



Recommended Operating Budget Fiscal Year 2018-2019

333 W. El Camino Real
Suite 290
Sunnyvale, CA 94087



TABLE OF CONTENTS

Mission and Goals	Page 1
Transmittal Letter	Page 2
Board of Directors	Page 4
FY 2018-19 Operating Budget	Page 8
Budget Summary	Page 10
Revenue	Page 11
Expenses	Page 13
Reserves	Page 15
Other Statistics	Page 16
Forecast	Page 17
Organizational Overview	Page 21
Programs Overview	Page 26

SVCE'S MISSION





333 W El Camino Real, Ste. 290 | Sunnyvale, CA 94087 | SVCleanEnergy.org | 1-844-474-SVCE

September 12, 2018

CHIEF EXECUTIVE OFFICER'S MESSAGE:

I am pleased to present the Silicon Valley Clean Energy (SVCE) Fiscal Year 2018-19 Recommended Budget. This balanced budget features SVCE's second full year of operations, which includes providing 100% carbon-free energy, maintaining rates at 6% below Pacific Gas and Electric (PG&E) generation rates, creating \$20.2 million of savings for our customers and funding programs that support de-carbonization and electric grid innovations.

The FY 2018-19 Recommended Budget is comprised of an Operating Budget that totals \$260.1 million in revenues offset by \$230.6 million in expenses. The budget was developed on the basis of 256,000 customer accounts, 4.0 million MWh's of energy sales, and 25 full-time employees.

Major highlights of the FY 2018-19 Operating Budget include:

- Net surplus of \$29.5 million which will be transferred to cash reserves that will enhance credit and provide purchasing leverage on future power supply. Building up cash reserves also mitigates the impact of rate increases and will support obtaining a credit rating.
- Expansion of SVCE's service territory. In June 2018, SVCE began serving carbon-free electricity to the City of Milpitas. The expansion represents a significant increase in the amount of energy SVCE provides.
- \$5.2 million funding to further de-carbonize our service territory such as focusing on reducing greenhouse gas emissions from the transportation sector or grid innovation including demand management programs for reducing peak demand. A program roadmap is in development.

While SVCE is currently in stable financial condition, there are risks and challenges that can impact the Agency in the short and long term:

- PCIA – The Power Cost Indifference Adjustment (PCIA) charge is an “exit fee” assessed by PG&E to cover generation costs acquired prior to a customer’s change in service provider. The fee has increased annually and significantly in recent years. The budget assumed a 21% increase to the fee impacting revenues by \$15 million. A decision from the California Public Utilities Commission (CPUC) on the fee’s methodology is expected in 2018.
- Direct Access – Senate Bill 237 raises the cap on the amount of electricity that businesses may purchase directly from Energy Service Providers (ESP’s). Approximately two-thirds of energy sales are derived from the commercial and industrial sector. SVCE could be disproportionately impacted by this legislative ruling.
- Regulatory – Uncertainty in regulatory decisions by the CPUC could adversely affect the cost that customers have to pay to take service from SVCE.

The FY 2018-19 Recommended Budget supports the Agency’s mission statement to “reduce dependence on fossil fuels by providing carbon free, affordable and reliable electricity and innovative programs for the SVCE community.” The foundation of the FY 2018-19 Recommended Budget is the Agency’s Strategic Plan.

I am confident that SVCE has the ability to focus on its strengths and work through the many challenges. Continued success will only be achieved through collaboration, creativity, and commitment.

Sincerely,



GIRISH BALACHANDRAN
Chief Executive Officer



BOARD OF DIRECTORS

The Agency is governed by a Board of Directors comprised of representatives from each of the participating communities. The regular director must be from the governing body of each community. The alternate is appointed by the respective governing body, but can be a member of the body itself, city staff or the public. The Board of Directors meetings are held once a month.



2018 BOARD OF DIRECTORS



Chair
Courtenay Corrigan
Los Altos Hills



Alternate
Steve Schmidt
Los Altos Hills



Vice Chair
Margaret Abe-Koga
Mountain View



Alternate
Lisa Matichak
Mountain View



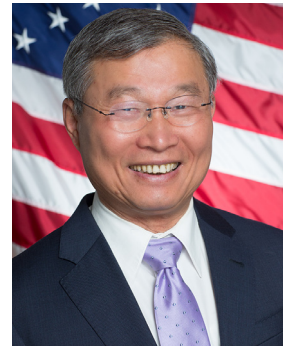
Director
Liz Gibbons
Campbell



Alternate
Rich Waterman
Campbell



Director
Rod Sinks
Cupertino



Alternate
Barry Chang
Cupertino



Director
Daniel Harney
Gilroy



Alternate
Fred Tovar
Gilroy



Director
Jeannie Bruins
Los Altos



Alternate
Jean Mordo
Los Altos



Director
Rob Rennie
Los Gatos



Alternate
Marico Sayoc
Los Gatos



Director
Marsha Grilli
Milpitas



Alternate
Tony Ndah
Milpitas

2018 BOARD OF DIRECTORS



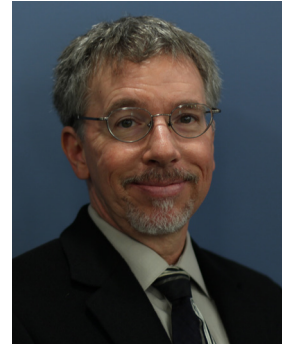
Director
Burton Craig
Monte Sereno



Alternate
Evert Wolsheimer
Monte Sereno



Director
Steve Tate
Morgan Hill



Alternate
Anthony Eulo
Morgan Hill



Director
Howard Miller
Saratoga



Alternate
Emily Lo
Saratoga



Director
Nancy Smith
Sunnyvale



Alternate
Gustav Larsson
Sunnyvale



Director
Dave Cortese
Santa Clara County



Alternate
Cindy Chavez
Santa Clara County

2018 BOARD OF DIRECTORS - COMMITTEES

Board Member	Representing	Audit	Executive	Risk Oversight	Finance & Admin.	Legislative Ad Hoc
Chair Corrigan	Los Altos Hills	X	X	X		
Vice Chair Abe-Koga	Mountain View		X			X
Director Bruins	Los Altos	X				
Director Craig	Monte Sereno				X	
Alternate Director Eulo	Morgan Hill			X		
Director Gibbons	Campbell		X		X	
Director Grilli	Milpitas	X				
Director Miller	Saratoga			X	X	
Director Rennie	Los Gatos			X	X	X
Director Sinks	Cupertino		X	X		X
Director Smith	Sunnyvale		X			X
Director Tate	Morgan Hill					X

FY 2018-2019



Operating Budget



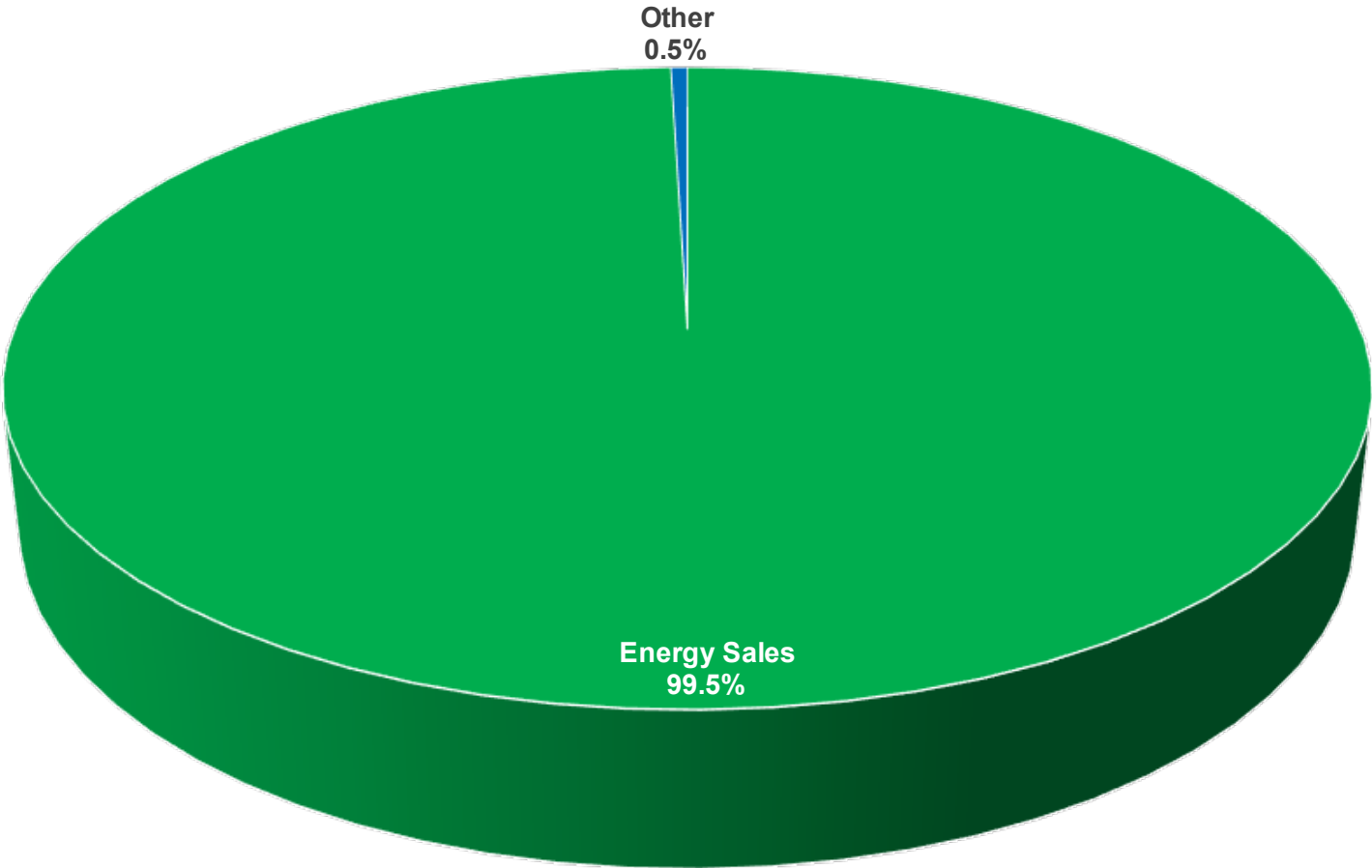
BUDGET SUMMARY

SILICON VALLEY CLEAN ENERGY FY 2018-19 RECOMMENDED BUDGET (\$ in thousands)

Line	DESCRIPTION	FY2017-18	FY 2018-19	VARIANCE	
		MID-YEAR BUDGET	PROPOSED BUDGET	\$	%
REVENUES					
1	Energy Sales	253,508	258,832	5,324	2.1%
2	GreenPrime Premium	610	614	4	0.6%
3	Other Income	51	100	49	97.0%
4	Investment Income	100	500	400	400.0%
5	TOTAL REVENUES	\$254,269	\$260,045	\$5,777	2.3%
EXPENSES					
6	Power Supply	182,561	211,815	(29,254)	-16.0%
7	Data Management	3,277	3,375	(99)	-3.0%
8	PG&E Fees	887	1,074	(187)	-21.1%
9	Employment Expenses	3,555	4,833	(1,278)	-36.0%
10	Professional Services	1,325	1,830	(505)	-38.1%
11	Marketing & Promotions	550	1,103	(553)	-100.5%
12	Notifications	125	155	(30)	-24.0%
13	Lease	335	326	9	2.7%
14	General & Administrative	598	636	(38)	-6.4%
15	TOTAL EXPENSES	\$193,213	\$225,148	(\$31,935)	-16.5%
16	TOTAL EXPENSES W/O POWER SUPPLY	\$10,652	\$13,333	-\$2,681	-25.2%
ENERGY PROGRAMS					
17	Various Programs	5,070	5,177	(106)	-2.1%
18	TOTAL ENERGY PROGRAMS	\$5,070	\$5,177	(\$106)	-2%
CAPITAL INVESTMENT					
19	Facility Equipment	50	150	(100)	-200.0%
20	TOTAL CAPITAL INVESTMENT	\$50	\$150	(\$100)	-200%
DEBT SERVICE					
21	Financing	-	30	(30)	
22	Interest	16	-	16	100%
23	Principal	5,630	-	5,630	100%
24	TOTAL DEBT SERVICE	\$5,646	\$30	\$5,616	99%
CASH INFLOWS/(OUTFLOWS)					
25	Financial Security Requirement	-	(147)	(147)	
26	Refund of Bond	-	100	100	
27	TOTAL CASH INFLOWS/(OUTFLOWS)	\$0	(\$47)	(\$47)	
28	BALANCE AVAILABLE FOR RESERVES	\$50,290	\$29,494	\$20,796	-41.4%

REVENUE

TOTAL REVENUES OF \$260.1 MILLION



REVENUE ASSUMPTIONS

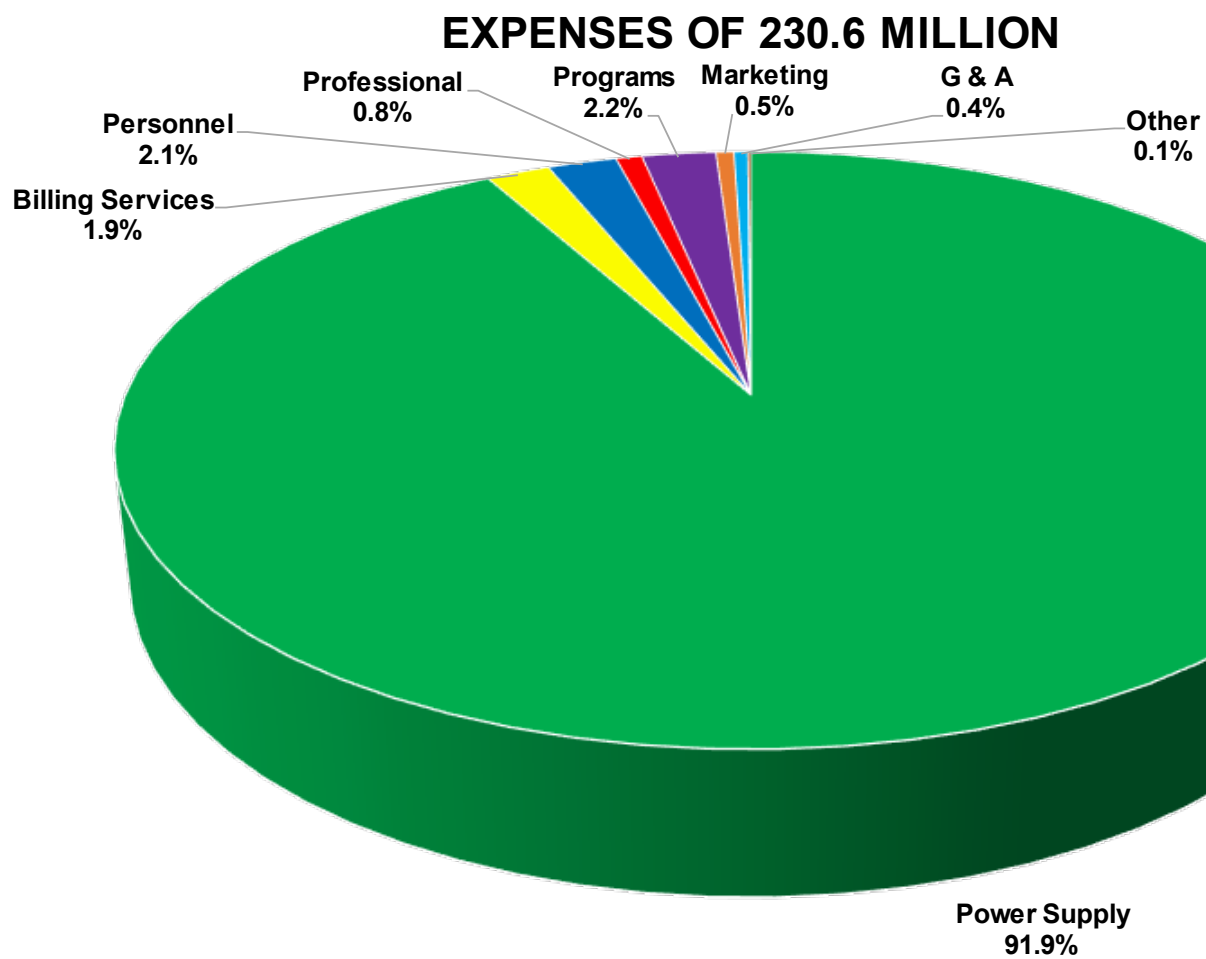
Energy Sales are budgeted at \$258.9 million.

- Energy sales are based on approximately 256,000 customer accounts and 4.0 million of MWh's load to serve.
- PCIA is expected to increase by 21% in January 2019, impacting revenues to the downside of \$15 million.
- PG&E is expected to lower generation rates in January 2019 by 8%.
- SVCE is committed to remain competitive to our customers and is expected to be at least 1% below PG&E generation rates.
- Energy load impacts from an increase in Direct Access participation due to SB237 is not factored in this budget.
- PCIA, Rates and Direct Access impacts will be quantified in the Mid-Year Budget process in early 2019.

Other Revenues is budget at \$1.2 million.

- \$0.6 million of revenues associated with the premium charged for serving GreenPrime customers. A 2% customer participation rate is assumed.
- \$0.1 million of Other Income which includes wholesale activity such as the sale of excess resource adequacy to another CCA.
- \$0.5 million of Investment Income which is based on larger cash balances being invested and a better interest rate return.

EXPENSES



EXPENSES ASSUMPTIONS

Power Supply is budgeted at \$211.9 million.

- Power Supply is the largest expense of the agency.
- Power Supply includes energy, Renewable Energy Certificates, capacity, and charges by the California Independent System Operator (CAISO) that support the safety and reliability of the electric grid.
- The budget also assumes no incremental purchases of PCC2 energy purchases based on regulatory risk.

Account Fees is budgeted at \$4.5 million.

- \$3.4 million for data management fees
- \$1.1 million for PG&E billing fees
- These items are based on fixed fees per meter.

Personnel is budgeted at \$4.9 million.

- Budget is based on 25 full-time employees
- Includes a 3.4% increase to salary ranges based on the latest CPI-Urban Bay Area index.
- Includes the impact of broadbanding to the organizational chart that provides flexibility to SVCE employees to move vertically within a department or horizontally within the agency.

Programs budget of \$5.2 million.

- Assumes 2% of energy sales.
- A roadmap will be finalized by the Board of Directors by the end of 2018.

Debt Service is budgeted at less than \$0.1 million.

- SVCE will engage a line-of-credit at the beginning of the fiscal year. However, it is not anticipated any draws will be made against the line. The budget only represents financing costs to obtain the line of credit.

Professional Services is budgeted at \$1.8 million.

- Includes consultant fees for Scheduling Coordination, Power Supply, Accounting and Auditing Services, Information Technology and Human Resources support.

Account Services and Community Relations is budgeted at \$1.3 million.

- Includes funding for required notifications as required by the CPUC
- Funding for greater customer awareness and engagement initiatives.

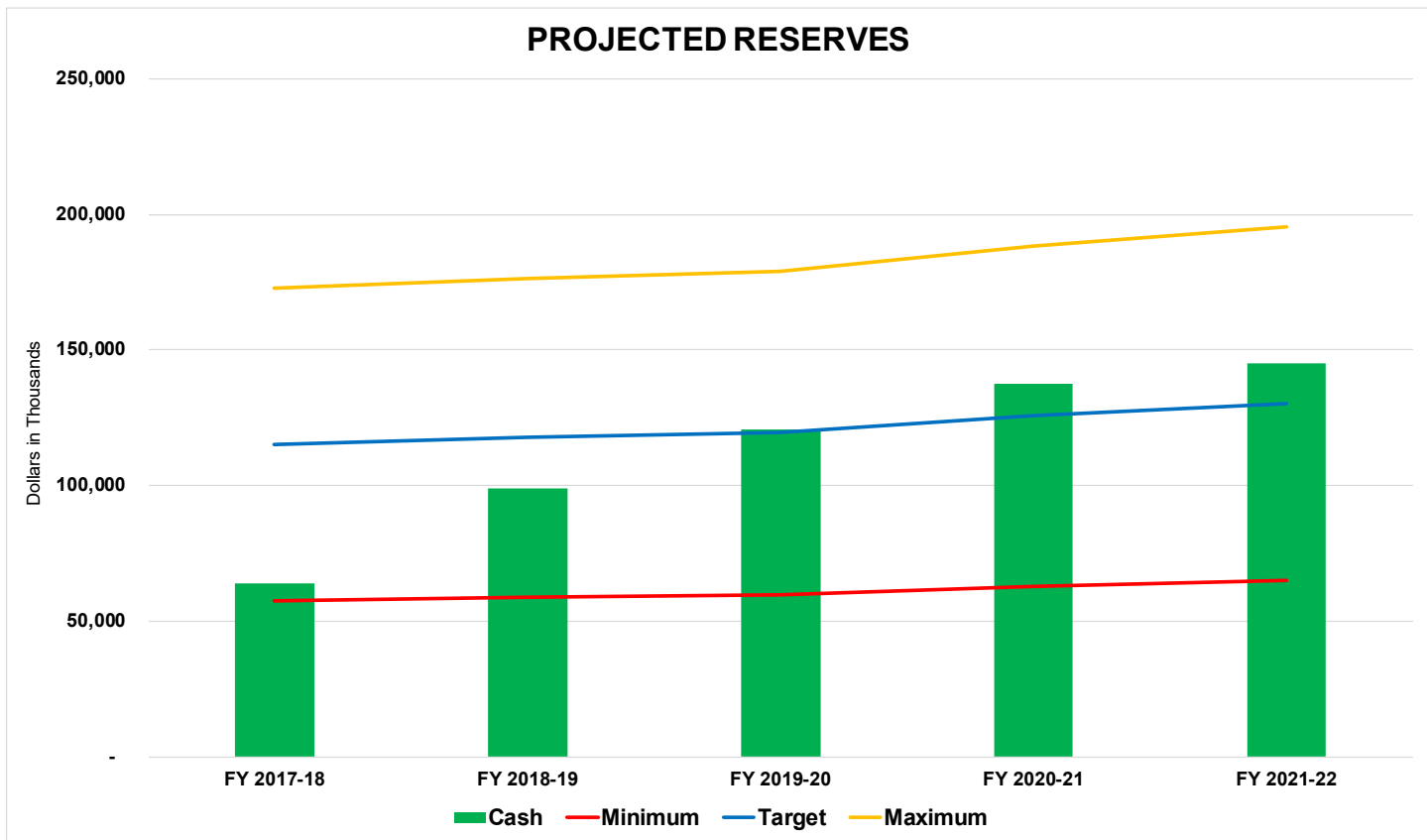
General and Administrative is budgeted at \$1.0 million.

- Includes rent for SVCE's offices.

Cash Inflow/(Outflow) is budgeted at \$0.5 million.

- Includes the recent regulatory decision to monetize the collateral a CCA must post to cover the administrative and procurement burden the Investor Owned Utility (IOU) would potentially incur if the CCA became insolvent and all customers were immediately returned to the IOU.
- Budget assumes that once the collateral is posted, a \$0.1 million posting with the CPUC when the agency was developed would be returned to SVCE.

RESERVES



Reserves Assumptions:

Assumes all net margin is injected into Operating Reserves

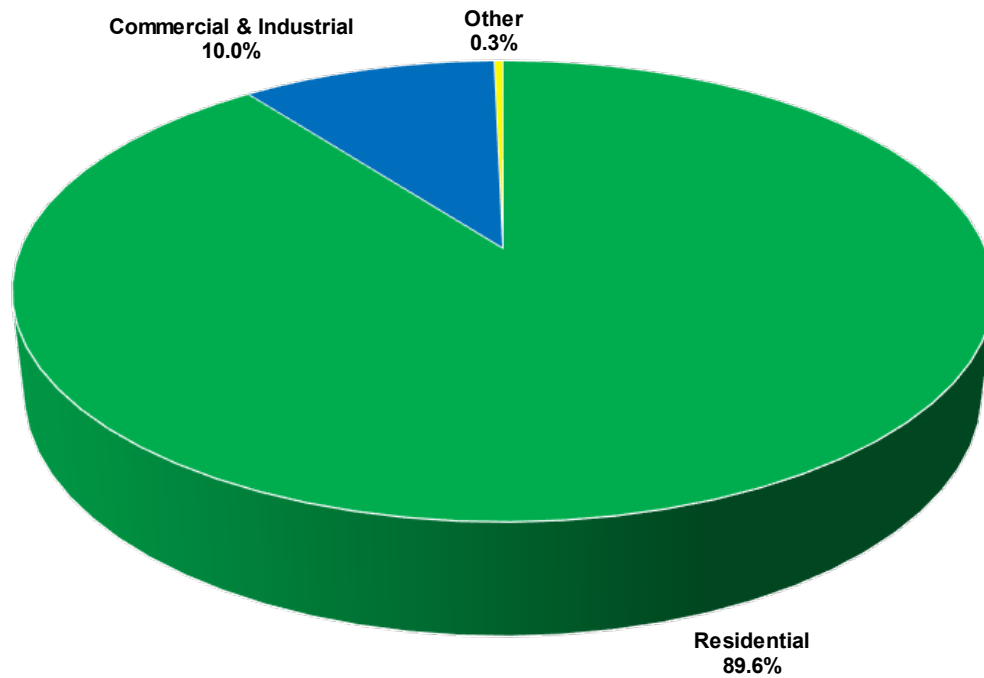
Min = 25% of the following year's Annual Operating Expenses

Max = 75% of Annual Operating Expenses

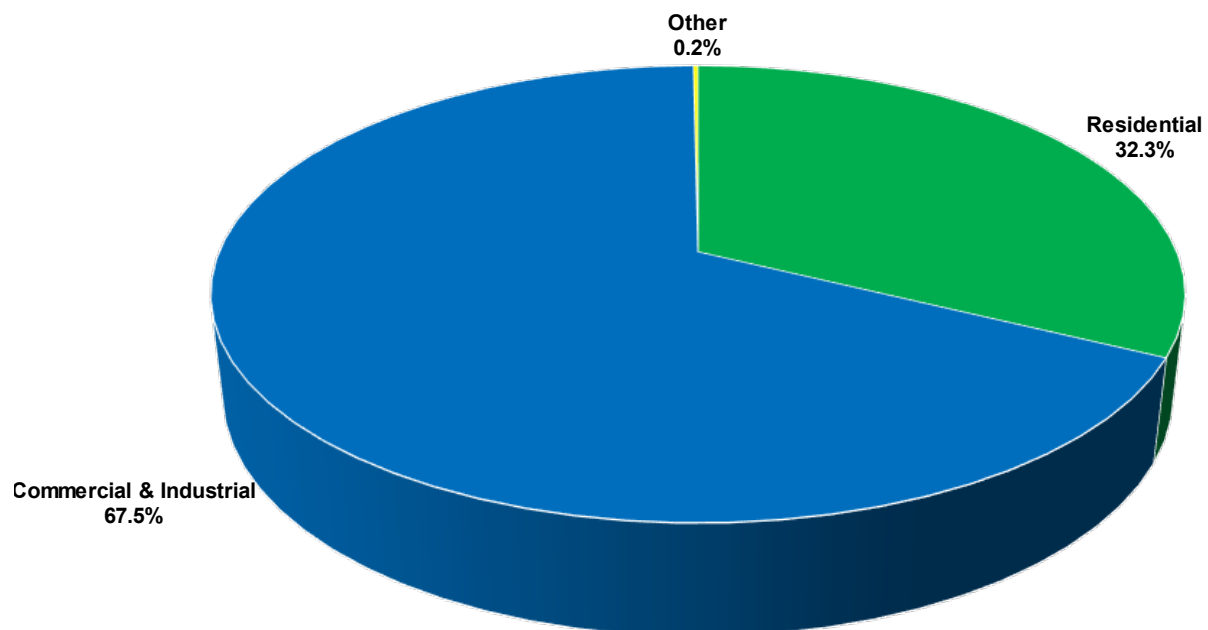
Target = 50% of Annual Operating Expenses

OTHER STATISTICS

256,000 CUSTOMER ACCOUNTS



4.0 MILLION MWh's OF ENERGY SALES



FORECAST

SILICON VALLEY CLEAN ENERGY

Budget (in US\$ thousands)		Mid-Year	Recommend	Estimates			
For the fiscal year ended September 30		FY2018B	FY2019B	FY2020E	FY2021E	FY2022E	FY2023E
Line	OPERATING REVENUES						
1	GWh Sales	3,533.9	3,974.5	3,989.3	4,009.3	4,029.3	4,049.4
2	Y/Y growth (%)		12.5%	0.4%	0.5%	0.5%	0.5%
3	Energy Sales, net	253,508.1	258,831.7	251,434.8	252,692.0	253,955.5	255,225.2
4	Y/Y revenue growth (%)		2.1%	-2.9%	0.5%	0.5%	0.5%
5	Green Prime	609.9	613.7	616.0	619.1	622.2	625.3
6	Y/Y revenue growth (%)		0.6%	0.4%	0.5%	0.5%	0.5%
7	Other Income	51.0	100.0	100.0	100.0	100.0	100.0
8	Y/Y revenue growth (%)		96.1%	0.0%	0.0%	0.0%	0.0%
9	Investment Income	100.0	500.0	500.0	500.0	500.0	500.0
10	Y/Y revenue growth (%)		400.0%	0.0%	0.0%	0.0%	0.0%
11	Total Operating Revenues	254,269.0	260,045.4	252,650.8	253,911.1	255,177.6	256,450.5
12	Y/Y revenue growth (%)		2.3%	-2.8%	0.5%	0.5%	0.5%
	OPERATING EXPENSES						
13	Power Supply	182,561.0	211,815.2	216,656.2	220,248.3	232,456.0	241,986.9
14	% of revenues	71.8%	81.5%	85.8%	86.7%	91.1%	94.4%
15	Operating Margin	71,708	48,230	35,995	33,663	22,722	14,464
16	Operating Margin (%)	28.2%	18.5%	14.2%	13.3%	8.9%	5.6%
17	Data Management	3,276.5	3,375.3	3,388.0	3,404.9	3,421.9	3,439.0
18	% of revenues	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
19	PG&E Service Fees	886.9	1,074.0	1,078.0	1,083.4	1,088.8	1,094.2
20	% of revenues	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
21	Staff Compensation	3,555.3	4,833.5	5,053.0	5,078.2	5,103.6	5,129.0
22	% of revenues	1.4%	1.9%	2.0%	2.0%	2.0%	2.0%
23	Consultants & Other Professional Services	1,020.0	1,395.1	1,355.4	1,362.1	1,368.9	1,375.8
24	% of revenues	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
25	Legal	305.0	435.0	422.6	424.7	426.9	429.0
26	% of revenues	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
27	Communications & Noticing	675.0	1,257.5	1,221.7	1,227.8	1,234.0	1,240.1
28	% of revenues	0.3%	0.5%	0.5%	0.5%	0.5%	0.5%
29	General & Administrative	932.9	962.2	934.8	939.5	944.2	948.9
30	% of revenues	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
31	Programs	5,070.2	5,176.6	5,028.7	5,053.8	5,079.1	5,104.5
32	% of revenues	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
33	CAPEX	50.0	150.0	50.0	50.0	50.0	50.0
34	% of revenues	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
35	Debt Service	5,645.7	30.0	-	-	-	-
36	% of revenues	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
37	Cash Inflows/(Outflows)	-	(47.0)	-	-	-	-
38	% of revenues	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
39	Total Other Operating Expenses	21,417.5	18,736.1	18,532.3	18,624.6	18,717.3	18,810.6
40	Total Operating Expenses	203,978.5	230,551.3	235,188.4	238,872.8	251,173.3	260,797.4
41	BALANCE AVAILABLE FOR RESERVES	50,290.5	29,494.1	17,462.4	15,038.2	4,004.3	4,346.9

FORECAST

SILICON VALLEY CLEAN ENERGY

Statement of Revenues, Expenses and Changes in Net Position (in US\$ thousands)									
Line	For the fiscal year ended September 30			Mid-Year		Recommend		Estimates	
	30-Jun 2016A	30-Sep 2016A	FY2017A	FY2018B	FY2019B	FY2020E	FY2021E	FY2022E	FY2023E
OPERATING REVENUES									
1			1,186.5	3,533.9	3,974.5	3,989.3	4,009.3	4,029.3	4,049.4
2				197.8%	12.5%	0.4%	0.5%	0.5%	0.5%
3			93,650.2	253,508.1	258,831.7	251,434.8	252,692.0	253,955.5	255,225.2
4				170.7%	2.1%	-2.9%	0.5%	0.5%	0.5%
5			290.1	609.9	613.7	616.0	619.1	622.2	625.3
6				110.2%	0.6%	0.4%	0.5%	0.5%	0.5%
7			-	51	100	100	100	100	100
8					96.1%	0.0%	0.0%	0.0%	0.0%
9			93,940.3	254,169.0	259,545.4	252,150.8	253,411.1	254,877.6	255,950.5
10				170.6%	2.1%	-2.8%	0.5%	0.5%	0.5%
OPERATING EXPENSES									
11			59,302.6	182,561.0	211,815.2	216,656.2	220,248.3	232,456.0	241,986.9
12			63.1%	71.8%	81.6%	85.9%	86.9%	91.3%	94.5%
13			34,638	71,608	47,730	35,495	33,163	22,222	13,964
14			36.9%	28.2%	18.4%	14.1%	13.1%	8.7%	5.5%
15			1,038.1	3,276.5	3,375.3	3,388.0	3,404.9	3,421.9	3,439.0
16			1.1%	1.3%	1.3%	1.3%	1.3%	1.3%	1.3%
17			280.9	886.9	1,074.0	1,078.0	1,083.4	1,088.8	1,094.2
18			0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
19			1,511.1	3,555.3	4,833.5	5,043.0	5,068.2	5,093.6	5,119.0
20			1.6%	1.4%	1.9%	2.0%	2.0%	2.0%	2.0%
21			627.3	1,020.0	1,395.1	1,355.3	1,362.1	1,368.9	1,375.7
22			0.7%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
23			348.9	305.0	435.0	422.6	424.7	426.8	429.0
24			0.4%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
25			804.5	675.0	1,257.5	1,221.7	1,227.8	1,233.9	1,240.1
26			0.9%	0.3%	0.5%	0.5%	0.5%	0.5%	0.5%
27			429.7	932.9	962.2	934.8	939.5	944.2	948.9
28			0.5%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
29			-	5,070.2	5,176.6	5,028.7	5,053.8	5,079.1	5,104.5
30			0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
31			329.0	15,721.8	18,509.1	18,472.0	18,564.4	18,657.2	18,750.4
32			329.0	198,282.8	230,324.3	235,128.2	238,812.7	251,113.1	260,737.3
33			329.0	55,886.2	29,221.1	17,022.6	14,598.4	3,564.5	4,786.8
34			23.1	36.0	36.0	60.0	60.0	60.0	60.0
35			329.0	55,850.2	29,185.1	16,962.6	14,538.4	3,504.5	4,846.8
36									
37			(76.0)	(33.0)	-	-	-	-	-
38			1.1	100.0	500.0	500.0	500.0	500.0	500.0
39			(73.2)	-	(30.0)	-	-	-	-
40			0.0	67.0	470.0	500.0	500.0	500.0	500.0
41			781.4	55,917.2	29,655.1	17,462.6	15,038.4	4,004.5	4,346.8

SILICON VALLEY CLEAN ENERGY

Statement of Net Position (in US\$ thousands)										
Line	For the fiscal year ended September 30	Actuals		FY2017A	FY2018B	FY2019B	Estimates			
		30-Jun 2016A	30-Sep 2016A				Mid-Year	Recommend	FY2020E	FY2021E
Assets										
Current Assets:										
1	Cash & Cash Equivalents	1,985.6	1,706.1	16,843.6	64,030.0	99,117.3	120,683.3	137,494.5	145,164.5	143,901.6
2	Accounts Receivable, net	-	-	21,420.4	31,299.1	31,971.1	31,046.8	31,204.3	31,362.6	31,521.8
3	Energy Settlements Receivable	-	-	266.3	360.3	367.9	357.4	359.2	361.0	362.8
4	Accrued Revenue	-	-	14,976.3	20,260.3	20,688.9	20,099.4	20,199.9	20,300.8	20,402.3
5	Other Receivables	165.6	165.6	200.0	541.1	552.6	536.8	539.5	542.2	544.9
6	Prepaid Expenses	-	25.4	71.8	156.0	160.9	156.3	157.1	157.9	158.7
7	Deposits	-	-	3,237.8	8,787.5	8,973.4	8,717.7	8,761.3	8,805.1	8,849.1
8	Restricted cash - debt collateral	-	-	1,900.0	2,000.0	-	-	-	-	-
9	Restricted cash - lockbox	-	-	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0	2,500.0
10	Total Current Assets	\$2,151.2	\$1,897.1	\$61,416.2	\$129,934.3	\$164,332.0	\$184,097.7	\$201,215.8	\$209,194.1	\$208,241.1
Non-Current Assets:										
11	Capital assets, net of depreciation	-	-	167.5	181.5	295.5	285.5	275.5	265.5	255.5
12	Deposits	-	28.6	128.6	(371.4)	(371.4)	(371.4)	(371.4)	(371.4)	(371.4)
13	Total noncurrent assets	\$0.0	\$28.6	\$296.1	-\$189.9	-\$75.9	-\$85.9	-\$95.9	-\$105.9	-\$115.9
14	Total Assets	\$2,151.2	\$1,925.7	\$61,712.3	\$129,744.4	\$164,256.0	\$184,011.8	\$201,119.9	\$209,088.2	\$208,125.2
Liabilities										
Current Liabilities										
15	Accounts payable	-	155.0	850.2	1,325.9	1,561.0	1,557.9	1,565.7	1,573.5	1,581.4
16	Accrued cost of electricity	-	-	25,988.1	40,001.7	46,411.8	47,472.5	48,259.6	50,934.5	53,022.8
17	Accrued interest payable	-	-	7.2	-	-	-	-	-	-
18	Accrued payroll and benefits	11.8	10.5	85.0	200.0	272.0	283.7	285.2	286.6	288.0
19	Other accrued liabilities	190.7	140.6	20.9	150.0	150.0	150.0	150.0	150.0	150.0
20	Taxes & surcharges due to other	-	-	815.3	1,270.8	1,297.7	1,260.8	1,267.1	1,273.4	1,279.8
21	Supplier Security Deposits	-	-	-	1,185.0	-	-	-	-	-
22	Notes payable to bank	-	-	2,900.0	-	-	-	-	-	-
23	Total Current Liabilities	\$202.5	\$306.0	\$30,666.8	\$44,133.6	\$49,692.5	\$50,724.9	\$51,527.5	\$54,217.9	\$56,322.0
Non-Current Liabilities:										
24	Loans payable to JPA members	2,730.0	2,730.0	2,730.0	-	-	-	-	-	-
25	Total Liabilities	\$2,932.5	\$3,036.0	\$33,396.8	\$44,133.6	\$49,692.5	\$50,724.9	\$51,527.5	\$54,217.9	\$56,322.0
Net Position										
26	Net investment in capital assets	-	-	167.5	181.5	295.5	285.5	275.5	265.5	255.5
27	Unrestricted (deficit)	(781.4)	(1,110.4)	28,148.0	85,429.3	114,268.1	133,001.4	149,316.9	154,604.8	151,547.7
28	Total Net Position	\$781.4	\$1,110.4	\$28,315.5	\$85,610.8	\$114,563.6	\$133,286.9	\$149,592.4	\$154,870.3	\$151,803.2

FORECAST

SILICON VALLEY CLEAN ENERGY

Statement of Cash Flows (in US\$ thousands)											
Line		Actuals		Mid-Year	Recommend	Estimates					
		30-Jun	30-Sep			FY2017A	FY2018B	FY2019B	FY2020E	FY2021E	FY2022E
For the fiscal year ended September 30											
Cash Flows From Operating Activities											
1	Operating Income/(Loss)	(781.4)	(329.0)	29,574.0	29,185.1	55,850.2	29,185.1	16,962.6	14,538.4	3,504.5	(4,846.8)
2	Depreciation Expense	-	-	23.1	36.0	36.0	36.0	60.0	60.0	60.0	60.0
3	Revenue reduced for uncollectible accounts	-	-	472.1	1,270.8	1,270.8	1,297.7	1,260.8	1,267.1	1,273.4	1,279.8
4	% of Revenues	-	-	0.2%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
4	Expenses paid directly from loan proceeds	514.4	-	-	-	-	-	-	-	-	-
Changes in operating working capital											
5	Change in net accounts receivable	-	-	(21,892.4)	(9,878.7)	(9,878.7)	(672.0)	924.3	(157.5)	(158.3)	(159.1)
6	Change in energy settlements receivable	-	-	(266.3)	(94.0)	(94.0)	(7.6)	10.5	(1.8)	(1.8)	(1.8)
7	Change in accrued revenue	-	-	(14,976.3)	(5,284.0)	(5,284.0)	(428.6)	589.4	(100.5)	(101.0)	(101.5)
8	Change in other receivables	-	-	(200.0)	(341.1)	(341.1)	(11.4)	15.7	(2.7)	(2.7)	(2.7)
9	Change in deposits	-	-	(3,237.8)	(5,549.7)	(5,549.7)	(185.9)	255.7	(43.6)	(43.8)	(44.0)
10	Change in prepaid expenses	-	(25.4)	(46.5)	(84.1)	(84.1)	(4.9)	4.6	(0.8)	(0.8)	(0.8)
11	Change in accounts payable	-	155.0	695.3	475.7	475.7	235.1	(3.1)	7.8	7.8	7.9
12	Change in accrued cost of electricity	-	-	25,988.1	14,013.6	14,013.6	6,410.0	1,060.7	787.1	2,674.9	2,088.4
13	Change in accrued compensation	-	(1.3)	74.5	115.0	115.0	71.9	11.8	1.4	1.4	1.4
14	Change in supplier security deposits	-	-	-	1,185.0)	1,185.0)	(1,185.0)	-	-	-	-
15	Change in other accrued liabilities	190.7	(50.1)	(119.7)	129.1	455.5	26.9	(37.0)	6.3	6.3	6.4
16	Change in taxes and surcharges liability	-	-	815.3	-	-	-	\$2,832.6	\$495.8	\$2,382.1	\$1,794.1
17	Net changes in operating working capital	\$202.5	\$78.1	\$13,165.8	\$4,857.6	\$52,299.4	\$34,767.2	\$21,116.0	\$16,361.2	\$7,220.0	\$1,712.9
18	Net cash provided (used) by operating activities	\$64.4	\$250.9	\$16,903.4	\$34,767.2	\$52,299.4	\$34,767.2	\$21,116.0	\$16,361.2	\$7,220.0	\$1,712.9
Cash Flows from Non-Capital Financing Activities											
19	Note proceeds from bank	-	-	4,400.0	-	-	-	-	-	-	-
20	Loan proceeds from JPA members	-	-	165.6	-	-	-	-	-	-	-
21	Payments of deposits and collateral	2,050.0	-	(600.0)	-	500.0	-	-	-	-	-
22	Principal payments on note	-	(28.6)	(1,500.0)	-	(2,900.0)	-	-	-	-	-
23	Principal payments on JPA member loan	-	-	-	-	(2,730.0)	-	-	-	-	-
24	Distributions	-	-	500.0	-	-	-	-	-	-	-
25	Interest and related expense payments	-	-	(68.8)	-	(33.0)	-	-	-	-	-
26	Finance costs paid	-	-	(73.2)	-	-	(30.0)	-	-	-	-
27	Net cash provided (used) by non-capital financing activities	\$2,050.0	\$28.6	\$2,823.6	\$30.0	\$5,163.0	\$30.0	\$0.0	\$0.0	\$0.0	\$0.0
Cash Flows from Capital and Related Financing Activities											
28	Acquisition of capital assets	-	-	(190.6)	-	(50.0)	(150.0)	(50.0)	(50.0)	(50.0)	(50.0)
Cash Flows from Investing Activities											
29	Interest income received	-	-	1.1	500.0	100.0	500.0	500.0	500.0	500.0	500.0
30	Total change in cash and cash equivalents	\$1,985.6	\$279.5	\$19,537.5	\$35,087.2	\$47,186.4	\$35,087.2	\$21,566.0	\$16,811.2	\$7,670.0	\$1,262.9

AGENCY OVERVIEW

Formed in 2016, Silicon Valley Clean Energy (SVCE) is redefining the local electricity market.

SVCE provides residents and businesses with carbon-free electricity at lower rates and offers innovative clean energy programs.

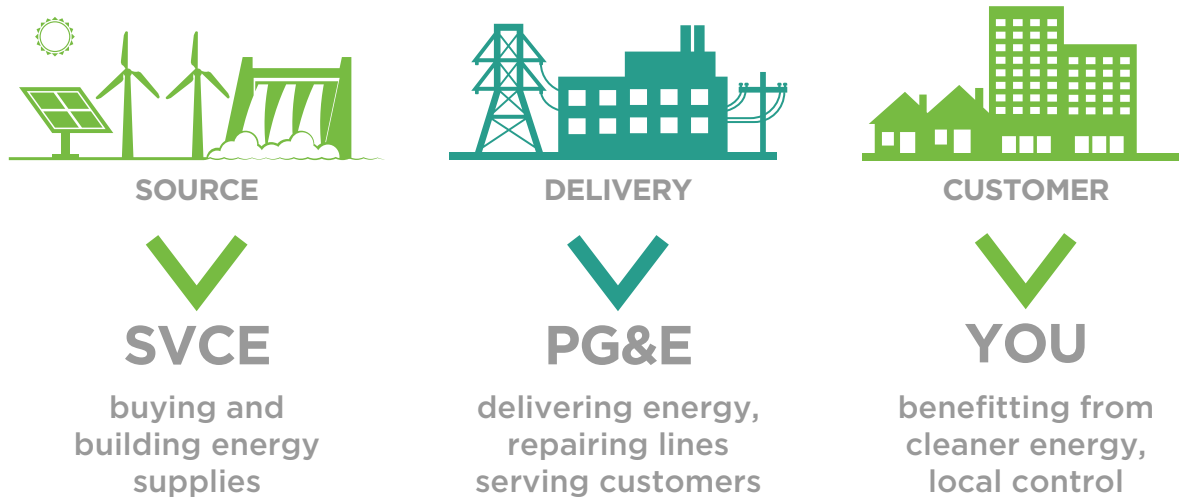


To govern the Agency's activities, the County and each participating community have appointed an elected representative and an alternate to serve on SVCE's Board of Directors.

Community Choice Energy (CCE) is an opportunity to change the electricity market and provide residents and businesses with a new choice. A CCE agency functions as a new electricity provider, and is locally operated and administered. The agency buys power on the open market, encouraging the kind of competition that can result in more carbon-free energy sources contributing to the energy grid at lower rates. California state policy allows local governments to form a CCE program to pool electricity demand within and across their communities.

AGENCY OVERVIEW

Under CCE, PG&E continues to provide essential services as a partner, delivering the electricity over existing infrastructure, maintaining power lines, sending bills and providing customer service.



Operational CCE agencies are completely funded through program (ratepayer) revenues, and are not subsidized by taxpayer dollars. Compared to PG&E, CCEs have certain cost advantages in that they are small and agile public agencies, with low overhead costs and no shareholder dividend or income tax requirements.

When a community decides to create or join a CCE agency, all customers within that jurisdiction are automatically enrolled in the program. However, any customer can choose to opt out and to remain with their investor owned utility (PG&E in Santa Clara County) for both power resources and delivery. State law requires that customers receive several notifications to opt out at no charge, both before and just after a CCE program launches.

With SVCE, residents and businesses can choose from the following energy options:

GreenStart

- Automatic enrollment – no need to do anything
- Carbon-free electricity, sourced from wind, solar, and hydro
- Savings of approximately 6% compared to PG&E's generation rates

GreenPrime

- Optional service upgrade at any time
- 100% renewable, sourced from wind and solar
- Premium of less than 1 cent per kilowatt-hour

Opt Out

- Opt out and remain with PG&E bundled service

Net Energy Metering

- Automatic enrollment; net surplus generation paid at full retail cost

COMMUNITY BENEFITS SUMMARY

A year of service, a year of results

From October 2017 through September 2018, Silicon Valley Clean Energy delivered on commitments to save customers money, buy cleaner power and reduce community-wide carbon emissions.



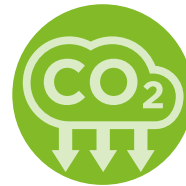
3.6 Billion kWh

Carbon-free energy delivered



266,500

Residential and business customers, a 97% participation rate



1.1 Billion pounds

Carbon emissions avoided by providing clean energy



\$16.5 Million

On-bill savings for SVCE customers



\$159,000

Cash payments to customers for generating extra solar energy



16.6 %

Community-wide emissions reductions from 2015 baseline

SVCE is dedicated to providing benefits to our customers and community.

GHG Reduction

Choosing carbon-free electricity is an easy and economical choice. It's the single most effective and large-scale action our communities can take to curb emissions and combat climate change.

A True Choice

You now have a choice of more than one electricity provider, and new clean and competitively-priced energy services from which to choose.

Competition

As a Community Choice Energy agency, SVCE is redefining the local energy market with new and competitive clean energy choices for all customers.

Local Investment

SVCE is a community-owned agency established to benefit participating communities. We reinvest net revenues to keep rates low, provide energy programs and promote local clean energy infrastructure.

ORGANIZATION CHART



TIMELINE

March
2016



Silicon Valley Clean Energy becomes effective

April
2016



Board of Directors sworn in and initial budget approved

Feb.
2017



Set rates at 1% lower than PG&E

April
2017



SVCE Launches Service

June
2017



Strategic Plan is approved

Jan.
2018



SVCE becomes debt-free

Feb.
2018



Girish Balachandran is hired as Chief Executive Officer

April
2018



Set rates at 6% lower than PG&E

May
2018



Hold first annual Bike to the Future high school scholarship competition

June
2018



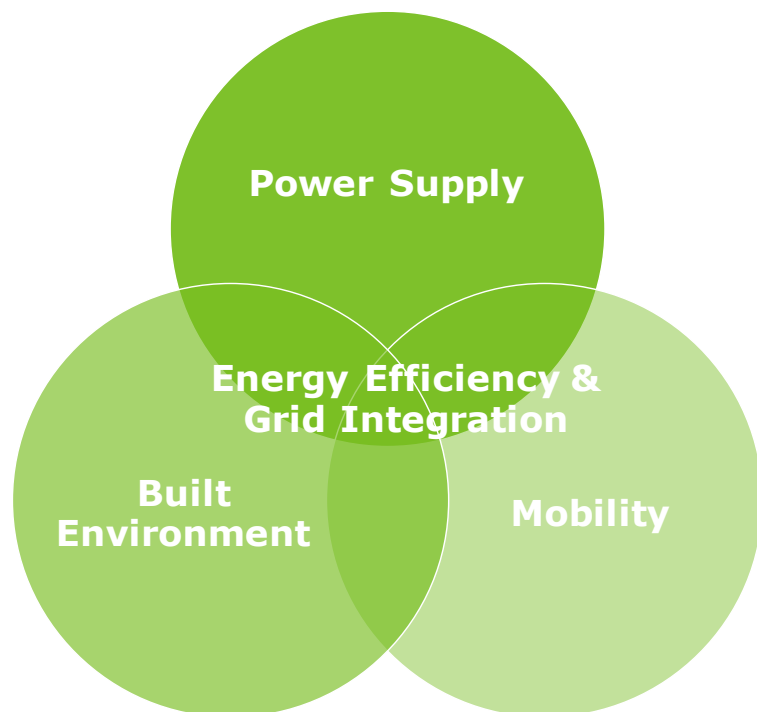
Milpitas joins SVCE

PROGRAMS

Programs Strategy

Three sources of emissions form the foundation of SVCE's decarbonization strategy:

- Power Supply
- Built Environment
- Mobility



Power Supply

Carbon-free electricity is the cornerstone of a decarbonized economy, and SVCE's core product.

- Ensure power supply is sustainable, affordable and carbon free
- Provide innovative rate products to better serve customers and support the grid

Mobility

Transportation is the single largest category of emissions, and changing this is critical to achieving our community's climate targets.

- Electrify transportation, including both passenger and commercial vehicles
- Develop electric vehicle charging infrastructure

Built Environment

Emissions from buildings make up the second largest component of SVCE's remaining emissions.

- Switch appliances that run on fossil fuels to efficient electric technologies powered by SVCE's carbon-free electricity

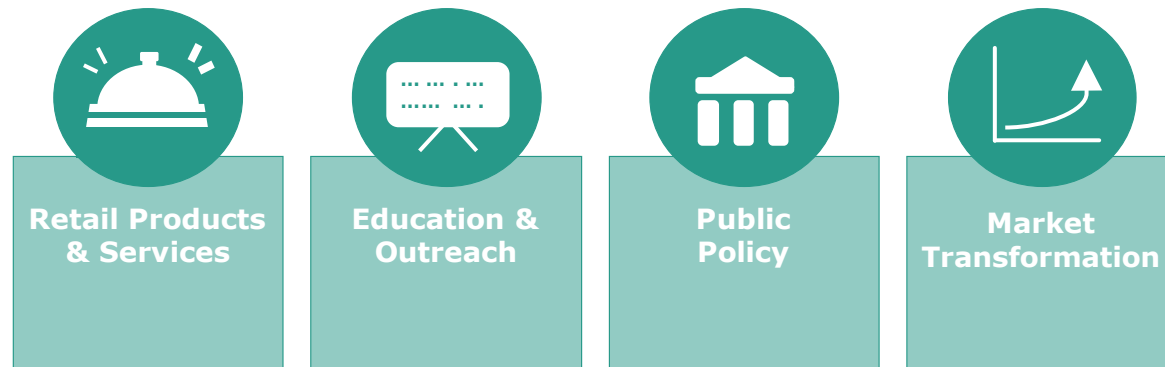
Energy Efficiency & Grid Integration

Successful decarbonization relies on continued progress toward energy efficiency and the utilization of electrified loads to enhance demand-side flexibility, integrating high penetrations of renewables in the power supply and minimizing potential distribution system impacts.

PROGRAMS - STRATEGIC FRAMEWORK

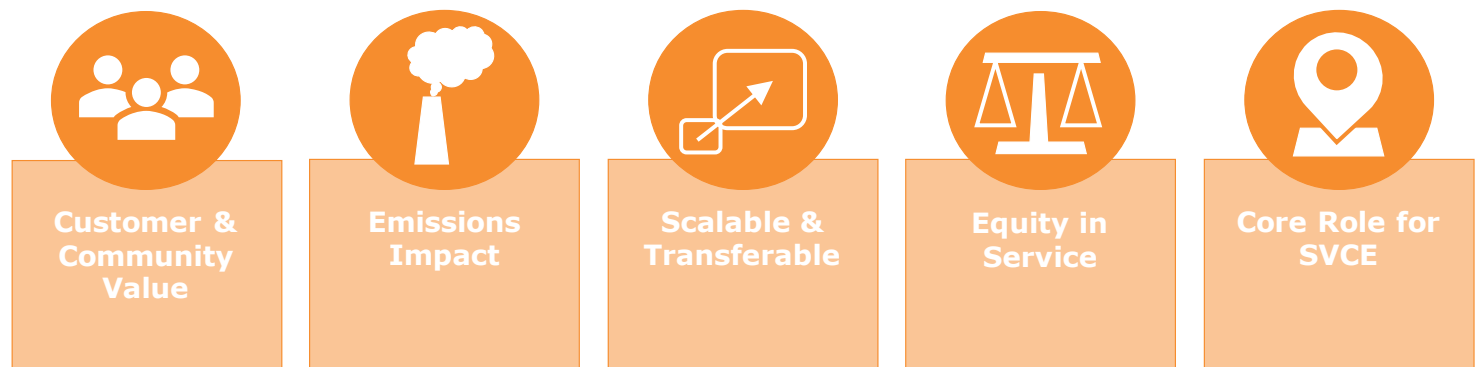
What will we do?

SVCE will pursue initiatives falling within the following four categories:



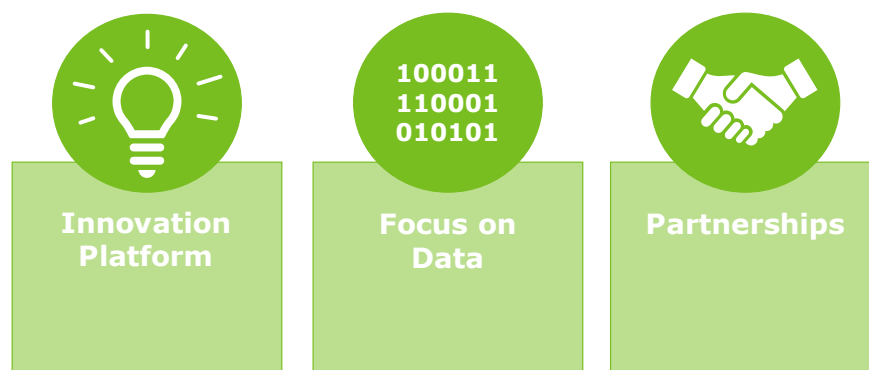
Which priorities will guide us?

Activities will be prioritized based on five key principles



How will we do it?

SVCE will carry out all activities using the following foundational principals







SVCleanEnergy.org