



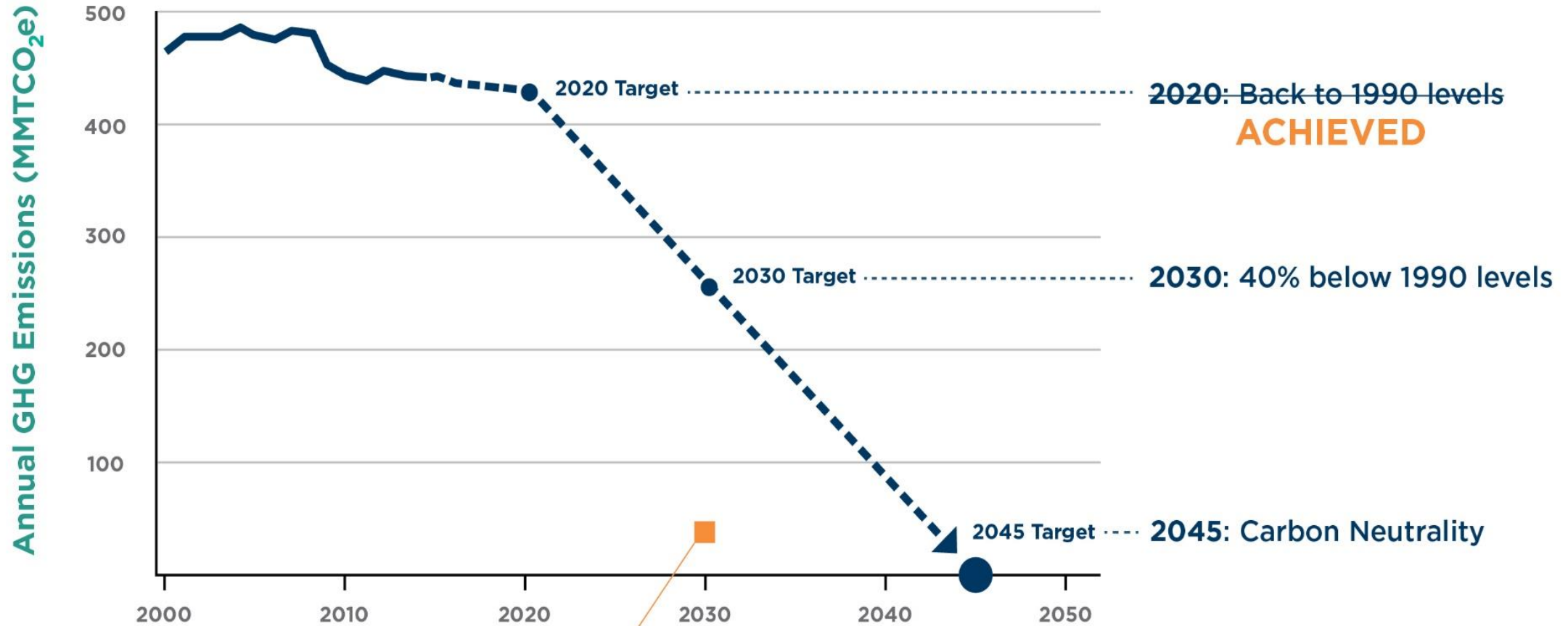
SVCE Board Member Orientation

Feb. 5, 2021

Girish Balachandran

Statewide GHG Emissions

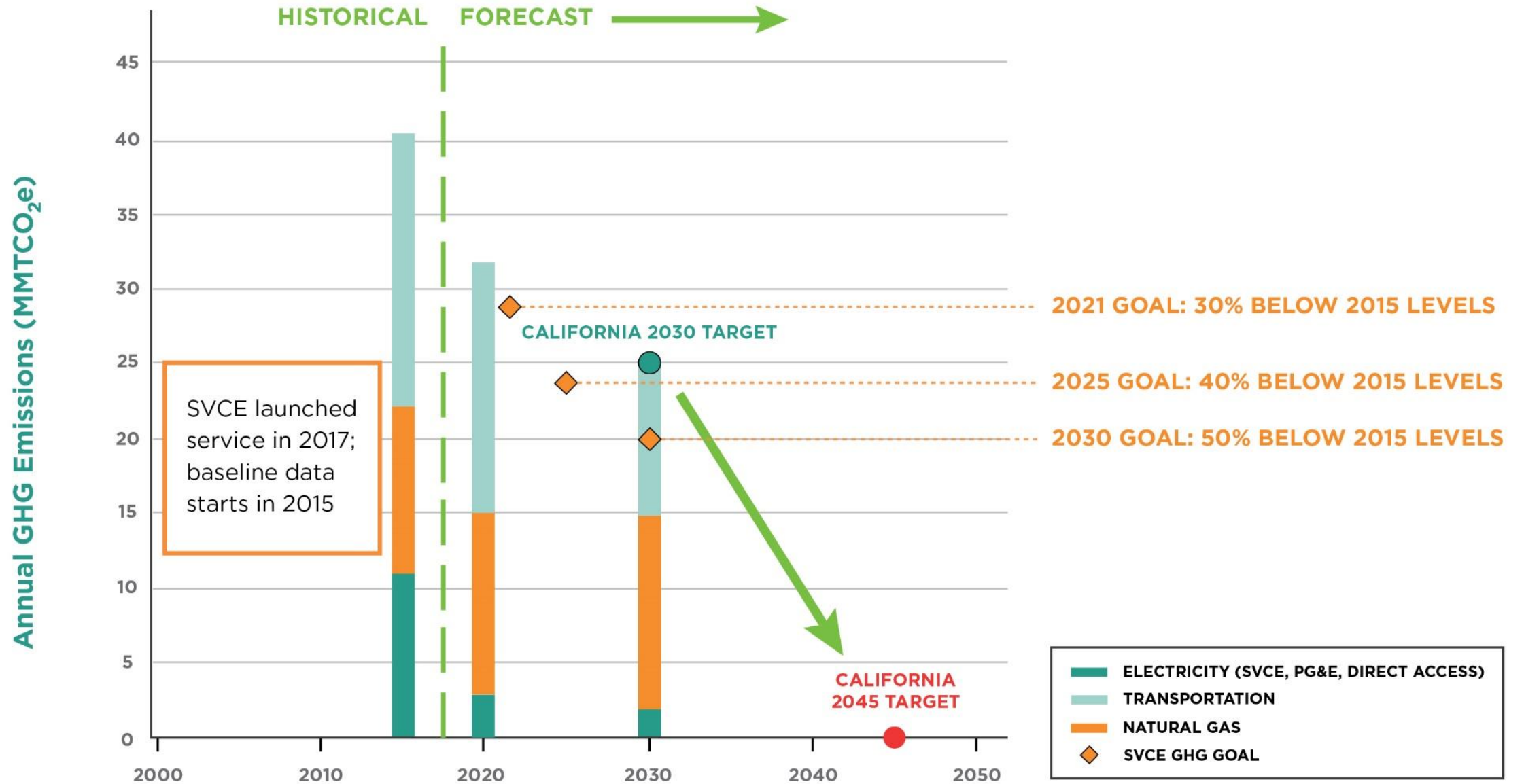
(including electricity, natural gas, transportation, agriculture and industrial sectors)



Electricity makes up only **18%** of allowable statewide emissions in **2030**.

Graph based on data from the California Climate Change Scoping Plan:
https://ww3.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf

SVCE Emissions Reduction Goals



**Our
Communities**



**Our Purpose
&
Destination**

MISSION

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

MEASURE

SVCE, working with SVCE Member Agencies, aspires to achieve energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030

Our Communities



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Our Pathways

Clean Energy

Outreach & Education

Clean Buildings

Market Rules & Regulations

Energy Efficiency & Grid Integration

Clean Transport

Innovation

Our Team



SVCE Strategic Plan

19 Goals and accompanying measures

5 Focus Areas for 2021

Developed with input from Board and staff; adapts to changes in the internal and external environment

<https://www.svcleanenergy.org/wp-content/uploads/2020/02/Strategic-Plan-2020.pdf>

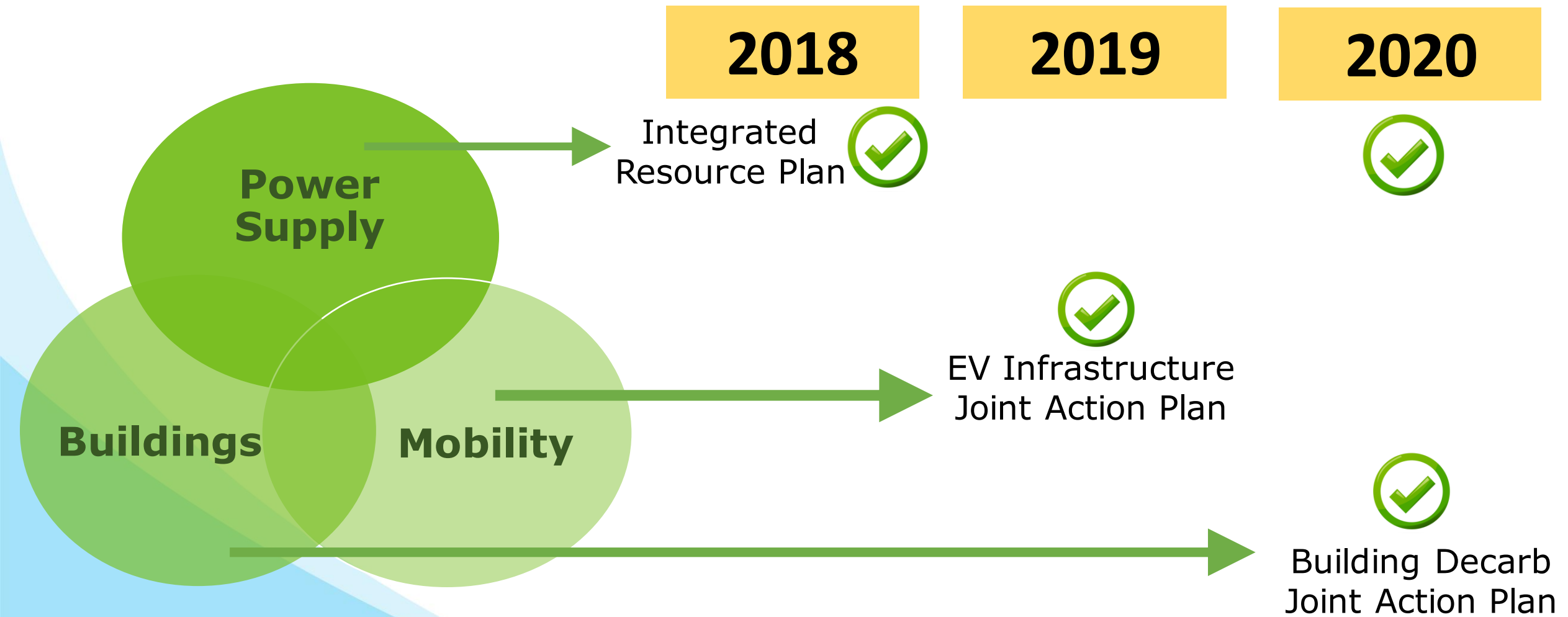
SILICON VALLEY CLEAN ENERGY STRATEGIC PLAN

OCTOBER 2020



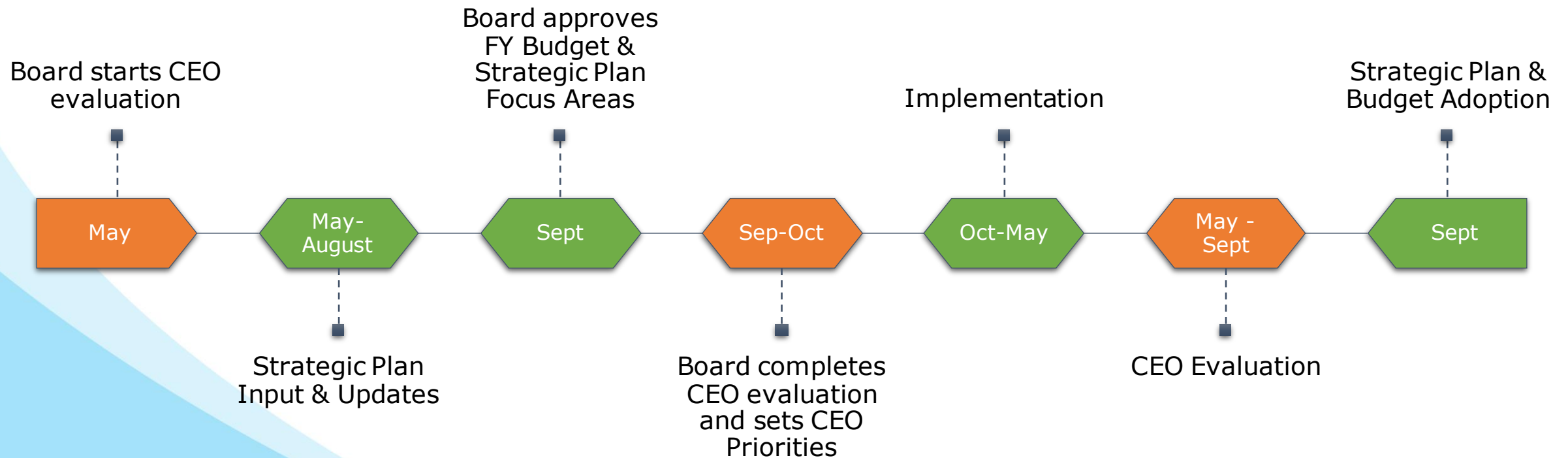
The Future is Electric

Board approved Sector-Specific Plans



Board Oversight & Policy Direction

Strategic Planning, CEO Evaluation and SVCE Workplan Alignment



SVCE Impact and Progress

Investment Grade Ratings

2020 - Baa2

MOODY'S

2021 – A Stable

S&P Global
Ratings

2020 Regional Impacts

- **24% reduction** in annual greenhouse gas emissions compared to 2015
- **\$17 million** in on-bill savings for customers (**\$69 million** total since launch)
- **272,000+** residential and commercial customers - a **96%** participation rate
- **766 million pounds** of greenhouse gas emissions avoided
- **340 megawatts** of new renewable energy projects under contract
- **\$14 million** in incentives and support available for installation of EV chargers

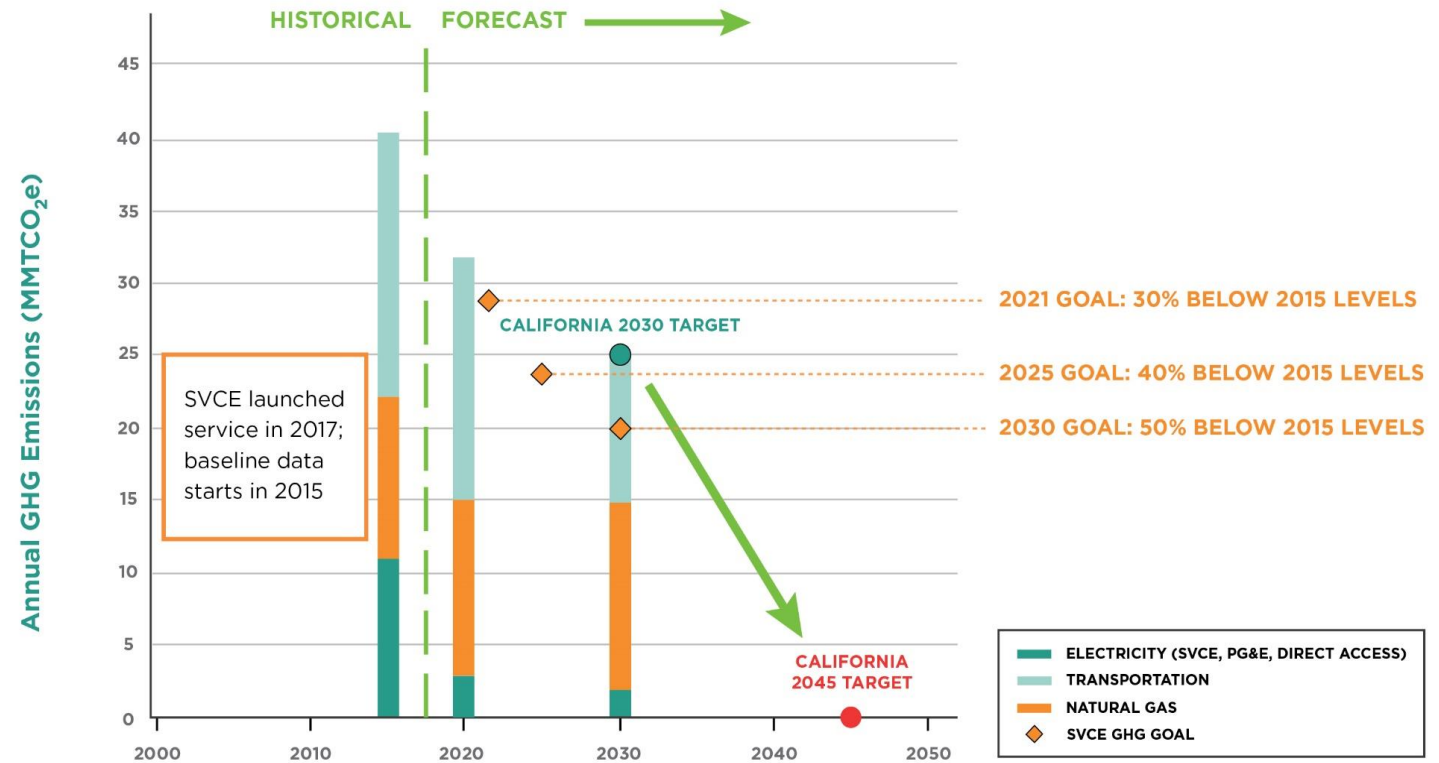
Future Work - 2021 and beyond

Power Supply

Buildings

Mobility

SVCE Emissions Reduction Goals



2021 Focus Areas

(in addition to Business-As-Usual)

Additional Resources & Efficiencies

Enterprise-wide systems, metrics & tools

Focus on Equity

Digital Pivot - Customer & Community engagement

Community outreach and leverage

2021 Focus Areas

(in addition to Business-As-Usual)

Additional Resources & Efficiencies

- Additional Staff & Contractors
- Job description changes
- Internal efficiencies

Enterprise-wide systems, metrics & tools

- System-wide data warehousing & modeling
- Data analytics for energy risk management & decarbonization programs
- Reporting on GHG emission reductions

Focus on Equity

- Supplier diversity
- Socio-economic vulnerability index program design and delivery

Digital Pivot - Customer & Community engagement

- Engage digitally
- eHub roll-out and metrics
- Large customer relationships

Community outreach and leverage

- Power of local electeds & community for local changes
- Regional and Sacramento activities

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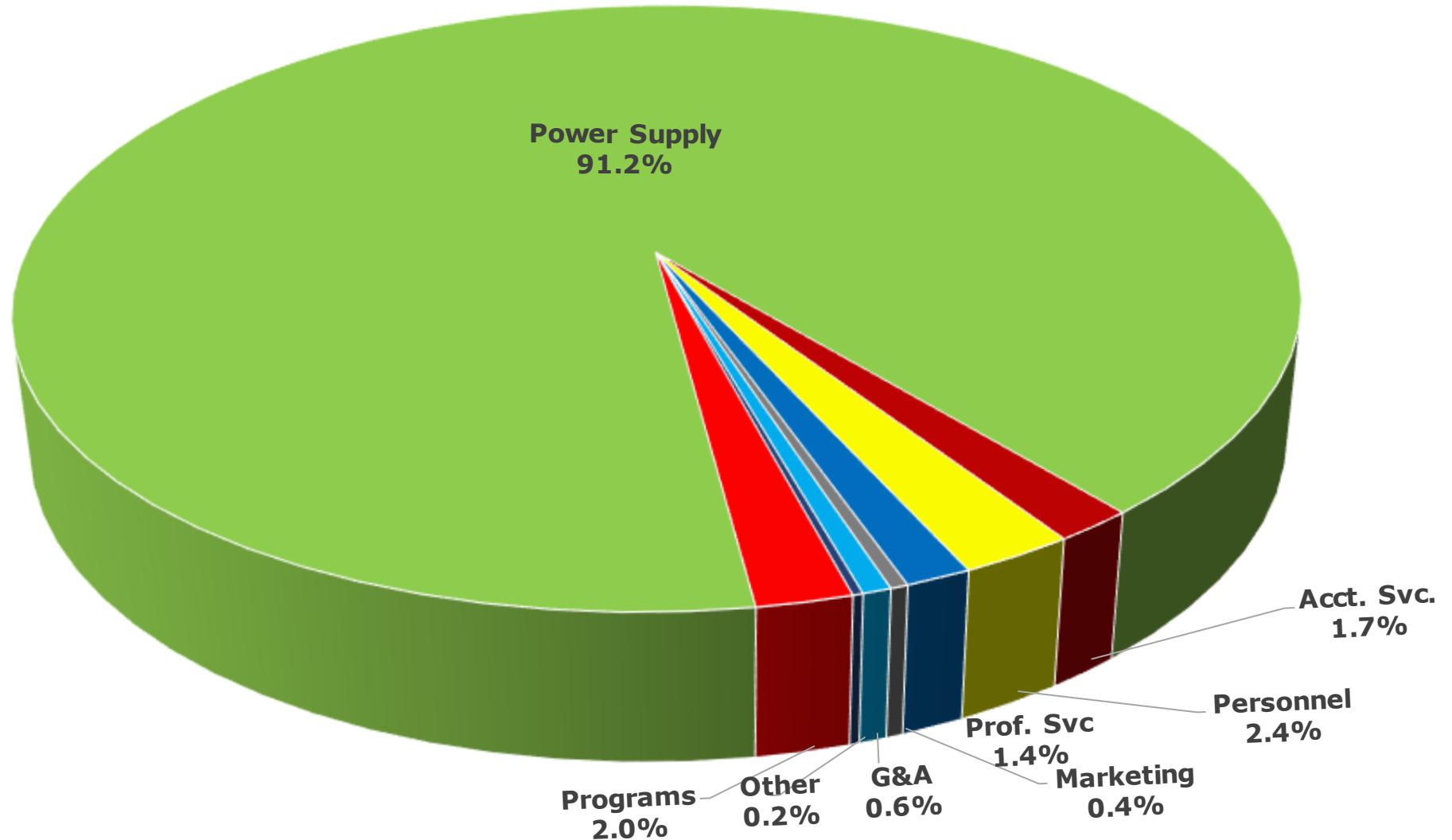


Backup

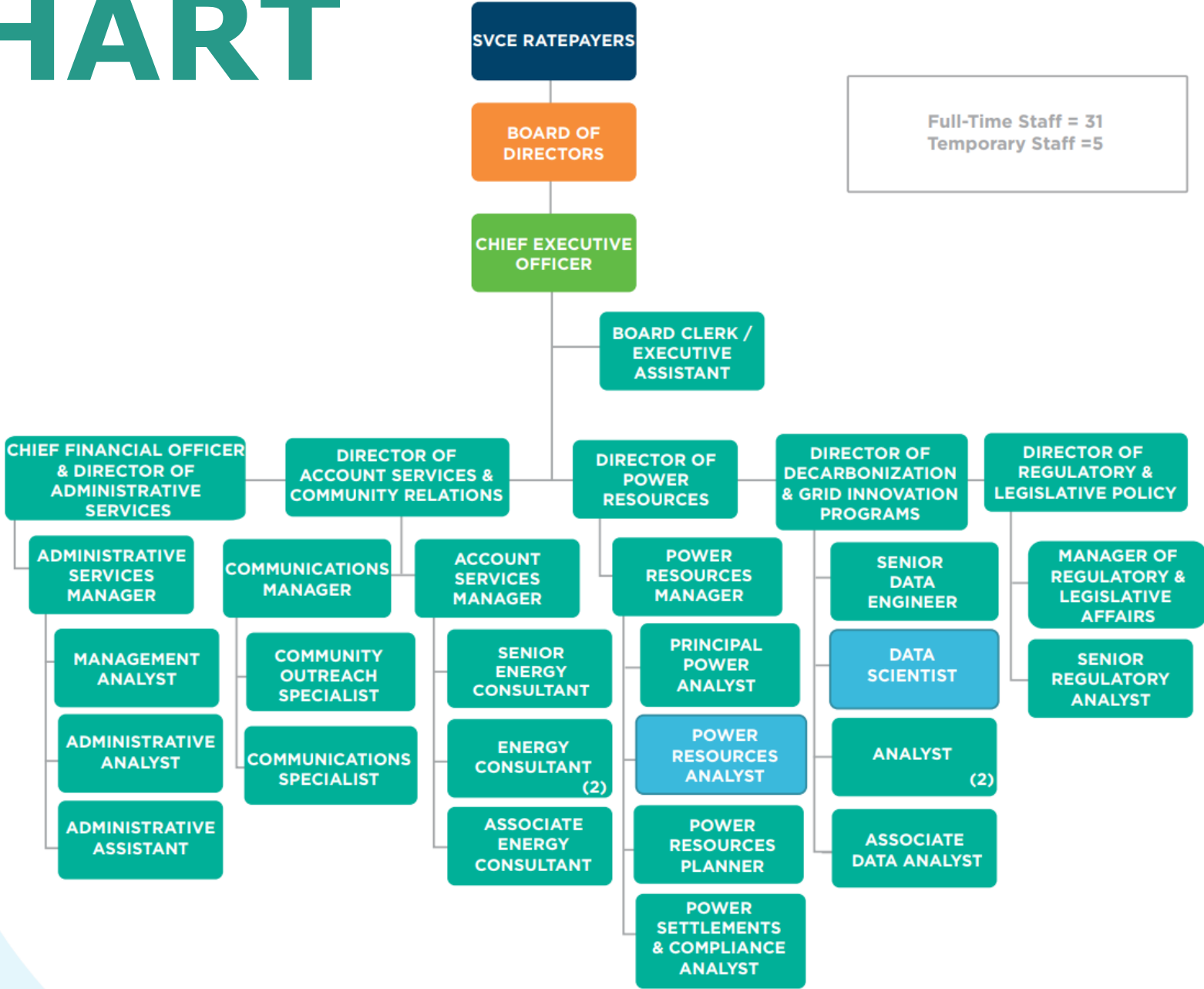
TOTAL EXPENSES \$256M

Personnel/employee cost ~\$6 million, 2.4%

Low Overhead
keeps SVCE
nimble to
respond to
changing
business



ORG. CHART



Full-Time Staff = 31
Temporary Staff = 5



General Board Info

February 5, 2021

Overview

- New Board Member Checklist
- Important Governing Docs
- General Board Information

New Board Member Checklist

- ✓ Form 700 Filing
- ✓ Oath of Office
- ✓ Code of Ethics Policy – GAP5

Important Governing Documents

Joint Powers Agreement

Effective 2016 in formation of SVCE, lists powers of the authority, participation, governance

Operating Rules and Regulations

Appointment of Chair/Vice Chair, committees, meetings

General Board Information

Board Meeting Logistics

- 2nd Wednesday of the month, 7pm (virtual until further notice)
- Materials distributed Friday before Board meetings

Committees

- Legislative and Regulatory Responses to Industry Transition for 2021 Ad Hoc Committee
- Audit Committee
- Finance and Administration Committee

Thank you



**SILICON VALLEY
CLEAN ENERGY**



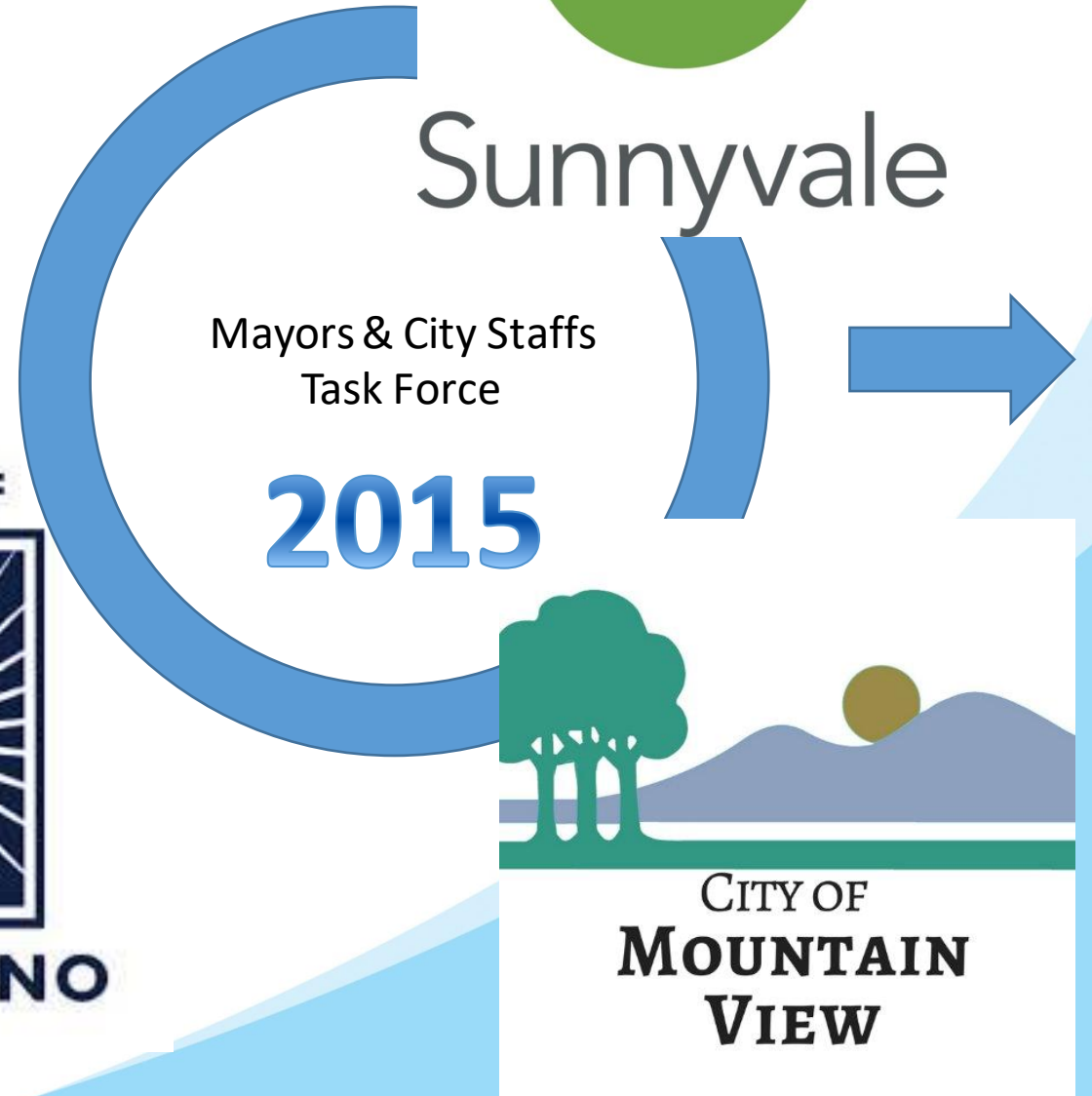
Effective Board Governance

SVCE 2021 Board Orientation
Former Board Chairs
Howard Miller & Rod Sinks

AGENDA

- Our History
- SVCE: a Business *and* a Public Agency
- Effective Governance Tips for Board Members

OUR HISTORY



OUR HISTORY

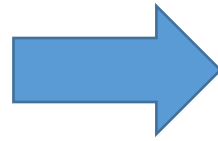


**SILICON VALLEY
CCE PARTNERSHIP**



Feasibility Study
Governance Study

2015



Sunnyvale



JPA Formation
Board Formation
Goal Setting & Plan
Key Staffing

2016

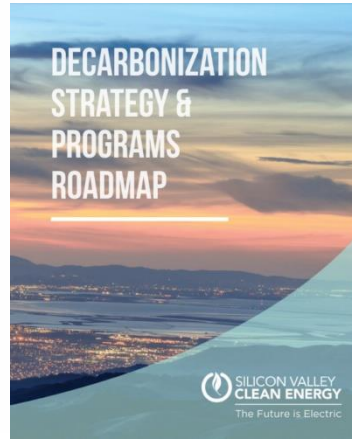
OUR HISTORY

100% Carbon-Free



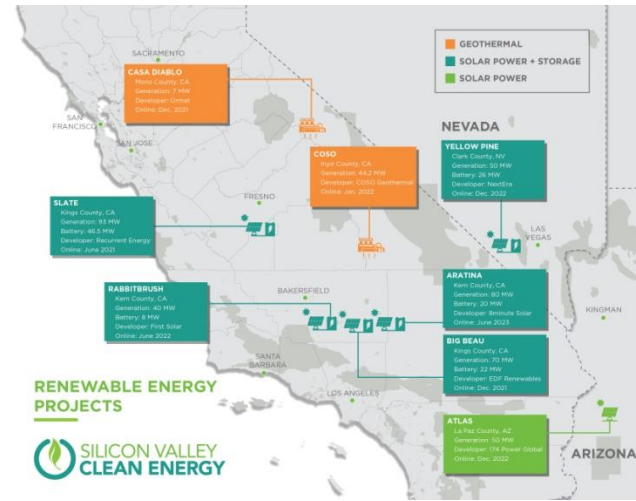
Service Starts (April)
Legislative Threats

2017

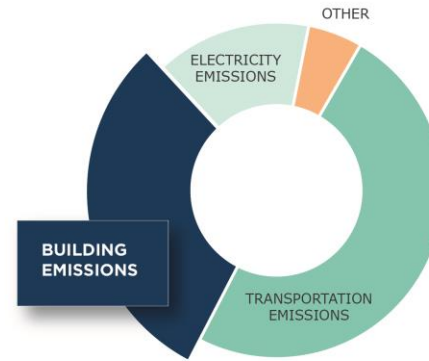


Regulatory Setbacks

2018



RENEWABLE ENERGY PROJECTS
SILICON VALLEY CLEAN ENERGY



Building New Supply
Reach Code Initiative

2019



Renewed Threats
But More CCAs = More Clout

2020



A BUSINESS *and* A PUBLIC AGENCY

- Business
 - Electricity provider to residents & businesses
 - Competition
 - PG&E, Direct Access
 - Subject to legislative & regulatory actions
- Public Agency
 - Open books, open meetings, public scrutiny
 - Accountable to member cities and voters
 - Excess revenue is reinvested per our mission

UNLIKE A CITY...

SVCE is *not*
the sole provider

SVCE has a
small, highly
leveraged staff

Member Cities	Revenue (millions)	Employees (FTEs)	Revenue per FTE
Campbell	\$ 94	167	0.6
Cupertino	\$ 108	199	0.5
Gilroy	\$ 133	284	0.5
Los Altos	\$ 58	136	0.4
Los Altos Hills	\$ 16	26	0.6
Los Gatos	\$ 53	150	0.4
Milpitas	\$ 220	439	0.5
Monte Sereno	\$ 4	9	0.4
Morgan Hill	\$ 147	191	0.8
Mountain View	\$ 342	468	0.7
Saratoga	\$ 36	57	0.6
Sunnyvale	\$ 597	936	0.6
SVCE	\$ 264	31	8.5

EFFECTIVE GOVERNANCE

- Keep the mission & big picture in mind
- Be prepared to adapt to circumstances
- Cover the business basics
 - Serve customers well (they have a choice)
 - Understand risks
 - Competition
 - Legislative & regulatory actions
 - Maintain a financial reserve responsive to risks

EFFECTIVE GOVERNANCE

- Staff is small, highly leveraged and in high demand
- Hire & retain the best; keep them:
 - focused on priorities
 - fairly compensated
 - well appreciated
 - happy
- Make policy and let staff execute & sweat the small stuff



EFFECTIVE GOVERNANCE

- Manage external risks and opportunities by building relationships with key stakeholders



Questions?



SILICON VALLEY
CLEAN ENERGY



The ABCs of the CPUC

Melicia Charles

Director of Legislative and Regulatory Policy

The Legislative and Regulatory Policy Team

- We advocate for policies that advance SVCE's goals, by
 - Collaborating/meeting with legislators to change the law.
 - Working with and through other stakeholders to influence policymakers at all levels.
 - Appearing before the CPUC to provide input to inform policies.



Melicia Charles,
Director of Legislative and
Regulatory Policy



Poonum Agrawal,
Senior Regulatory Analyst



Sr. Government Affairs
Manager



Regulatory Analyst

CPUC History and Jurisdiction

- **1911:** The CPUC was established as the Railroad Commission in 1911
- **Today:** CPUC regulates privately-owned electric, natural gas, telecommunications, water, railroad, rail transit and passenger transportation companies
- **Budget:** \$1.7 billion for FY 20/21
- **Staff:** 1,400+



CPUC Leadership and Mission



Marybel Batjer, President
(appointed in 2019)



Martha Guzman Aceves
(appointed in 2016)



Cliff Rechtschaffen
(appointed in 2016)



Genevieve Shiroma
(appointed in 2019)



5th commissioner yet
to be appointed

Mission: Empower California through access to safe, clean, and affordable utility services and infrastructure.

CPUC Proceedings and Public Process

- Legal process that forms the basis of “decisions” and other “orders” that adopt regulations.
- Administrative law judges (ALJs) preside over the proceedings and commissioners are assigned to specific proceedings.
 - Both commissioners and ALJs are considered “decision-makers” and are subject to certain rules in which they can communicate with the public.
- CPUC uses different forums to gather information to include on the record for a proceeding

CPUC's Energy Oversight of IOUs

- The CPUC sets and designs the rates for the electric and gas investor-owned utilities (IOUs) and regulates electric and gas safety.
- CPUC develops and oversees energy policy and programs implemented by the IOUs.
 - IOUs can propose their own programs but subject to approval by the CPUC.
- CPUC oversees and approves the planning and procurement of energy to ensure safe, reliable and affordable service.

CPUC's Oversight of CCAs

- Certify CCA Implementation Plans
- Resource Adequacy (RA) - CPUC also has authority to ensure that CCAs purchase enough energy to serve their customers.
- Renewables Portfolio Standard (RPS) – CCAs are subject to the same RPS requirements as the IOUs.
- Integrated Resource Planning (IRP) – CPUC oversees the IRP process for all LSE to ensure they meet GHG reduction and reliability goals.
- Authorize nonbypassable charges that affect our rates.

Key CPUC's Concerns with CCAs

- **Reliability** – how do the state energy agencies ensure reliability with an increasing number of load-serving entities?
- **Affordability** – who pays for costs incurred to build and maintain the grid?

Thank you!



**SILICON VALLEY
CLEAN ENERGY**