

**SILICON VALLEY CLEAN ENERGY AUTHORITY
RESOLUTION NO. 2025-07**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON
VALLEY CLEAN ENERGY AUTHORITY TO ESTABLISH THE
CREATION OF THE SILICON VALLEY CLEAN ENERGY
COMMUNITY FUND**

WHEREAS, the Silicon Valley Clean Energy Authority (“Authority”) was formed on March 31, 2016 pursuant to a Joint Powers Agreement to study, promote, develop, conduct, operate, and manage energy and energy-related climate change programs in Santa Clara County; and

WHEREAS, the cost of electricity has consistently increased with an overall increase of 80% over the past six years, making energy bills less affordable for our customers;

WHEREAS: while the total electricity rate has increased, the Authority is only responsible for the generation component of the rate, which represents roughly 33% of the total retail rate and has seen much less of a dramatic change;

WHEREAS, the Authority adopted a Decarbonization Strategy and Roadmap on December 12, 2018, by Resolution No. 2018-20 that established regional goals for reducing greenhouse gas emissions and recognized the link between energy affordability and greenhouse gas reductions and the key role that innovation will play in the Authority reaching its emission reduction goals; and

WHEREAS, the Bay Area Air District Board (The Air District) adopted amended rules on March 15, 2023, that will require Authority customers to transition to Zero NOx water heaters beginning in 2027; and

WHEREAS, transitioning a building to Zero NOx water heating typically requires electrical appliances and adds cost to the replacement that will create further financial challenges for Authority customers; and

WHEREAS, the Authority Board recognizes that decarbonization with electrical appliances using clean electricity both serves to meet the Authority’s mission to reduce fossil fuel use and increases the demand for clean electricity, expanding SVCE’s electricity service and improving economies of scale for customers; and

WHEREAS, investing in local energy generation facilities, innovative energy management systems, and emerging technologies may enhance the reliability of SVCE’s electricity service, help meet SVCE procurement obligations, and improve

energy resiliency and affordability for the Authority's customers; and

WHEREAS, in some fiscal years, the Authority's revenues exceed the Authority's expenses resulting in revenue that may exceed reserve targets; and

WHEREAS, given that in some fiscal years, the Authority's operational expenses exceed the Authority's revenues resulting in a revenue deficit, the Authority Board has adopted a Reserve Policy to insulate the Authority's customers from rate instability and ensure that the Authority can continue to serve its customers; and.

WHEREAS, having guidelines adopted by the Authority Board will ensure that revenues generated in excess of the Authority's reserve targets are directed to the highest strategic uses that are designed to best serve the Authority's customers and generate beneficial impacts; and

WHEREAS, adopting guidelines now will enable staff to plan and build the capacity to make community investments that will enhance energy affordability and meet the Authority's mission; and.

NOW THEREFORE, the Board of Directors of the Silicon Valley Clean Energy Authority does hereby resolve that:

1. The foregoing recitals are true and correct.
2. When revenues exceed the Authority's target contribution to the Authority's reserves per the Authority's adopted Reserve Policy, the following guidelines shall be used by staff to allocate funds while preparing the Authority's annual budget and budget revisions:
 - Priority 1: Discount Stabilization and Bill Affordability – Funding to ensure competitive discount is stable and to provide support that increases affordability for all customers; 40% of annual allocation
 - Priority 2: Scalable Support for Pollution-Free Appliance Installations – Funding to help ensure all customers have support when transitioning to zero emissions water and space conditioning equipment by setting aside funding for pollution-free appliances to help all customers meet forthcoming requirements; 40% of annual allocation
 - Priority 3: Local and Emerging Power Supply Technology– Funding to invest in generation and power supply technologies and local projects that help meet our needs today and into the future; 20% of annual allocation
3. Staff will bring individual program design proposals to the Board for review and approval prior to any expenditures for each priority. The Board will approve any potential transfers each year as part of the budgeting process and retains the authority to make changes to the process at any time.

ADOPTED AND APPROVED this 12th day of March 2025, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Scozzola	✓			
City of Cupertino	Director Fruen	✓			
City of Gilroy	Director Hilton	✓			
City of Los Altos	Director Meadows	✓			
Town of Los Altos Hills	Director Tyson	✓			
Town of Los Gatos	Director Rennie	✓			
City of Milpitas	Director Barbadillo	✓			
City of Monte Sereno	Alternate Director Shannon	✓			
City of Morgan Hill	Alternate Director Carothers	✓			
City of Mountain View	Director Showalter	✓			
County of Santa Clara	Director Lee	✓			
City of Saratoga	Director Walia	✓			
City of Sunnyvale	Director Klein	✓			

Signed by:
George Tyson
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Chair

ATTEST:

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Andrea Pizano
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Andrea Pizano, Board Secretary