Silicon Valley Clean Energy
Finance and Administration Committee Meeting

Thursday, May 28, 2026
10:00 a.m.

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

MEETING MINUTES

Call to Order

Chair Srinivasan called the meeting to order at 10:06 a.m.

Roll Call

Present:
Chair Murali Srinivasan, Sunnyvale
Vice Chair Bryan Mekechuk, Monte Sereno
Director Terry Hines, Campbell
Alternate Director Maria Ristow, Los Gatos
Alternate Director Margaret Abe-Koga, County of Santa Clara (arrived at 10:29 a.m.)

Absent:
Director Chuck Page, Saratoga

Public Comment on Matters Not Listed on the Agenda

No speakers.

Consent Calendar

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

Chief Executive Officer (CEO) Monica Padilla responded to a question on Item 1b regarding the process for policy review as a result of the policy streamlining project in 2025; General Counsel Michael Callahan summarized the amendments proposed in the policies included in Item 1b.

MOTION: Vice Chair Mekechuk moved and Alternate Director Ristow seconded the motion to approve the Consent Calendar, Items 1a and 1b.

The motion carried with Director Page and Alternate Director Abe-Koga absent.

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1a) Approve Minutes of the March 5, 2026, Finance and Administration Committee Meeting

1b) Recommend the SVCE Board of Directors Approve Amendments to Finance Policy 6: Purchasing and Spending; Finance Policy 8: Investments; Finance Policy 10: Delinquent Accounts and Collections; and Information Technology Policy 1: Information Technology

Regular Calendar

2) CFO Update (Informational)

Amrit Singh, Chief Financial Officer (CFO), welcomed committee members and noted that his updates would be covered in the items addressed on the agenda.

Director Hines confirmed with CFO Singh that sustainability of the reserves usage for normal operating procedures would be discussed later in the agenda.

There was no public comment.

3) Results of Stress Test Analyses (Discussion)

Alternate Director Abe-Koga arrived during Item 3.

Scott Wrigglesworth, Director of Risk Management and Analytics, presented the findings of the stress test analyses and reviewed the following:

- Enterprise risk management (ERM) framework and key drivers of financial risks;
- Five-year financial base case forecast update;
- Stress test construction;
- Comparison of the updated base case with the stress test scenario; and
- Recommendations, which included: monitoring market developments shaping the outcome of the 2027 power charge indifference adjustment (PCIA) and PG&E generation rates and changes in five-year forward market prices, approval of the 2027 budget will be addressed in December when there's more certainty on next year's rates, and to seek Board approval of the Financial Levers Playbook and implement as necessary

Staff responded to committee member questions on how the outlook would affect power purchases, how the risk scenario compares to other energy providers (CCAs, Palo Alto Utilities, Silicon Valley Power), if the change from fiscal year to calendar year will have an impact on the stress test, when the next stress test will take place, confirmation that the reserve outlook was based on P1 prices and the probability of those prices, and historic natural gas forwards.

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

Committee members provided comments on stranded assets and the upcoming Integrated Resource Plan presentation from staff to the Board.

4) Recommend the SVCE Board of Directors Approve the Financial Levers Playbook (Action)

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Justin Zagunis, Director of Customer Success, presented a request for the Committee to support the proposed Financial Levers Playbook. The following was reviewed in the presentation:

- A recap of the levers (community reinvestment, local control and presence, clean power and the grid, competitive rates, and accelerating electric upgrades) and feedback received thus far;
- The proposed recommendation to recommend the playbook for Board approval; and
- The process for how the approval from the Board would work.

Staff responded to committee member questions on the split product offering, including the target audience and cleanliness of the split product, how to remain competitive in offering clean energy and the value of SVCE, stranded costs, how making changes or eliminating a split product offering once it is implemented may be difficult, how the split product offering would impact SVCE's procurement, if staff considered changes to rate structures, if Bay Area Air District rules would affect product offerings and rebates, clarification on when service from SVCE started, generation costs, PG&E fees, and rates for commercial and industrial customers.

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

MOTION: Alternate Director Ristow moved and Director Hines seconded the motion to recommend the SVCE Board of Directors approve the playbook of:

- **Ongoing search for cost savings and efficiencies**
- **Maintain current levels of clean, programs, and rate discount (at minimum)**
- **If needed, introduce split product offerings to assess opt-out risk and interest:**
    - **One cheaper than PG&E but less clean and no program participation**
    - **One same as current default but at premium**
- **Scale up costs for both products over time if needed**
- **Incorporate small reduction/pause in programs; and**
- **Direct staff to plan to continue as-is for 2026 and 2027**

The motion carried with Director Page absent.

5) Budget Framework for the Stub Period Budget, October 2026 – December 2026 (Discussion)

CFO Singh presented the framework for the stub period budget and provided a recap of SVCE's transition to a calendar year fiscal period. CFO Singh provided the budget timeline for the stub period and calendar year budgets, the impact on the revenue forecast and rates based on the fiscal period change, reserve targets review, power supply expenses, and other major cost considerations during the transition.

Staff responded to committee member questions on the projected budget for the stub period, quarter 4 2026 stub period budget variance, and operating expenses.

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

6) Recommend the SVCE Board of Directors Approve Changes to Finance Policy 2: Budget Adoption, Control and Reporting, to Increase the Power Supply Budget Contingency, and Finance Policy 9: Reserve Policy, to Authorize Changes to Reserve Drawdown (Action)

CFO Singh presented a request for amendments to two SVCE policies: 1) Financial Policy 2, and 2) Financial Policy 9. CFO Singh reviewed the proposed changes to both policies, the impact on finances and budget from a previous change to the energy risk management policy, and the PCIA financial hedge impact requiring an increase in power supply contingency.

A summary of the changes included the following:
Financial Policy 2: Budget Adoption, Control and Reporting

- Increasing the numerical threshold in the policy to 15% and $50 million from 10% and $30 million

Financial Policy 9: Reserve Policy

- Changes to reserve drawdown to increase the numerical thresholds in the policy to 15% and $50 million from 10% and $30 million.

Staff responded to questions from committee members regarding when the policy would be revisited, and if the $30 million had been set for the last 10 years.

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

MOTION: Alternate Director Abe-Koga moved and Director Hines seconded the motion to recommend that the SVCE Board of Directors (Board) approve amendments to the following Board-adopted policies, Finance Policy 2: Budget Adoption, Control and Reporting ("Budget Policy") and Finance Policy 9: Financial Reserves ("Financial Reserves Policy"), as follows:

- **Finance Policy 2: Budget Adoption, Control and Reporting: Increase the contingency amount for power purchases, allowing the Chief Executive Officer (CEO) to overspend the total annual power supply budget by the lesser of 15% of the annual power supply budget or $50 million without Board approval, provided the overspending is due to higher power supply portfolio costs or increased customer demand (Staff Report Attachment A, redline).**
- **Financial Policy 9: Financial Reserves: Enable the reserves to be drawn down by the CEO during the fiscal year, up to the lesser of 15% of the year's budgeted cost of power supply, or $50 million (Staff Report Attachment C, redline).**

And to recommend that the staff request Board approval via the consent calendar.

The motion carried with Director Page absent.

7) Recommend the SVCE Board of Directors Approve Changes to Finance Policy 11: Capitalization Policy, to Establish Capitalization Threshold for Subscription-Based IT Arrangements (Action)

CFO Singh presented a request for amendments to Finance Policy 11: Capitalization Policy, and reviewed GASB 96 which covers "Subscription-Based IT Arrangements" (SBITAs), establishing an SBITA threshold for capitalization, guidance received on setting a threshold, and review of the proposed threshold of $250,000.

Staff responded to a question on anticipated contracts above the identified threshold.

Vice Chair Mekechuk shared his desire for the policy to be reviewed every three years as opposed to five years.

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

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MOTION: Vice Chair Mekechuk moved and Alternate Director Ristow seconded the motion to recommend that the Board of Directors approve SVCE's Capitalization policy as shown in the redlined version of Attachment A of the staff report that includes minor changes to delineate between capital assets and intangible assets subject to capitalization per applicable GASB standards, and the following change for SBITAs:

- **SBITA agreements must be capitalized if the net present value of future subscription payments per contract exceeds $250,000. SVCE will annually evaluate sub-threshold SBITAs in the aggregate for materiality and, as appropriate, will consider financial statement presentation and disclosure information;**

The recommendation also included that staff request Board approval via the consent calendar and changing the five-year policy review to three years.

The motion carried with Director Page absent.

Committee/Staff Remarks
Director Hines announced he would be meeting with a PG&E local representative on June 10, 2026.

Vice Chair Mekechuk inquired of the upcoming items for the next Committee meeting and the process for requesting an item.

Adjournment
Chair Srinivasan adjourned the meeting at 12:10 p.m.

ATTEST:

DocuSigned by:
Andrea Pizano
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Andrea Pizano, Board Secretary