

Workforce Development Strategy Update

Bena Chang
Executive Committee
May 26, 2023



Workforce Development Strategy



Where have we been? Where are we going?

Update on workforce development strategic focus area

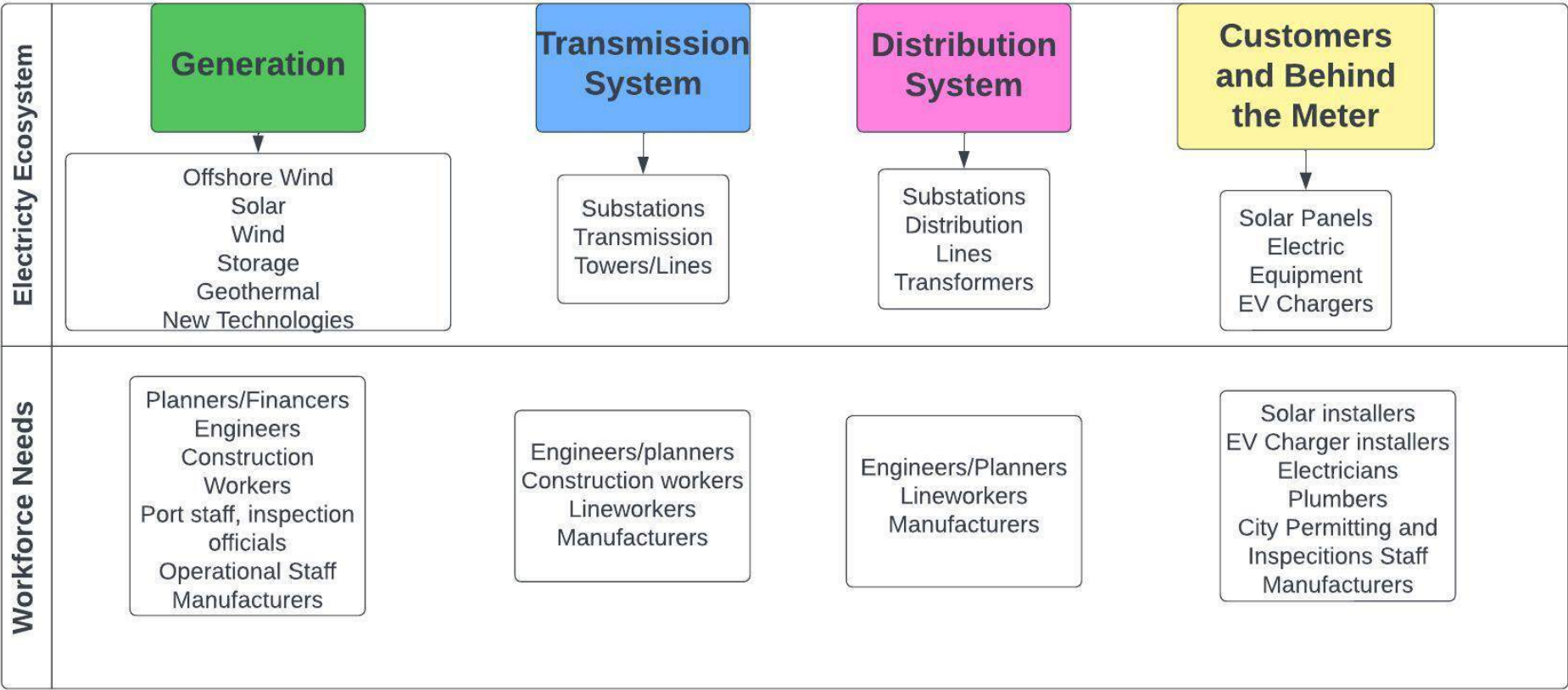
- How does workforce fit into SVCE's mission?
- Where have we focused?
- Where might we want to go?





Workforce Development and SVCE Mission

SVCE has ambitious clean energy and decarb goals – strong workforce is critical





What have we done to date?

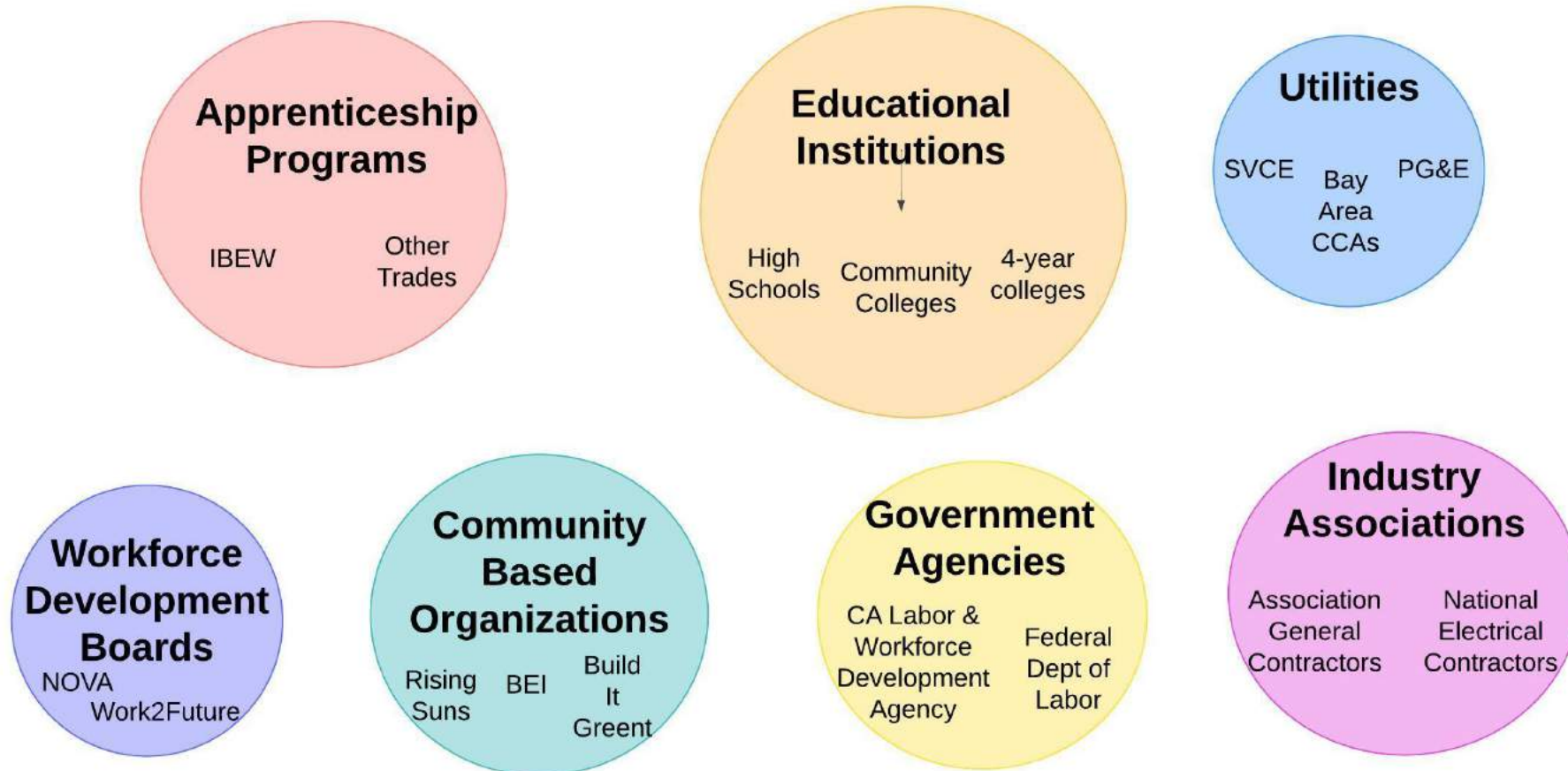
Building Demand + Programs and Advocacy work

Area	Name	Description	SVCE Already Doing
Programs & Power	Prevailing wage	Requires prevailing wage on all PPAs and certain programs	Yes
Power	Project Labor Agreements	PPAs have PLA preference	Yes
Programs	FutureFit Fundamentals Contractor Training	Online training - \$500 for 5 hours	Yes
Advocacy	Legislative Advocacy	Support funding and statewide workforce coordination	Yes
Programs & Power	Diverse Supplier	Provide resources to contractors on how to obtain diverse supplier certification	Yes



The Future - SVCE is only one entity in a complex landscape

Strategic partnerships are critical





Refine SVCE's understanding of workforce landscape, bring back ideas to Board

- Conduct additional stakeholder conversations
- Explore partnership opportunities
- Refine workforce development strategy and bring ideas back to the Board

Strategic Plan Update

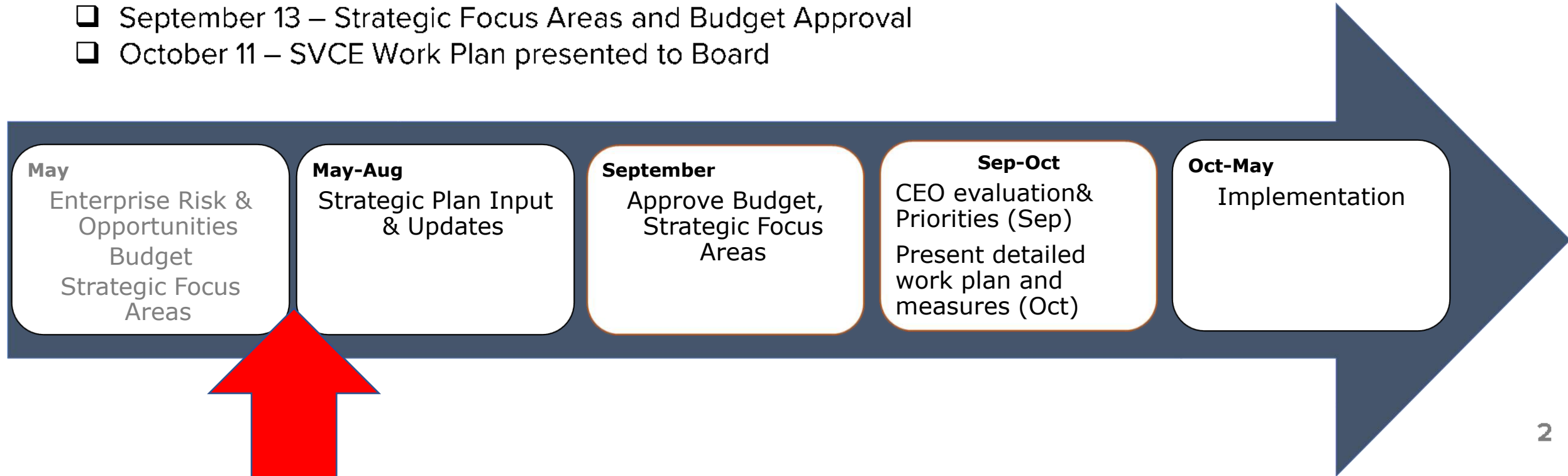
May 26, 2023

SVCE Executive Committee



Strategic Plan & Budget Timeline

- ✓ April & May & Q3 - Staff input
- ☐ May 26 - Executive Committee (strategic plan & budget)
- ☐ June 14 - Board (strategic plan)
- ☐ June 23 - Executive Committee (strategic plan & budget)
- ☐ August 1 - Finance Committee (budget)
- ☐ August 9 - Board (budget)
- ☐ September 13 – Strategic Focus Areas and Budget Approval
- ☐ October 11 – SVCE Work Plan presented to Board



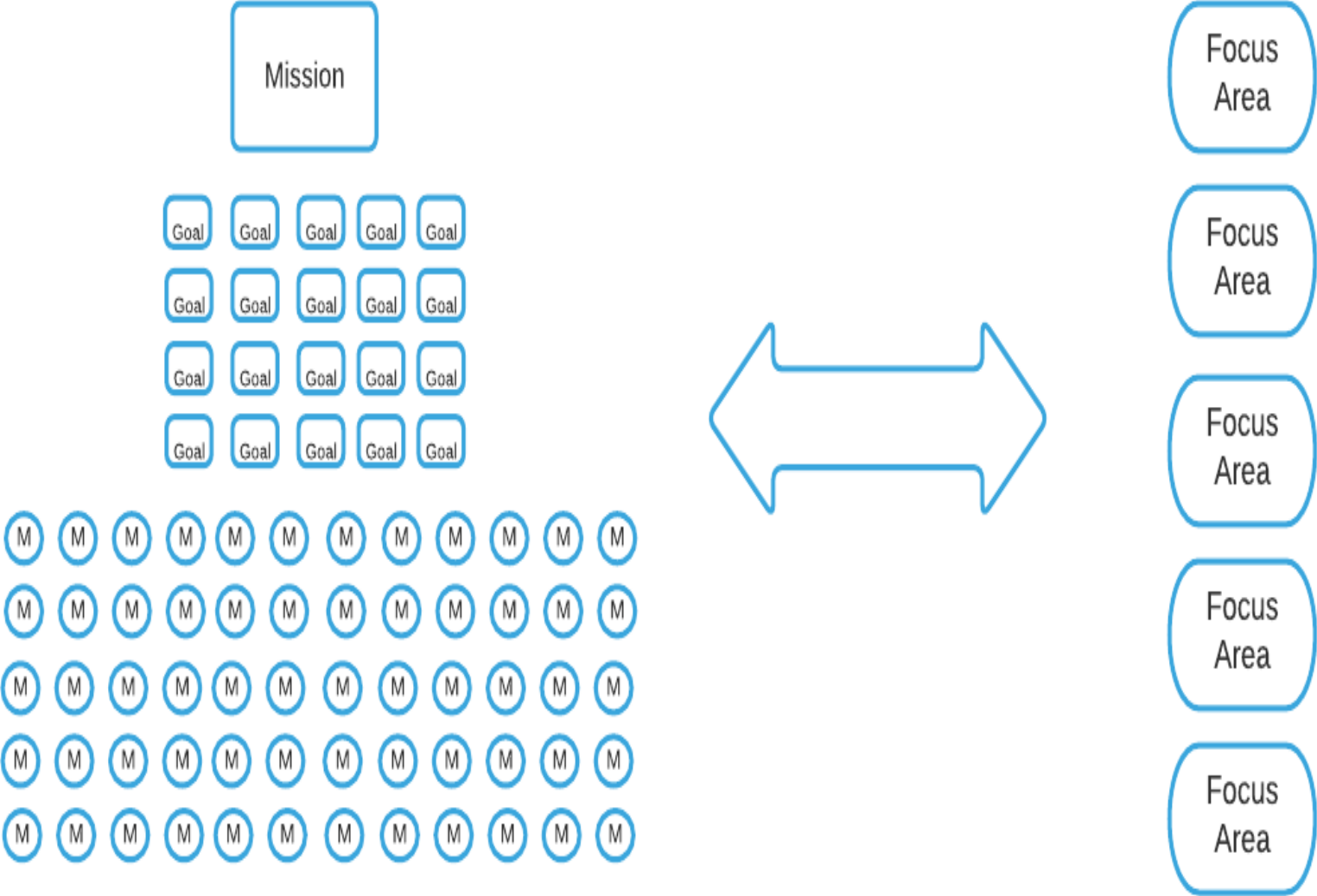


SVCE Planning & Budgeting Process





Strategic Work Plan & Focus Areas





STRATEGIC FOCUS AREAS

Item 4
PRESENTATION

A lens to spotlight cross-cutting and incremental priorities

Useful for Board and CEO establishing priorities

Mapping to each department's goals and measures



No Changes to Mission & Measure

MISSION:

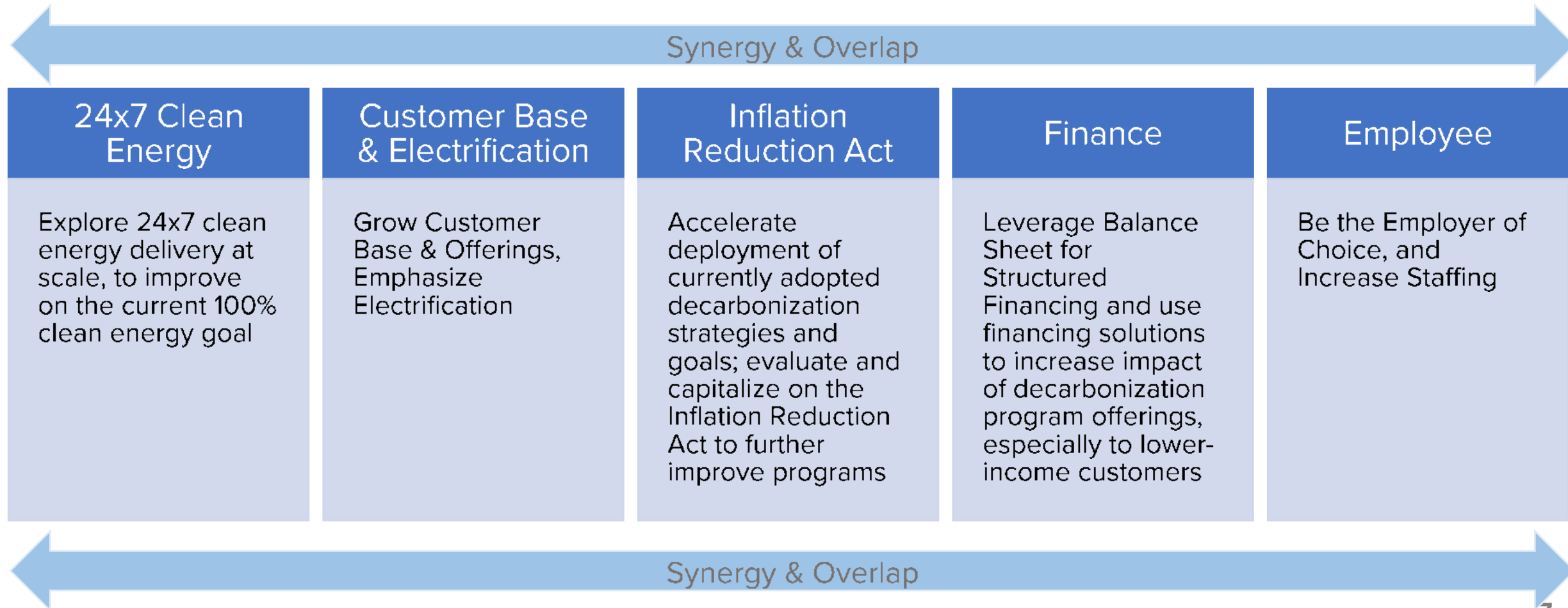
Reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community

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



5 Strategic Focus Areas – FY 23



FY 24: Risk Register & Opportunities

1. Working through each department and cross-department meetings
2. Several initiatives span multiple years

FY 24 Focus Areas - Essentially Unchanged, except for #3 IRA

FY 23

1. 24x7 Clean Energy
2. Customer Base and Electrification
3. Inflation Reduction Act
4. Finance
5. Employee

FY 24

1. Clean and Renewable Grid
2. Accelerate Building & Transportation Electrification
3. Finance
4. Employee

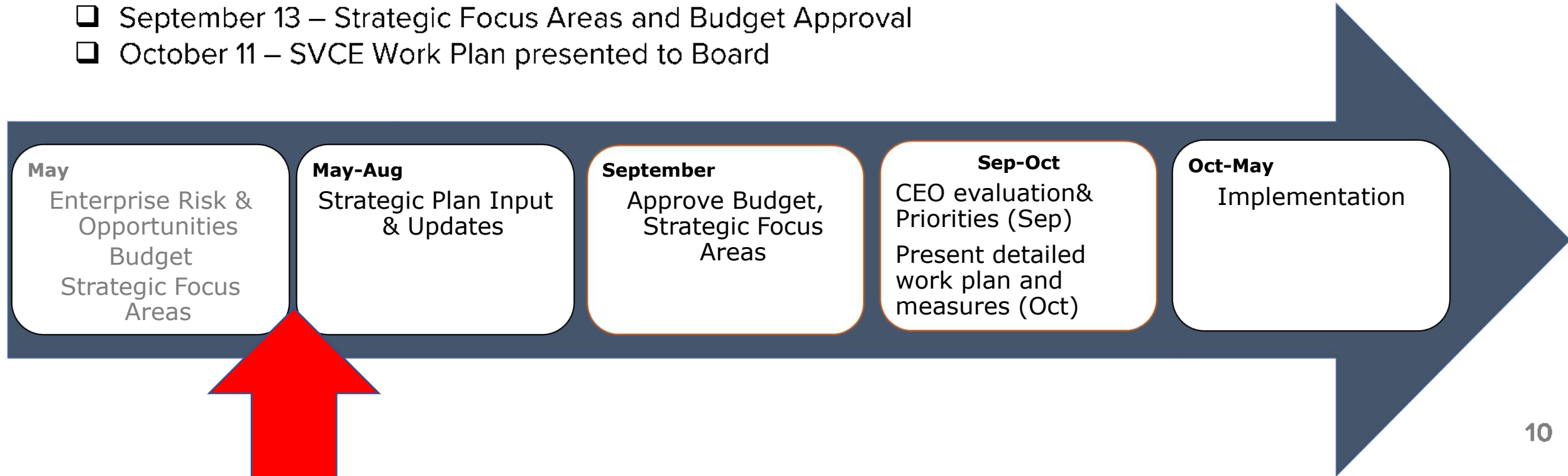
Supporting Work:

Risk and Opportunities being updated
Strategies (21), Measures (80) being updated
Utilize Monday.com to track during the year
Update details under each Strategic Focus Area



Strategic Plan & Budget Timeline

- ✓ April & May & Q3 - Staff input
- ☐ May 26 - Executive Committee (strategic plan & budget)
- ☐ June 14 - Board (strategic plan)
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APPENDIX





WORKPLAN - 21 Goals and 75 Measures

(to be updated & presented to Board in October 2022)

STRATEGIC PLAN GOALS

1. Build and maintain a high-performing team
2. Maintain an enjoyable and rewarding workplace
3. Get great at prioritizing, and rebalancing to align work plan with higher level goals
4. Plan for resources to meet SVCE's mission while balancing multiple stakeholder objectives
5. Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner
6. Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives
7. Work with the community to plan and track achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030
8. Coordinate development of decarbonization and resilience strategy, lead design of local policy and programs, and support program deployment
9. Use DAISY to enable data-driven decision-making across the organization
10. Empower customers with the awareness, knowledge and resources needed to make effective clean energy choices
11. Engage a full range of public, private, and non-profit stakeholders to leverage our decarbonization efforts
12. Enact competitive service offerings and programs that deliver measurable environmental and economic benefits
13. Commit to maintaining a strong financial position
14. Avoid failures in management of market, credit, liquidity, operational and enterprise risks
15. Advocate for policies that protect CCA customer investments and furthers decarbonization, grid reliability, affordability, and social equity with federal and state elected officials and regulators
16. Engage regulators, legislators, and local elected officials in representing SVCE priorities
17. Develop and enhance internal processes related to Supplier Diversity, Staffing and Compliance
18. Encourage the development of regulations that proactively support the changing, evolving energy market and facilitate grid innovation
19. Drive SVCE's local policy objectives by leveraging key stakeholders
20. Ensure SVCE's Information Technology infrastructure is secure, reliable, and disaster resilient to provide 24/7/365 online access
21. Enable data-driven decision-making across the organization; automate, integrate, and streamline business processes to minimize operational risk and move organization toward industry best practices from its startup phase

Each Goal
associated
with
Measures

B. POWER SUPPLY

SVCE's Power Resource Team is responsible for planning, acquiring, and managing power supply resources to meet the community's clean energy goals and state-mandated power and reliability requirements. This is done through a balanced approach which considers cost, risk, long-term value, and best fit in meeting community goals. This requires sustainable planning, innovative thinking, prudent risk management and the constant search for the best solutions. Going forward, to be successful SVCE must adapt to new climate and social challenges; customer specific needs; support region-wide decarbonization and electrification goals; integrate distributed energy resources; collaborate and leverage opportunities for joint procurement; and become technology and data driven.

GOAL	MEASURES
 4. Plan for resources to meet SVCE's mission while balancing multiple stakeholder objectives	<ol style="list-style-type: none">1. Integrated Resource Plan (IRP) to be affordable, reliable, and 2030 and beyond (2040)2. Develop a platform to support distributed energy resource operations3. Implement process and policy integration between Policy Teams
 5. Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner	<ol style="list-style-type: none">1. Achieve SVCE 100% (RPS) mandate of 65%; in procurement mandates2. Meet SVCE's standard (i.e., GreenPrime and Grid development of sustain GreenPrime Direct and custom product offerings)3. Pursue joint procurement resource adequacy and through CC Power and power partners

"The successful planning and acquisition of clean and reliable energy serves as the foundation of SVCE's mission. Moving forward, we aspire to strengthen and diversify our portfolio with new cost-effective and innovative resources such as long-duration storage."



Monica Padilla
Director of Power Resources

GOAL	MEASURES
 6. Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives	<ol style="list-style-type: none">1. Manage Power Supply Portfolio and Energy Risk2. Implement and Operate Power Purchase Agreements to enhance value to SVCE3. Ensure SVCE adopts the appropriate tools, systems, and resources to support portfolio optimization, risk management, load forecasting, compliance, and settlements





1. 24x7 CLEAN ENERGY

Explore 24x7 clean energy delivery at scale, to improve on the current 100% clean energy goal

- Explore pathways to measure & achieve carbon free 24x7 for the entire portfolio
- Implement 24/7 service with Google and explore with other customers
- Explore VPP opportunities and how we can demonstrate the “grid of the future”



1. 24x7 CLEAN ENERGY

**Explore 24x7
clean energy
delivery at scale,
to improve on the
current 100%
clean energy goal**

- Change to Clean and Reliable Grid



2. CUSTOMER BASE & ELECTRIFICATION

Grow Customer Base, Offerings, & Emphasize Electrification

- Be the Supplier of Choice; attract and retain DA customers
- Maintain competitive rates; increase customer offerings and demand side programs
- Expand value proposition emphasizing electrification



3. INFLATION REDUCTION ACT

Accelerate deployment of currently adopted decarbonization strategies and goals; evaluate and capitalize on the Inflation Reduction Act to further improve programs

- Evaluate clean energy asset ownership to structurally lower costs and lower risk
- Grow our capacity and deploy programs at a much larger scale
- Operationalize equity into programs; utilize SEVI framework in double-down programs
- Assist member agencies evaluating IRA decarbonization policies and program impacts
- Evaluate policies related to the utilization of organized labor in utility-scale projects and decarbonization programs and present options to the Board



4. FINANCE

Leverage Balance Sheet for Structured Financing and use financing solutions to increase impact of decarbonization program offerings, especially to lower-income customers

- Continue building strong financial reserves
- Attract and retain DA customers
- Strategically use balance sheet to advance our mission; providing innovative financing solutions to customers, particularly to reach those with barriers to conventional programs (e.g., low income, renters)



5. EMPLOYEES

Be The Employer of Choice, & Increase Staffing

- Attract and Hire New Employees, passionate about our mission and with excellent job knowledge
- Build and maintain a high-performance agency; preserve start-up culture of employee innovation, engagement, and collaboration
- Develop plans for remote, hybrid and in-person work

FY 23-24 Budget Framework

Amrit Singh
Executive Committee
May 26, 2023

Purpose

Discuss Budget Framework

- Seeking high-level feedback/validation on principles and assumptions
- Budget numbers to be computed in July based on feedback
- Methodology could be tweaked if results from actual numbers in July do not align with expectations

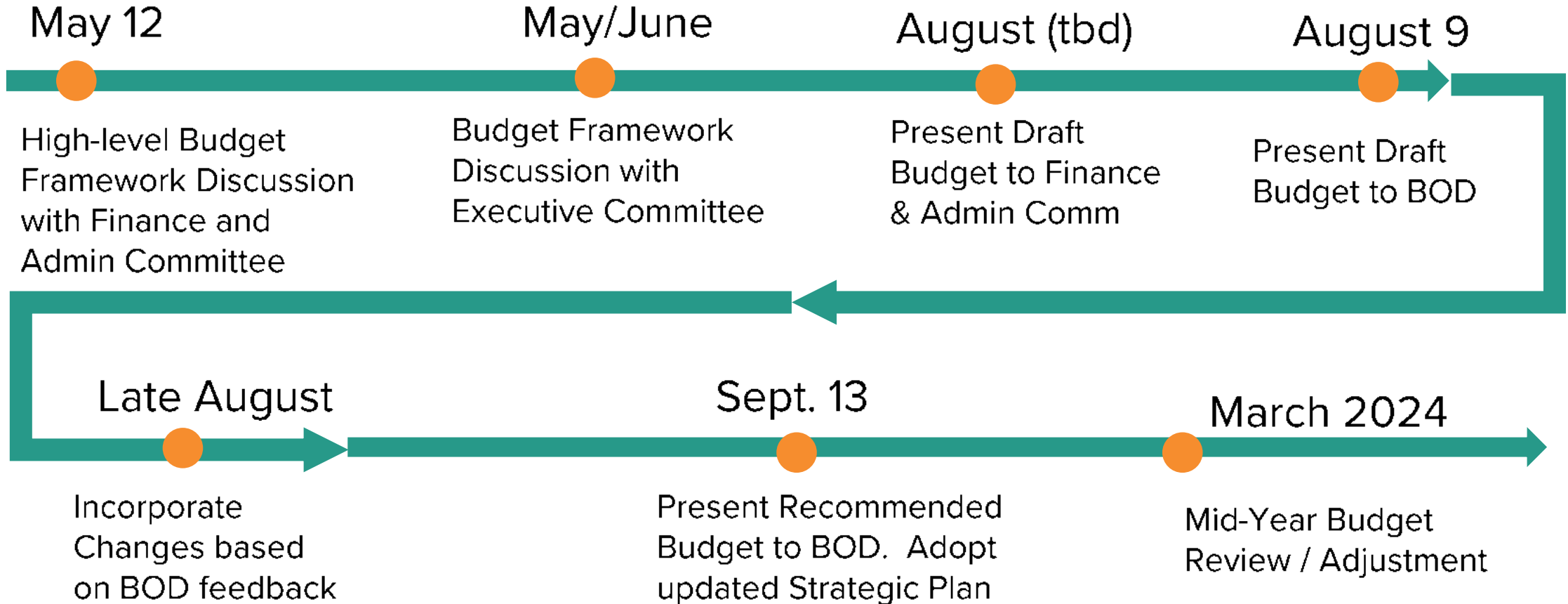
Main Areas of Discussion

1. Revenue Modeling
 - PCIA and PG&E Gen Rate Uncertainty
2. Reserve Targets
3. Customer Discount Rate, Additional Funding for Programs and Set Aside for Reserves
4. Power Supply Costs
5. Other Cost Drivers
 - Office Space





FY23-24 Budget will be ready for Discussion in August



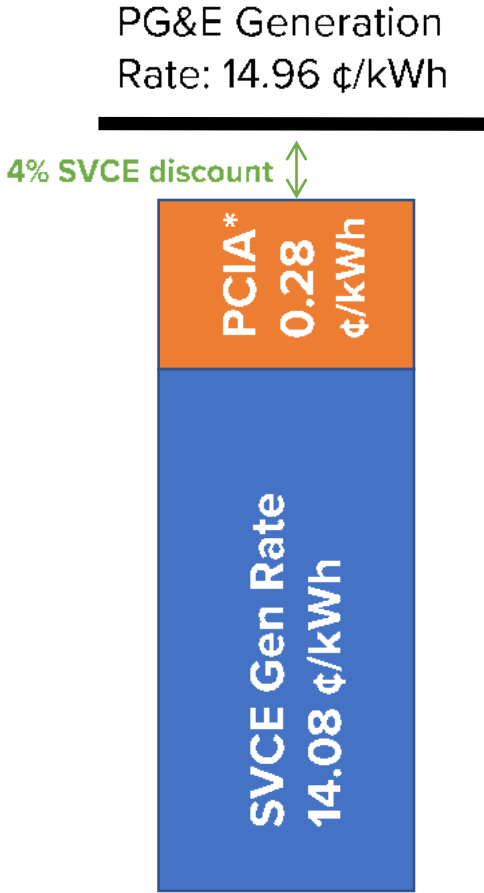


SVCE Planning & Budgeting Process





Revenue Forecast Depends on PG&E Generation and PCIA Rates



Issue: Rate Uncertainty	Staff Recommendation	Implications/Reasons
<ul style="list-style-type: none">PG&E issued 2023 ERRA forecast on May 15 with preliminary <u>2024</u> PG&E generation and PCIA rate forecastsPG&E will update this forecast in the fall. CPUC normally adopts the rate in December based on this updateGiven the high volatility in power prices, when staff prepares the Budget in July, the PG&E estimate will be outdated	<ul style="list-style-type: none">Use latest market data in Cal-CCA NewGen model after calibrating the NewGen model to PG&E's forecasted rates	<ul style="list-style-type: none">Likely aligns revenues closer to rates that PG&E will update in OctoberBetter aligns revenues with power supply costsPrimarily for budget setting purposesAdditional expenditures based on headroom projections can be made by the Board in December when actual PG&E and PCIA rates are known

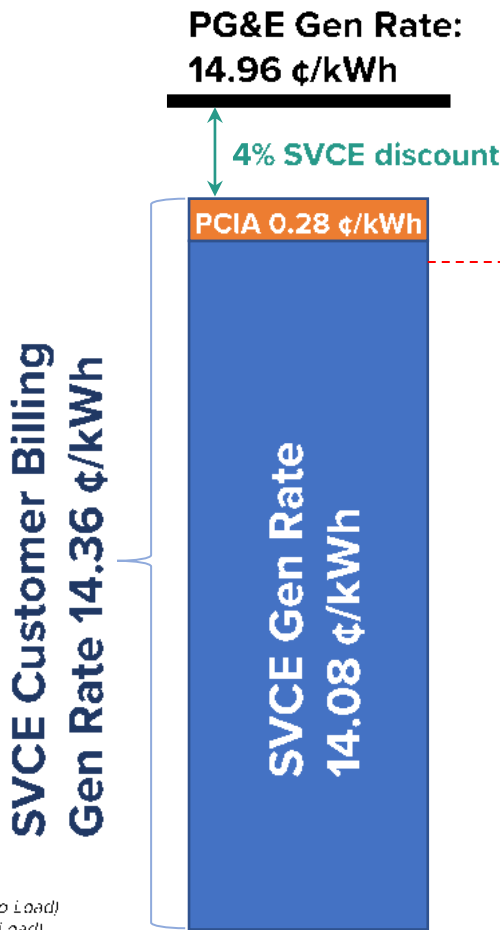
* Power Charge Indifference Adjustment (PCIA) is a charge our customers pay to PG&E such that they can recover commitments made on behalf of the customer when they were part of PG&E's portfolio.



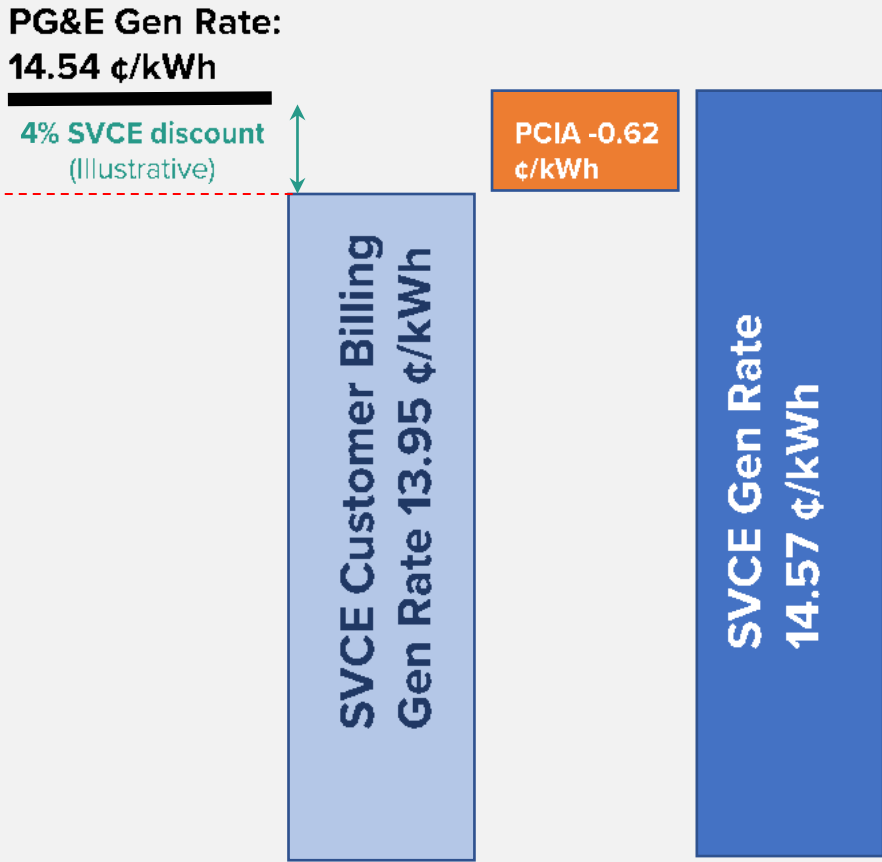
Current 2023 Rate vs PG&E 2024 ERRA Forecast

- PG&E filed it's forecast of 2024 Rates on 5/15/23
 - PG&E Gen Rate decreased ~-3%
 - PCIA reduced from positive 0.28 ¢/kWh to negative -0.62 ¢/kWh
- PG&E ERRA forecast is based on 3/27/2023 forward market prices
- Represents weighted average customer billing rate decrease of -3% from 14.36 ¢/kWh to 13.95 ¢/kWh
- SVCE gen rate is higher than Customer Billing Rate due to negative PCIA
 - SVCE gen rate up ~3.5%

Current 2023 Rate*



ERRA Forecast 2024 Rate**



* Source: PG&E 2023 Average Rate, effective January 1, 2023 (Weighted for SVCE Portfolio Load)

** PG&E 2024 ERRA Forecast, released on 15th of May, 2023 (Weighted for SVCE Portfolio Load)

Above margin analyses ignores minor reductions for franchise fees (0.09 ¢/kWh)



PG&E 2024 ERRA Forecast vs NewGen Model Run

Using 3/27/2023 Forward Prices

NewGen Model has approximately 3 - 5% modeling error

ERRA Forecast 2024 Rate*

PG&E Gen Rate:
14.54 ¢/kWh

4% **SVCE discount**
(Illustrative)

SVCE Customer Billing
Gen Rate 14.39 ¢/kWh

PCIA -0.62 ¢/kWh

SVCE Gen Rate
14.57 ¢/kWh

NewGen Model 2024 Rate**

PG&E Gen Rate:
15.28 ¢/kWh

4% **SVCE discount**
(Illustrative)

PCIA -0.30 ¢/kWh

SVCE Customer Billing
Gen Rate 14.67 ¢/kWh

SVCE Gen Rate
14.97 ¢/kWh

*PG&E 2024 ERRA Forecast, released on 15th of May, 2023 (Weighted for SVCE Portfolio Load)

**Using NewGen Model (version 3.4) with 3/27/2023 Forward Curves (Weighted for SVCE Portfolio Load)

Above margin analyses ignores minor reductions for franchise fees (0.09 ¢/kWh)



Market Prices Since PG&E's ERRA Forecast Date has Dropped

- On average, prices are down ~10%
- Reduces SVCE headroom from current rates by ~14-19%
 - Based on 5/11 market prices
 - Budget will be based on market prices in July
- Prices are extremely volatile; RPS premium and RA prices difficult to estimate
- Like last year, staff recommends adjusting NewGen Model results by 10% to account for modeling error

	CY 2023*	CY 2024**			
	Current Gen Rate	PG&E ERRA Forecast (3/27/23)	NewGen Run (5/11/23)- No Haircut	NewGen Run (5/11/23)- 5% Haircut	NewGen Run (5/11/23)- 10% Haircut
PG&E Gen Rate (¢/KWH)	14.96	14.54	14.21	13.50	12.79
Customer Rate Discount***	-4%	-4%	-4%	-4%	-4%
Customer Billing Generation Rate	14.36	13.95	13.65	12.96	12.28
PCIA (¢/KWH)	0.28	-0.62	0.93	0.89	0.84
Headroom (¢/KWH)	14.08	14.57	12.71	12.08	11.44
Headroom Delta from Current Rates	0%	3%	-10%	-14%	-19%
Estimated 2024 \$M Delta from Current Rates	-	17.3	(48.8)	(71.4)	(94.0)

* Source: Official PG&E Rates for 2023 (Weighted for SVCE Portfolio Load)

** Source: PG&E 2024 ERRA Forecast released on May 15 and NewGen model runs (Weighted for SVCE Portfolio Load)

*** Customer discount for 2024 is illustrative and will be determined later this year.

Note: 1% discount represents ~ \$4.6M at current estimated 2024 rates

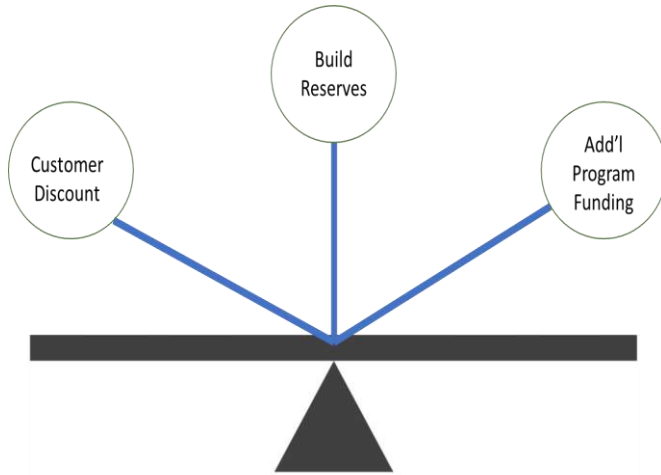


Reserve Targets

Issue: Update Reserve Targets	Staff Recommendation	Implications/Reasons
<ul style="list-style-type: none">• Ensure SVCE maintains sufficient reserves to manage risks such as those modeled under the Stress Test analyses• Staff will update the stress test analyses in July using market prices consistent with those used to develop the annual budget	<p><u>Target</u> to keep reserves above 120 Days Cash On Hand (DCOH) for FY 2023-2024 and FY 2024-2025</p> <p>Reset <u>Upper</u> Reserve Target such that over the next 5 fiscal years reserves do not fall below 90 DCOH</p>	<ul style="list-style-type: none">• FY 24 margins not guaranteed given true-up in 2023 for PCIA and PG&E Gen rate• If adverse conditions materialize, need 120 days to reshape strategy and secure additional liquidity• Increase upper reserve target to take advantage of good margin years to manage risks over 5-year period



Additional Funding for Programs, Customer Discounts, and Building Reserves



- 1% customer discount over 12 months of 2024 is ~\$5 million*
- 1% discount over 9 months (Jan – Sep 2024) ~\$3.5 million*
- Monthly Average Bill Savings of 1%* Discount:
 - Residential - ~\$0.67
 - Small Commercial - ~\$2.41
 - Medium Commercial - ~\$26.58

* Based on 4/27/23 Forward prices

Issue: Balancing Priorities	Staff Recommendation	Implications/Reasons
<ul style="list-style-type: none">• Continue to provide competitively-priced and high-valued services to SVCE customers• Funds not needed to cover cost-of-service flow to customers via lower SVCE rates (discount to comparable PG&E rates)• Cost-of-service includes funds needed to cover operations, meet reserve targets, and fund decarbonization programs	<ul style="list-style-type: none">• To be developed later after completing the budget analysis<ul style="list-style-type: none">• Likely to keep current discount through the end of this year• Set a preliminary discount for next year• Board can change the budgeted discount rate once actual PG&E rates are known towards the end of the year• Staff plans to present several options to the Board on different levels of discount rates, additional spending on programs, and set aside for reserves	<ul style="list-style-type: none">• Reaching new target reserve levels ensures SVCE can withstand adverse risk scenarios• Keeping the discount rate to a reasonable level<ul style="list-style-type: none">• Enables additional funding for valued customer programs such as decarbonization efforts• Ensures there's more organizational resiliency to respond to risks over the 5-yr planning horizon



Power Supply Expenses

(>90% of Expenses)

Issue: Volatile Power Prices	Staff Recommendation	Implications/Reasons
<ul style="list-style-type: none">• Power prices are near record high levels and are very volatile• In addition to PG&E Gen Rate and PCIA uncertainty, power price volatility makes energy budget projections highly uncertain<ul style="list-style-type: none">• Budget will be developed based on a snapshot of market prices in July• Currently hedged ~79%• Remaining 21% exposed to volatile market prices• Contract delays/renegotiations further add uncertainty• Resource adequacy requirements are changing, and costs are high, but more hedged next year	<ul style="list-style-type: none">• Continue hedging to current ERM (Energy Risk Management) targets• Continue with SVCE's 100% clean policy	<ul style="list-style-type: none">• Maintain a high customer value proposition with 100% clean energy and serve SVCE's mission• Furthers SVCE focus toward 24x7 clean energy goal



Other Costs

(Staffing, Cost of living/Merit, Operations)

Status	Staff Recommendation	Implications/Reasons
<ul style="list-style-type: none">Review and assess staffing in all areas of the organization<ul style="list-style-type: none">10 new budgeted positions added in the FY22-23 budget12 new staff hired since Sept 20225 remaining vacanciesAdjust employee salaries for cost-of-adjustment and merit/promotionsReview existing employee benefits to remain competitive with peer CCAsDecarb Programs continue to ramp – quantity of rebates / scope of outreach	<ul style="list-style-type: none">Current budgeted headcount of 49<ul style="list-style-type: none">Directors are being surveyed for future staffing needsAdjustment for COLA<ul style="list-style-type: none">Consider basing on 6-month (Jan – June 2023) rolling average of SF Bay Area CPI – current trailing 6-mo average is 5.48%CEO discretion applied depending on employee pay relative to market range, performance, and date of hireAny additional increases for merit and promotions based on CEO discretionEmployee benefits – to be reviewed/ updated during budget process	<ul style="list-style-type: none">Evaluate staff levels needed to:<ul style="list-style-type: none">Scale up programs teamReduce high level of existing employee workloadAdvance strategic focus area goalsCreate organizational depth for business continuitySustained investments in cybersecurity preparedness and business process optimization projects



SVCE Office Space – Lease vs Buy

Current Lease Details		
Monthly Lease Cost	5.30 \$/sf	
Size	7,900 sf	
New Lease Assumptions		
New Monthly Lease Cost	7.50 \$/sf	(est)
Purchase Assumptions		
Purchase Cost	700 \$/sf	(est)
Improvement Cost	100 \$/sf	(est)
Office Assumptions		
Size	20,000 sf	(est)
Location for Comps*	Sunnyvale, Mtn View, Santa Clara, San Jose	
* further analyses to include broader service territory		

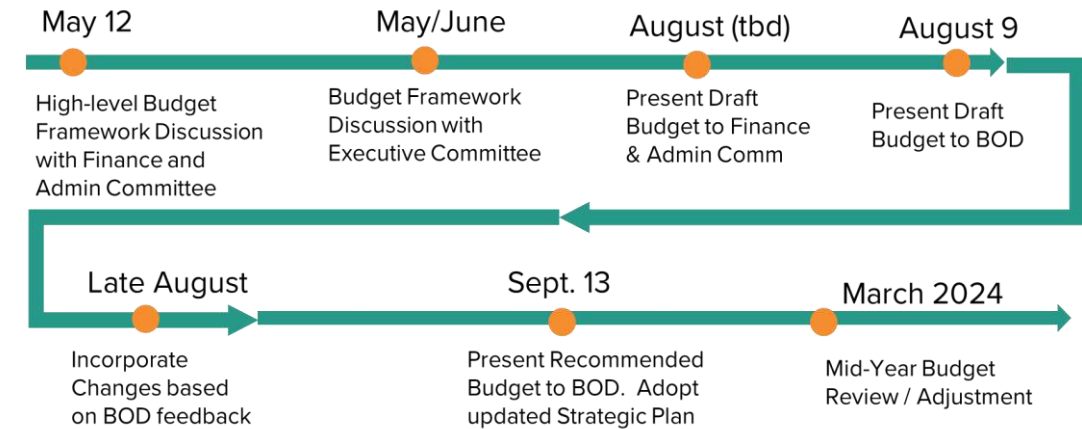


Issue: Financial Stewardship	Staff Recommendation	Implications/Reasons
<ul style="list-style-type: none">SVCE's current lease runs through Sept. 2025<ul style="list-style-type: none">Need time to explore the alternatives of buying or leasing new spaceSVCE should be prepared to pursue attractive property opportunities as they arise	<ul style="list-style-type: none">Research alternatives and establish an ad hoc Committee to advise staff and evaluate property and financing options	<ul style="list-style-type: none">Buying may be a cheaper longer-term option<ul style="list-style-type: none">Initial back-of-the-envelope analysis indicates a roughly 10-year breakeven period compared to leasingSVCE is growing and requires more space for employees and expanded programsPurchasing also enables customization to suit the hybrid work environment<ul style="list-style-type: none">Flexible workspace for collaborative work



Next Steps

- Update revenue and energy cost forecasts using the latest prices
- Develop recommendations with some options for:
 - Customer Discount Levels
 - Additional funding for Programs
 - Set aside for Reserves
 - Staffing Needs
 - Employee Cost of Living, Merit, and Benefits adjustments



- Present draft budget for Finance Committee review in early August and then to the Board
- Recommend the Board adopt the budget in September

Thank you! / Questions?



Additional Headroom Analyses

Table 1: Illustrative Customer Discount at 4%

	CY 2023*	CY 2024**						
	Current Gen Rate	PG&E ERRA Forecast (3/27/23)	NewGen Run (3/27/23)- No Haircut	NewGen Run (3/27/23)- 5% Haircut	NewGen Run (3/27/23)- 10% Haircut	NewGen Run (5/11/23)- No Haircut	NewGen Run (5/11/23)- 5% Haircut	NewGen Run (5/11/23)- 10% Haircut
PG&E Gen Rate (¢/KWH)	14.96	14.54	15.28	14.52	13.75	14.21	13.50	12.79
Customer Rate Discount***	-4%	-4%	-4%	-4%	-4%	-4%	-4%	-4%
Customer Billing Generation Rate	14.36	13.95	14.67	13.93	13.20	13.65	12.96	12.28
PCIA (¢/KWH)	0.28	-0.62	-0.30	-0.29	-0.27	0.93	0.89	0.84
Headroom (¢/KWH)	14.08	14.57	14.97	14.22	13.47	12.71	12.08	11.44
Headroom Delta from Current Rates	0%	3%	6%	1%	-4%	-10%	-14%	-19%
Estimated 2024 \$ Delta from Current Rates	-	17.3	31.5	4.8	(21.8)	(48.8)	(71.4)	(94.0)

Table 2: Illustrative Customer Discount at 1%

	CY 2023*	CY 2024**						
	Current Gen Rate	PG&E ERRA Forecast (3/27/23)	NewGen Run (3/27/23)- No Haircut	NewGen Run (3/27/23)- 5% Haircut	NewGen Run (3/27/23)- 10% Haircut	NewGen Run (5/11/23)- No Haircut	NewGen Run (5/11/23)- 5% Haircut	NewGen Run (5/11/23)- 10% Haircut
PG&E Gen Rate (¢/KWH)	14.96	14.54	15.28	14.52	13.75	14.21	13.50	12.79
Customer Rate Discount***	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Customer Billing Generation Rate	14.81	14.39	15.13	14.37	13.61	14.07	13.37	12.66
PCIA (¢/KWH)	0.28	-0.62	-0.30	-0.29	-0.27	0.93	0.89	0.84
Headroom (¢/KWH)	14.08	15.01	15.43	14.66	13.88	13.14	12.48	11.83
Headroom Delta from Current Rates	0%	7%	10%	4%	-1%	-7%	-11%	-16%
Estimated 2024 \$ Delta from Current Rates	-	32.8	47.8	20.3	(7.1)	(33.6)	(57.0)	(80.4)

* Source: Official PG&E Rates for 2023 (Weighted for SVCE Portfolio Load)

** Source: PG&E 2024 ERRA Forecast released on May 15 and NewGen model runs (Weighted for SVCE Portfolio Load)

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Note: 1% discount represents ~ \$4.6M at current estimated 2024 rates



Typical Customer Bill Savings

(Current Rates)

	Residential		Small Commercial		Medium Commercial		Large Commercial	
	SVCE	PG&E	SVCE	PG&E	SVCE	PG&E	SVCE	PG&E
Rate Schedule (eff. Jan 1, 2023)	E-TOUC	E-TOUC	B-1	B-1	B-10	B-10	B-19S	B-19S
Average Usage (kWh/month)	491	491	1,851	1,851	19,390	19,390	148,625	148,625
Annual Peak Demand (kW)							499	499
PG&E Electric Delivery	\$ 93.36	\$ 93.36	\$ 334.88	\$ 334.88	\$ 3,484.91	\$ 3,484.91	\$ 18,457.74	\$ 18,457.74
Electric Generation	\$ 71.63	\$ 76.66	\$ 258.55	\$ 276.71	\$ 3,319.99	\$ 3,550.05	\$ 20,835.80	\$ 22,292.26
PG&E Added Fees (PCIA, Franchise)	\$ 1.96	\$ -	\$ 7.09	\$ -	\$ 91.06	\$ -	\$ 564.78	\$ -
Average Total Cost	\$ 166.95	\$ 170.02	\$ 600.52	\$ 611.59	\$ 6,895.96	\$ 7,034.96	\$ 39,858.32	\$ 40,750.00
Average Monthly Savings	\$ 3.07		\$ 11.07		\$ 139.00		\$ 891.68	

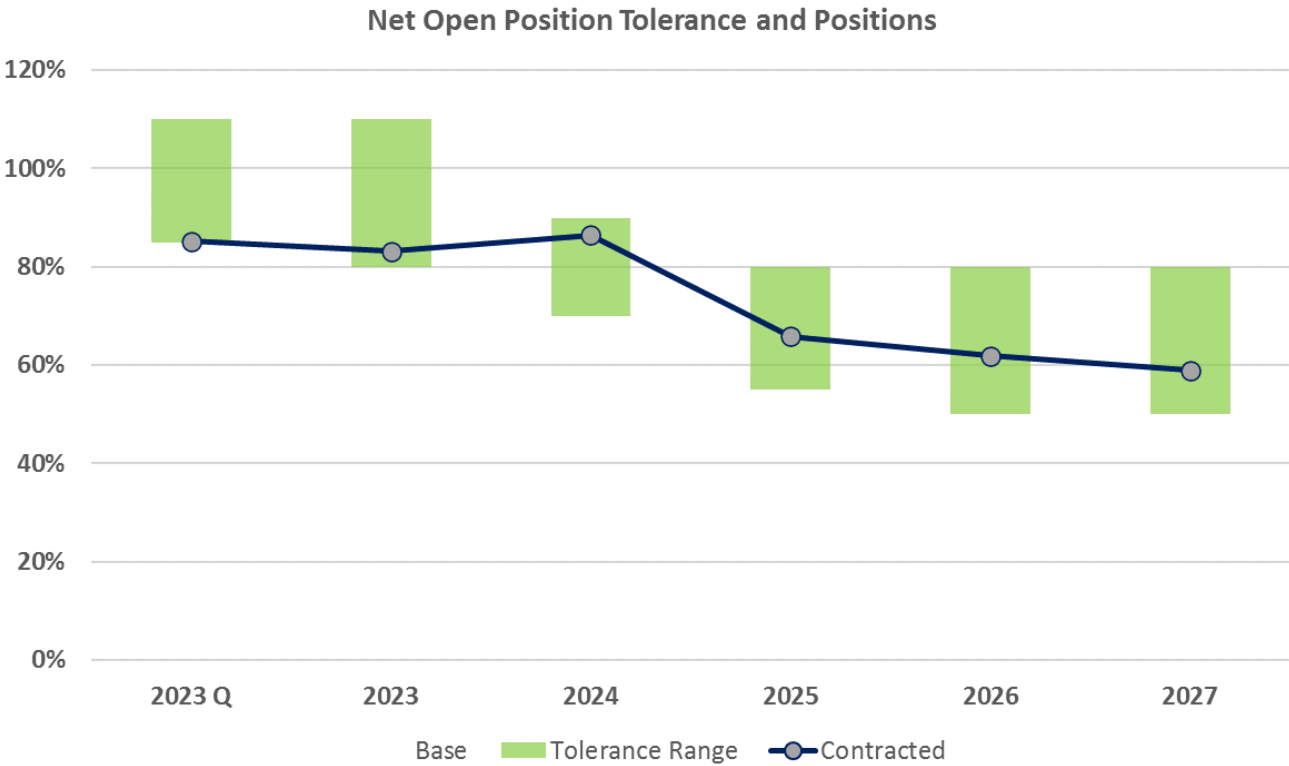


Current Energy Hedge Levels

Hedged 79% for FY24

Table 1 Calendar Year Energy NOP Tolerance Bands

Period*	Minimum Tolerance	Maximum Tolerance
Prompt Quarter	85%	110%
Current Balance of Year	80%	110%
Year 2	70%	90%
Year 3	55%	80%
Year 4	50%	80%
Year 5	50%	80%



2022-2023 Mid-Year Operating Budget

SILICON VALLEY CLEAN ENERGY MY 2022-23 OPERATING BUDGET (\$ in thousands)	
DESCRIPTION	MY 2022-23 ADJUSTED BUDGET
ENERGY REVENUES	
Energy Sales	522,853
Green Prime	1,055
Other Income	50
TOTAL ENERGY REVENUES	<u>523,958</u>
ENERGY EXPENSES	
Power Supply	392,436
OPERATING MARGIN	<u>131,522</u>
OPERATING EXPENSES	
Data Management	3,413
PG&E Fees	1,470
Salaries and Retirement	11,285
Professional Services	8,016
Marketing & Promotions	862
Notifications	131
Lease	525
General & Administrative	1,857
TOTAL OPERATING EXPENSES	<u>27,559</u>
OPERATING INCOME (LOSS)	<u>103,963</u>
NON-OPERATING REVENUES	
Interest Income	3,870
Grant Income	0
TOTAL NON-OPERATING REVENUES	<u>3,870</u>
NON-OPERATING EXPENSES	
Financing	3
Interest	0
TOTAL NON-OPERATING EXPENSES	<u>3</u>
TOTAL NON-OPERATING INCOME (EXPENSES)	<u>3,867</u>
CHANGE IN NET POSITION	<u>107,830</u>
CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	
Capital Outlay	200
Transfer to CRCR Fund	0
Transfer to Program Fund	9,765
Nuclear Allocation	1,900
Multi Family Direct Install Program	9,500
Electrification Discount Program	9,500
Customer Bill Relief	3,600
Other	0
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	<u>\$34,465</u>
BALANCE AVAILABLE FOR RESERVES	<u>\$73,365</u>

FutureFit Homes Program Snapshot

Executive Committee Meeting
May 26, 2023



Provide rebates for HPWH, HP HVAC, panel upgrades, pre-wiring for future electric appliances, and removal of the gas meter

Objectives:

- Support whole-home electrification by addressing key financial and technical barriers
- Provide services to support incentive layering and develop electrification roadmaps

Target Audience: Residential

- Single-family homes, ADUs, and small multi-family properties



Program timeline

Oct 2022



Rebates go live

Soft launch approach

Jan 2023



FULL LAUNCH

Increased marketing
& outreach

May 2023

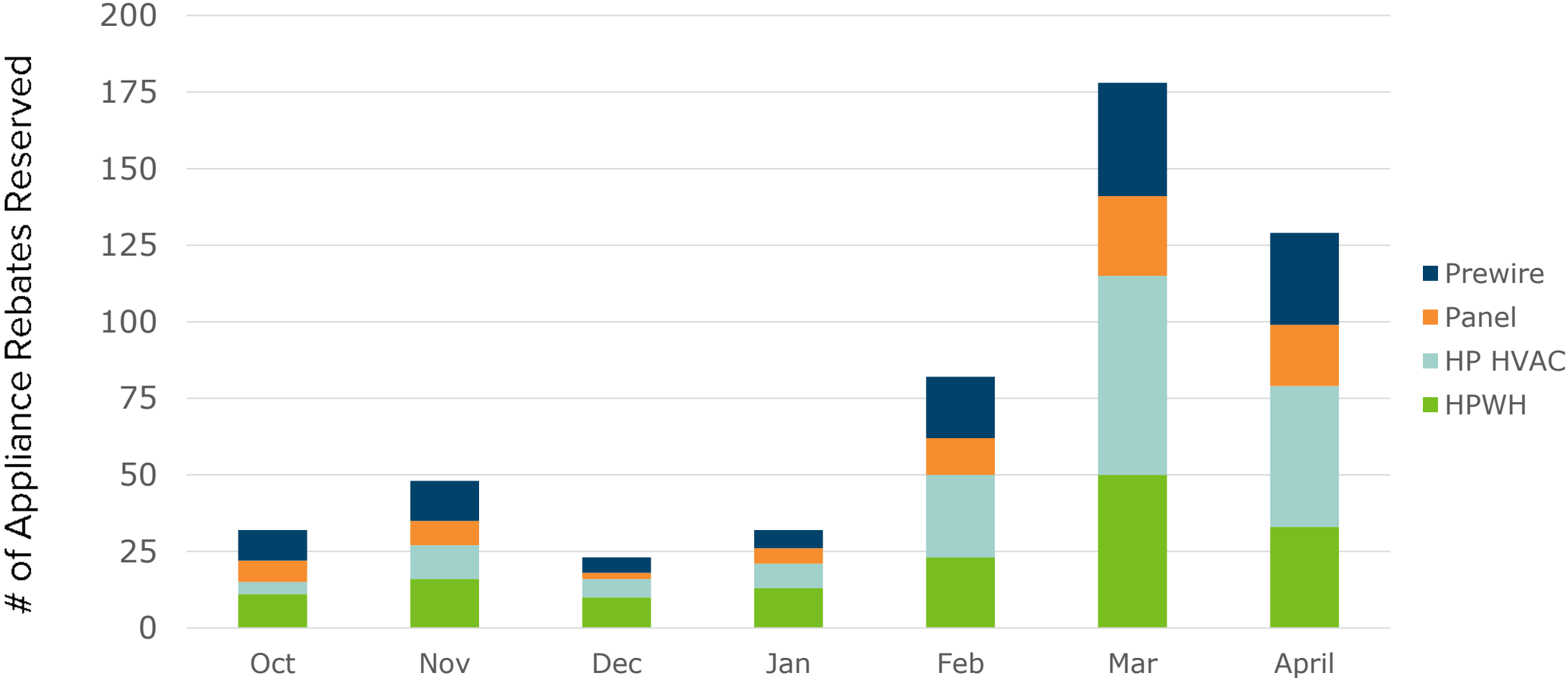


Expanded income-
qualified eligibility



Strong rebate uptake!

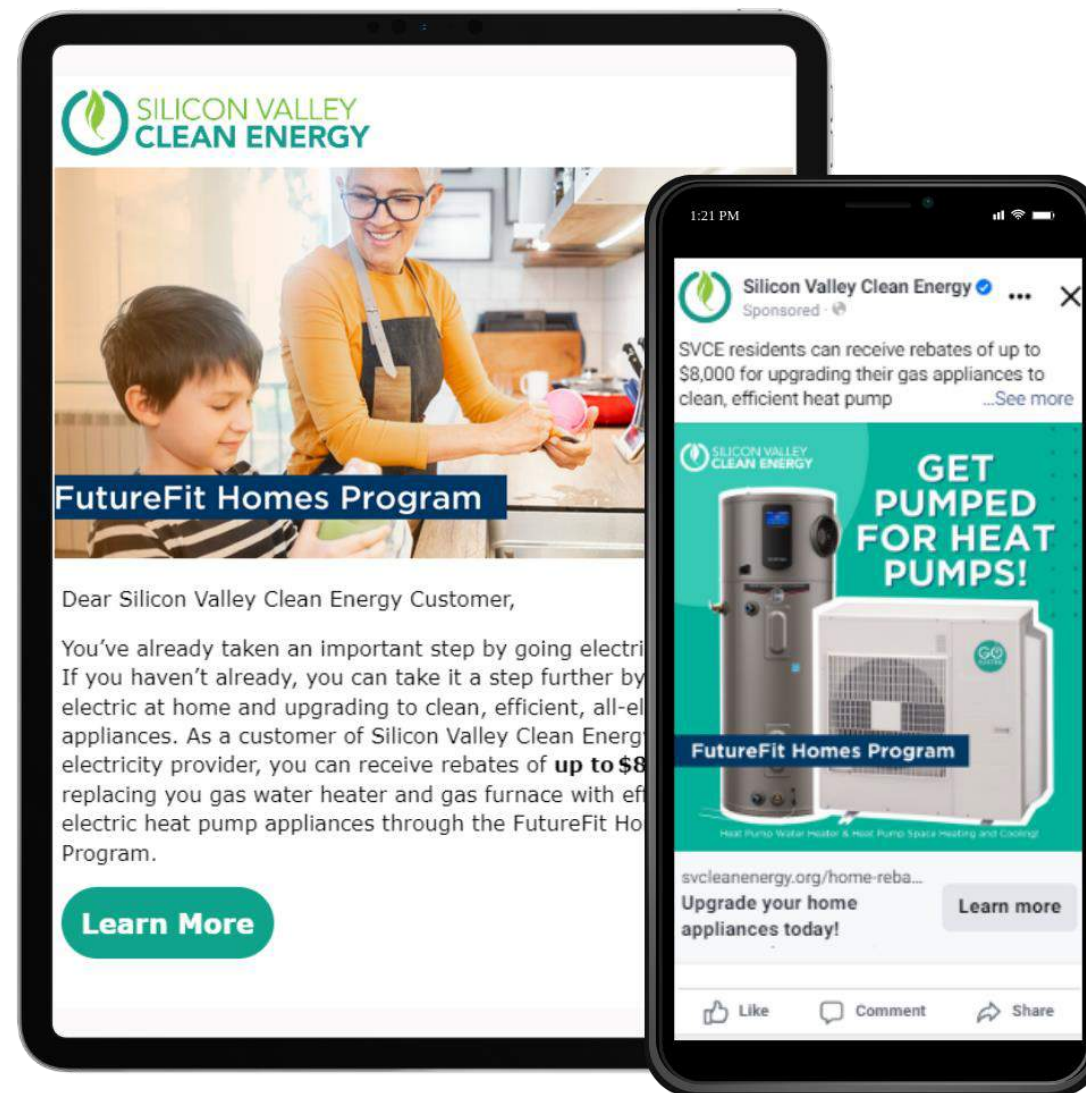
\$1M of \$2M incentive budget currently reserved across 225 customers;
\$164K rebates already claimed across 65 customers





Uptake driven by awesome marketing & outreach

Targeted emails, social media posts, Earth Month flyers, & more!





Expansion of income-qualified eligibility

**Previously: Income-qualified =
CARE/FERA customers**

CARE <\$55,500 for family of 4



Now: Income-qualified = 80% of AMI

80% Santa Clara AMI < \$132k for family of 4

Appliance	SVCE Standard Rebate	SVCE Income-Qualified Rebate
HPWH	\$2,000 for gas replacement \$1,000 for electric replacement	\$3,000 for gas replacement \$2,000 for electric replacement
HP HVAC	\$2,500	\$3,500
Panel upgrade	\$1,000	\$2,000
Prewiring	\$500 per circuit, up to \$2,000 total	\$750 per circuit, up to \$3,000 total
Gas meter removal	\$500	\$1500
Max Total	\$8,000	\$13,000



Continuous improvements based on observations and feedback:

- Clarifications on rewiring
- Updates on new incentive offerings
- Tracking referral pathways
- Retroactive application for emergency replacements
- Translating program website & materials





Check out our rebates today!

Visit SVCleanEnergy.org/home-rebates/

The screenshot shows the Silicon Valley Clean Energy website. At the top, there is a green navigation bar with links for 中文, ESPAÑOL, Tiếng Việt, Key Documents, Meetings & Agendas, and a search bar. Below this is a white header with the Silicon Valley Clean Energy logo and navigation links for ABOUT US, GO ELECTRIC – REBATES & OFFERS, and RATES & BILLING. The main content area features a large photograph of a smiling woman in an orange shirt and apron washing her hands with a young boy in a kitchen. Overlaid on this image is a green callout box with the text: **FutureFit Homes Rebates Available Now!** Get up to \$8,000 in rebates for upgrading to new electric home appliances. Plus, additional rebates of \$5,000 for income-qualified customers. Make sure to reserve your rebate before the appliance is installed.