Silicon Valley Clean Energy
Finance and Administration Committee Meeting
Monday, June 2, 2025
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 10:04 a.m.

Roll Call

Present:
Chair Murali Srinivasan, Sunnyvale
Vice Chair Pat Showalter, Mountain View
Alternate Director Maria Ristow, Los Gatos
Alternate Director Sheila Mohan, Cupertino

Absent:
Director Elliot Scozzola, Campbell

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.

MOTION: Alternate Director Ristow moved and Vice Chair Showalter seconded the motion to approve the Consent Calendar.

The motion carried with Director Scozzola absent.

1) **Approve Minutes of the February 26, 2025, Finance and Administration Committee Meeting.**

SILICON VALLEY CLEAN ENERGY

Regular Calendar

2) CEO Update (Discussion)

Monica Padilla, Chief Executive Officer (CEO), announced that there were no updates to report to the committee.

Chair Srinivasan opened public comment.
No speakers.
Chair Srinivasan closed public comment.

3) Recommend the Silicon Valley Clean Energy Board of Directors Authorize the Chief Executive Officer to Approve or Execute Agreements with Firms Providing Services to Initiate Silicon Valley Clean Energy to Execute its Fourth Prepay (Action)

Amrit Singh, Chief Financial Officer (CFO) and Director of Administrative Services, introduced the item and Mike Berwanger of PFM Financial Advisors LLC, SVCE's municipal advisor. CFO Singh provided a presentation with a request for the committee to recommend the Board of Directors authorize the CEO to approve or execute agreements for a total cost of $1,300,000 with firms providing services to enable SVCE to execute its fourth prepay. The list of firms identified in addition to the cost for each (with an approximate 10 percent contingency) follows:

1. PFM Financial Advisors LLC & PFM Swap Advisors - $275,000
2. Chapman & Cutler (Disclosure/Issuer's Counsel) - $175,000
3. Ballard Spahr (Bond and Tax Counsel) - $250,000
4. Moody's Investor Service Inc. (Credit Rating) - $321,500

CFO Singh noted that with the exception of Moody's Investor Service Inc., all payments would be contingent on the execution of the prepay transaction and the agreements could be executed through the California Community Choice Financing Authority (CCCFA).

In addition to the request to approve or execute the agreements listed above, staff requested the committee recommend the Board of Directors approve Morgan Stanley as the Prepay Supplier with the following proposed fee structure:

- Bond underwriting fee of $5.50/bond plus underwriter expenses of $0.50/bond
- Energy Service Revenue of $1.10 per MWh
- If floating rate debt is issued, up to 12 basis points charge on interest rate swap

CFO Singh noted the costs from Morgan Stanley would be paid from the bond proceeds.

Main areas of discussion in the presentation included an overview of the prepay goal and structure, a recap on leveraging the existing prepay structure, fees for consultants and counsel, fiscal impact, and committee and Board authorization on transaction parameters.

CFO Singh and Mr. Berwanger responded to committee member questions regarding SVCE's credit rating, time of issuance and Bond market volatility, the financial advisor and energy prepay supplier request for proposals (RFP) process, SVCE's load percentage usage, the timeline of bond release to market, and lowering risk factors.

Chair Srinivasan opened public comment.
No speakers.
Chair Srinivasan closed public comment.

MOTION: Vice Chair Showalter moved and Alternate Director Mohan seconded the motion to recommend the Silicon Valley Clean Energy Board of Directors Authorize the Chief Executive Officer to approve or execute contracts for services for SVCE's fourth prepay transaction and also recommend that the Board approve engagement with Morgan Stanley as the Prepay Supplier.

The motion carried with Director Scozzola absent.

4) Results of Stress Test Analyses (Discussion)

CFO Singh and Scott Wrigglesworth, Director of Risk Management and Analytics, presented the findings of the stress test analyses that staff will use to develop the next fiscal year budget. The presentation included information on the following:

- Review of enterprise risk management (ERM) framework;
- Review of key financial risk drivers;
- An overview of SVCE's planning and budgeting process;
- 5-year financial base case forecast update;
- Stress test construction; and
- Comparison of the updated base case and stress test scenario

Staff reviewed initial recommendations for no major changes for developing the budget for approval in September and adjusting the budget in December when there is more certainty on next year's rates. Staff noted work would be done to assess potential financial levers and areas of focus.

Staff responded to committee member questions regarding potential future black swan events, uncertainties in energy markets, the power charge indifference adjustment (PCIA) and PG&E generation rates, and current reserve levels.

Chair Srinivasan opened public comment.
No speakers.
Chair Srinivasan closed public comment.

5) FY 2025-2026 Budget Framework (Discussion)

Alternate Director Mohan left the meeting during Item 5 at 11:59 a.m.

CFO Singh presented the budget framework, which included information on revenue modeling and 2026 revenue projections, reserve targets, customer discount rate programs, set aside for reserves, update on power supply expenses, and other potential cost drivers.

Staff noted next steps included further analyzing PG&E's forecast of 2026 generation and PCIA rates, and a draft budget would be presented to the Finance and Administration Committee in August.

Staff responded to committee member questions regarding revenue projections based on available forecasts, and SVCE's clean portfolio position.

Committee members provided supportive comments regarding SVCE hiring goals, usage of reserves, and stress testing efforts.

Chair Srinivasan opened public comment.
No speakers.
Chair Srinivasan closed public comment.

Committee/Staff Remarks
CFO Singh acknowledged SVCE staff for their contributions to the content and materials for the meeting.

Adjournment
Chair Srinivasan adjourned the meeting at 12:14 p.m.

ATTEST:

DocuSigned by:
Andrea Pizano

Andrea Pizano, Board Secretary