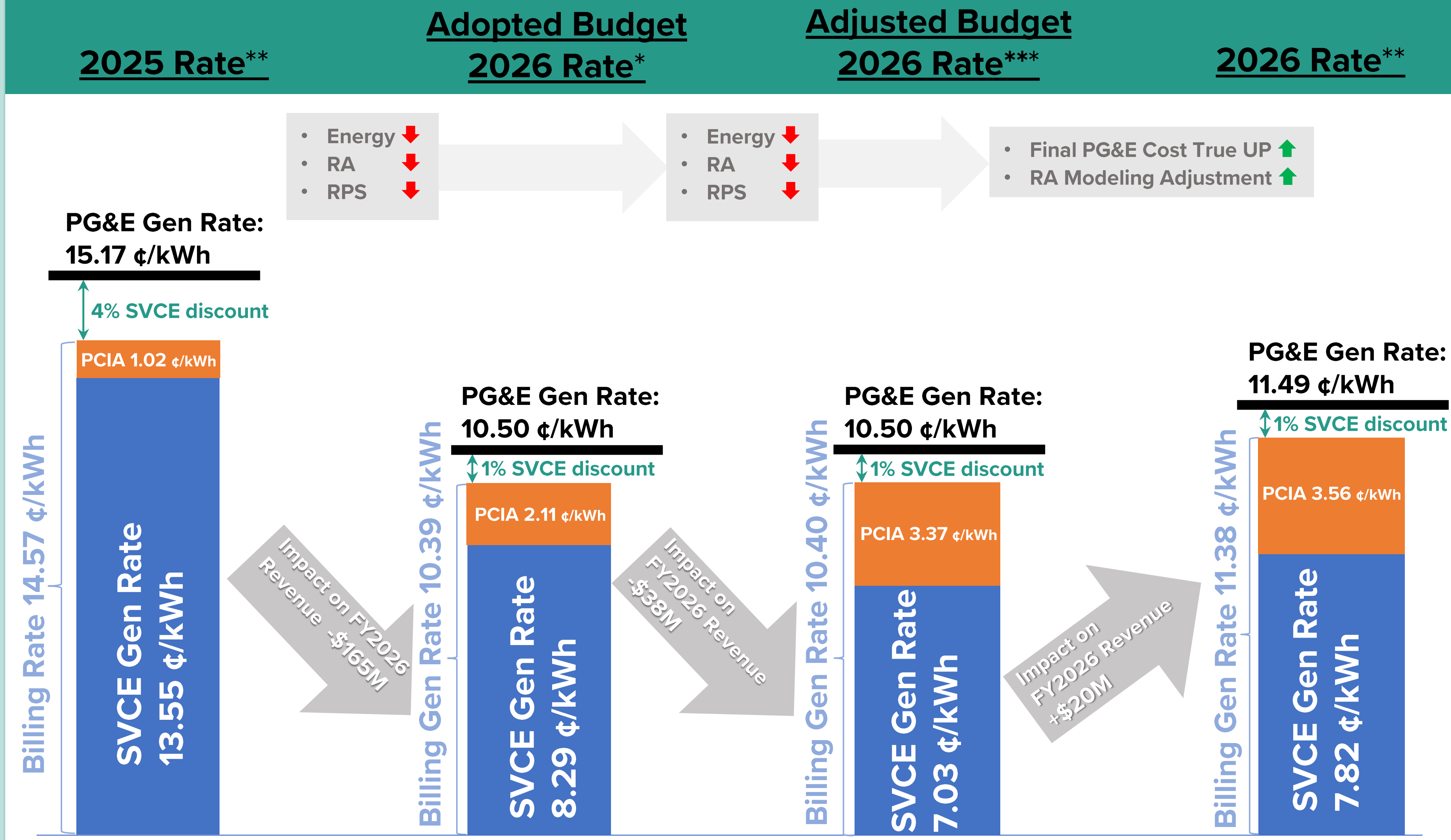
($ in Thousands)	FY 2025-26 (Forecast)	FY 2026-27 (Forecast)	FY 2027-28 (Forecast)	FY 2028-29 (Forecast)	FY 2029-30 (Forecast)
Operating Revenue					
Electricity Sales, Net[1]	$335,858	$238,142	$317,067	$367,680	$390,693
GreenPrime Electricity Premium	$2,439	$2,510	$2,336	$2,309	$2,361
Reduction in Revenue[1]	$(4,163)	$(928)	$0	$0	$0
Other Income	$1,344	$0	$0	$0	$0
Total Operating Revenues	**$335,478**	**$239,724**	**$319,403**	**$369,989**	**$393,054**
Operating Expense					
Power Supply	$(311,996)	$(336,336)	$(356,970)	$(378,051)	$(414,042)
Operating Margin	**$23,482**	**$(96,611)**	**$(37,566)**	**$(8,062)**	**$(20,987)**
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	$(10,645)	$(11,177)	$(11,736)	$(12,323)	$(12,939)
Marketing & Promotions	$(2,189)	$(2,299)	$(2,414)	$(2,534)	$(2,661)
General and Administration	$(5,647)	$(5,537)	$(5,814)	$(6,104)	$(6,410)
Transfers to Programs Fund	$(7,251)	$(4,794)	$(6,388)	$(7,400)	$(7,861)
Total Operating Expenses	**$(361,931)**	**$(385,555)**	**$(410,004)**	**$(434,430)**	**$(473,331)**
Operating Income	**$(26,453)**	**$(145,831)**	**$(90,601)**	**$(64,441)**	**$(80,276)**
Nonoperating Revenue					
Investment Income	$20,272	$15,050	$10,070	$7,568	$5,191
Grant Income	$0	$0	$0	$0	$0
Total Non-Operating Revenues	$20,272	$15,050	$10,070	$7,568	$5,191
Nonoperating Expense					
Financing Cost	$(166)	$(442)	$(788)	$(186)	$(172)
Capital Outlay	$(611)	$(50)	$(50)	$(50)	$(50)
Interest Expense	$0	$0	$0	$0	$0
Total Non-Operating Expense	**$(777)**	**$(492)**	**$(838)**	**$(236)**	**$(222)**
Non-Operating Income	**$19,495**	**$14,558**	**$9,232**	**$7,332**	**$4,969**
Change in Net Position/Available for Reserves	**$(12,458)**	**$(131,273)**	**$(81,369)**	**$(57,109)**	**$(75,308)**
Begin, Net Financial Position	**$585,328**	**$539,673**	**$388,466**	**$290,563**	**$218,250**
Adjustment for Program Expenditure and Building Fund[2]	**$(33,198)**	**$(19,934)**	**$(16,534)**	**$(15,204)**	**$(7,281)**
End, Net Financial Position	**$539,673**	**$388,466**	**$290,563**	**$218,250**	**$135,662**

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 $4.2 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.

Final PG&E Rate Improved SVCE Margins

- Relative to Assumptions in the December Adjusted Budget:
  - PG&E's average 2026 generation rate increased by about 9%
  - PCIA increased from 3.37¢/kWh to 3.56¢/kWh
- Relative to Adjusted Budget, SVCE's 2026 margin improved by about 11%
- The rate changes were effective Jan 1, 2026.

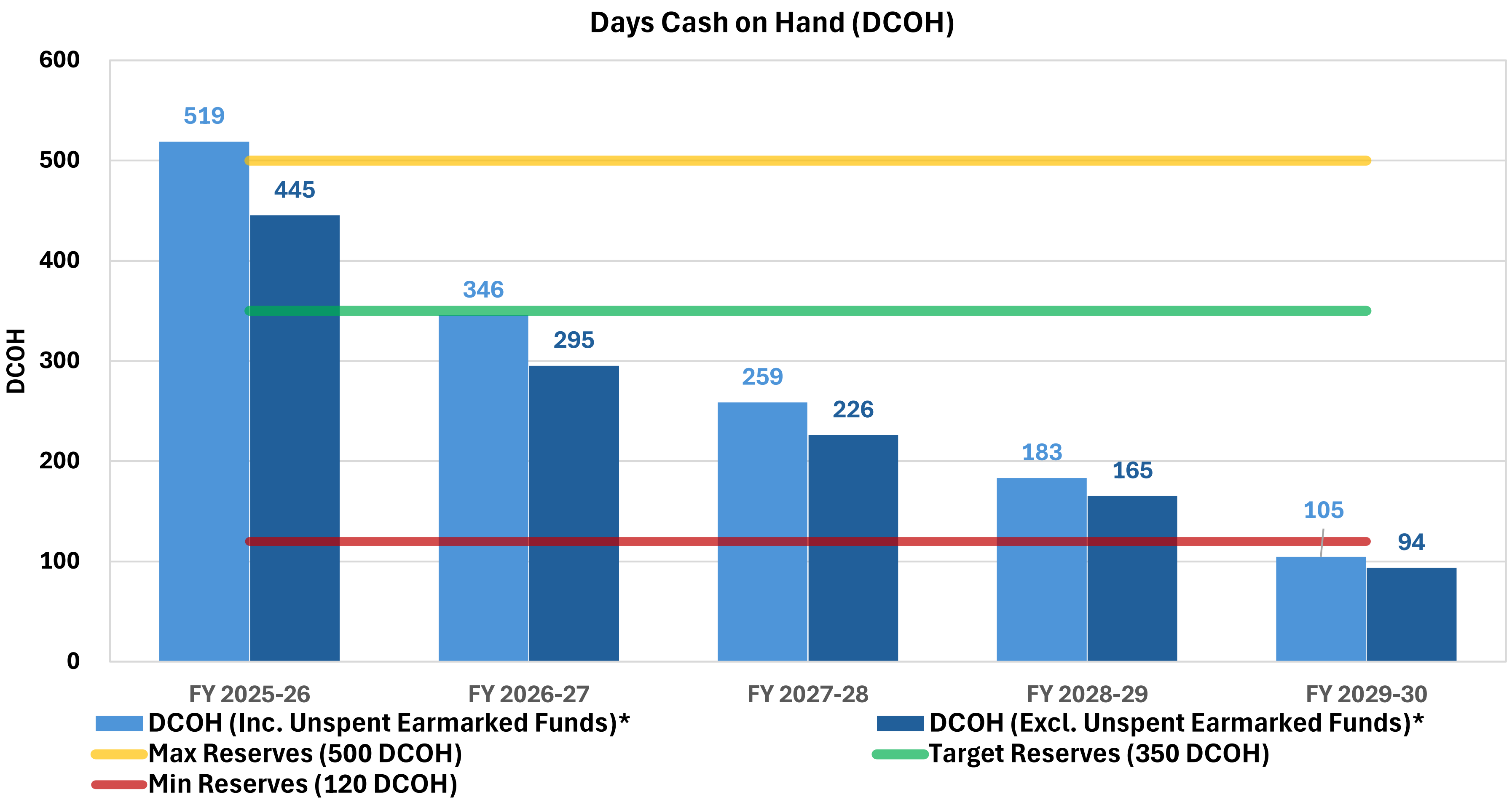


* Source: CalCCA NewGen Model analysis using market data as of 6/27/2025 and estimated CPUC attribute benchmarks for CY 2025-2026 (Weighted for SVCE Portfolio Load)
** PG&E 2025 and 2026 Average Rates, effective January 1, 2025 and January 1, 2026 (Weighted for SVCE Portfolio Load)
*** Estimated 2026 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 (0.06 ¢/kWh)

Reserve Projection Under Business-as-Usual Scenario

Projected End of FY Reserves:

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



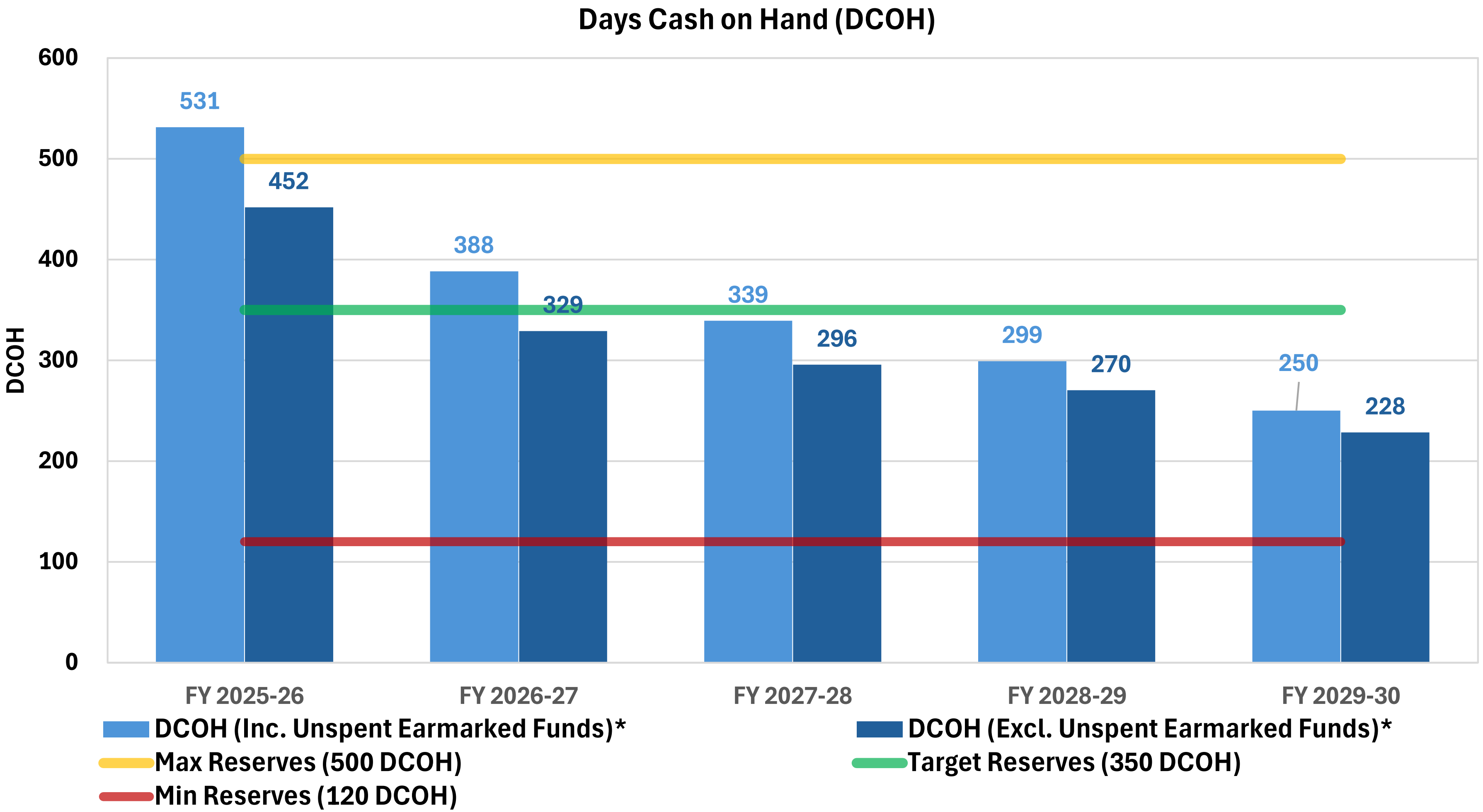
**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

Calendar year 2027 onwards assumes 1% discount is provided as either
1) *Discounts to all customers, or,*
2) *As bill credits to CARE/FERA customers only (and 0% discount to all customers)*

Implementing Rate Premium in 2027 to Keep DCOH Above 250

Recommended Reserve Management Goal: Keep DCOH Above: 250 (under these financial conditions)

On average, SVCE rates would need to be about **7.7%** higher than PG&E starting in **CY 2027** **(no CARE/FERA bill credits)**



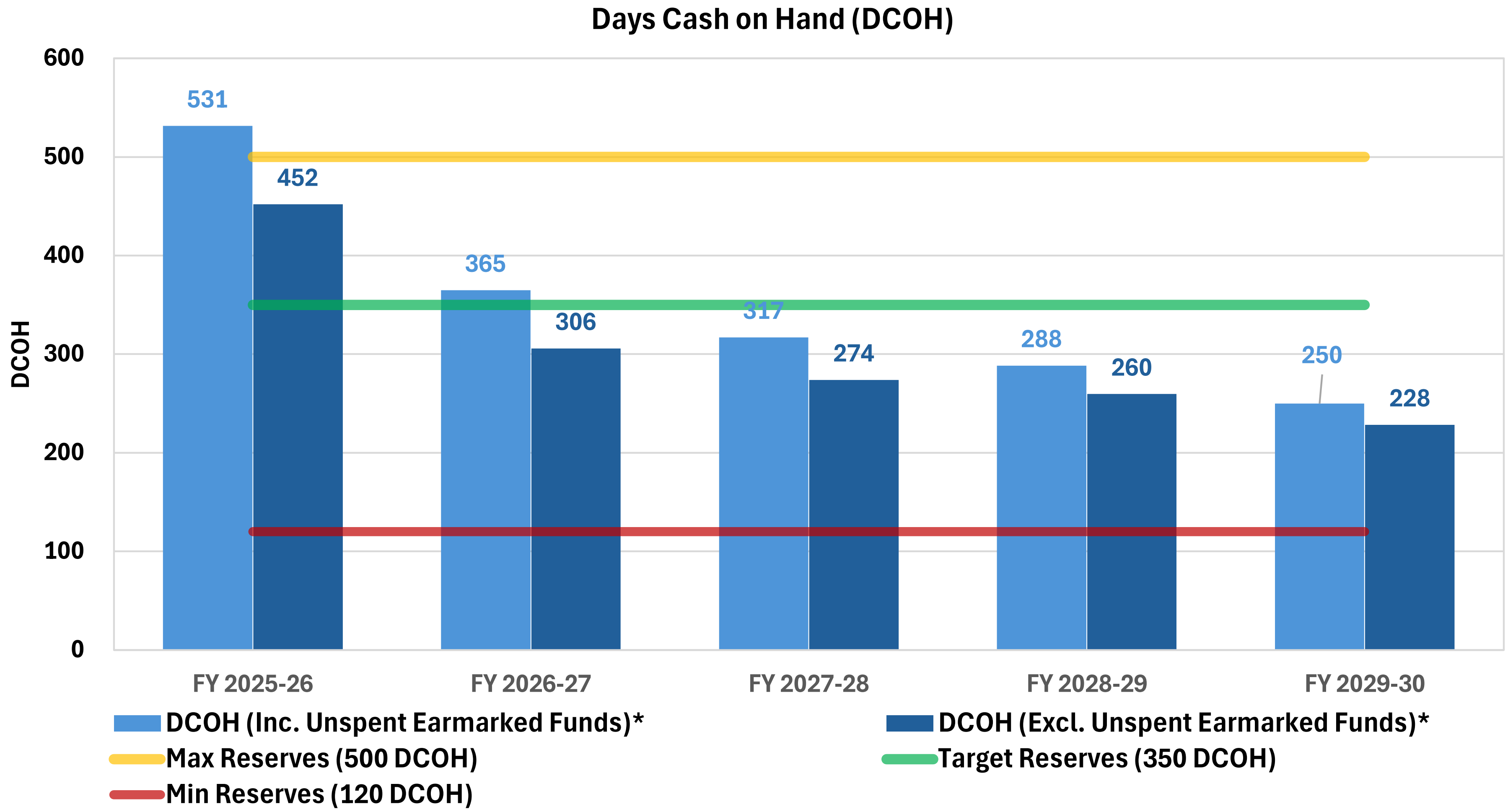
**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

Implementing Rate Premium Starting in 2028 to Keep DCOH Above 250

Recommended Reserve Management Goal: Keep DCOH Above: 250 (under these financial conditions)

On average, SVCE rates would need to be about **10.6%** higher than PG&E starting in **CY 2028 (no CARE/FERA bill credits)**

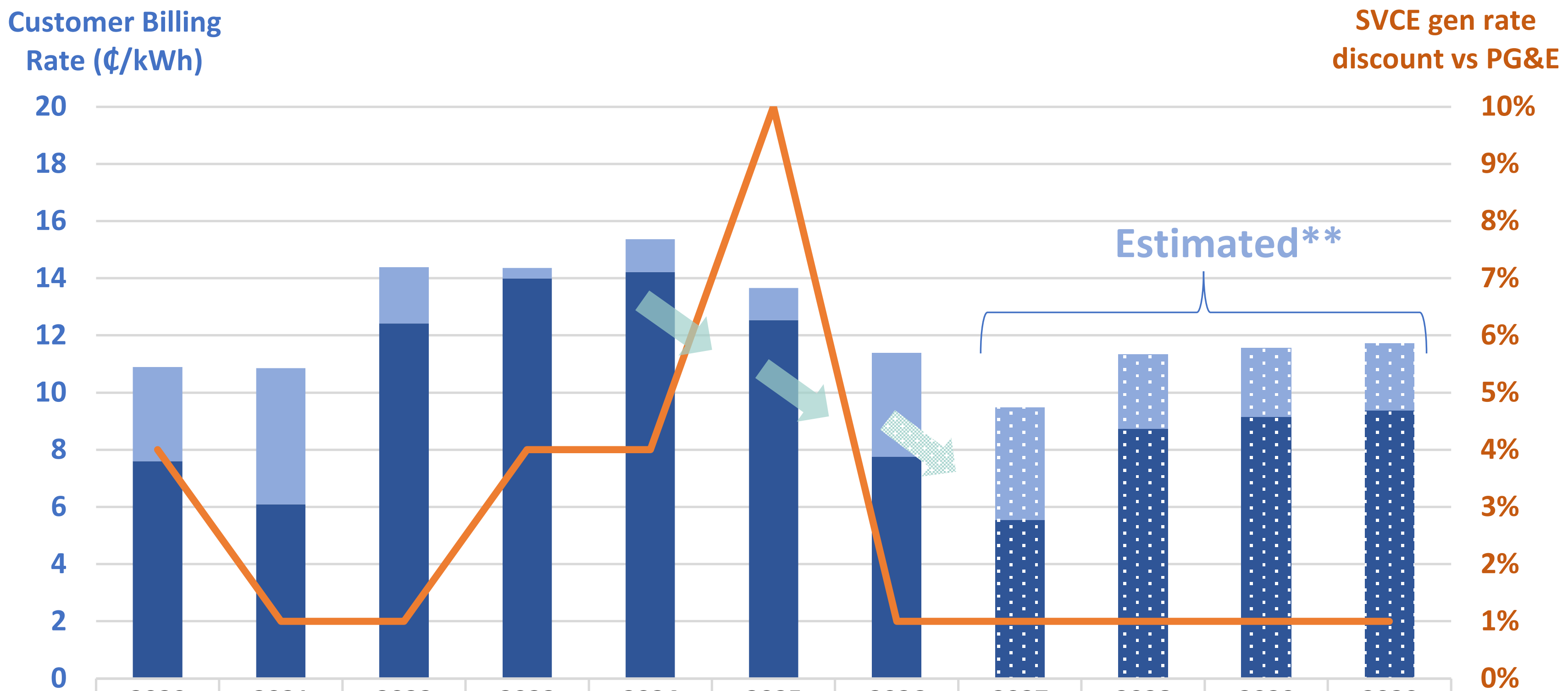
2027 rates at set at 1% discount to PG&E with an additional 1% directed towards CARE/FERA bill credits



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

Average Effective Customer Billing Rates

- 2026 Average Customer Billing Generation Rate decreased 17% Year over Year, inclusive of SVCE One-Time Bill credit disbursement in September 2025
- 2026 SVCE margins decline 38%
- 2027 Estimated Average Customer Billing Generation Rate is expected to decrease further by around 17% Year over Year
- 2027 SVCE margins decline 28%

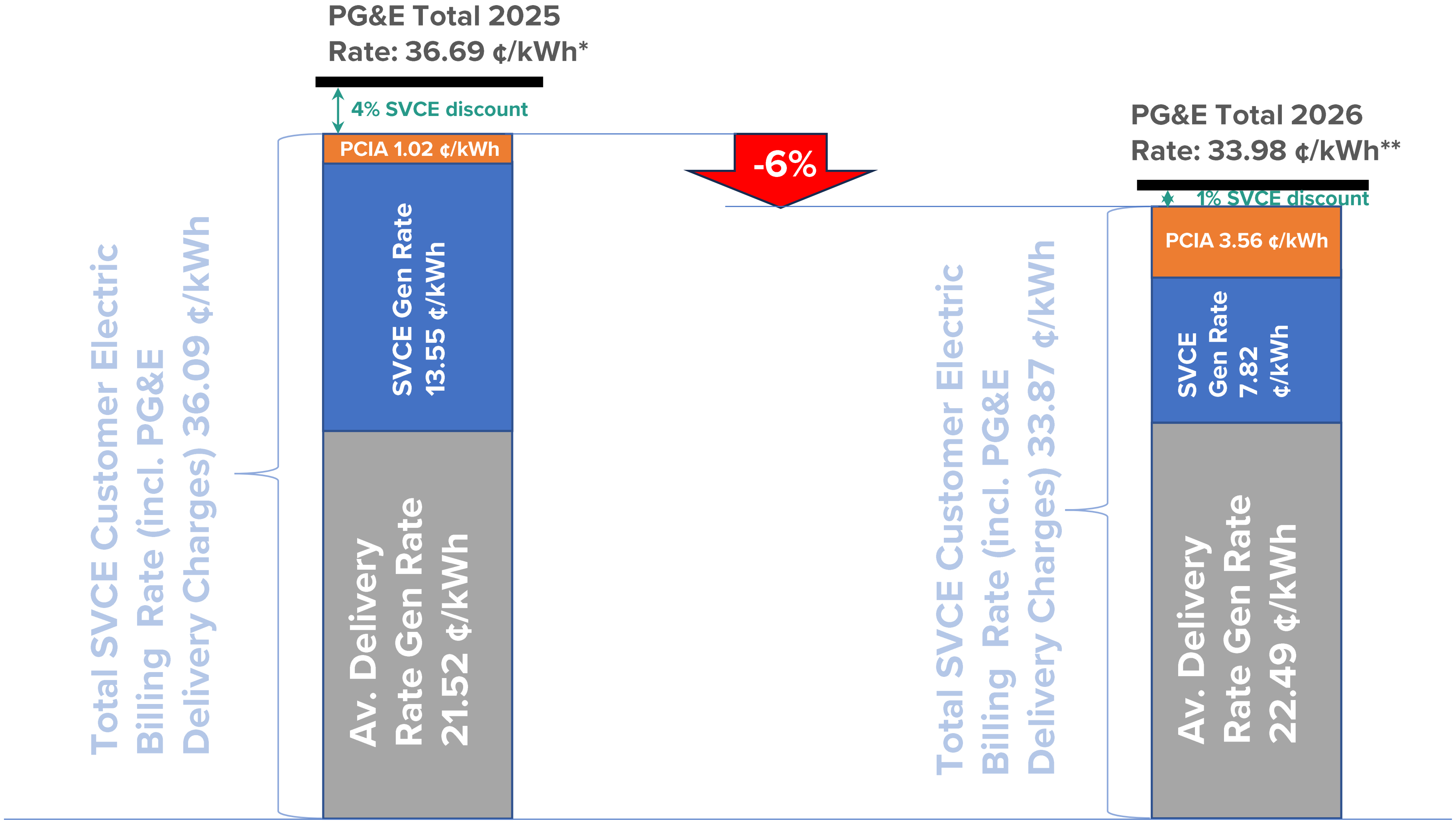


	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PCIA & Franchise Fee* (₵/kWh)	3.29	4.76	1.97	0.37	1.14	1.12	3.62	3.93	2.59	2.39	2.32
SVCE Gen Rate* (₵/kWh)	7.59	6.10	12.41	13.99	14.22	12.53	7.76	5.55	8.74	9.16	9.39
SVCE gen rate discount vs PG&E	4%	1%	1%	4%	4%	10%	1%	1%	1%	1%	1%

**Weighted for SVCE portfolio load. The 10% discount for 2025 includes a one-time bill credit, equal to 6% annual discount (up to $35 million in total additional credits)*
***CalCCA NewGen Model analysis using market data as of 1/30/2026 and estimated CPUC attribute benchmarks for CY 2026-2030 (Weighted for SVCE Portfolio Load)*
SVCE Gen Rate discount excludes CARE/FERA customer discount equal to 1% general discount distributed among CARE/FERA customers

With Estimated PG&E Delivery Rates, Customers' Total Rate Expected to Drop on Average by 6% from 2025 Level

PG&E delivery rate, on average, is estimated to increase by about ~5%



*PG&E 2025 Average Rate, effective January 1, 2025 and estimated total delivery rates as of September 1, 2025 (Weighted for SVCE Portfolio Load)
**Gen rates are estimated based on PG&E Errata (November 6, 2025) and delivery rates are based on PG&E Preliminary Annual Electric True-Up Submittal (November 17, 2025) data for CCA/DA customers.
Above margin analyses ignores minor reductions for franchise fees (0.1 ¢/kWh)

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

	Residential		Res CARE*		Small Commercial		Medium Commercial		Large Commercial	
	2025**	2026***	2025**	2026***	2025**	2026***	2025**	2026***	2025**	2026***
Rate Schedule	E-TOUC	Est. Avg	E-TOUCL	Est. Avg	B-1	B-1	B-10S	B-10S	B-19S	B-19S
PG&E Bundled Gen Rate ($/kWh)	$ 0.1501	$ 0.1184	$ 0.1505	$ 0.1182	$ 0.1510	$ 0.1153	$ 0.1590	$ 0.1221	$ 0.1452	$ 0.1175
SVCE Gen Rate ($/kWh)	$ 0.1323	$ 0.0801	$ 0.1327	$ 0.0798	$ 0.1338	$ 0.0778	$ 0.1409	$ 0.0824	$ 0.1283	$ 0.0800
PG&E Delivery Rate ($/kWh)	$ 0.2766	$ 0.2813	$ 0.1078	$ 0.1169	$ 0.2886	$ 0.2989	$ 0.2085	$ 0.2304	$ 0.1637	$ 0.1913
PG&E PCIA/FF ($/kWh)	$ 0.0118	$ 0.0372	$ 0.0118	$ 0.0372	$ 0.0112	$ 0.0364	$ 0.0117	$ 0.0384	$ 0.0111	$ 0.0363
Total Electricity Cost ($/kWh)	$ 0.4207	$ 0.3985	$ 0.2523	$ 0.2339	$ 0.4336	$ 0.4131	$ 0.3611	$ 0.3512	$ 0.3031	$ 0.3075
SVCE CARE/FERA Monthly Credit*	$ -		$ (17.50)	$ (12.00)						
Est. Average Usage (kWh/month)	491	491	491	491	1,851	1,851	22,540	22,540	148,625	148,625
SVCE Gen Rate Discount vs PG&E**	4%	1%	~28%*	~24%*	4%	1%	4%	1%	4%	1%
Est. Av. Monthly Savings vs PG&E**	$ 2.95	$ 0.58	$ 20.46	$ 12.58	$ 11.18	$ 2.13	$ 143.58	$ 27.51	$ 865.00	$ 174.56
Av. Monthly Cost at SVCE Gen Rate*	$ 206.56	$ 195.67	$ 106.38	$ 102.85	$ 802.58	$ 764.60	$ 8,140.10	$ 7,916.03	$ 45,048.24	$ 45,705.98
Av. Monthly Cost at PG&E Gen Rate*	$ 209.51	$ 196.25	$ 126.84	$ 115.43	$ 813.76	$ 766.74	$ 8,283.68	$ 7,943.55	$ 45,913.24	$ 45,880.54

*Estimated, based on average historic SVCE usage for corresponding customer class.

**Estimated, based on current PG&E 2025 rates as of September 1, 2025 and SVCE 2025 rates as of May 1st, 2025. Excludes One-Time Bill Credit distributed in Sept. 2025, equal to approx. 6% annual discount.

***Gen rates and T&D rates are based on PG&E Annual Electric True-Up Submittal (Advice 7797-E, released on December 30, 2025) data for CCA/DA customers.

Total CARE/FERA bill discount (including T&D) vs average residential customer, assuming the same usage (491 kWh/month) is about 48%.

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

Delivery rates are estimated to increase approximately 5% Y-o-Y (load weighted for SVCE customer portfolio)

Operating Expenses

FY25-26 Adjusted Budget	MY25-26 Mid-Year Budget Updates
• Data Management Fees • $3.8M	• Unchanged
• Billing (PG&E Fees) • $1.6M	• Unchanged
• Staffing (Salaries & Retirement) • $18.9M	• Unchanged
• Professional Services • $10.7M	• $257k lower due to lower-than-expected software and consultant fees
• Marketing & Promotions • $2.2M	• $158k lower due to lower-than-expected vendor fees
• G&A / Lease • $5.6M	• $95k lower due to lower maintenance fees, lower monthly rent for current office, and reduced property taxes for new office building going forward, as the property tax exemption was recently approved by the city.

CARE and FERA Customer Eligibility Criteria

CARE Income Guidelines
(valid through May 31, 2026)

Number of people in household	Total gross annual household income
1-2	$42,300 or less
3	$53,300 or less
4	$64,300 or less
5	$75,300 or less
6	$86,300 or less
7	$97,300 or less
8	$108,300 or less
9	$119,300 or less
10	$130,300 or less
Each additional person, add	$11,000

*Before taxes and based on all current income sources.

Eligible low-income customers who are enrolled in the CARE program receive around 40% discount (not including additional SVCE discount and bill credits) on their total electric bills and a 20% discount on their natural gas bills.

FERA Income Guidelines
(valid through May 31, 2026)

Number of people in household	Total gross annual household income*
1-2	$42,301 - $52,875
3	$53,301 - 66,625
4	$64,301 - $80,375
5	$75,301 - $94,125
6	$86,301 - $107,875
7	$97,301 - $121,625
8	$108,301 - $135,375
9	$119,301 - $149,125
10	$130,301 - $162,875
Each additional person, add	$11,000 - $13,750

*Before taxes and based on all current income sources.

FERA offers an 18% discount on total electric rates but not on gas rates. CARE and FERA share one application. If applicants do not qualify for CARE, they might still qualify for FERA.

Eligibility for California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) is based on household income and size.

For CARE, eligibility can also be obtained through enrollment in one of the qualifying public assistance programs*

* To qualify through other public assistance programs:
Someone in a household must take part in any of the following public assistance programs:

- Low Income Home Energy Assistance Program (LIHEAP)
- Women, Infants, and Children (WIC)
- CalFresh/SNAP (Food Stamps)
- CalWORKs (TANF) or Tribal TANF
- Head Start Income Eligible (Tribal Only)
- Supplemental Security Income (SSI)
- Medi-Cal for Families (Healthy Families A & B)
- National School Lunch Program (NSLP)
- Bureau of Indian Affairs General Assistance
- Medicaid/Medi-Cal (under age 65)
- Medicaid/Medi-Cal (age 65 and over)*

Reserve Target Definitions

Current Reserve Targets:

- Minimum Reserve Level: **120 DCOH**
  - If reserves fall below the minimum level, develop plans to restore them to the minimum level within two fiscal years.
- Reserve Goal: **350 DCOH**
  - No action required if the reserves are above the minimum and below the maximum levels.
- Maximum Reserve Level: **500 DCOH**
  - If reserve funds are projected to exceed the maximum level, present the Board of Directors with options for disposition of those reserves during the next budget cycle.

FY25-26 Budget Development Timeline

Budget Framework

June
Discuss the high-level budget framework and stress analysis with the **Finance and Admin Committee**

June
Present the stress test analysis to the **BOD**

Full-Year Update

August
Review the draft budget with the **Finance & Admin Committee**

August
Present the draft budget to the **BOD** for review and feedback

September
Present to the **BOD** the budget, incorporating any feedback received in August

Oct 1st
Fiscal Year Start

"Adjusted December Budget"

November
Review adjustments to the budget to reflect updates to PCIA and PG&E gen rate assumptions with the **Finance and Admin Committee**

December
Present the adjusted budget to the **BOD** for approval

"Mid-Year Budget"

February
Review the mid-year budget with the **Finance and Admin Committee**

March
Present the mid-year budget to the **BOD** for approval

Glossary

- **RPS** – Renewable Portfolio Standard - The RPS program requires investor-owned utilities (IOUs), publicly owned utilities (POUs), electric service providers (ESPs), and community choice aggregators (CCAs) to increase procurement from eligible renewable energy resources to 60% of total procurement by 2030. RPS eligible resources include solar, wind, small hydro, biomass, and geothermal.
- **RA** – Resource Adequacy - Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—including investor-owned utilities (IOUs), electric service providers (ESPs), and community choice aggregators (CCAs)—to demonstrate in both monthly and annual filings that they have purchased capacity commitments to contribute their share of system reliability.
- **MTR** – Mid-Term Reliability – Procurement order issued by the CPUC to focus on securing sufficient online resources to ensure reliability through at least 2028.
- **PCIA** – Power Charge Indifference Adjustment - Designed to recover the above-market cost of long-term power purchased on behalf of customers who later departed the IOU to be served by a CCA. The calculation methodology is set by the CPUC, and the amount is calculated annually, with vintages set for each year of customer departures.
- **OIR** –Order Instituting Rulemaking - A procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by a vote of the five Commissioners of the CPUC.
- **ERRA** – Energy Resource Recovery Account - ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs and only recover actual costs. The costs are forecast for the year ahead, and actual costs are retroactively trued-up via balancing accounts.
- **MPBs** – Market Price Benchmarks - estimated values per unit associated with key components of energy portfolios, such as the Energy Index, Renewable Portfolio Standard (RPS) Adder, and Resource Adequacy (RA) Adder.

Financial Levers Update: Scenario Modeling and Reflecting Feedback

Justin Zagunis and Monica Padilla
Board of Directors
March 2026

SILICON VALLEY CLEAN ENERGY

Today we are seeking additional feedback on scenario design and key datapoints

Oct 2025
Exec Committee

Dec 2025
Board
(introduction to concepts)

Dec 2025
Board Study Session
(initial feedback on values and priorities)

Feb/Mar 2026
Exec Committee
Finance & Admin
Board
(specific modeled scenario)

May/Jun 2026
Exec Committee
Finance & Admin
Board
(final decisions on preferred approach)

Sep 2026+
Board (if needed, incorporate in budget)

**Timeline subject to change*

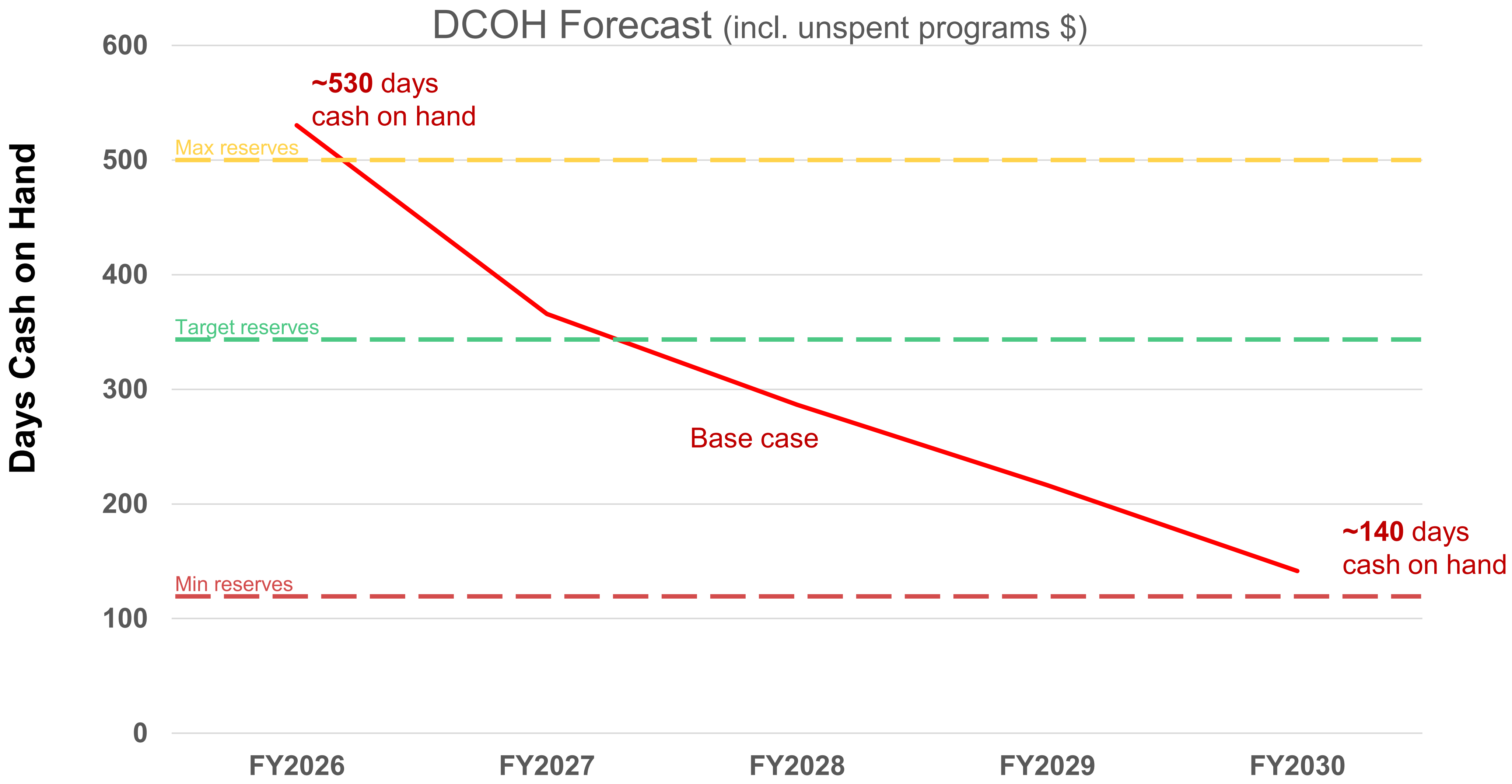
Agenda

- Recap from December
- Review key numbers
- Example scenario and questions
- Next steps
- Discussion

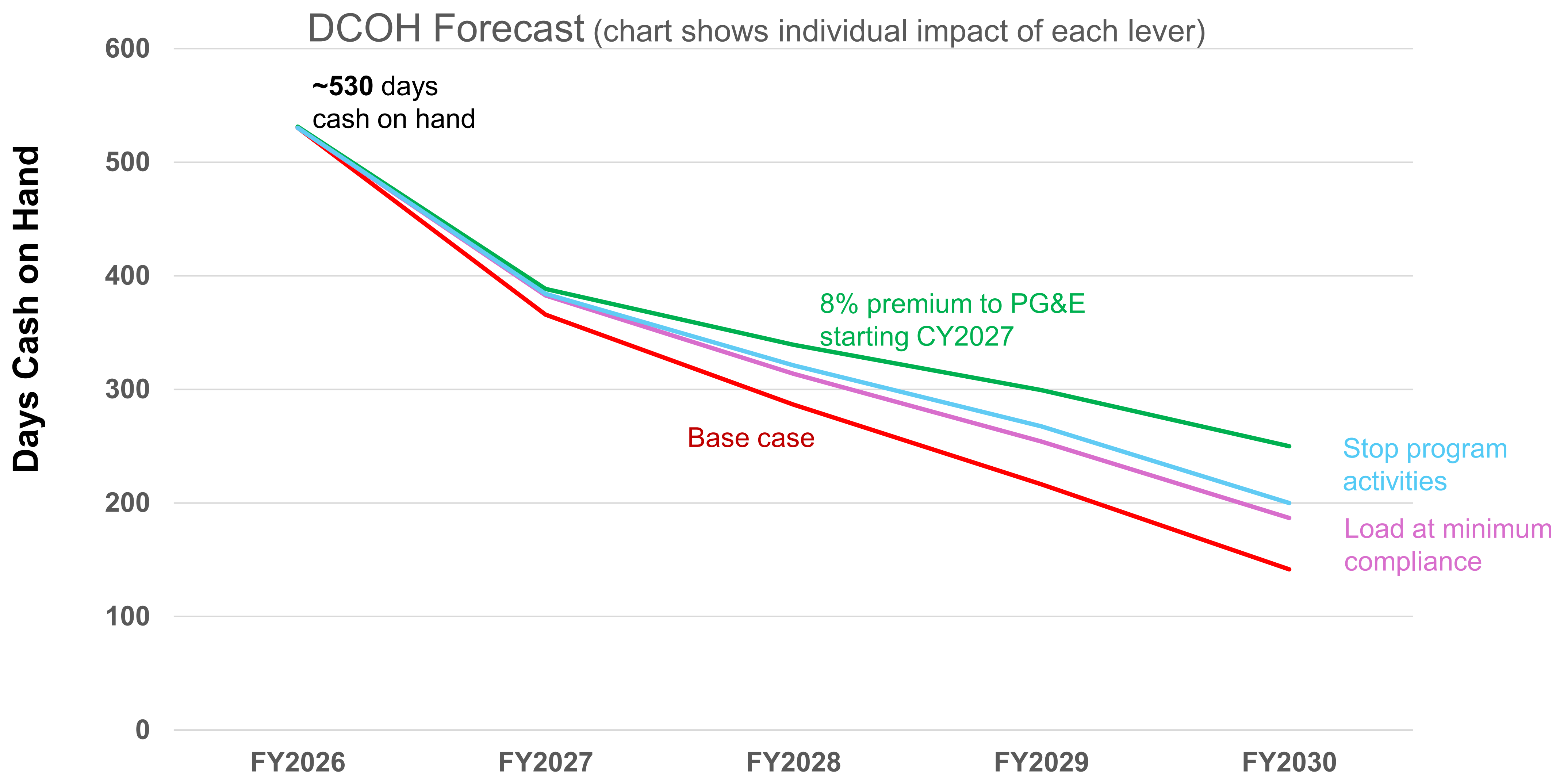
Today, staff is seeking input on:

- have we captured the board's feedback?
- board's thoughts on the scenario and framing/questions
- additional info/data desired for next discussion

RECAP: forecast shows reserves drawdown, with DCOH estimate dropping further since December

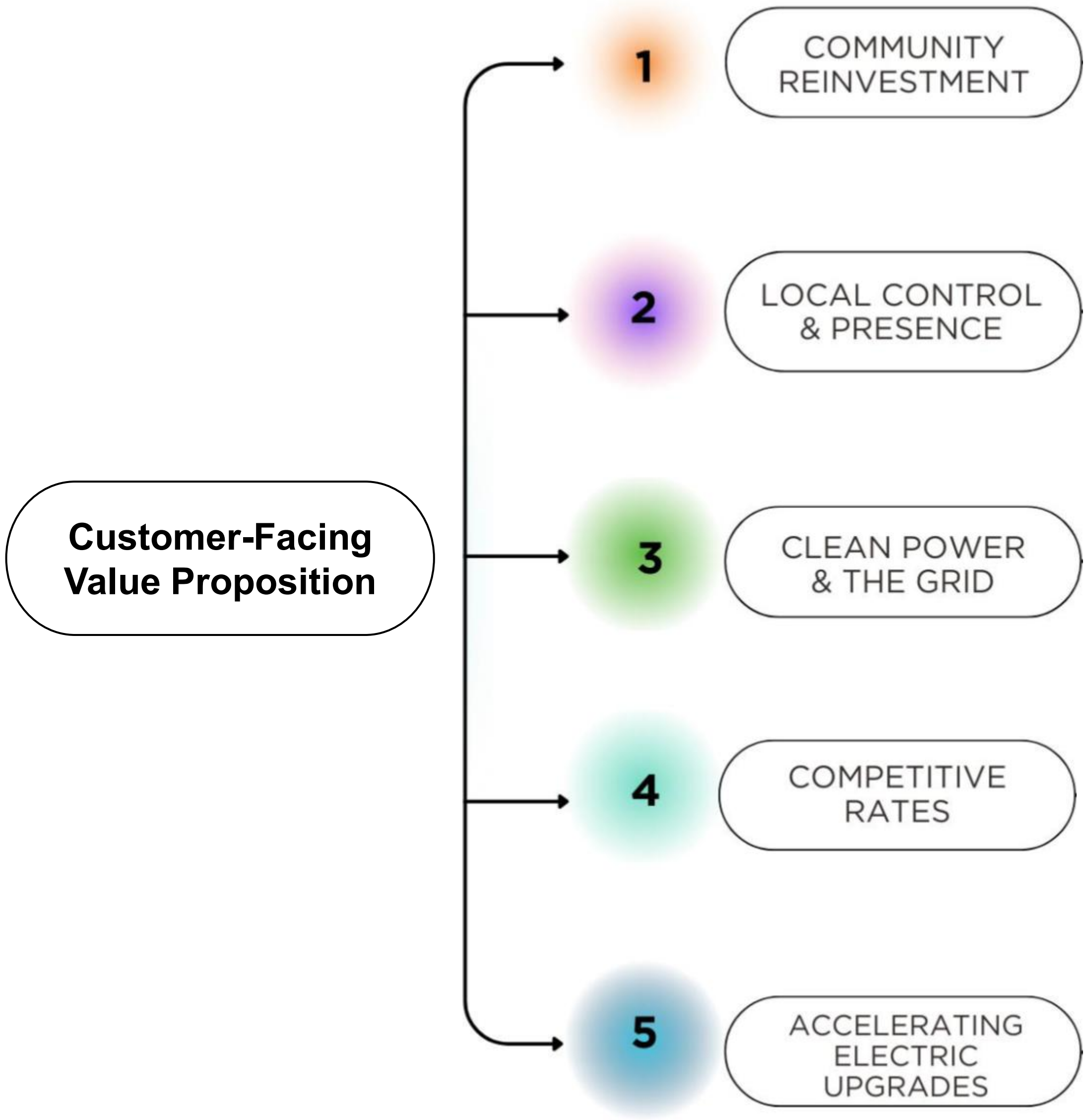


RECAP: there are many options (levers) to reduce the pull from reserves

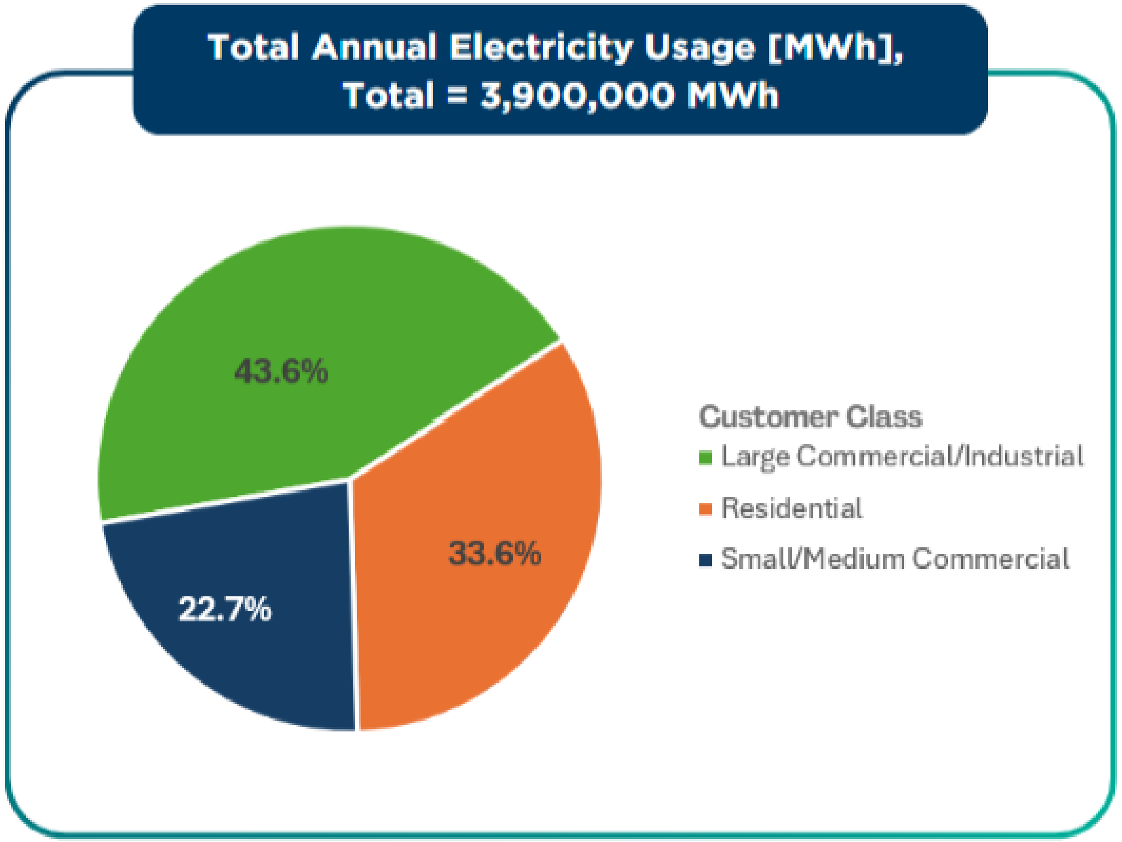


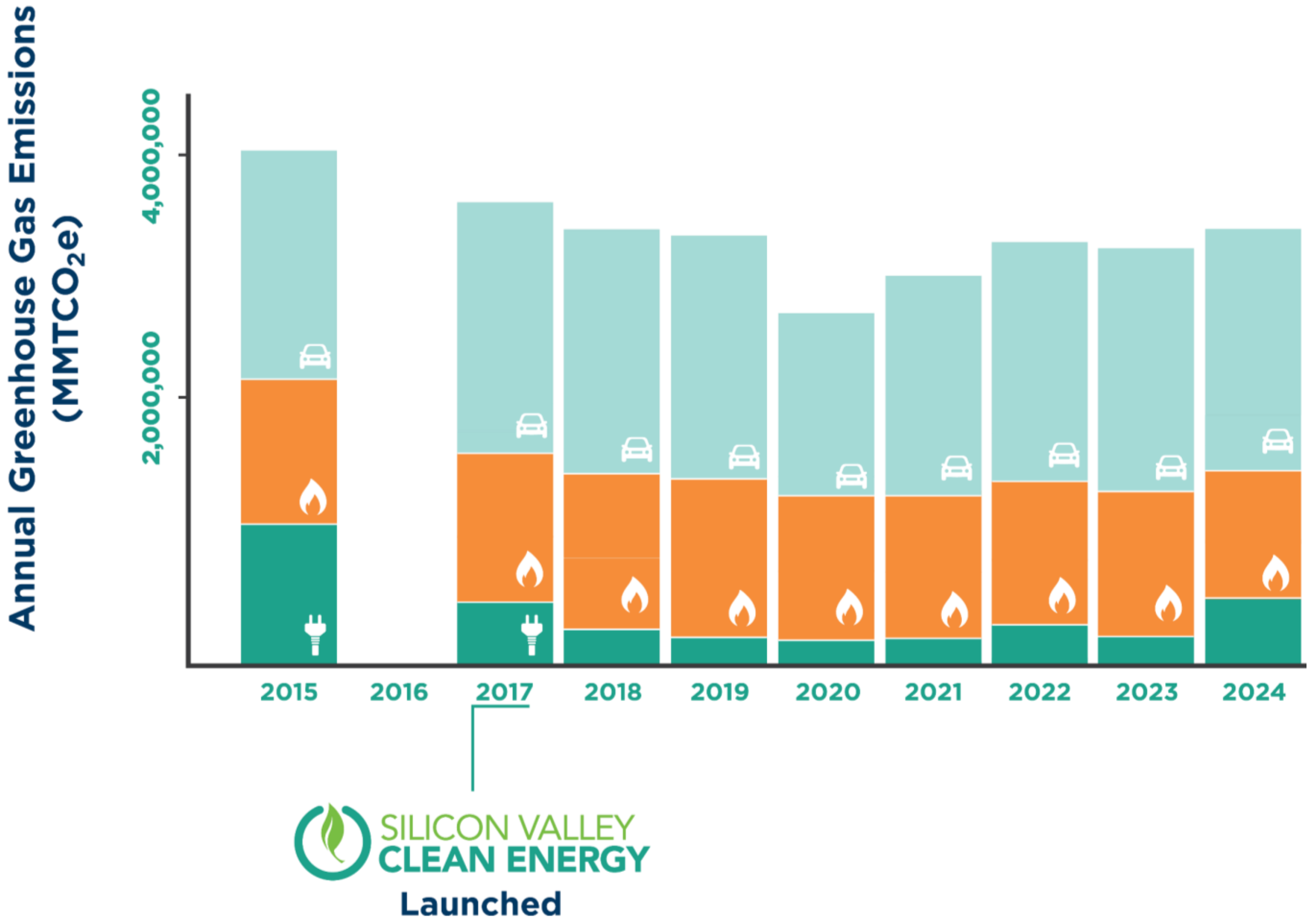
Recap: SVCE Value Proposition

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

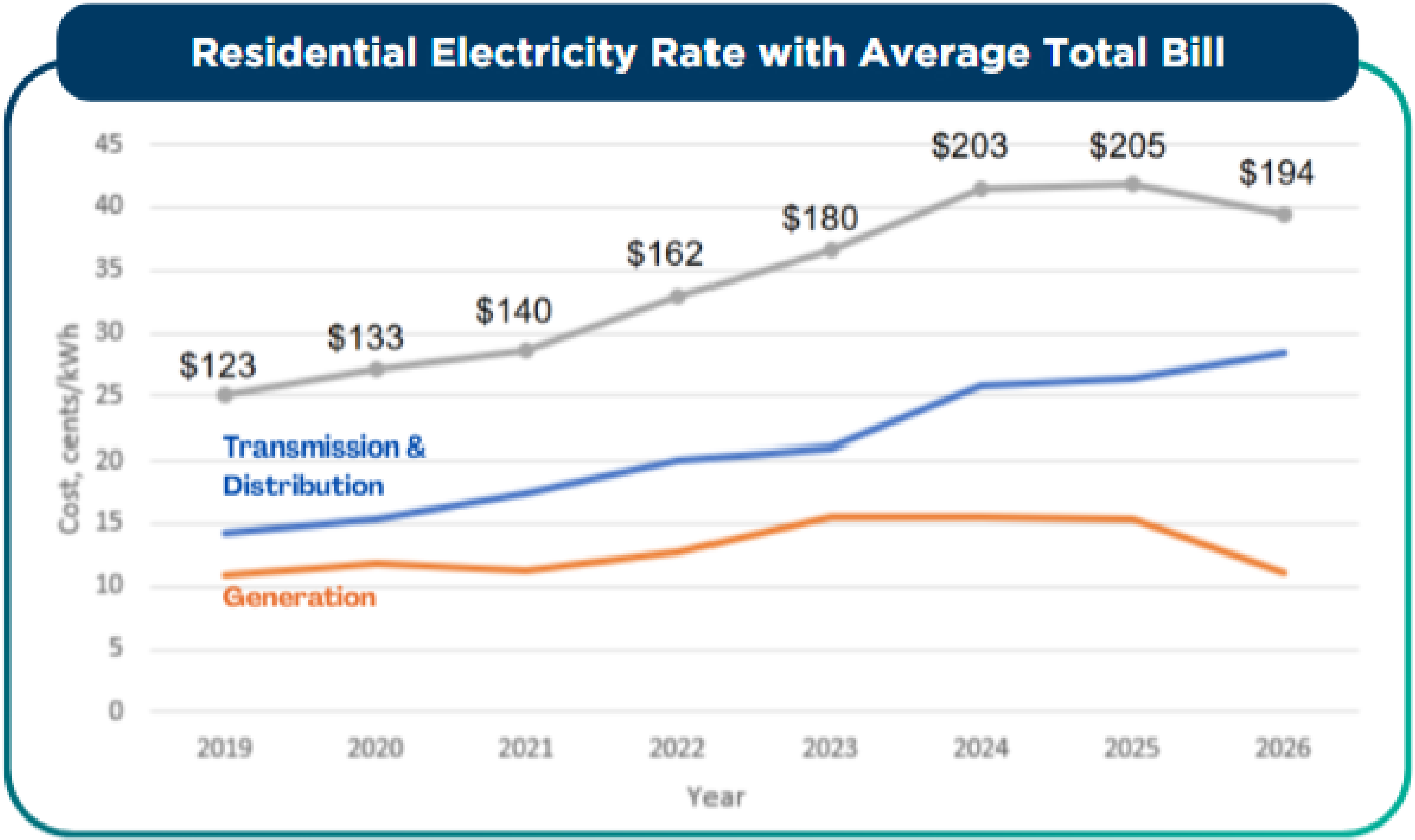


RECAP: load and emissions info





RECAP: customer rate info



In 2026, Generation (SVCE's charge plus PCIA and fees) makes up **only ~25%** of the total electricity bill

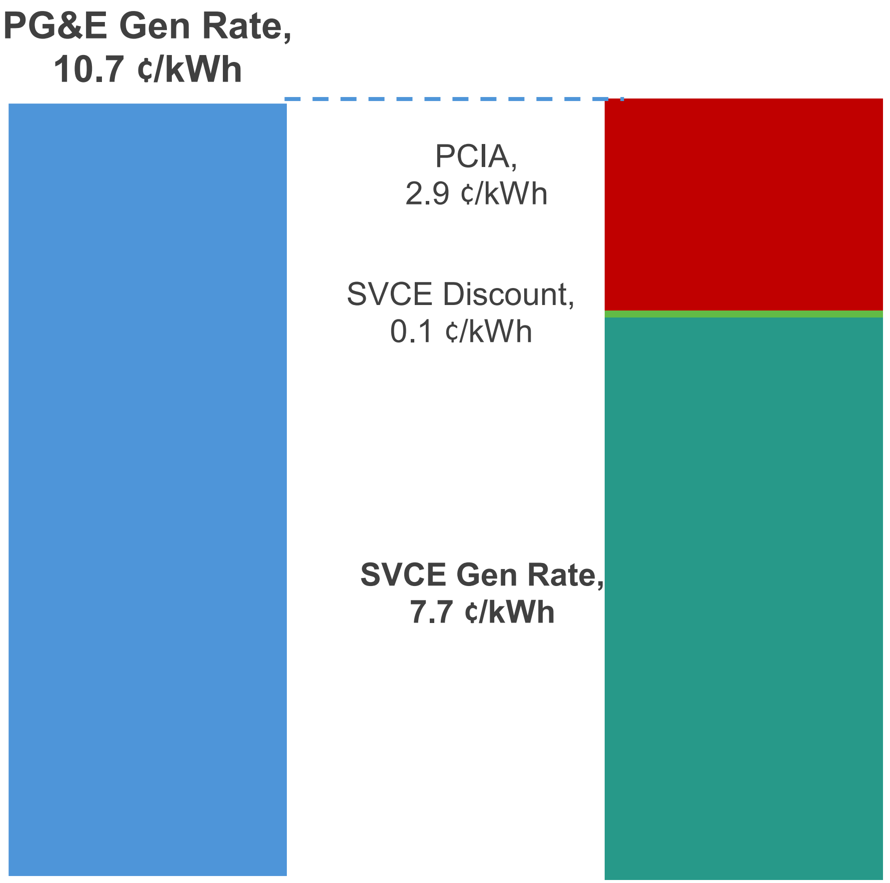
RECAP: some top-level input from board, from December

- A balanced approach is a good one
- Support customer choice and simplicity
- SVCE's mission is focused on emissions
- Strongly interested in remaining cheaper than PG&E
- Community investments drive most positive associations
- New steel-in-ground is most impactful (power supply and decarb)
- Want to be innovative but not at "bleeding edge"

Revisiting revenues and costs

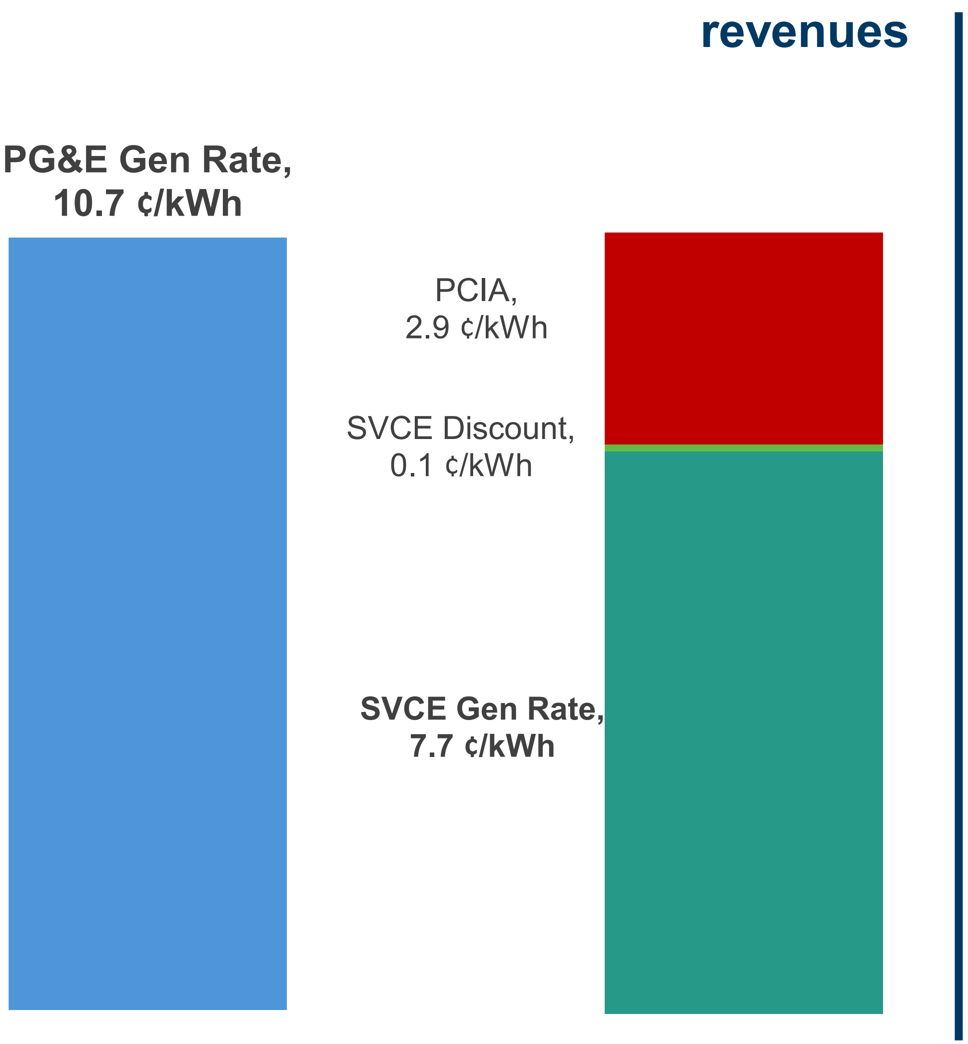
For FY2027 through FY2030

Revisiting revenues and costs



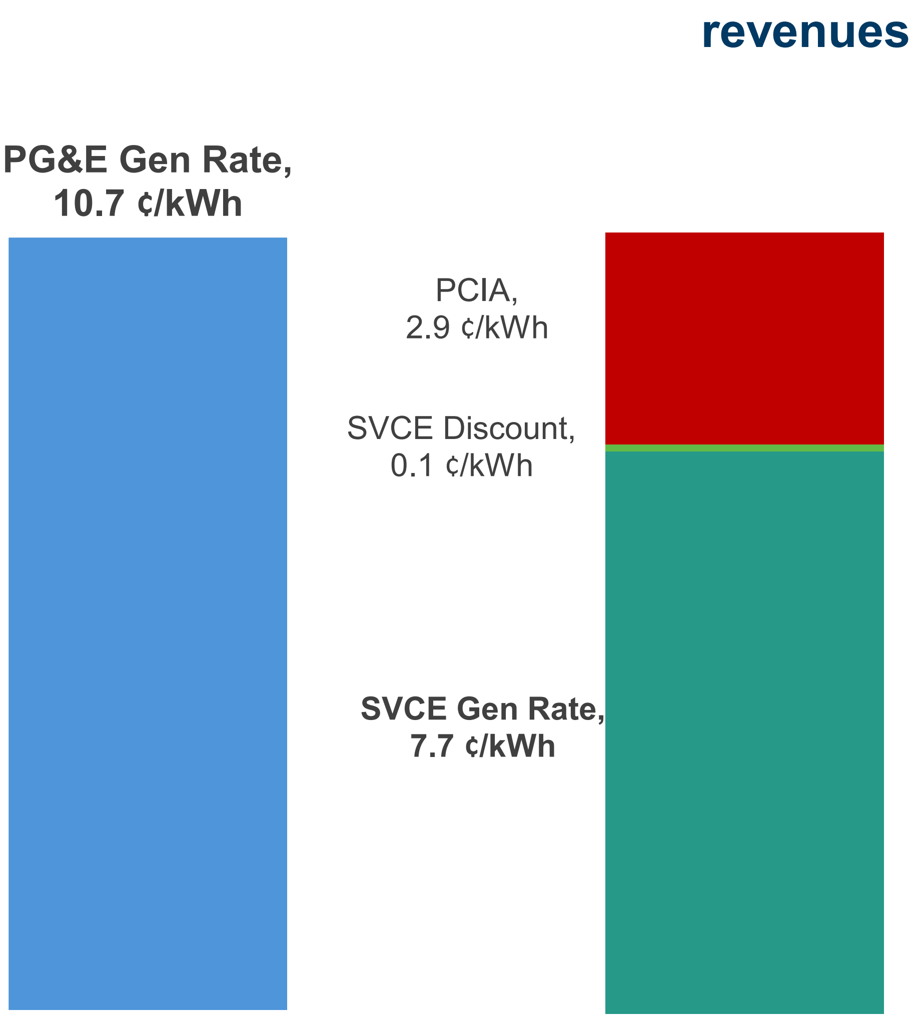
For FY2027 through FY2030

Revisiting revenues and costs



For FY2027 through FY2030

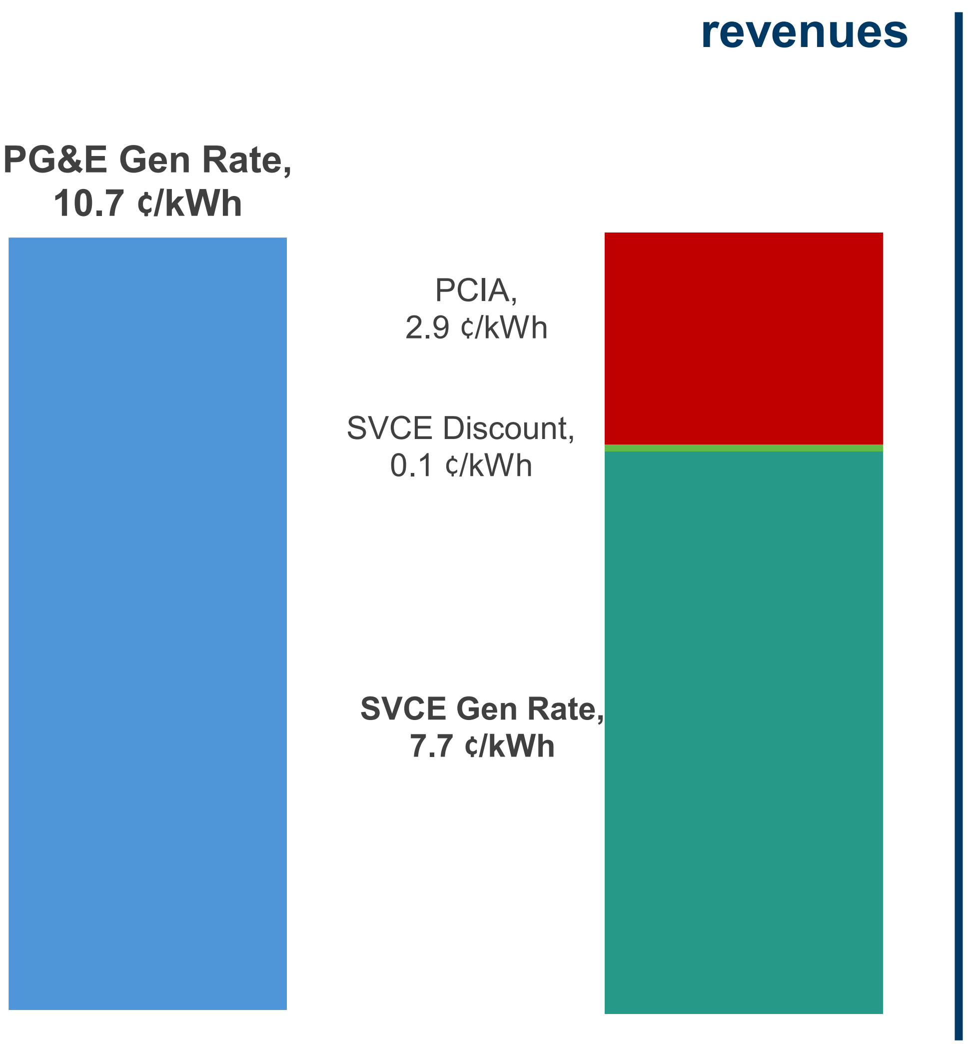
Revisiting revenues and costs

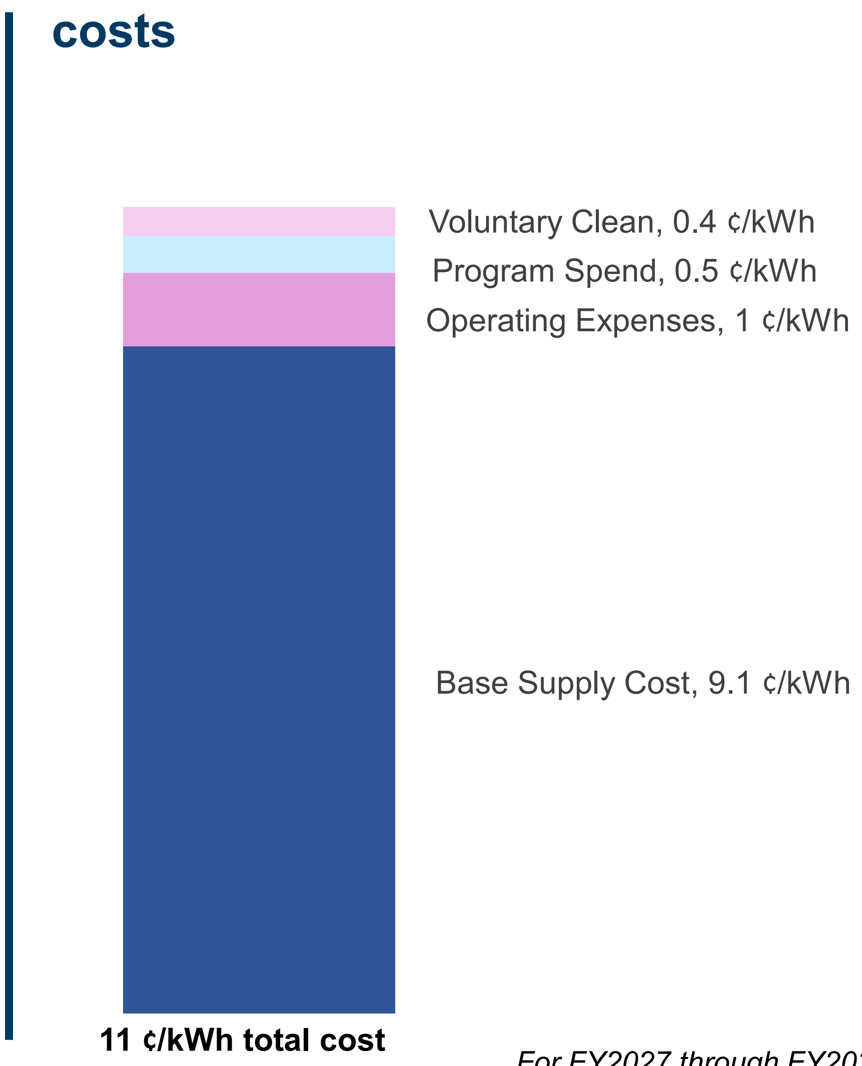


costs

For FY2027 through FY2030

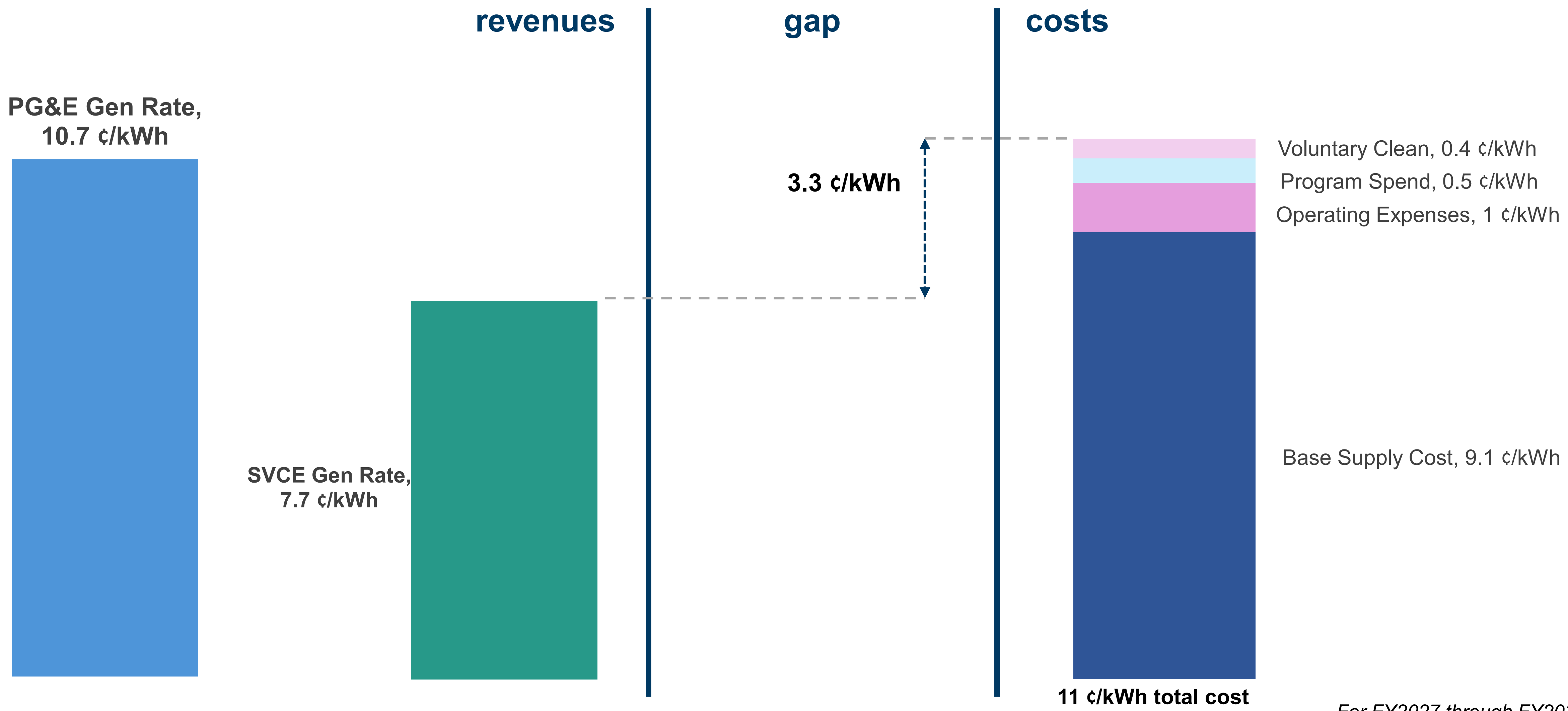
Revisiting revenues and costs





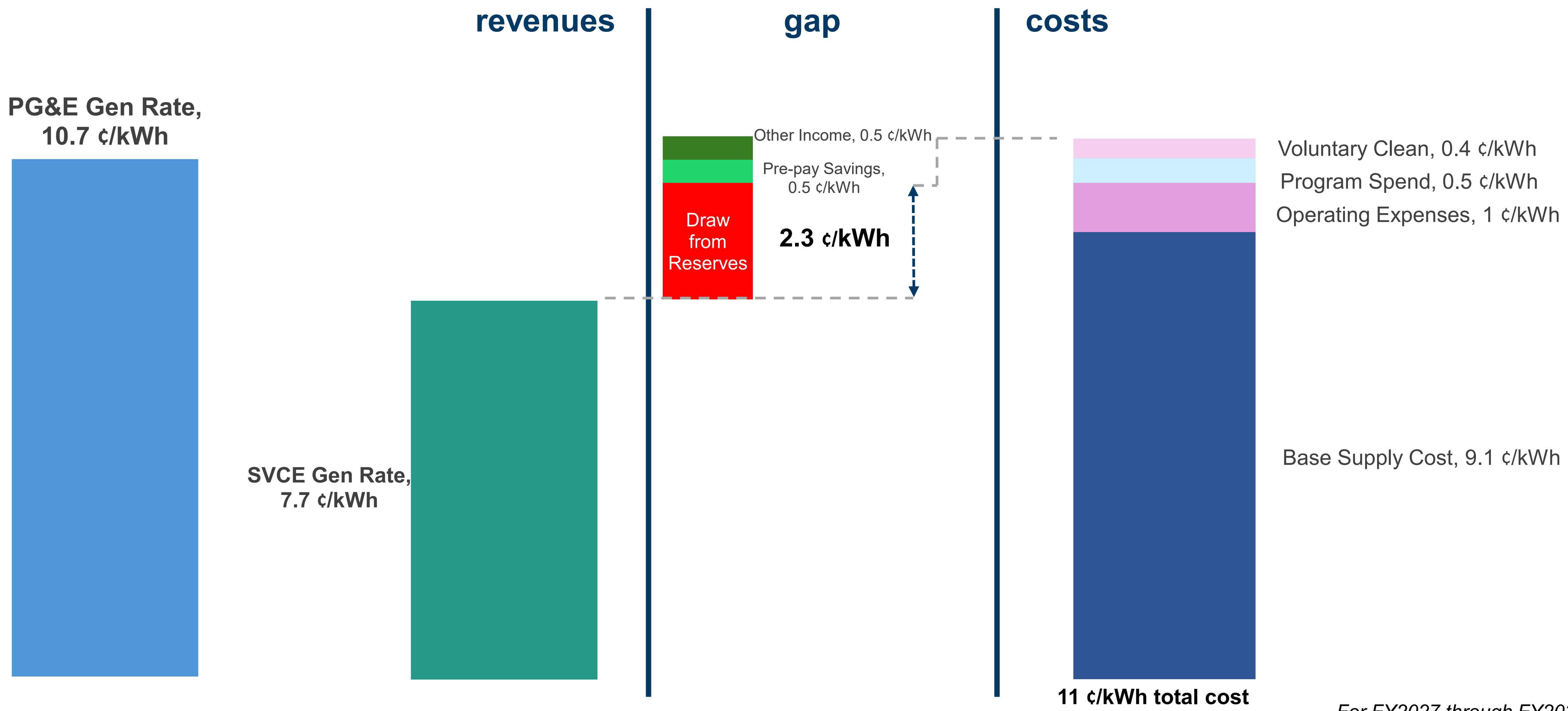
For FY2027 through FY2030

Revisiting revenues and costs



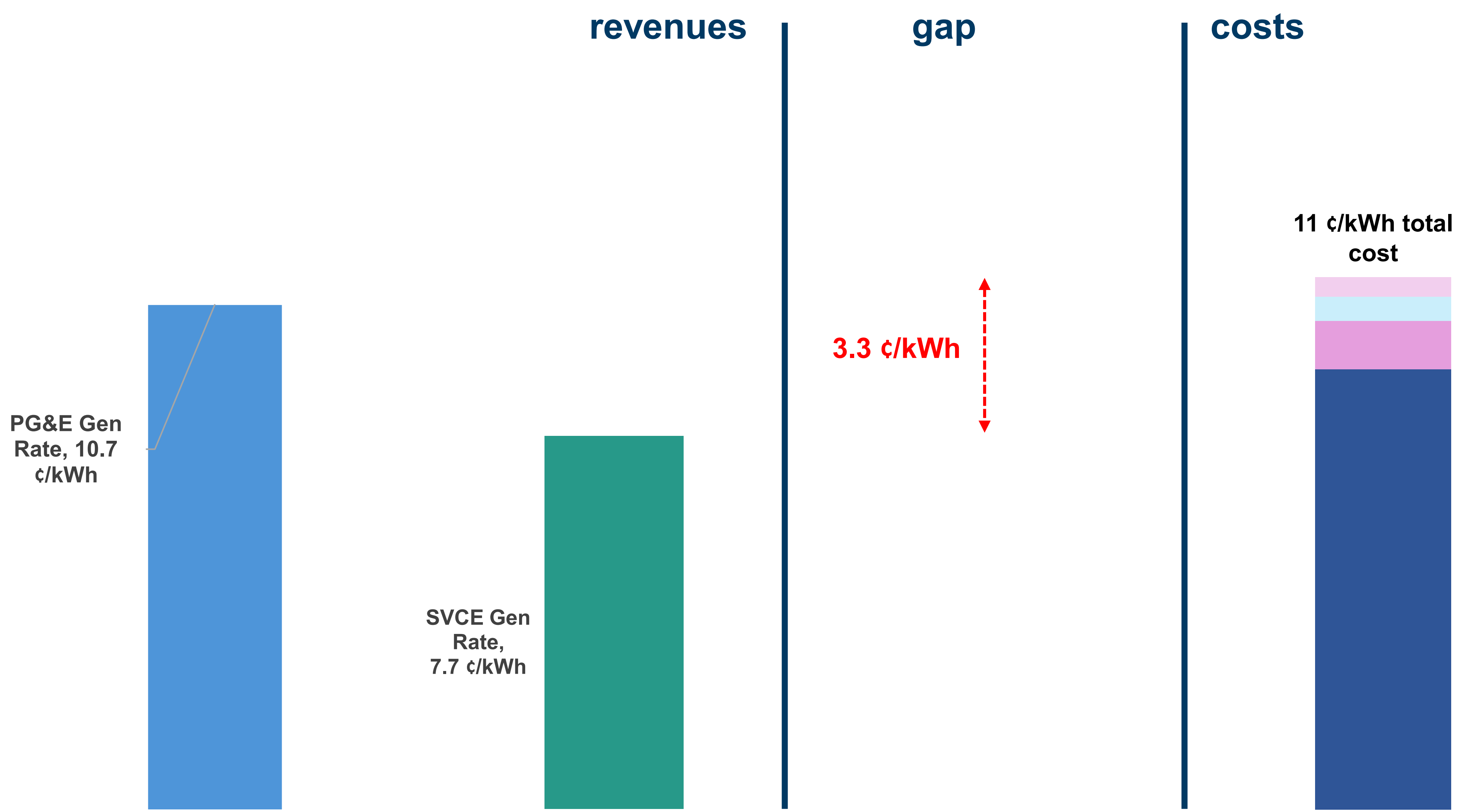
For FY2027 through FY2030

If forecast becomes business as usual, higher rate may be a *required* lever (long-term)



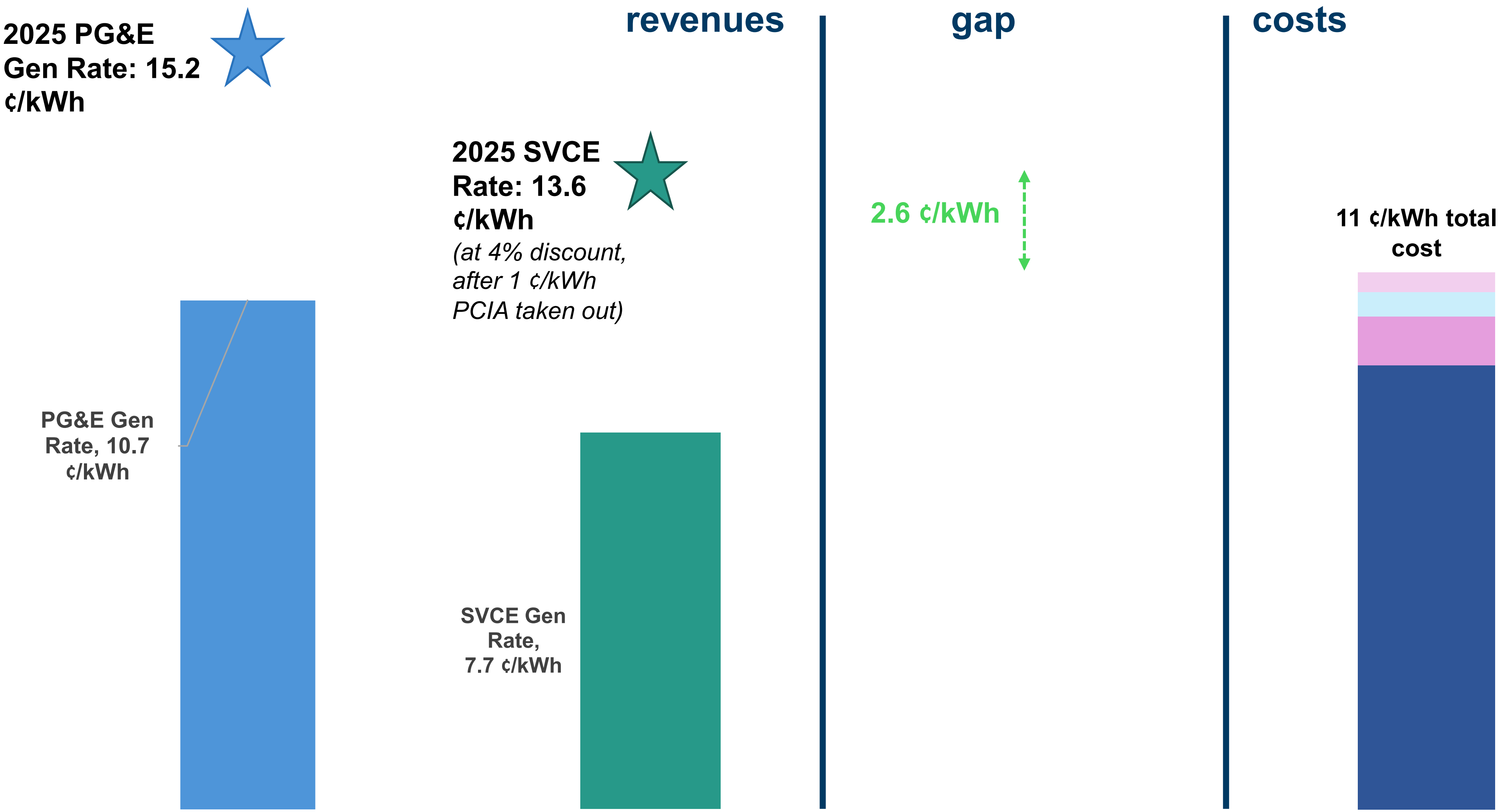
For FY2027 through FY2030

Point of comparison: 2025 rates



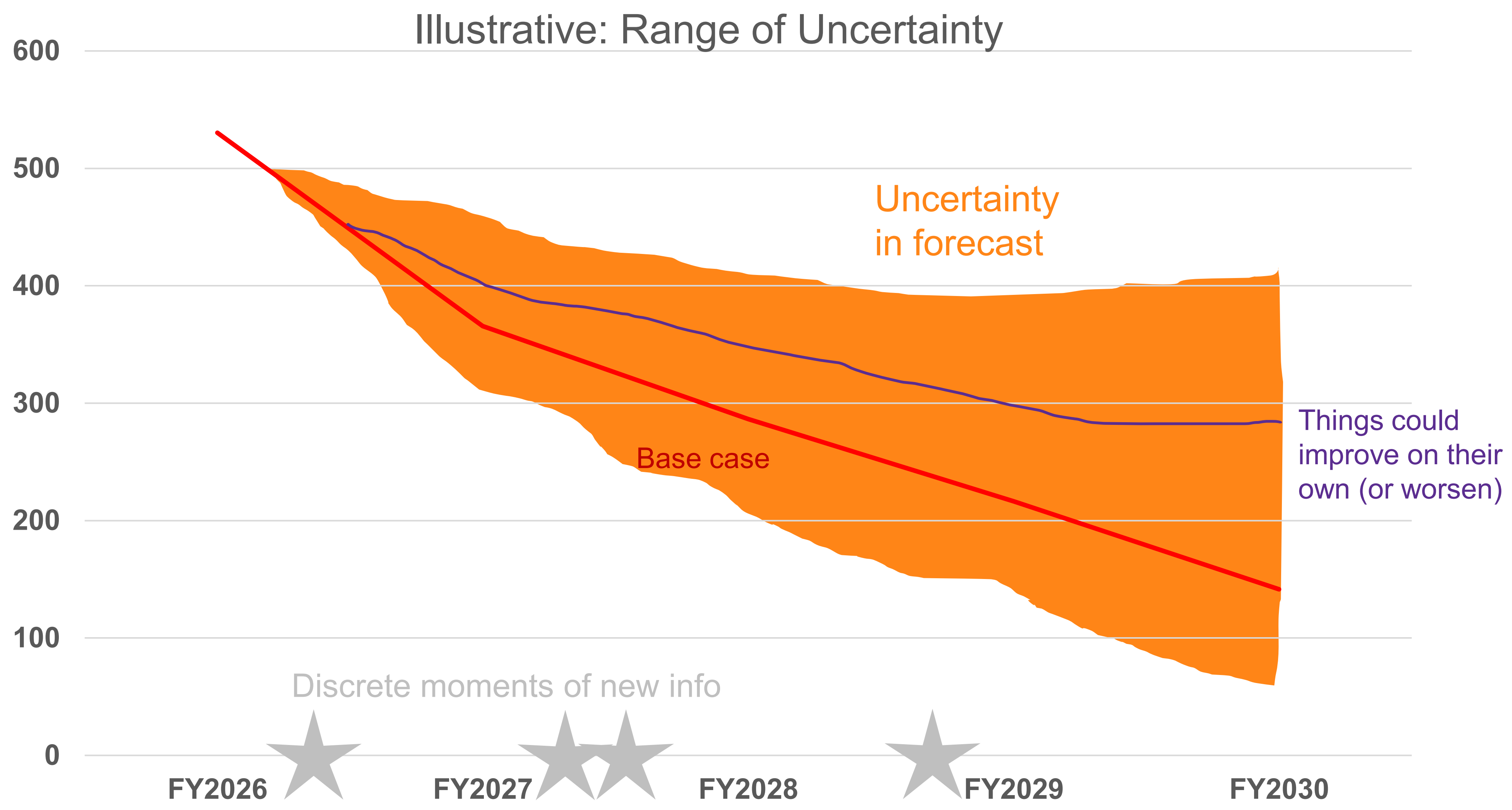
For FY2027 through FY2030

Point of comparison: 2025 rates



For FY2027 through FY2030

Near-term actions can buy time (for clarity, changes to forecast) and prolong reserves



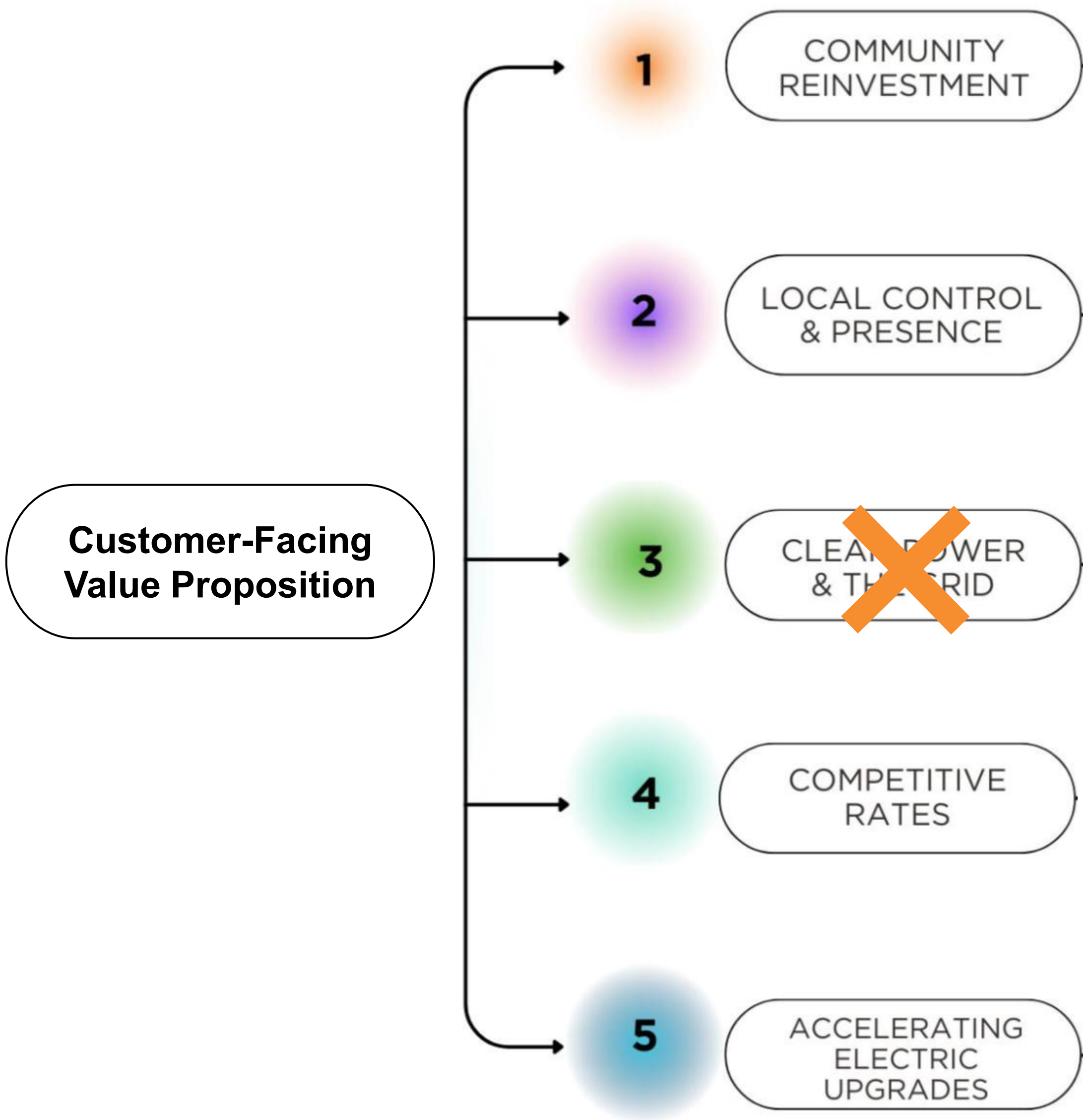
Near-term actions should keep us positioned strongly *now* and for any possible future

Customer-Facing Value Proposition

1. COMMUNITY REINVESTMENT
2. LOCAL CONTROL & PRESENCE
3. CLEAN POWER & THE GRID
4. COMPETITIVE RATES
5. ACCELERATING ELECTRIC UPGRADES

All decisions impact the value proposition

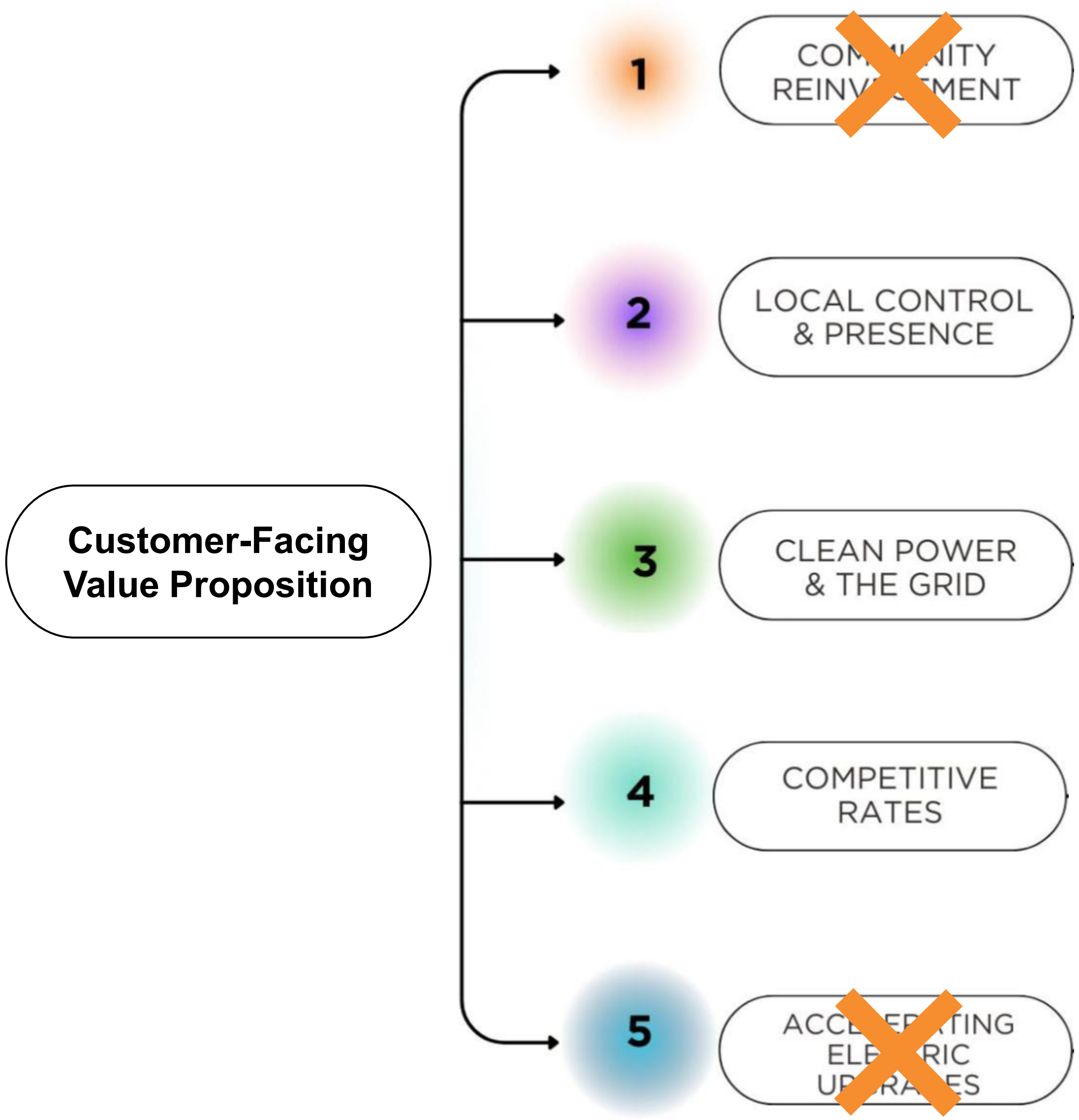
Move to a less clean product?



Drive fewer new renewable projects

All decisions impact the value proposition

Stop running local decarb programs?

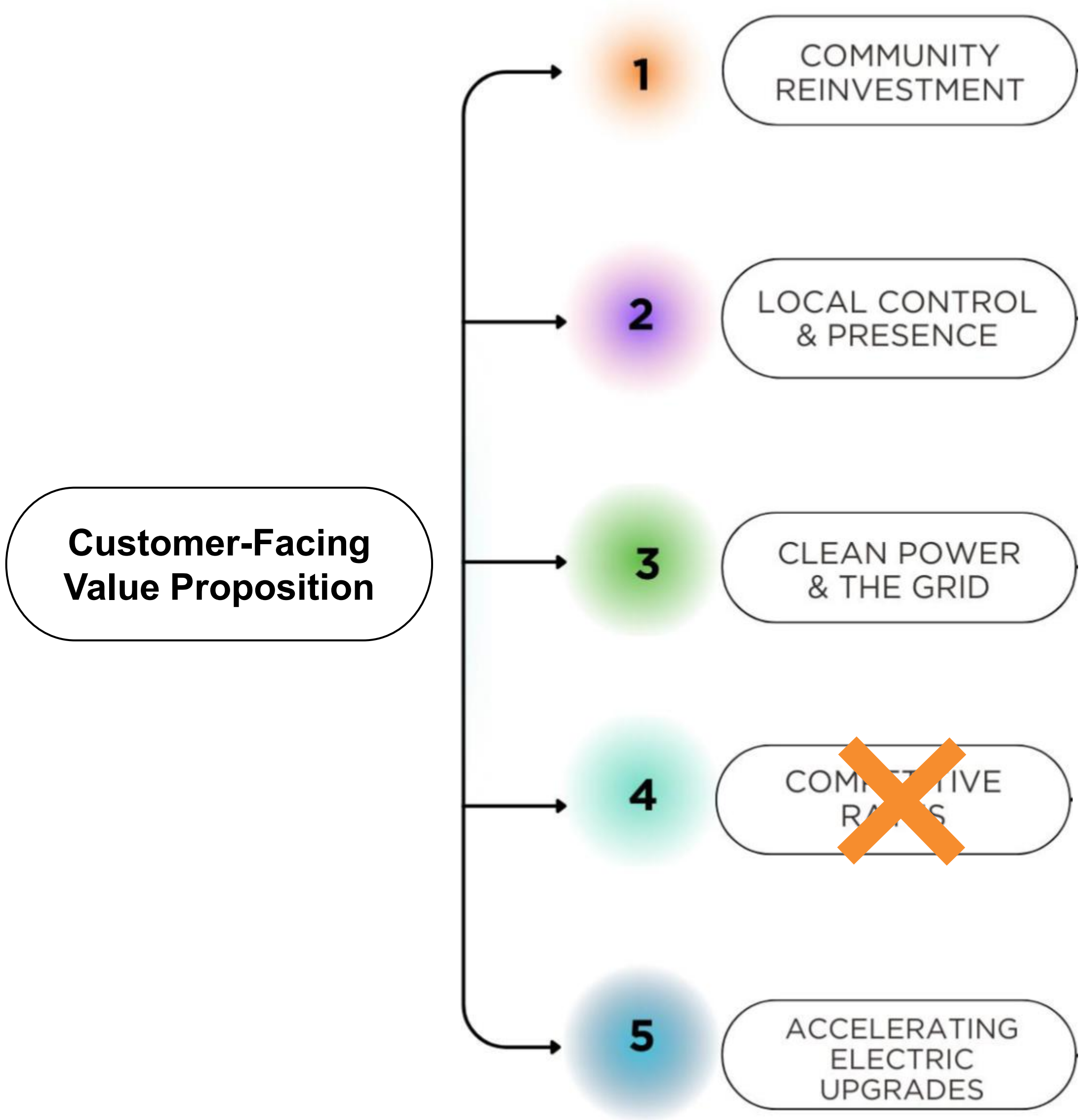


Customers don't see local activity

Not supporting a more rapid decarb transition

All decisions impact the value proposition

Raise rates above PG&E?

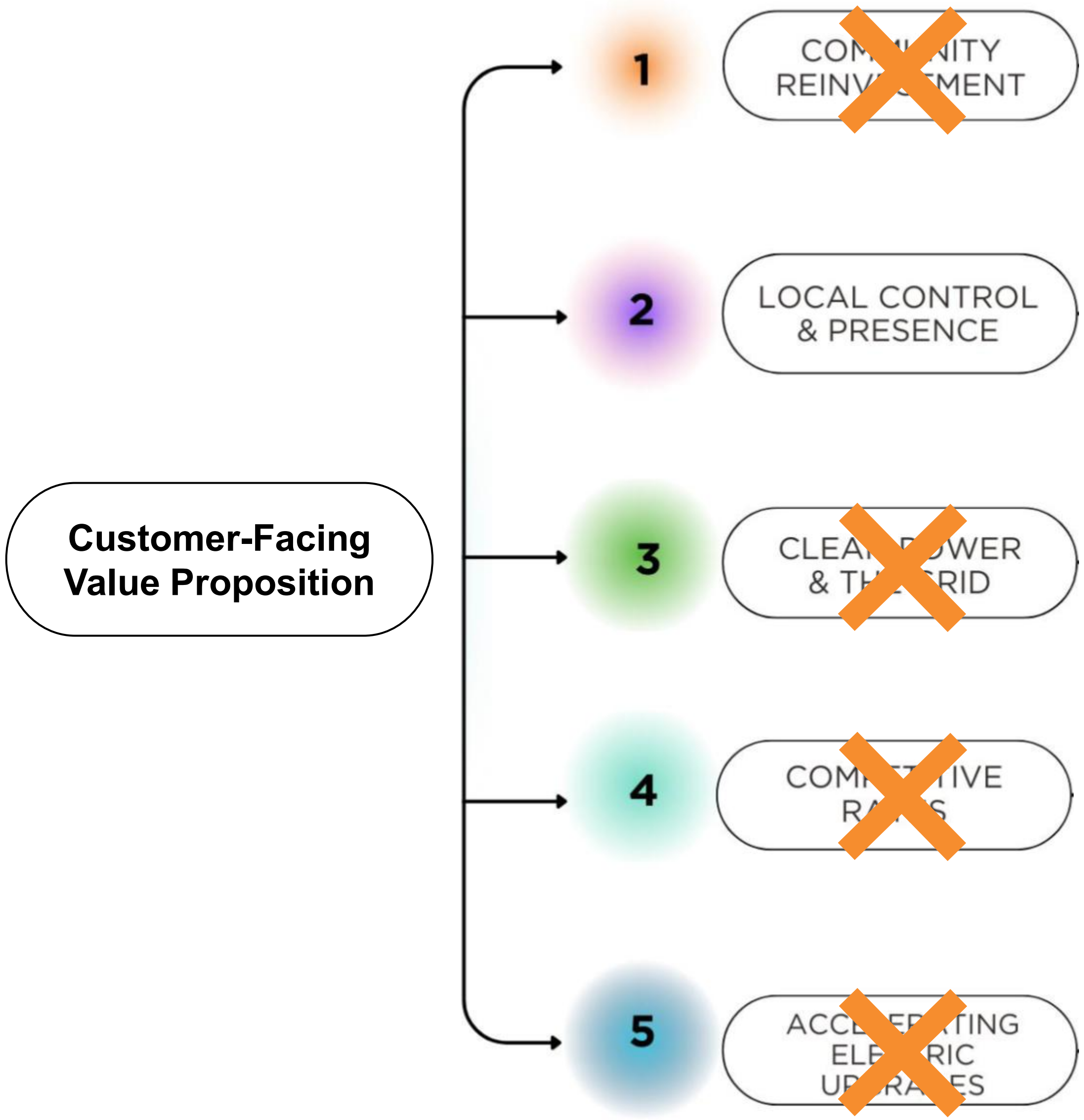


Depends on how high and what "competitive" means to different customers

Also have to think about long-term implications

First stop clean goals and programs,

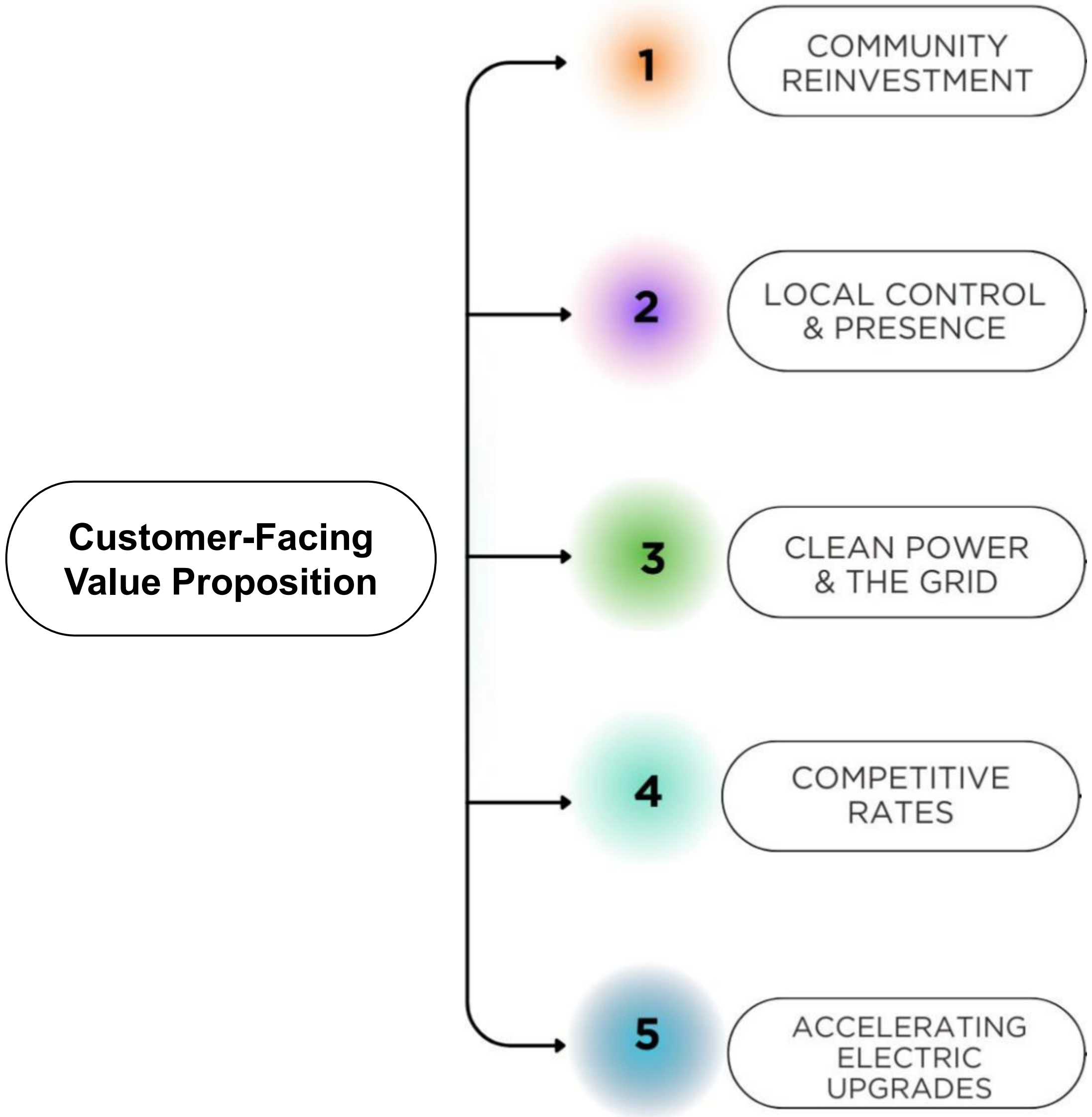
then end up needing to raise rates anyway?



Erosion of most of value proposition by the end

Building a scenario with something for everyone

Ideal: find a way to balance across all (for as long as possible)



Example Scenario – Customer Choice

What is it?

- Default clean product a 4% premium (~$2/month for res; ~1% of total electricity bill)
- Create a new, minimum compliance product that is 1% discount to PG&E
- Let customers opt down (could treat res and non-res differently)
- Reduce program spend 10%
- Start with CY2027

Impacts

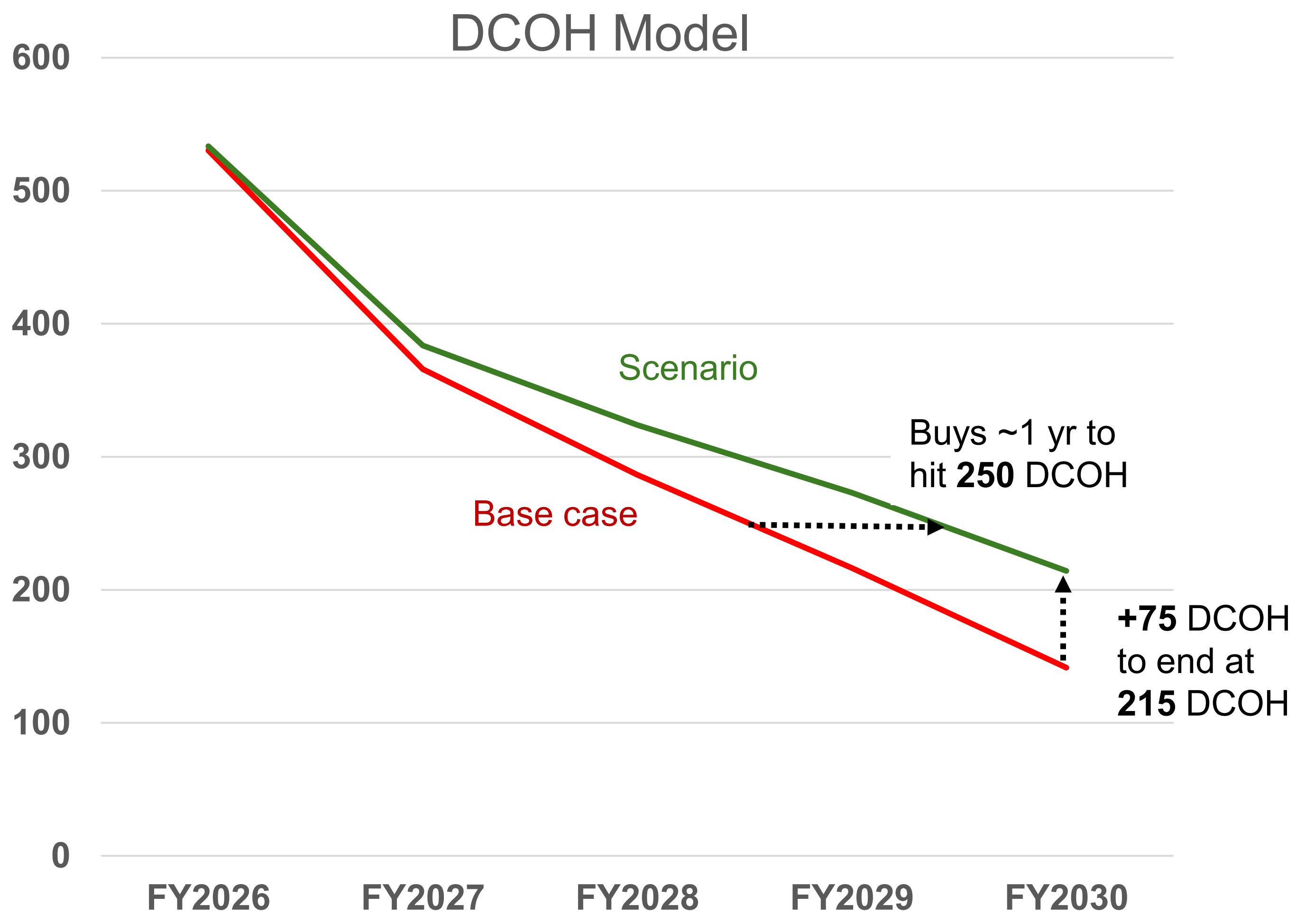
Benefits

- Customer choice
- Maintain high enrollment
- Cheaper option for price-sensitive customers
- Keeps more DCOH in reserves

Drawbacks

- Some additional emissions
- Savings opportunity diminishes as RPS requirements grow
- Opt-outs still possible

Example Scenario – Customer Clean Choice



How would it work?

- Sell existing clean energy resources to bring clean position closer to compliance
- Market to customers to help them understand their options
- Pursue custom deals with large loads to neutralize risk and meet customer needs
- Deprioritize some decarb programs per new roadmap
- Emphasize lifetime bill savings, clean energy impact, and local program investments

Scenario aligns with Board's input

- ✓A balanced approach is a good one
- ✓Support customer choice and simplicity
- ✓SVCE's mission is focused on emissions
- ✓Strongly interested in remaining cheaper than PG&E
- ✓Community investments drive most positive associations
- ✓New steel-in-ground is most impactful (power supply and decarb)
- ✓Want to be innovative but not at "bleeding edge"

Does not fully close the gap, but could be a first step

Today we are seeking additional feedback on scenario design and key datapoints

Oct 2025

Exec Committee

Dec 2025

Board
(introduction to concepts)

Dec 2025 (Fri)

Board Study Session (initial feedback on values and priorities)

Feb/Mar 2026

Exec Committee

Finance & Admin

Board

(specific modeled scenario)

May/Jun 2026

Exec Committee

Finance & Admin

Board

(final decisions on preferred approach)

Sep 2026+

Board (if needed, incorporate in budget)

**Timeline subject to change*

Discussion

- Corrections or additional feedback from December?
- Questions about key numbers?
- Reactions to modeled scenario?
- Additional info/data you would want to see?

Next steps:

- Explore leg + reg adjustments
- Review appropriate reserves levels
- Keep pursuing operational savings
- Bring a proposal scenario and alternatives back to weigh tradeoffs