Approve 2026 Silicon Valley Clean Energy Board of Directors Regular Board Meeting Schedule

SVCE Board Meeting
December 10, 2025

SILICON VALLEY CLEAN ENERGY

Recommendation

Approve the 2026 Board of Directors regular meeting schedule.

2026 Proposed Meeting Schedule

- Second Wednesdays of the month at 7:00 p.m.
- Summer hiatus: July 2026
- Conflict: November

January 14, 2026

February 11, 2026

March 11, 2026

April 8, 2026

May 13, 2026

June 10, 2026

No meeting in July

August 12, 2026

September 9, 2026

October 14, 2026

TBD

December 9, 2026

Options for Rescheduled November Meeting

- Thursday, November 12, 7pm
- Friday, November 13, 3pm
- Friday, November 13, 5pm
- Friday, November 13, 7pm
- Other?

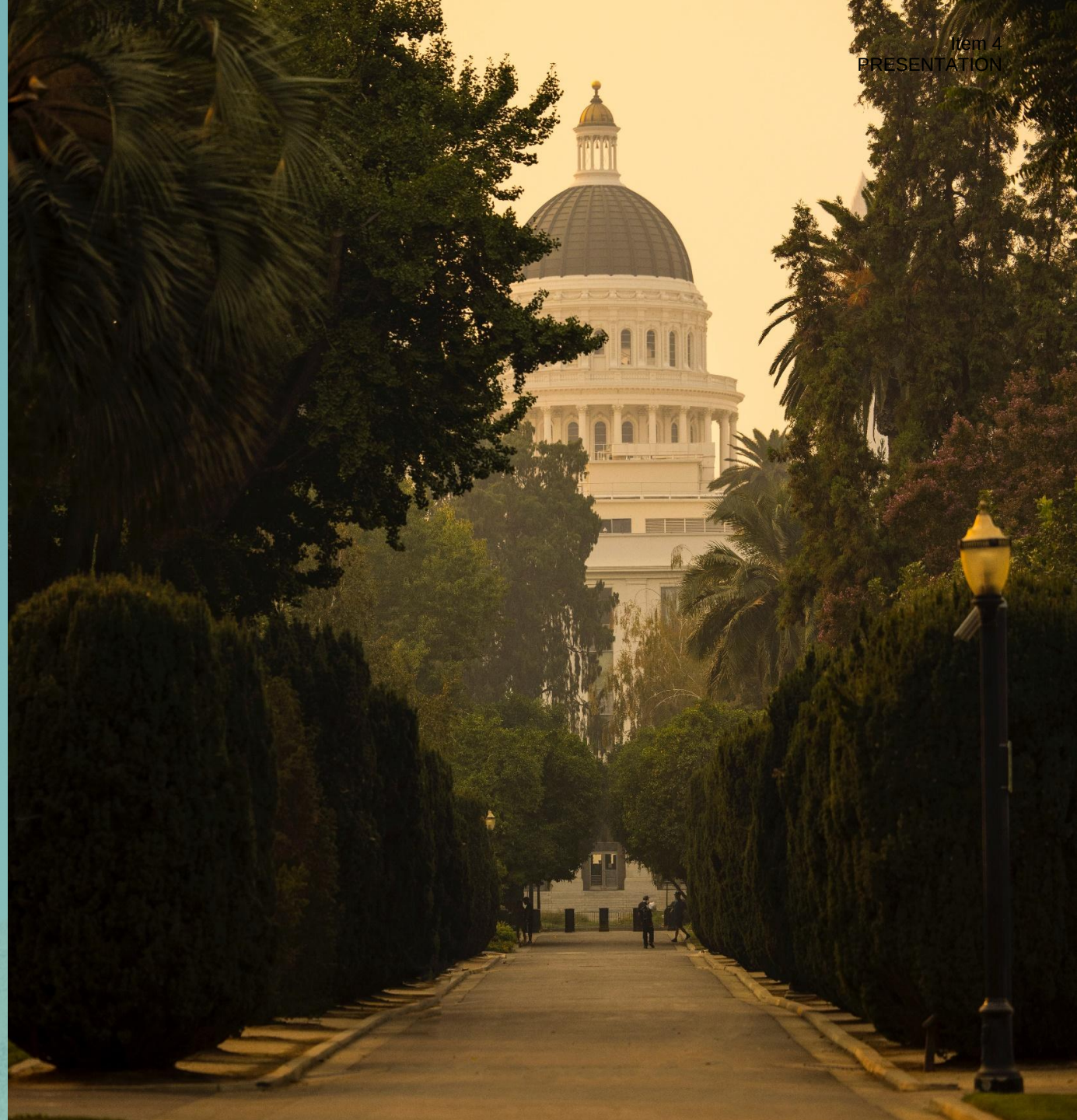
Thank you

2025 Legislative Report
2026 Policy Platform and Legislative Ad Hoc Committee

Bena Chang, Director of Government and Legislative Affairs
Chris Micheli, SVCE's State Lobbyist

SILICON VALLEY CLEAN ENERGY

State 2025 Update and 2026 Forecast



Federal Update

2025 Review and 2026 Forecast

Activity slowed/stopped during shutdown

- H.R. 1 Passage: Changes to energy and consumer tax credits

- Upcoming issues:
  - Affordability
  - Permit Streamlining
  - Data Centers

2026 Legislative Policy Platform

2026 Legislative Policy Platform

Summary of Key Changes

- Updated language to streamline policies and reflect recent legislative/regulatory actions

- New Language
  - Data Centers
  - Customer Accessibility

Legislative Ad Hoc Committee

Request Board approval to establish Legislative Ad Hoc Committee.

Purpose:

- Facilitate engagement between SVCE Board and staff on legislative issues

Recommendations

1. Approve SVCE's 2026 Legislative Policy Platform; and
2. Create the 2026 Legislative Ad Hoc Committee

Wrap up and next steps

Fiscal Year 2025-2026 Budget Update

Amrit Singh
Board of Directors
December 10, 2025

SILICON VALLEY CLEAN ENERGY

Purpose

Authorize the implementation of SVCE generation rate changes and adopt the updated fiscal year 2025-2026 operating budget.

Main Areas of Discussion

1. Highlights of the updated financial forecast
2. Comparison of the adopted and updated Budget
3. SVCE's financial reserves outlook and management
4. Setting SVCE's rates for 2026

Highlights of Updated Financial Forecast

1. **5-year margins remain negative - Under business-as-usual* scenario**
   - Largely similar to the September 2025 Budget (Adopted Budget) Outlook
   - Days Cash on Hand declines to ~150 at the end of the 5-year forecast period (below the target level of 350 but above the minimum level of 120 DCOH)
2. **FY 26 draw on reserves increases to $60 million from $40 million** (Adopted Budget)
3. **2026 Customer Discount - 1% and an additional $12 bill credit for low-income customers**
   - Reserves built for such financial outcomes enable SVCE not to make any abrupt changes
   - Analyses support no significant impact from a one-year delay in implementing any changes
   - Staff will continue the work on Financial Levers Analyses and will engage further with the Board, the Executive Committee, and the Finance and Administration Committee

** Business-as-usual here is defined as all SVCE rates set at a competitive advantage to comparable PG&E rates.*

FY 26 Adopted vs. Adjusted Budget

~$40 million decrease in revenue projection

Reflecting CPUC-adopted market price benchmarks and a continued decline in energy prices

Offset by ~$25 million decrease in Power Supply Costs

Primarily from a decline in energy prices and also from a favorable regulatory outcome, reducing interim procurement in meeting compliance obligations

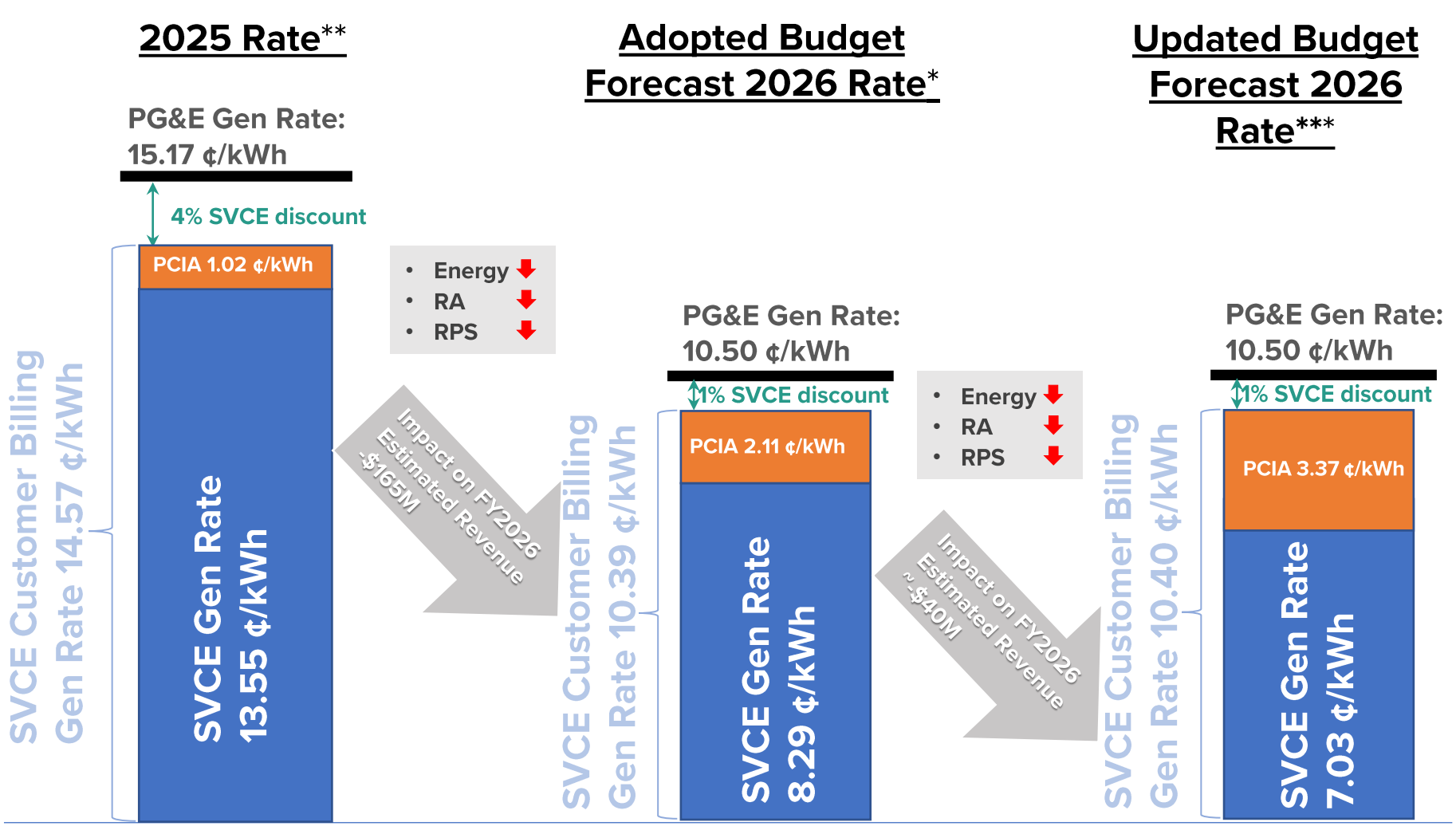
Transfer of $5.5 million to the building fund because of higher-than-expected expenditures

($ in thousands)	FY25-26 ADOPTED BUDGET	FY25-26 ADJUSTED BUDGET	Change $	Change %
Energy Revenues	358,416	319,324	(39,092)	-10.9%
Power Supply Expense	368,896	344,221	(24,675)	-6.7%
Operating Margin	**(10,480)**	**(24,897)**	**(14,417)**	**137.6%**
Operating Expenses	43,193	43,193	0	0.0%
Non-Operating Revenue (Expense)	21,384	20,854	(531)	-2.5%
Annual Transfers and Other Expenses				
Capital Outlay	512	512	0	0.0%
Additional Transfer to Building Fund	0	5,500	5,500	100.0%
Program Fund	7,251	7,251	0	0.0%
TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS & OTHER	**7,763**	**13,263**	**5,500**	**70.8%**
BALANCE AVAILABLE FOR RESERVES	**(40,052)**	**(60,500)**	**(20,448)**	**51.1%**

Forecasted Margins Drop ~50% from 2025 Levels

Comparing 2025 Rate (first bar) to Forecast 2026 Rate (third bar)

- **Customer Rate** (inclusive of PCIA) **Drops ~ 30%** (~24% if including one-time bill credit)
- **SVCE Margin Drops ~50%**
- **PG&E 2026 Gen Rate Drops ~30%**
- **PCIA Increases 230%**
- Rates are not final until late December



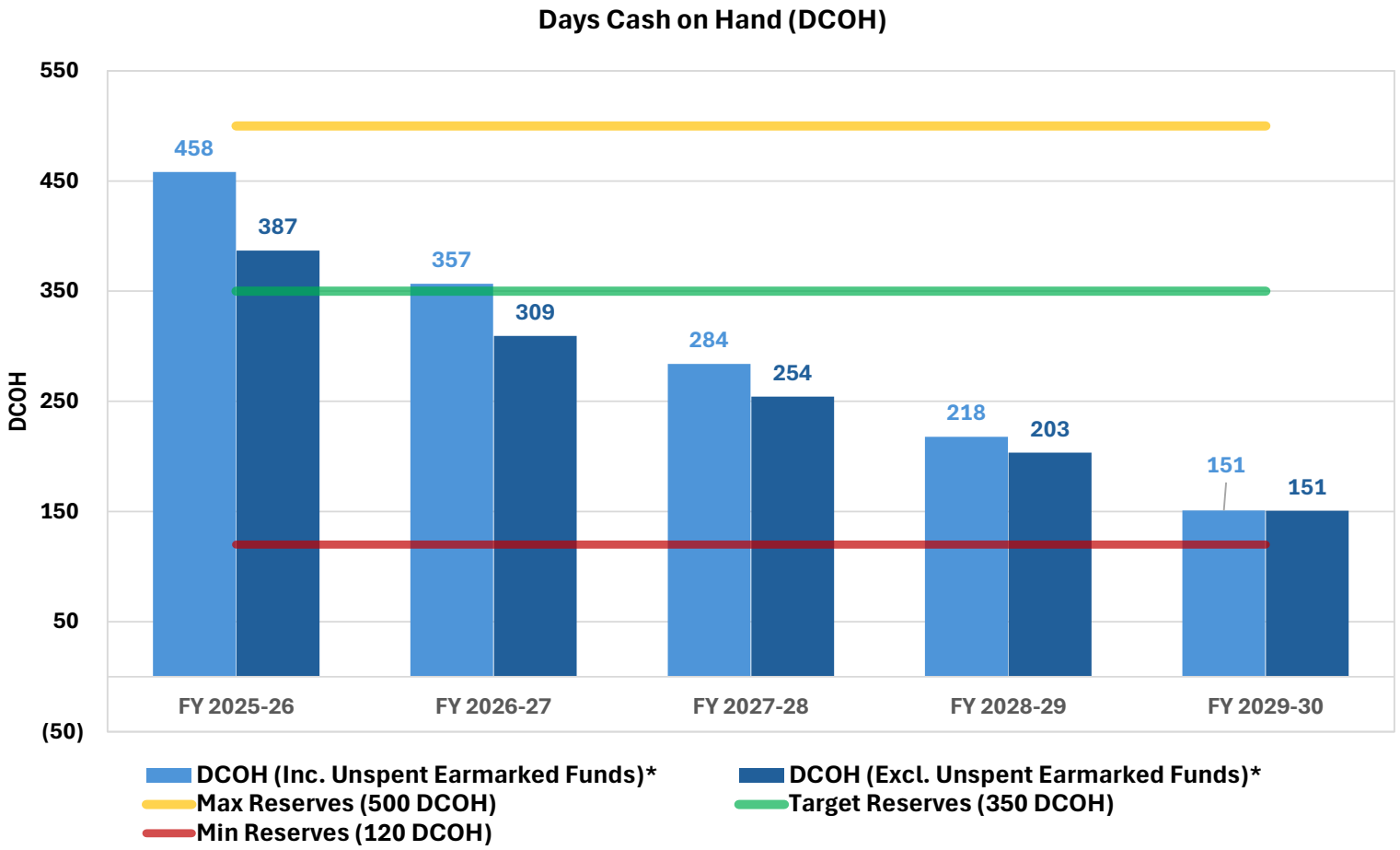
* Source: CalCCA NewGen Model analysis using market data as of 6/27/2025 and estimated CPUC attribute benchmarks for CY 2025-2026 (Weighted for SVCE Portfolio Load)
** PG&E 2025 Average Rate, effective January 1, 2025 (Weighted for SVCE Portfolio Load)
*** Estimated 2026 rates, based on PG&E Fall Update Errata, effective January 1, 2026 (Weighted for SVCE Portfolio Load)
Above margin analyses ignores minor reductions for franchise fees (0.1¢/kWh)

Reserve Projection Under Business-as-Usual Scenario

(Rates Set Relative to Comparable PG&E Rates)

Projected End of FY Reserves:

- 458 Days of Cash on Hand (DCOH)
  - If unspent Program Funds and Building Fund were included in the reserve calculation
- 387 Days of Cash on Hand (DCOH)
  - Excludes Unspent Program Funds and Building Fund

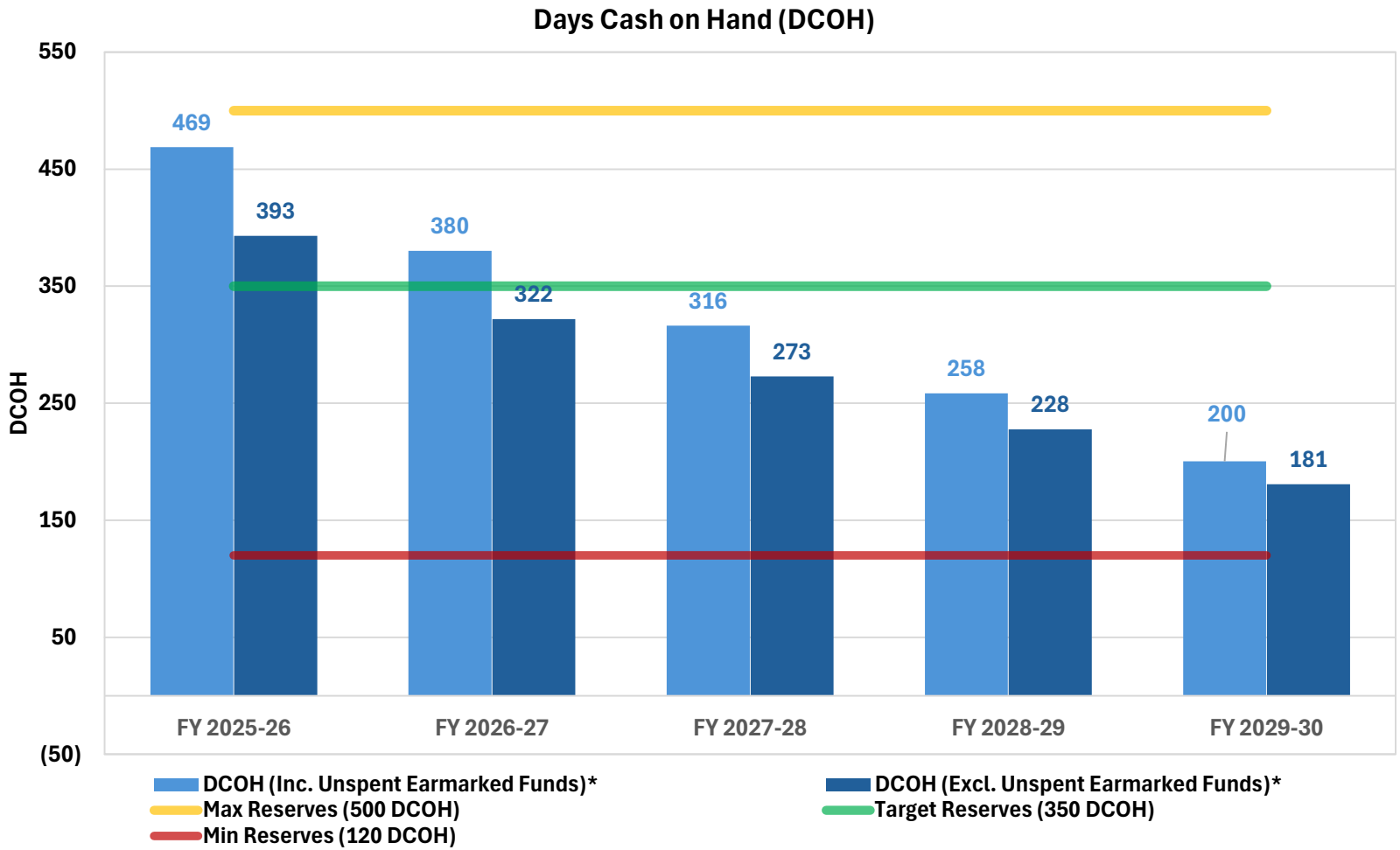


**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

Calendar year 2027 onwards assumes 1% discount is provided as either
1) Discounts to all customers, or,
2) As bill credits to CARE/FERA customers only (and 0% discount to all customers)

Business-as-Usual Scenario with Additional Operating Liquidity

- Additional Operating Liquidity:
  1. Lag in customer uptake of programs
  2. Operational flexibility within operating expenses (other than power supply expenses)
- Revised reserve projections assume
  - $25 million program fund balance remains at the end of the 5-year period - (Beginning of FY 26 unspent program fund balance was ~$100 million)
  - $6.5 million a year in expected underrun of other operating expenses



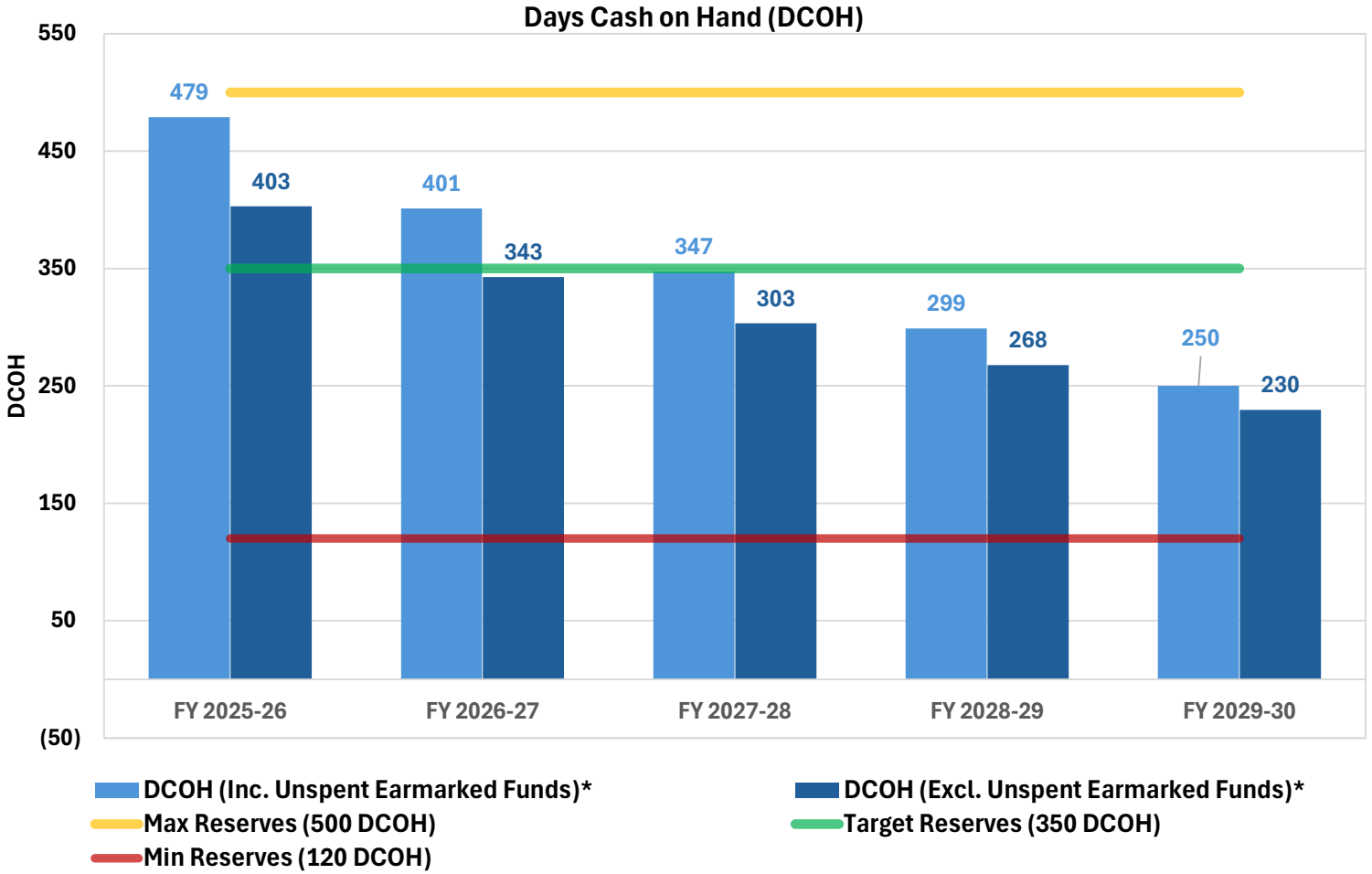
**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

Keeping DCOH Above 250

(Under Business-as-Usual Scenario with Additional Operating Liquidity)

Recommended Reserve Management Goal: Keep DCOH Above: 250 (under these financial conditions)

To keep DCOH above 250, on average, SVCE rates would need to be about **1.8%** higher than PG&E starting in **CY 2026** **(including CARE/FERA)**

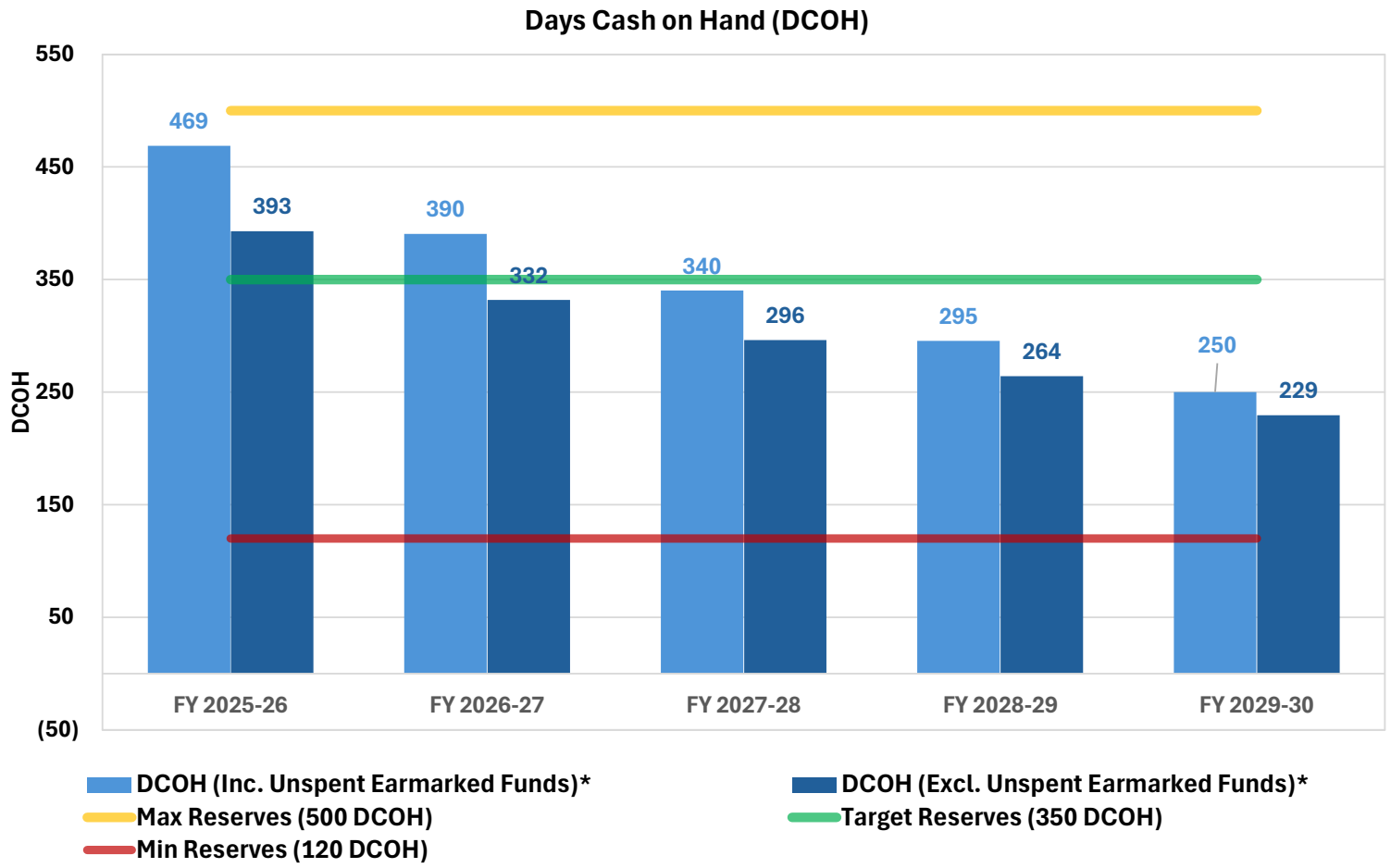


**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

Implementing Rate Premium in 2027 to Keep DCOH Above 250

Same as the scenario in previous slide but instead of charging a premium in 2026 the premium starts in 2027. In 2026, rates are at the proposed levels of 1% lower than those of PG&E, and low-income customers receive an additional $12 monthly bill credit.

On average, SVCE rates would need to be about **2.7%** higher than PG&E starting in **CY 2027** **(including CARE/FERA)**



**** Earmarked funds are unspent SVCE Program Funds and Building Funds.***

Staff Recommendation

- For Calendar Year 2026:
  - 1% discount to all customers
  - Additional $12 monthly bill credit for CARE/FERA customers
- Basis for the recommendation:
  - Additional premium in 2027 is 0.9% from not charging a premium starting in 2026

    (The impact of 1% premium on the residential rate on average is about $0.53 a month.)
  - Delaying any changes to the pricing methodology by one year enables staff to:
    - Finalize the financial levers analysis
    - Work with the Finance and Executive Committees and the Board to design any changes to SVCE's products and services, along with rates that continue to promote the agency's mission and balance customer value and the agency's finances

Recommendation

Adopt Resolution 2025-24:

1) Authorizing the CEO to implement SVCE generation rate changes to establish a 1 % discount to PG&E's applicable generation rates, provide a $12 monthly bill credit to CARE/FERA customers, and update the GreenPrime rate premium to $0.0074/kWh, when PG&E's updated rates are implemented, expected to be January 1, 2026, or after allocation of the sufficient time window for implementing new generation rates in SVCE's billing system, expected to be within three weeks of PG&E's release of the new 2026 rates.

2) Updating the fiscal year 2025-2026 operating budget that projects withdrawal of $60.5 million from the reserves, considering updated revenues, power supply expenses, and investment-earning forecasts; and allocation of $5.5 million to the building fund.

Thank you! / Questions?

Fiscal Year 2025-2026 Annual Operating Budget

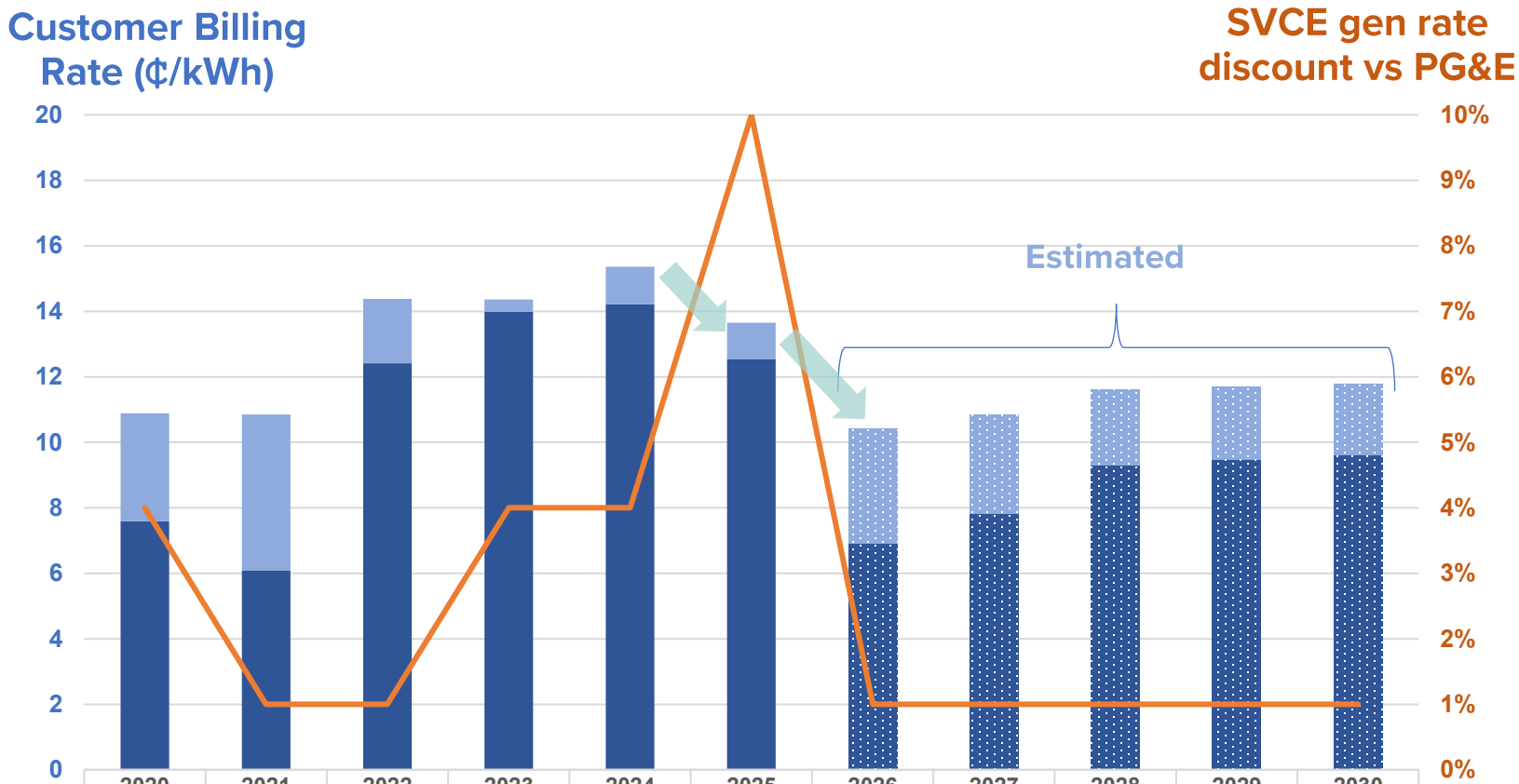
($ in Thousands)	FY 2025-26 (Forecast)	FY 2026-27 (Forecast)	FY 2027-28 (Forecast)	FY 2028-29 (Forecast)	FY 2029-30 (Forecast)
Operating Revenue					
Electricity Sales, Net[1]	$321,123	$301,154	$357,822	$385,564	$402,578
GreenPrime Electricity Premium	$2,469	$2,510	$2,336	$2,309	$2,361
Reduction in Revenue[1]	$(4,268)	$(957)	$0	$0	$0
Other Income	$0	$0	$0	$0	$0
Total Operating Revenues	**$319,324**	**$302,706**	**$360,158**	**$387,872**	**$404,939**
Operating Expense					
Power Supply	$344,221	$347,583	$363,375	$384,686	$406,000
Operating Margin	**$(24,897)**	**$(44,877)**	**$(3,218)**	**$3,186**	**$(1,061)**
Data Management	$3,764	$3,952	$4,149	$4,357	$4,575
PG&E Service Fees	$1,569	$1,647	$1,729	$1,816	$1,907
Salaries and Retirement	$18,870	$19,814	$20,805	$21,845	$22,937
Professional Services	$10,902	$11,447	$12,019	$12,620	$13,251
Marketing & Promotions	$2,347	$2,464	$2,587	$2,717	$2,852
General and Administration	$5,742	$5,526	$5,803	$6,093	$6,397
Transfers to Programs Fund	$7,251	$6,054	$7,203	$7,757	$8,099
Total Operating Expenses	**$394,665**	**$398,487**	**$417,671**	**$441,890**	**$466,018**
Operating Income	**$(75,342)**	**$(95,781)**	**$(57,513)**	**$(54,018)**	**$(61,079)**
Nonoperating Revenue					
Investment Income	$20,882	$15,222	$10,803	$9,477	$7,405
Grant Income	$0	$0	$0	$0	$0
Total Non-Operating Revenues	$20,882	$15,222	$10,803	$9,477	$7,405
Nonoperating Expense					
Financing Cost	$29	$29	$29	$29	$29
Capital Outlay	$512	$50	$50	$50	$50
Total Non-Operating Expense	**$541**	**$79**	**$79**	**$79**	**$79**
Non-Operating Income	**$20,342**	**$15,144**	**$10,724**	**$9,399**	**$7,327**
Change in Net Position/Available for Reserves	**$(60,500)**	**$(80,637)**	**$(46,789)**	**$(44,619)**	**$(53,752)**
Begin, Net Financial Position	**$585,328**	**$495,287**	**$389,499**	**$324,886**	**$263,808**
Adjustment for Program Expenditure and Building Fund[2]	**$(29,542)**	**$(25,151)**	**$(17,824)**	**$(16,459)**	**$(17,368)**
End, Net Financial Position	**$495,287**	**$389,499**	**$324,886**	**$263,808**	**$192,687**

1. Assumptions: 4% discount relative to comparable PG&E rates for CY 2025 and 1% discount for CY 2026-30. FY 2025-26 includes additional discount in the form of CARE/FERA bill credit estimates to low-income customers for $4.3 million and FY 2026-27 for $1 million (through Dec 2026 only). No CARE/FERA bill credit is assumed for CY 2027-30.

2. Each year the Board transfers funds from the Operating Budget to the Decarbonization Programs Fund as shown in the above forecast under line item Transfers to Programs Fund. The line item Adjustment for Program Expenditure accounts for the difference between forecasted spend for programs versus the amount transferred to the fund. This adjustment is needed because program spending to date has been less than the amount transferred to the programs fund. The $20 million in Building Fund and the additional $5.5 million to be allocated in FY25-26 are expected to be spent by end of FY25-26.

Average Effective Customer Billing Rates

- 2025 Average Customer Billing Generation Rate decreased -11% Year over Year, reflecting SVCE One-Time Bill Credit
- 2026 Estimated Average Customer Billing Generation Rate will decrease around -24% Year over Year

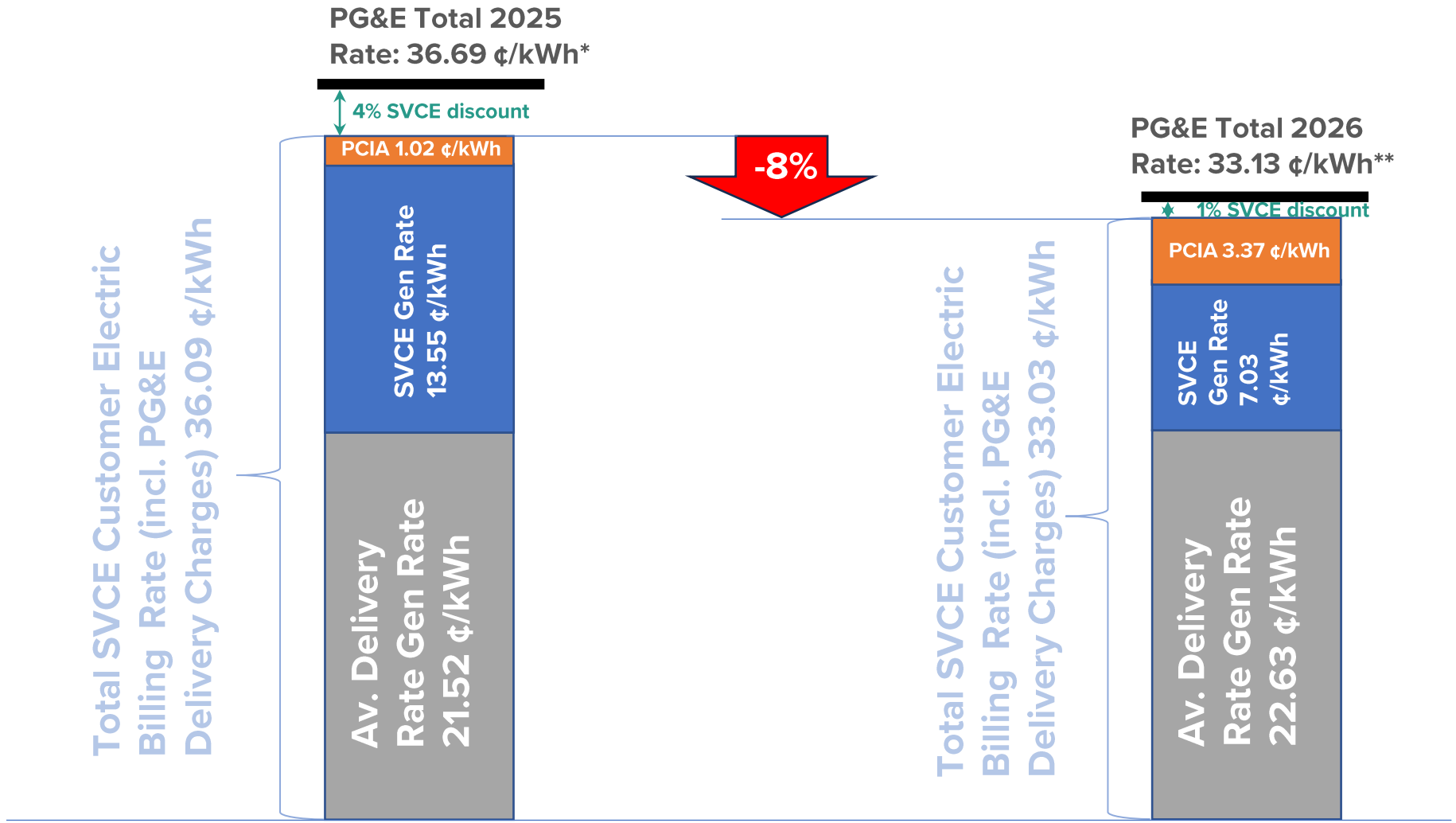


	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PCIA & Franchise Fee* (¢/kWh)	3.29	4.76	1.97	0.37	1.14	1.12	3.47	3.01	2.30	2.20	2.16
SVCE Gen Rate* (¢/kWh)	7.59	6.10	12.41	13.99	14.22	12.53	6.93	7.83	9.30	9.48	9.61
SVCE gen rate discount vs PG&E	4%	1%	1%	4%	4%	10%	1%	1%	1%	1%	1%

**Average effective billing rate inclusive of PCIA, weighted for SVCE portfolio load. The 10% discount for 2025 includes a one-time bill credit, equal to 6% annual discount (up to $35 million in total additional credits). SVCE Gen Rate discount excludes CARE/FERA customer discount equal to 1% general discount distributed among CARE/FERA customers.*

With Estimated PG&E Delivery Rates, Customers' Total Rate Expected to Drop on Average by 8% from 2025 Level

PG&E delivery rate, on average, is estimated to increase by about 5%



*PG&E 2025 Average Rate, effective January 1, 2025 and estimated total delivery rates as of September 1, 2025 (Weighted for SVCE Portfolio Load)
**Gen rates are estimated based on PG&E Errata (November 6, 2025) and delivery rates are based on PG&E Preliminary Annual Electric True-Up Submittal (November 17, 2025) data for CCA/DA customers.
Above margin analyses ignores minor reductions for franchise fees (0.1¢/kWh)

Estimated Customer Billing Rate Breakdown and Comparison Y-o-Y

	Residential		Res CARE*		Small Commercial		Medium Commercial		Large Commercial	
	2025**	2026***	2025**	2026***	2025**	2026***	2025**	2026***	2025**	2026***
Rate Schedule	E-TOUC	Est. Avg	E-TOUCL	Est. Avg	B-1	Est. Avg	B-10S	Est. Avg	B-19S	Est. Avg
PG&E Bundled Gen Rate ($/kWh)	$ 0.15	$ 0.11	$ 0.15	$ 0.11	$ 0.15	$ 0.11	$ 0.16	$ 0.11	$ 0.15	$ 0.11
SVCE Gen Rate ($/kWh)	$ 0.13	$ 0.07	$ 0.13	$ 0.07	$ 0.13	$ 0.07	$ 0.14	$ 0.07	$ 0.13	$ 0.07
PG&E Delivery Rate ($/kWh)	$ 0.28	$ 0.28	$ 0.11	$ 0.12	$ 0.29	$ 0.30	$ 0.21	$ 0.23	$ 0.16	$ 0.19
PG&E PCIA/FF ($/kWh)	$ 0.01	$ 0.04	$ 0.01	$ 0.03	$ 0.01	$ 0.04	$ 0.01	$ 0.04	$ 0.01	$ 0.03
Total Electricity Cost ($/kWh)	$ 0.42	$ 0.39	$ 0.25	$ 0.22	$ 0.43	$ 0.40	$ 0.36	$ 0.34	$ 0.30	$ 0.30
SVCE CARE/FERA Monthly Credit*	$ -		$ (17.50)	$ (12.00)						
Est. Average Usage (kWh/month)	491	491	491	491	1,851	1,851	22,540	22,540	148,625	148,625
SVCE Gen Rate Discount vs PG&E**	4%	1%	~28%*	~24%*	4%	1%	4%	1%	4%	1%
Est. Av. Monthly Savings vs PG&E**	$ 2.95	$ 0.53	$ 20.46	$ 14.70	$ 11.18	$ 1.95	$ 143.58	$ 25.04	$ 865.00	$ 156.64
Av. Monthly Cost at SVCE Gen Rate*	$ 206.56	$ 191.13	$ 106.38	$ 97.27	$ 802.58	$ 749.39	$ 8,140.10	$ 7,715.87	$ 45,048.24	$ 44,201.98
Av. Monthly Cost at PG&E Gen Rate*	$ 209.51	$ 191.66	$ 126.84	$ 111.97	$ 813.76	$ 751.34	$ 8,283.68	$ 7,740.91	$ 45,913.24	$ 44,358.62

*Estimated, based on average historic SVCE usage for corresponding customer class.

**Estimated, based on current PG&E 2025 rates as of September 1, 2025 and SVCE 2025 rates as of May 1st, 2025. Excludes One-Time Bill Credit distributed in Sept. 2025, equal to approx.. 6% annual discount

***Gen rates are estimated based on PG&E Errata (November 6, 2025) and delivery rates are based on PG&E Preliminary Annual Electric True-Up Submittal (November 17, 2025) data for CCA/DA customers.

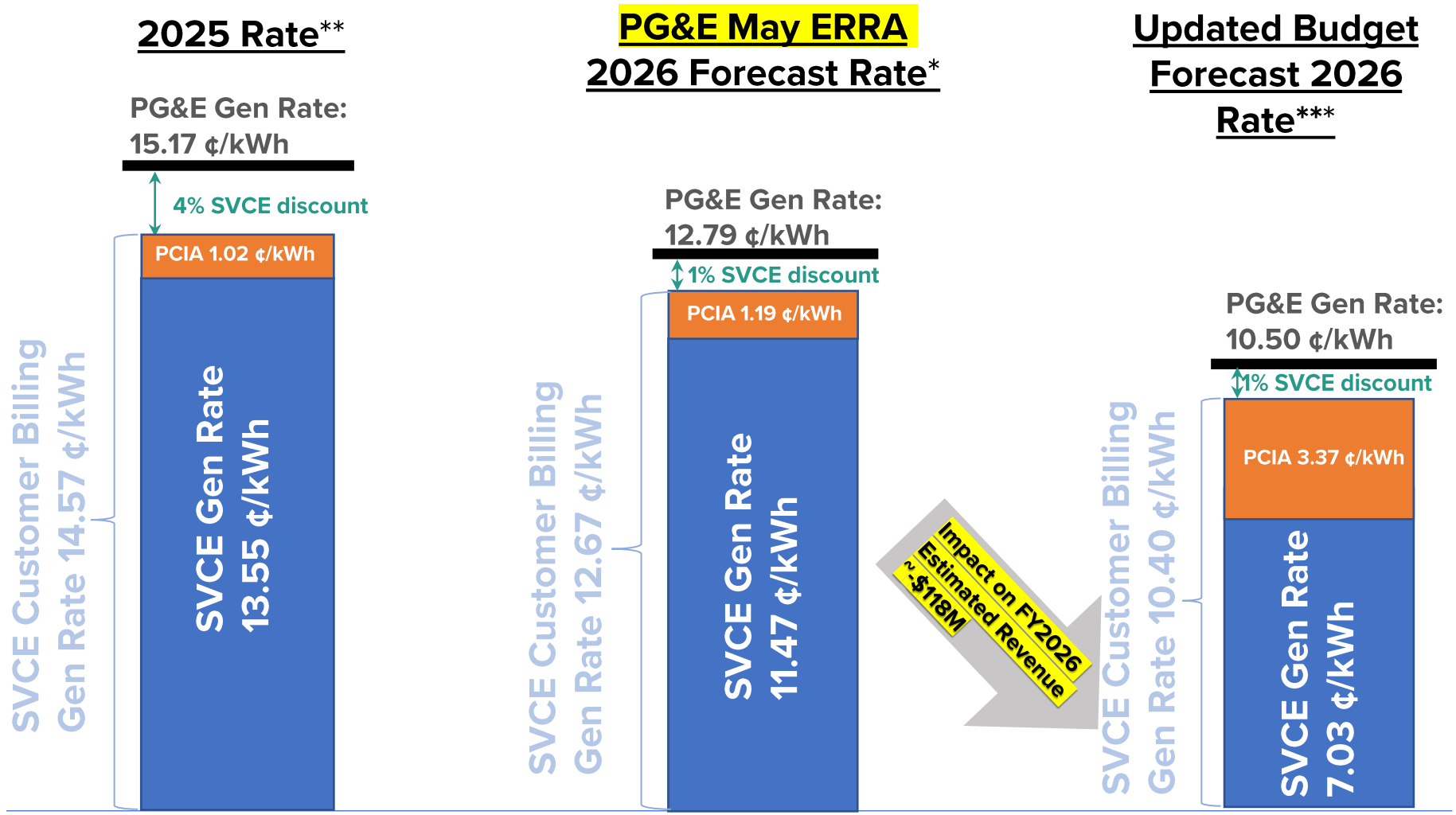
Total CARE/FERA bill discount (including T&D) vs average residential customer, assuming the same usage (491 kWh/month) is about 49%.

On average, CARE/FERA usage is about 12% lower than that of an average E-TOUC customer.

Delivery rates are estimated to increase approximately 5% Y-o-Y (load weighted for SVCE customer portfolio)

Comparison to PG&E's May ERRA Forecast of 2026 Rates

- Had SVCE used PG&E's initial 2026 rate forecast to develop the adopted budget, SVCE revenues would drop by ~ $120 million as opposed to ~$40 million
  (drop in revenues from the adopted budget to the current updated budget)
- Alternatively, from adding $40 million to reserves to now drawing ~$60 million from reserves



* Source: PG&E ERRA Forecast released on May 15, 2025 (Weighted for SVCE Portfolio Load)
** PG&E 2025 Average Rate, effective January 1, 2025 (Weighted for SVCE Portfolio Load)
*** Estimated 2026 rates, based on PG&E Fall Update Errata, effective January 1, 2026 (Weighted for SVCE Portfolio Load)
Above margin analyses ignores minor reductions for franchise fees (0.1¢/kWh)

CARE and FERA Customer Eligibility Criteria

CARE Income Guidelines
(valid through May 31, 2026)

Number of people in household	Total gross annual household income
1-2	$42,300 or less
3	$53,300 or less
4	$64,300 or less
5	$75,300 or less
6	$86,300 or less
7	$97,300 or less
8	$108,300 or less
9	$119,300 or less
10	$130,300 or less
Each additional person, add	$11,000

*Before taxes and based on all current income sources.

Eligible low-income customers who are enrolled in the CARE program receive a 30-35% discount (not including additional SVCE discount and bill credits) on their total electric bills and a 20% discount on their natural gas bills.

FERA Income Guidelines
(valid through May 31, 2026)

Number of people in household	Total gross annual household income*
1-2	$42,301 - $52,875
3	$53,301 - 66,625
4	$64,301 - $80,375
5	$75,301 - $94,125
6	$86,301 - $107,875
7	$97,301 - $121,625
8	$108,301 - $135,375
9	$119,301 - $149,125
10	$130,301 - $162,875
Each additional person, add	$11,000 - $13,750

*Before taxes and based on all current income sources.

FERA offers an 18% discount on total electric rates but not on gas rates. CARE and FERA share one application. If applicants do not qualify for CARE, they might still qualify for FERA.

Eligibility for California Alternate Rates for Energy (CARE) or Family Electric Rate Assistance (FERA) is based on household income and size.

For CARE, eligibility can also be obtained through enrollment in one of the qualifying public assistance programs*

* To qualify through other public assistance programs:
Someone in a household must take part in any of the following public assistance programs:

- Low Income Home Energy Assistance Program (LIHEAP)
- Women, Infants, and Children (WIC)
- CalFresh/SNAP (Food Stamps)
- CalWORKs (TANF) or Tribal TANF
- Head Start Income Eligible (Tribal Only)
- Supplemental Security Income (SSI)
- Medi-Cal for Families (Healthy Families A & B)
- National School Lunch Program (NSLP)
- Bureau of Indian Affairs General Assistance
- Medicaid/Medi-Cal (under age 65)
- Medicaid/Medi-Cal (age 65 and over)*

Reserve Target Definitions

Current Reserve Targets:

- Minimum Reserve Level: **120 DCOH**
  - If reserves fall below the minimum level, develop plans to restore them to the minimum level within two fiscal years.
- Reserve Goal: **350 DCOH**
  - No action required if the reserves are above the minimum and below the maximum levels.
- Maximum Reserve Level: **500 DCOH**
  - If reserve funds are projected to exceed the maximum level, present the Board of Directors with options for disposition of those reserves during the next budget cycle.

FY25-26 Budget Development Timeline

Budget Framework

June

Discuss the high-level budget framework and stress analysis with the **Finance and Admin Committee**

June

Present the stress test analysis to the **BOD**

Full-Year Update

August

Review the draft budget with the **Finance & Admin Committee**

August

Present the draft budget to the **BOD** for review and feedback

September

Present to the **BOD** the budget, incorporating any feedback received in August

Oct 1st

Fiscal Year Start

"Adjusted December Budget"

November

Review adjustments to the budget to reflect updates to PCIA and PG&E gen rate assumptions with the **Executive Committee** and **Finance & Admin Committee**

December

Present the adjusted budget to the **BOD** for approval

"Mid-Year Budget"

February

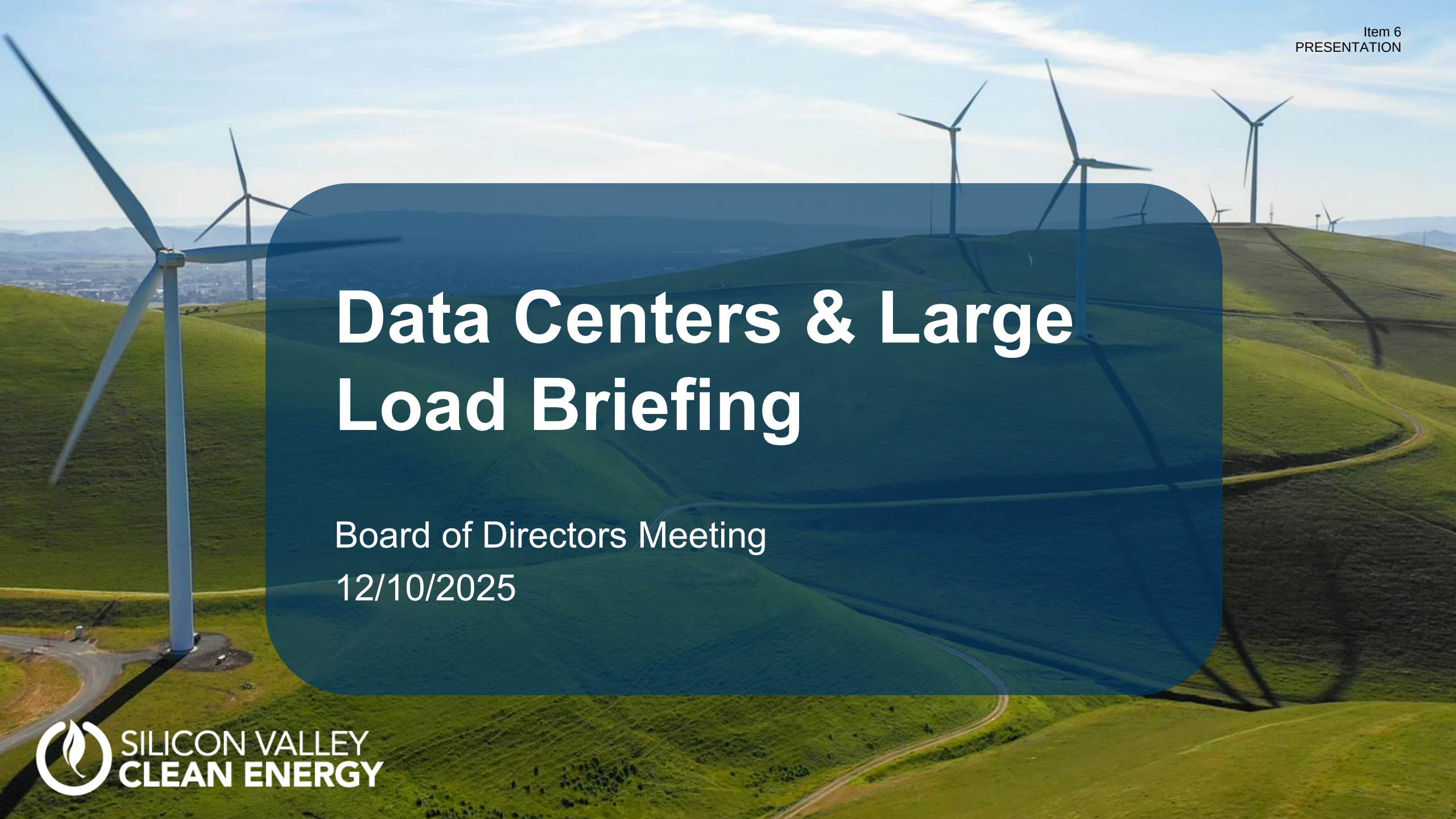
Review the mid-year budget with the **Finance and Admin Committee**

March

Present the mid-year budget to the **BOD** for approval

Glossary

- **RPS** – Renewable Portfolio Standard - The RPS program requires investor-owned utilities (IOUs), publicly owned utilities (POUs), electric service providers (ESPs), and community choice aggregators (CCAs) to increase procurement from eligible renewable energy resources to 60% of total procurement by 2030. RPS eligible resources include solar, wind, small hydro, biomass and geothermal.
- **RA** – Resource Adequacy - Under its Resource Adequacy (RA) program, the California Public Utilities Commission (CPUC) requires load-serving entities—including investor-owned utilities (IOUs), electric service providers (ESPs), and community choice aggregators (CCAs)—to demonstrate in both monthly and annual filings that they have purchased capacity commitments to contribute their share of system reliability.
- **MTR** – Mid-Term Reliability – Procurement order issued by the CPUC to focus on securing sufficient online resources to ensure reliability through at least 2028.
- **PCIA** – Power Charge Indifference Adjustment - Designed to recover the above market cost of long-term power purchased on behalf of customers who later departed the IOU to be served by a CCA. The calculation methodology is set by the CPUC, and the amount is calculated annually, with vintages set for each year of customer departures.
- **OIR** –Order Instituting Rulemaking - A procedural document that is issued by the CPUC to start a formal proceeding. A draft OIR is issued for comment by interested parties and made final by vote of the five Commissioners of the CPUC.
- **ERRA** – Energy Resource Recovery Account - ERRA proceedings are used to determine fuel and purchased power costs which can be recovered in rates. The utilities do not earn a rate of return on these costs, and only recover actual costs. The costs are forecast for the year ahead, and actual costs are retroactively trued-up via balancing accounts.
- **MPBs** – Market Price Benchmarks - estimated values per unit associated with key components of energy portfolios, such as the Energy Index, Renewable Portfolio Standard (RPS) Adder, and Resource Adequacy (RA) Adder.



Data Centers & Large Load Briefing

Board of Directors Meeting
12/10/2025

SILICON VALLEY CLEAN ENERGY

Agenda

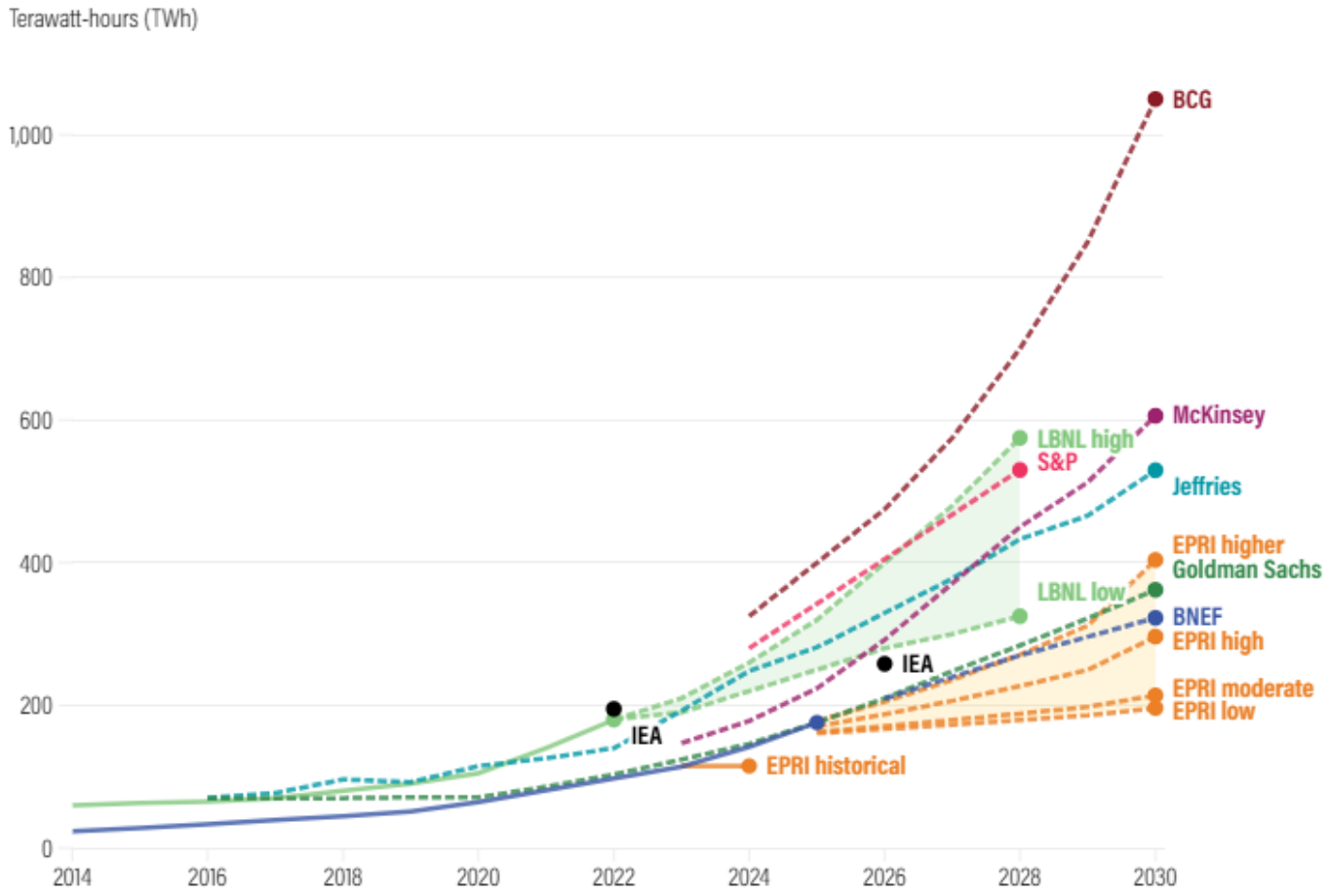
1. Data Center Overview
2. California Specific Issues
3. Impact to SVCE

Data centers are nothing new, but AI data centers are fundamentally different

	Standard Data Center	AI Data Centers
Tasks	Webservices, storage (e.g. Netflix and Gmail)	AI training models and high intensity compute tasks
Typical use per rack	7-15 kW	30-50 kW*
Total Global Use (2023)	~325 TWh/yr	~85 TWh/yr
Growth	Moderate	Rapid
Location Needs	Generally minimal	Generally fiber connection, may need to be close to engineers (latency), may need water for cooling

*Estimates for energy use per rack vary widely; forward looking estimates are even more varied due to differing views on efficiency gains and potential higher computationally intensity activities.

How Much Load?



Source: World Resources Institute. September 2025.

- There is large range of forecasts for data center loads.
- Most forecasts expect data centers to be equivalent to ~5-15% of current US electricity load by 2030.
  - 1-3 California sized loads.

Drivers of Load and Uncertainty

- **Pace of AI adoption**
  - Is it real? How many “phantom data centers” are out there?
- **Efficiency gains**
  - Electricity a major driver of operating costs (15-25% or more) so there is significant incentive to make hardware more efficient.
- **Infrastructure constraints**
  - How quickly can utilities build?

Remember the incentives:

- **IOUs make money by building infrastructure**
- **Tech companies' valuations increase on announcement of new data centers**

Impact on Affordability

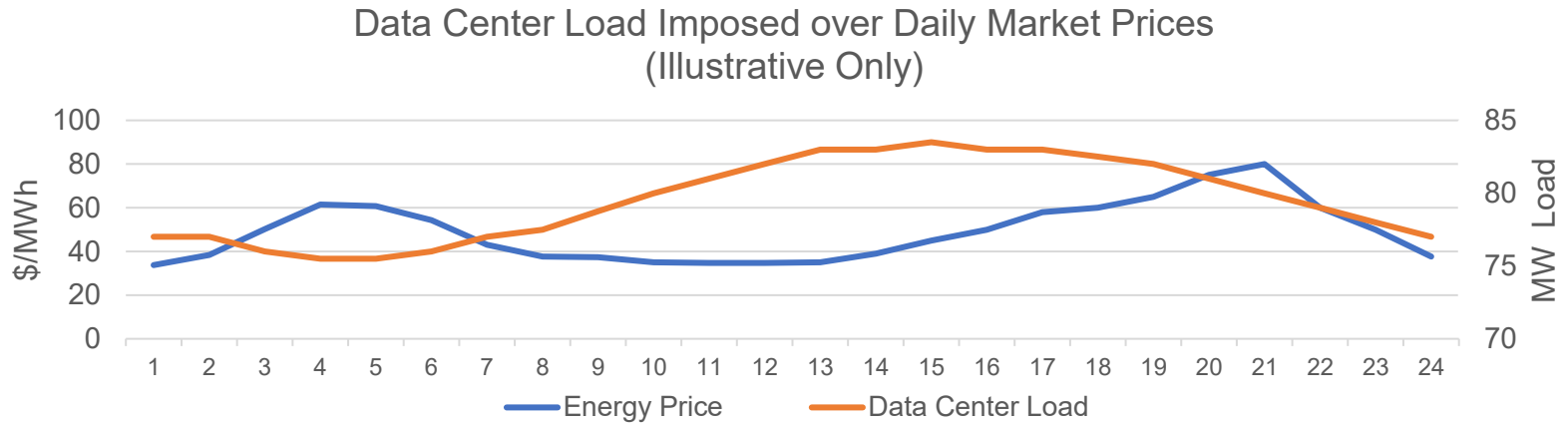
In theory data centers could improve affordability for ratepayers.

Utility costs for transmission and distribution are largely fixed; higher utilization of poles and wires due to large high utilization load such as data centers reduces cost per kWh.

$$\frac{90,000,000\ MWh}{3,000,000,000} = 30\ cents \quad \longrightarrow \quad \frac{95,000,000\ MWh}{3,500,000,000} = 27\ cents$$

"Increase the Denominator"

For generation, costs are largely variable so increased load may or may not improve affordability.
In theory, data centers may have a "good shape" allowing average cost to serve to decrease.



Broader Societal Impacts

Benefits: Data centers may increase tax base and add jobs.

PG&E estimates 10 GW of data center load growth could*:

- Lower customer electric bills by 10% or more by spreading fixed costs across more energy usage.
- Create 50,000 construction jobs and 115,000 associated support jobs.
- Add 5,000 permanent tech jobs and 28,500 permanent support roles.
- Generate $1.25 to $1.75 billion in increased property tax revenue.
- Contribute $2.5 to $3 billion in additional sales tax revenue.

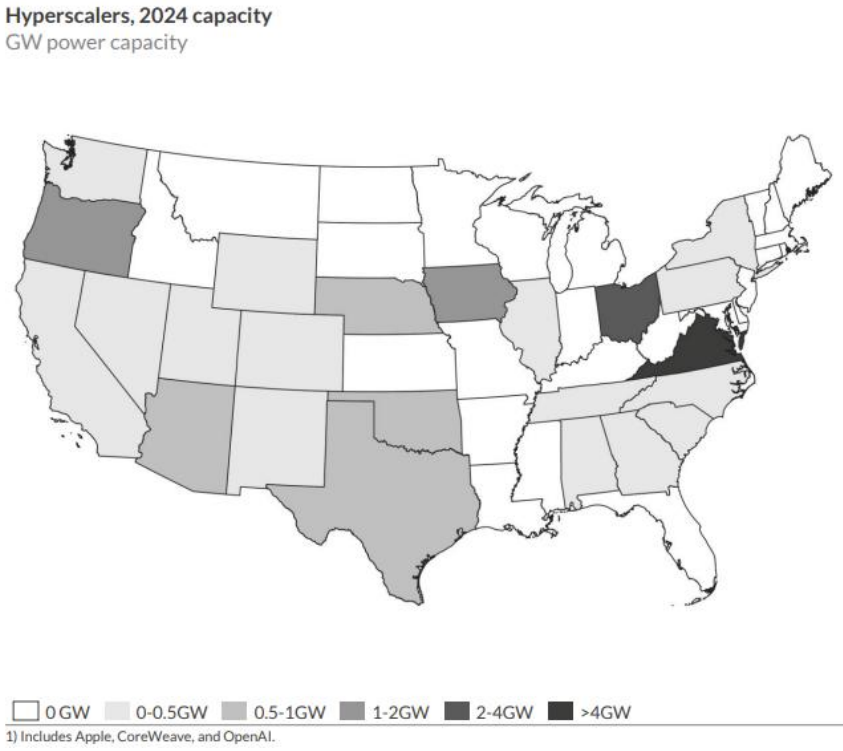
Concerns:
There is increasing regulatory and legislative attention on data centers across the country, including in California. Concerns include costs, water use and quality of living impacts (noise/light pollution).

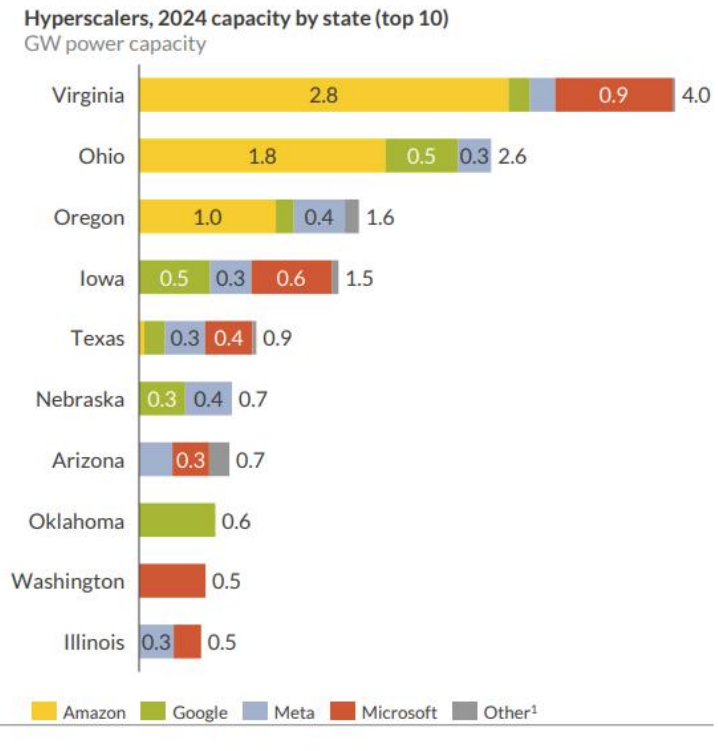
For the electricity sector in particular:

- If this load doesn't materialize there are significant stranded asset risks.
- Rate design may allow cost shifts between existing customers and new data centers.
- Even if no build occurs the ancillary expenses of studying "phantom data centers" is costly and requires time commitment from electricity planners that could be better used for projects which have higher societal value.

*Source: PG&E Corporation - PG&E Data Center Demand Pipeline Swells to 10 Gigawatts with Potential to Unlock Billions in Benefits for California

California In Context





Source: Aurora Energy Research

California is not a big player in data centers, likely due to high electricity rates and slow build times.

While some large data centers may be developed here, CA will likely also develop small scale facilities for specialized use cases, especially where latency is an issue.

The majority of new build is expected in PJM and ERCOT markets.

But…

Enabling Affordable Load Growth…

Data Center Pipeline[1]

MWs	June 2025	September 2025
Total	**10,000**	**9,600**
Application & Preliminary Engineering	8,450	7,950
Final Engineering	1,500	1,600
Construction	50	50

Estimated Long-Term Customer Savings[2]:
1 GW = 1%-2% Electric Bill Reduction

Working with our largest customers and data center developers to find the most economical build out, accelerate interconnection timelines, and deliver optimal reliability

Final Engineering

- 18 total projects
- Increased by 100 MWs during Q3
- Expect several projects in-service during 2026
- Load ramps over time, 95% of MWs estimated to be available by 2030

Endnotes are included in the Appendix

…Economic Prosperity For Customers And California

7

PG&E does forecast meaningful data center load, much of which is concentrated in Silicon Valley.

However, only 50MW of data center load is under construction, a number that hasn't changed over the past three quarters.

Source: PG&E Q3 2025 Earnings Presentation

Rule 30

What is it:
A PG&E application to allow data centers to expedite interconnection by allowing the customer to pre-pay for transmission upgrades; the customer will be reimbursed after the load “shows up” and the assets will enter rate-base to be paid off by all customers.

Outcomes so far in Interim Implementation:
- CCAs will now receive customer transmission applications within 20 days of them being submitted to PG&E.
- CCAs will receive quarterly updates on project status to help improve internal forecasting necessary for budget and power procurement activities.

Still Pending:
- Final implementation including making above data sharing permanent.
- Rules for customer commitment timelines.
  - How long prior to energization must customers commit to an LSE.
  - How long are they committed to the LSE.

Issues for Generation Providers

Customer Retention and Risk Management:
Currently customers can switch between CCA and PG&E bundled service with limited restrictions. Under existing rules, if CCAs procure for large loads that leave their service, costs must be recovered from remaining customers.

Procurement Orders and Compliance Obligations:

- In September 2025 the CPUC issued a Needs Assessment which found a need for 6,000 MW of additional net qualifying capacity (NQC) by 2032. Nearly half of this need is due to load growth from data centers in the current CEC load forecast.
- The CEC forecast also underlies annual RA requirements for LSEs. Currently this is only 1 year ahead, somewhat mitigating impacts of load forecast errors.

Next Steps: Forecasting

- SVCE intends to use a combination of Rule 30 applications information and intelligence from our Customer Success team and member agencies to forecast data center loads.
  - We met with numerous cities' planning departments earlier this year.
  - Customer Success team is in touch with numerous customers contemplating or planning data center load.

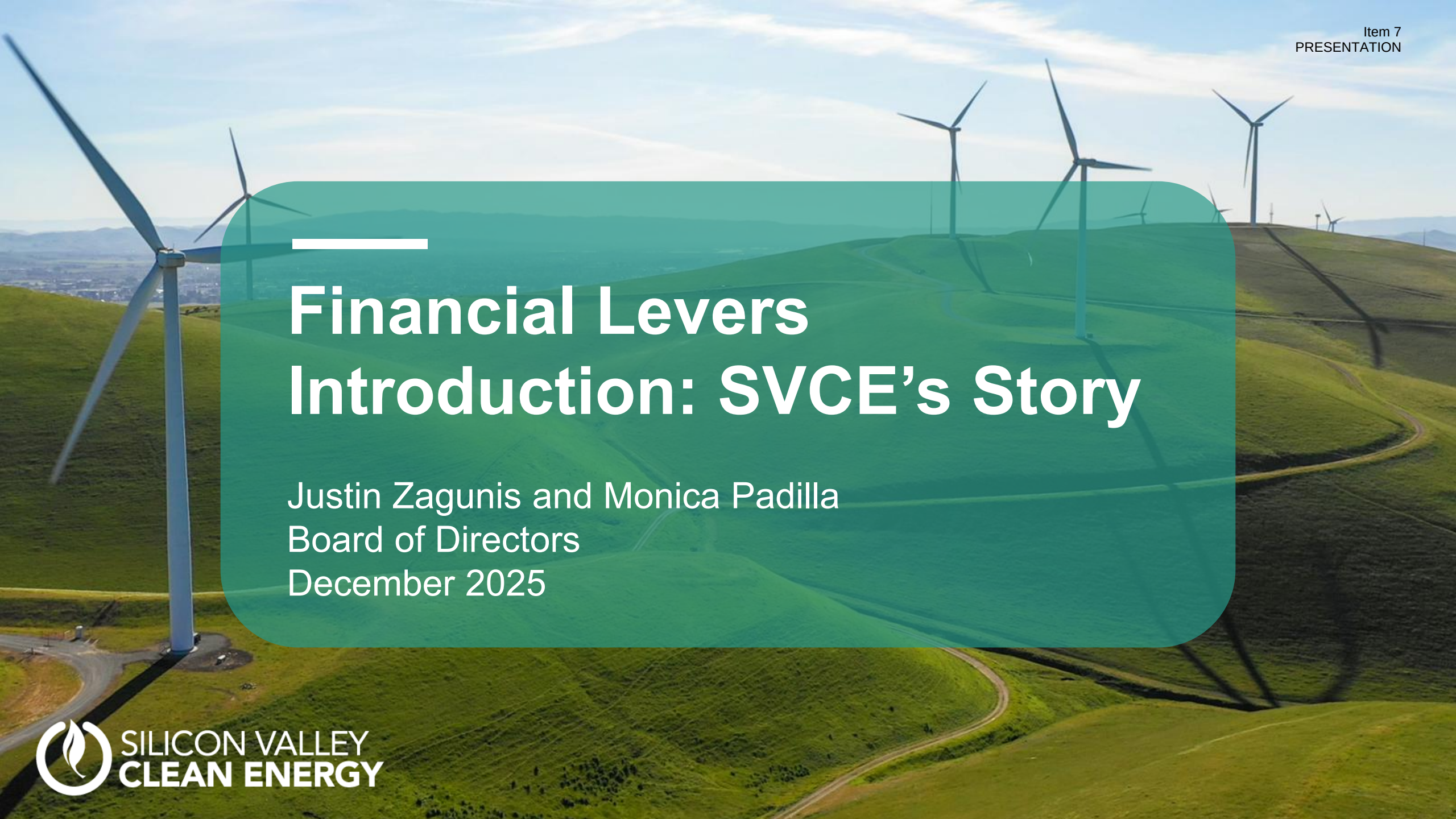
  The goal is to develop a defendable forecast that best positions the procurement and finance teams to execute on developing SVCE's portfolio while minimizing risk.

Next Steps: Regulatory Advocacy

- SVCE regulatory team continues to advocate in Rule 30 proceeding to improve access to data center information from IOUs.
- Staff is engaged in CEC Integrated Energy Policy Report (IEPR) process to help develop long-term statewide forecast assumptions related to data centers.
- SVCE intends to engage in any future proceedings related to data centers/large loads at the CPUC.

Next Steps: Customer Engagement

- Continue to look for ways to expand support and engagement with large load customers (e.g. C&I decarb, billing support, custom pricing).
- Exploring alternative rate options to serve largest loads under new paradigm. New key questions:
  - Do we treat these the same as other loads or uniquely?
  - How to protect SVCE and other customers if they don’t show up (or leave)?
  - Do they get credit for our existing resources and reserves?
  - What SVCE policies might need to change to accommodate these loads?



Financial Levers Introduction: SVCE's Story

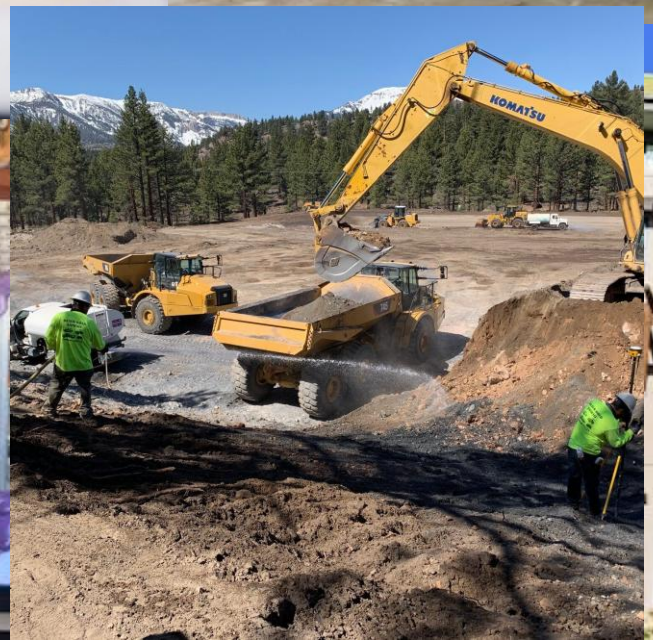
Justin Zagunis and Monica Padilla
Board of Directors
December 2025

SILICON VALLEY CLEAN ENERGY

SVCE's Mission:

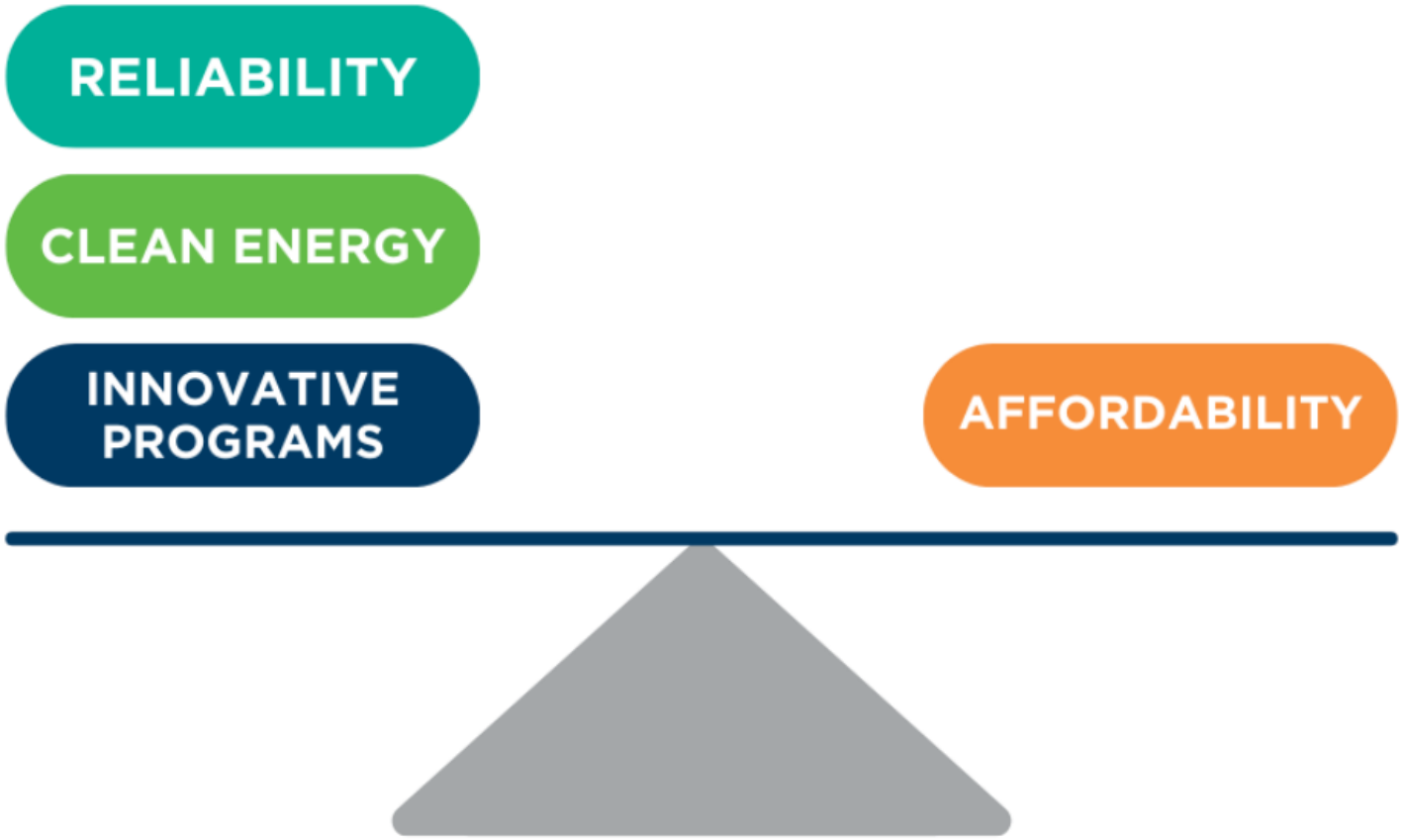
Reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community.

We serve a community with varied needs in varied ways



How have we positioned ourselves today? We've been able to do it all!

REDUCE DEPENDENCE ON FOSSIL FUELS THROUGH:



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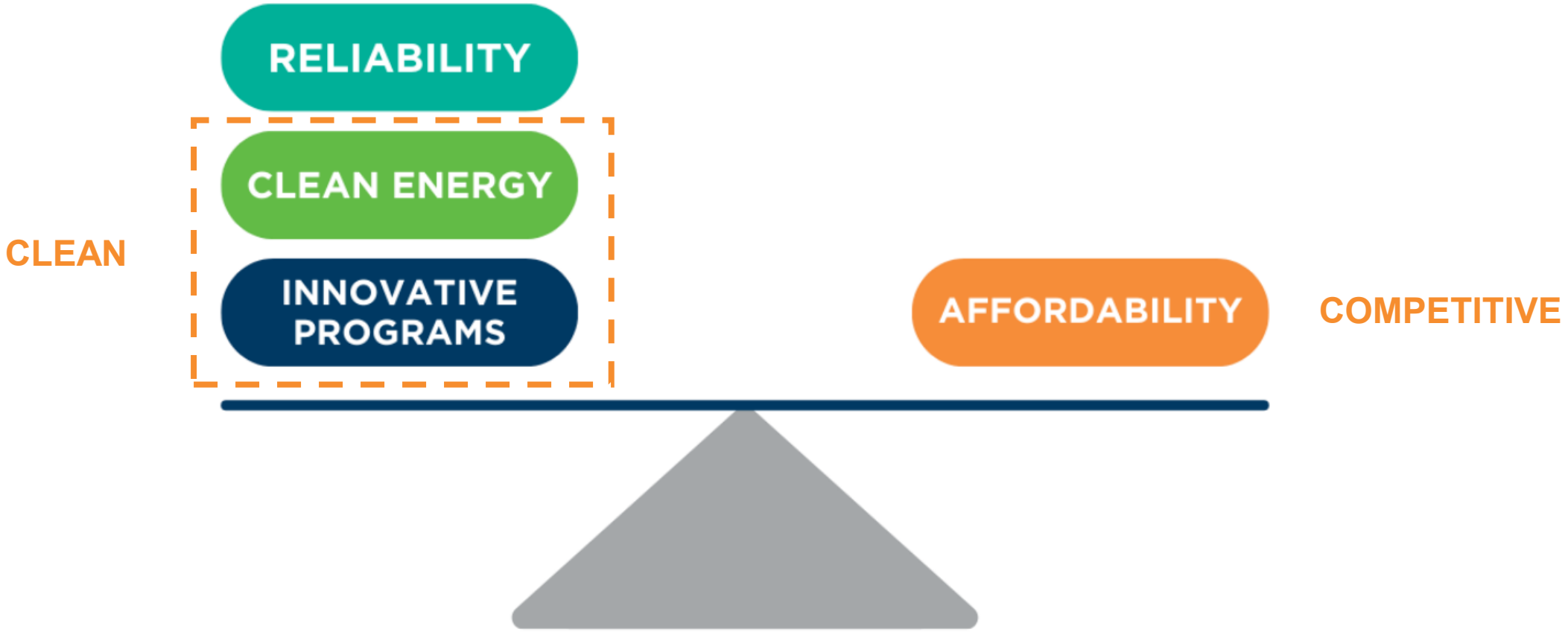

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Subset of SVCE accomplishments

$4 billion invested in long-term clean power

~600
Level 1, 2, and DCFC chargers installed

~2,000
heat pump HVAC systems installed

~1,300
heat pump water heaters installed

Solar and Storage at South Santa Clara County Fire District in Gilroy

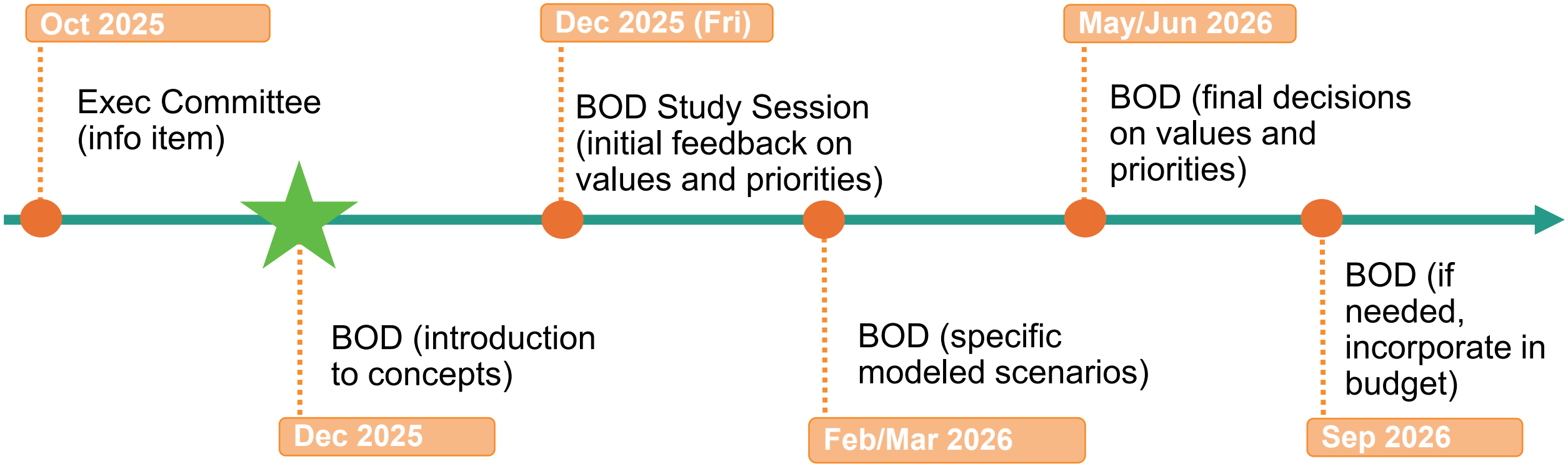
~350
contractors trained

~2,300
customers served through Go Electric Advisor service

Rotated Off-Grid EV Chargers at Sunnyvale Public Buildings

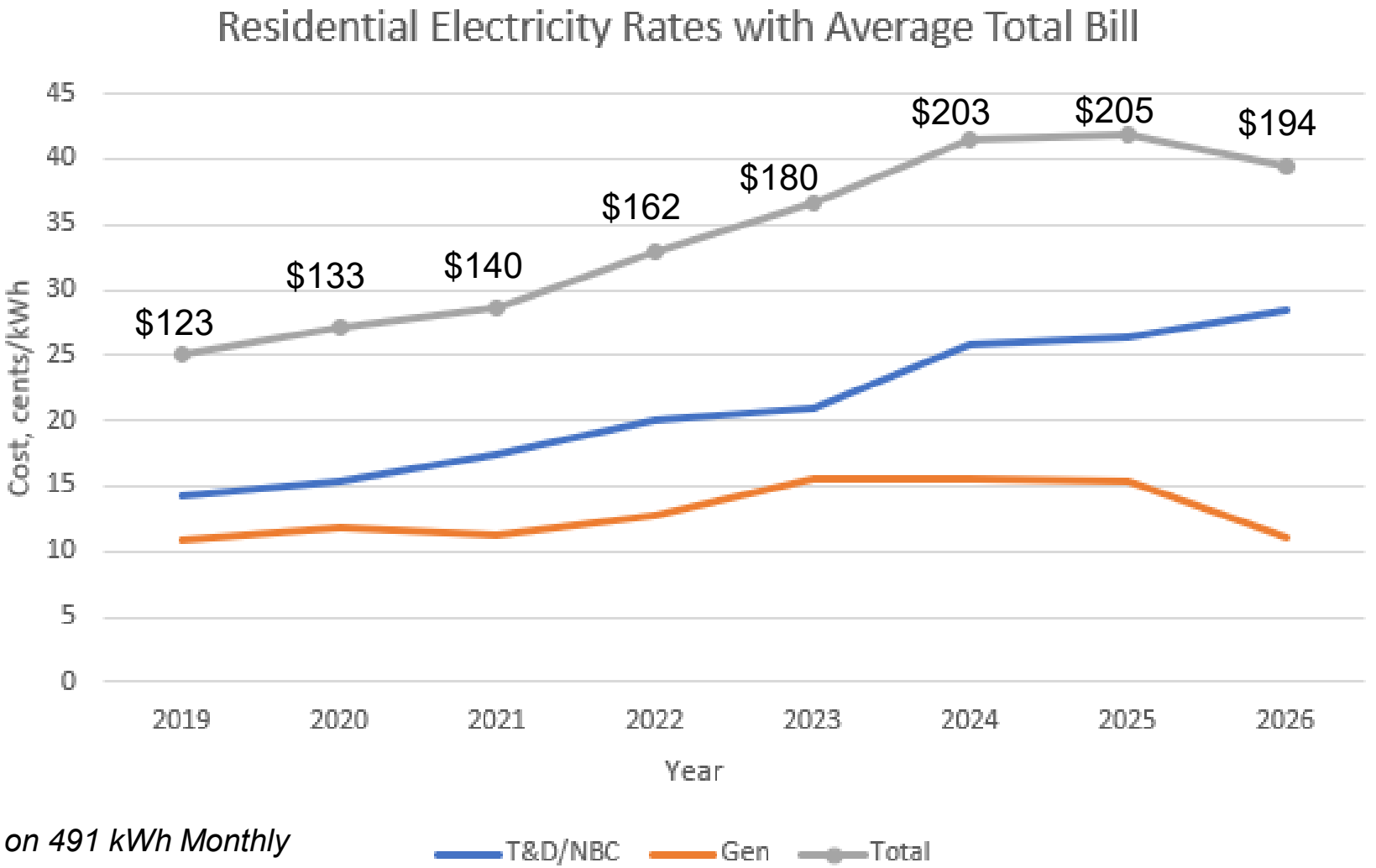
$205 million in lifetime bill savings

Today is a starting point for us to re-explore priorities and tradeoffs



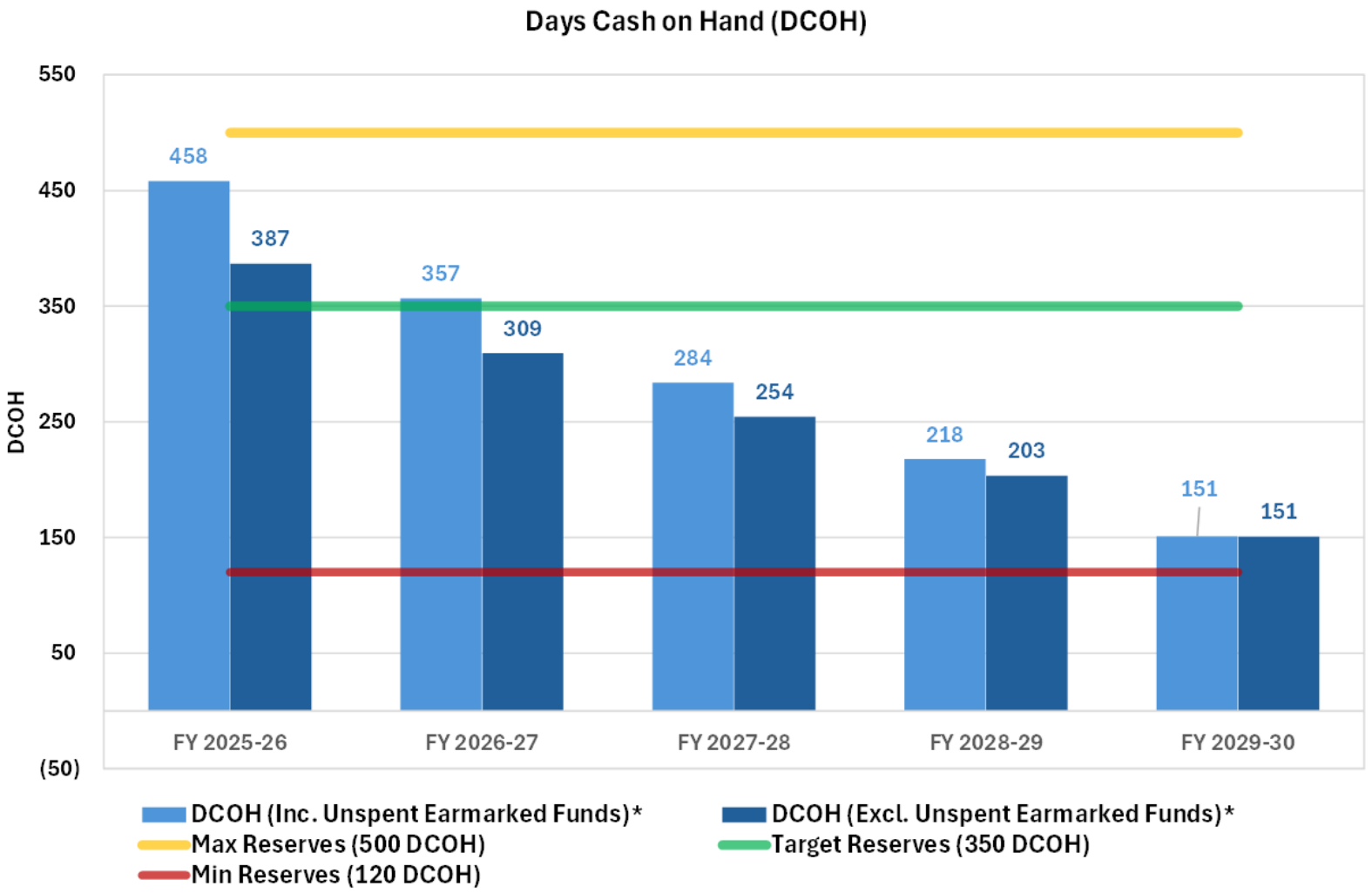
*Timeline subject to change

Forecasting a drop in PG&E rates



Total Average Bill Based on 491 kWh Monthly

SVCE's forecast shows reserves drawdown under current budget and priorities

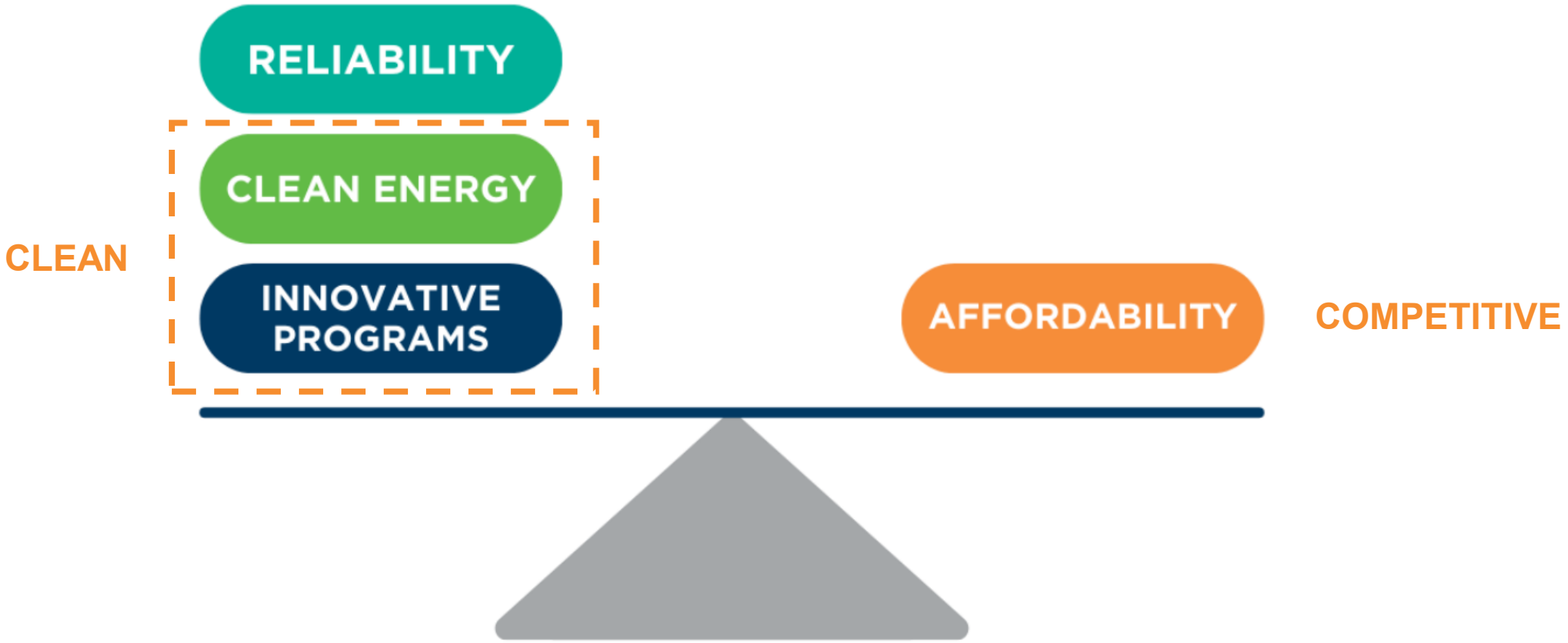


** Earmarked funds are unspent SVCE Program Funds and Building Funds.*

Drivers:

- clean targets
- PPA price increases and compliance obligations (RPS, RA)
- discount against PG&E
- PCIA
- program spend

Today: discuss ‘levers’ that exist and how they affect the value proposition –range of possibilities



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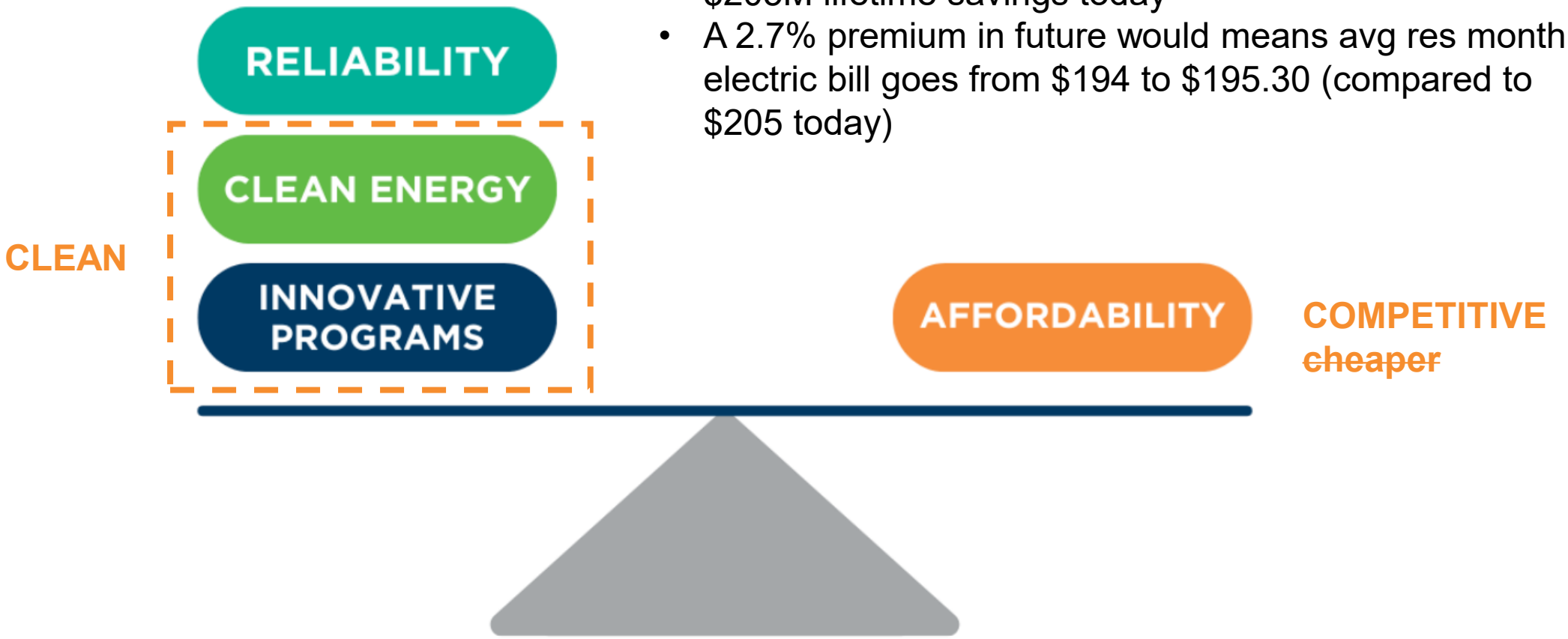
LEVER 1: moving from a rate discount to a premium

- Cheaper vs competitive
- $205M lifetime savings today
- A 2.7% premium in future would means avg res monthly electric bill goes from $194 to $195.30 (compared to $205 today)



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Opt-out considerations

- Sensitivities differ between res and non-res
- Other CCAs – low opt outs even after higher rates
- Costs are mostly variable; all customers contribute to fixed costs
- Higher opt-out rates may impact our decarb goals

Not all-or-nothing:

Have a minimum green product option that is cheaper than PG&E (opt-down)

Increase CARE/FERA SVCE credit or make minimum product their default

Figure 1: Level of Importance for Each Service SVCE Provides (n=476)

LEVER 1: impact estimate

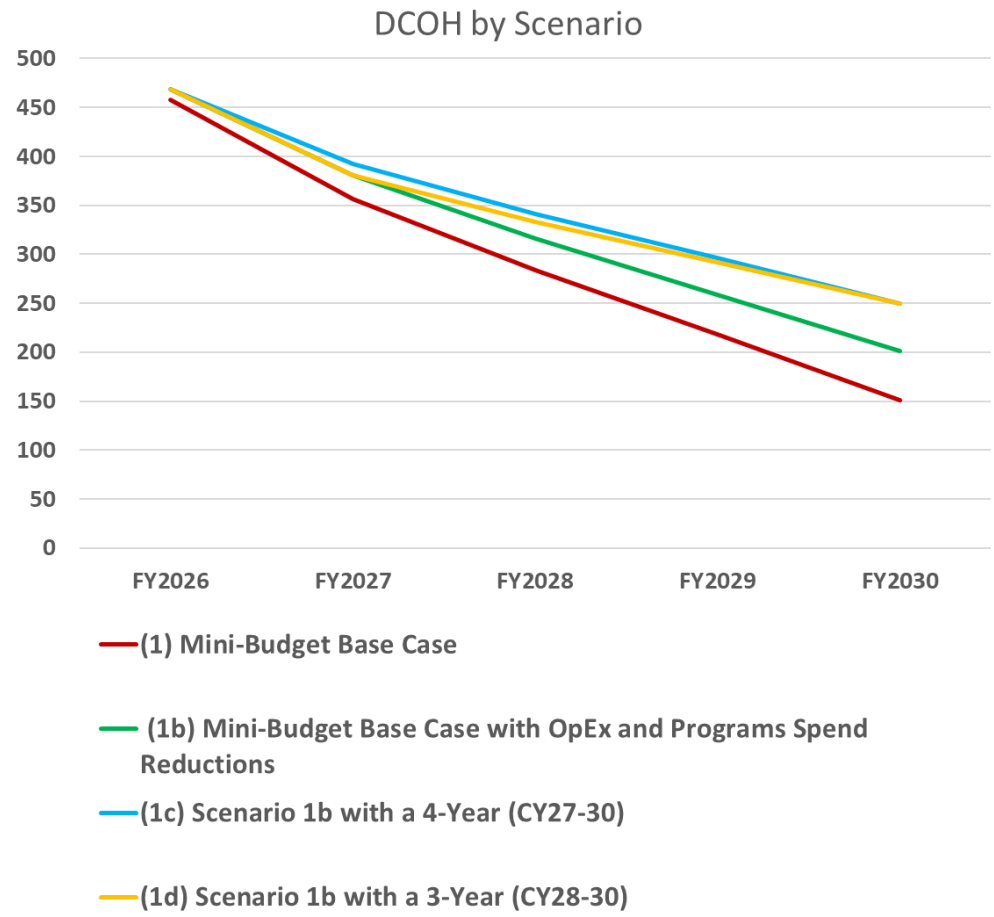
Waiting provides more clarity

Waiting also forces more aggressive action later

- **4-year** premium of **~2.7%** (blue) for to end at 250 DCOH: ~$1.30 per month above PG&E for res
- **3-year** premium of **~3.6%** (gold) for to end at 250 DCOH: ~$1.90 per month above PG&E for res

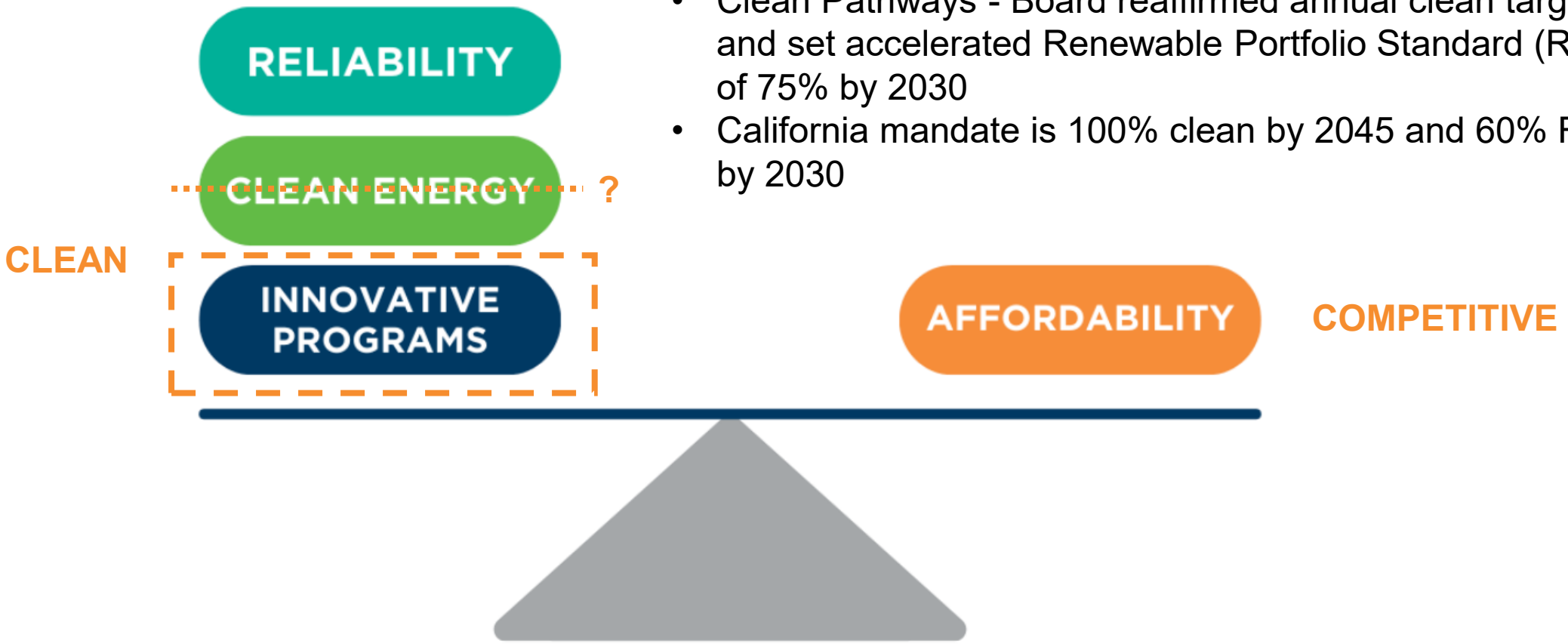
Would end FY2030 at ~$160M in lifetime savings for customers

Assumes no opt-outs



LEVER 2: loosening clean electricity targets

- SVCE 100% clean since 2017 (exception 2024)
- Clean Pathways - Board reaffirmed annual clean target and set accelerated Renewable Portfolio Standard (RPS) of 75% by 2030
- California mandate is 100% clean by 2045 and 60% RPS by 2030



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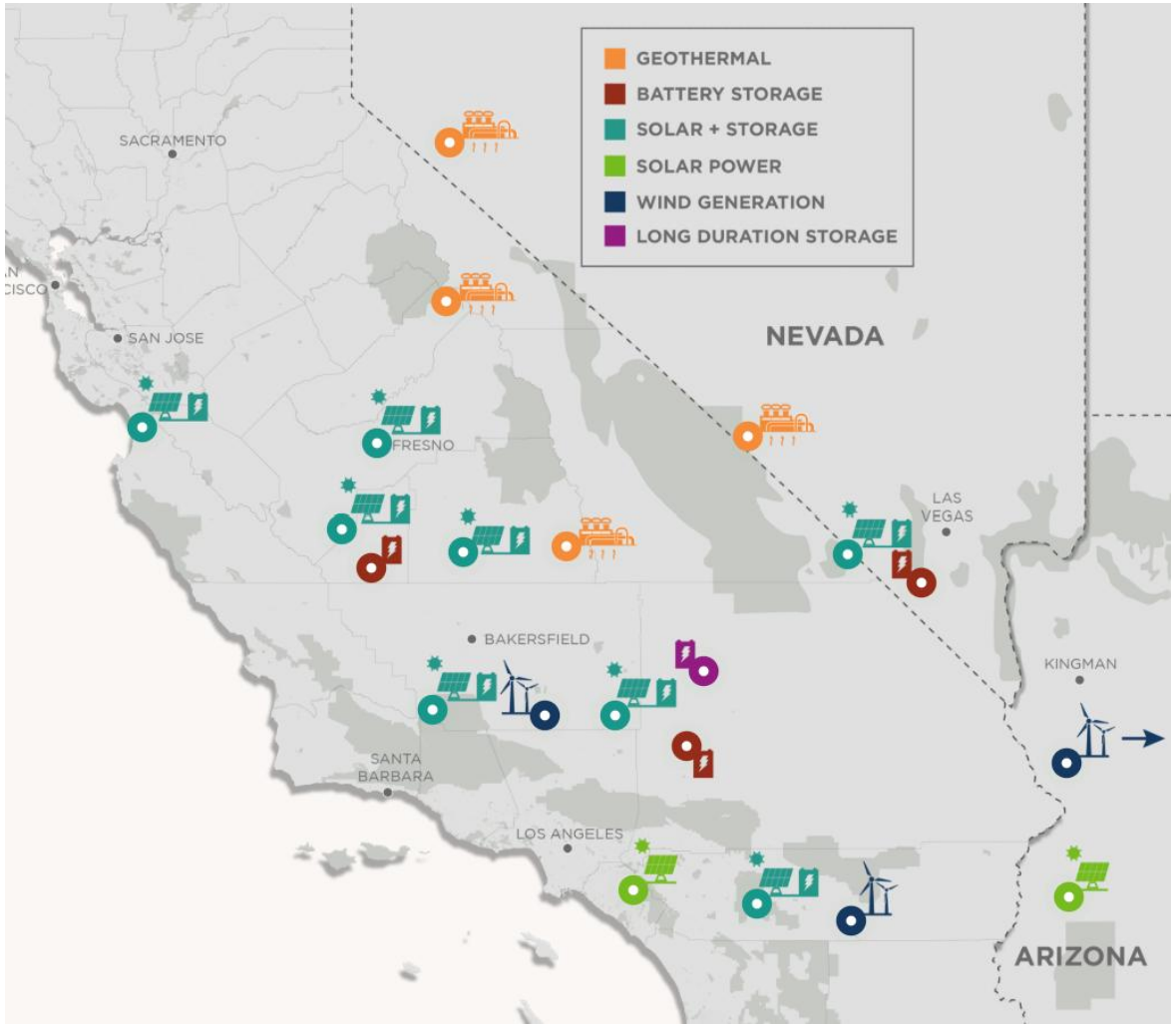
Defining “clean energy”

- Portfolio of clean resources (steel in the ground!)
- Grid enhancing projects (geothermal, long-duration storage, Hanford Hybrid)
- On track to meet 75% RPS by 2030 and 100% clean annually
- Power Content Label is the "report card" for measurement of clean
- Clean on an hourly basis is not required, but tracked and reported
- Decarb programs are also clean – and local



LEVER 2: impact estimate

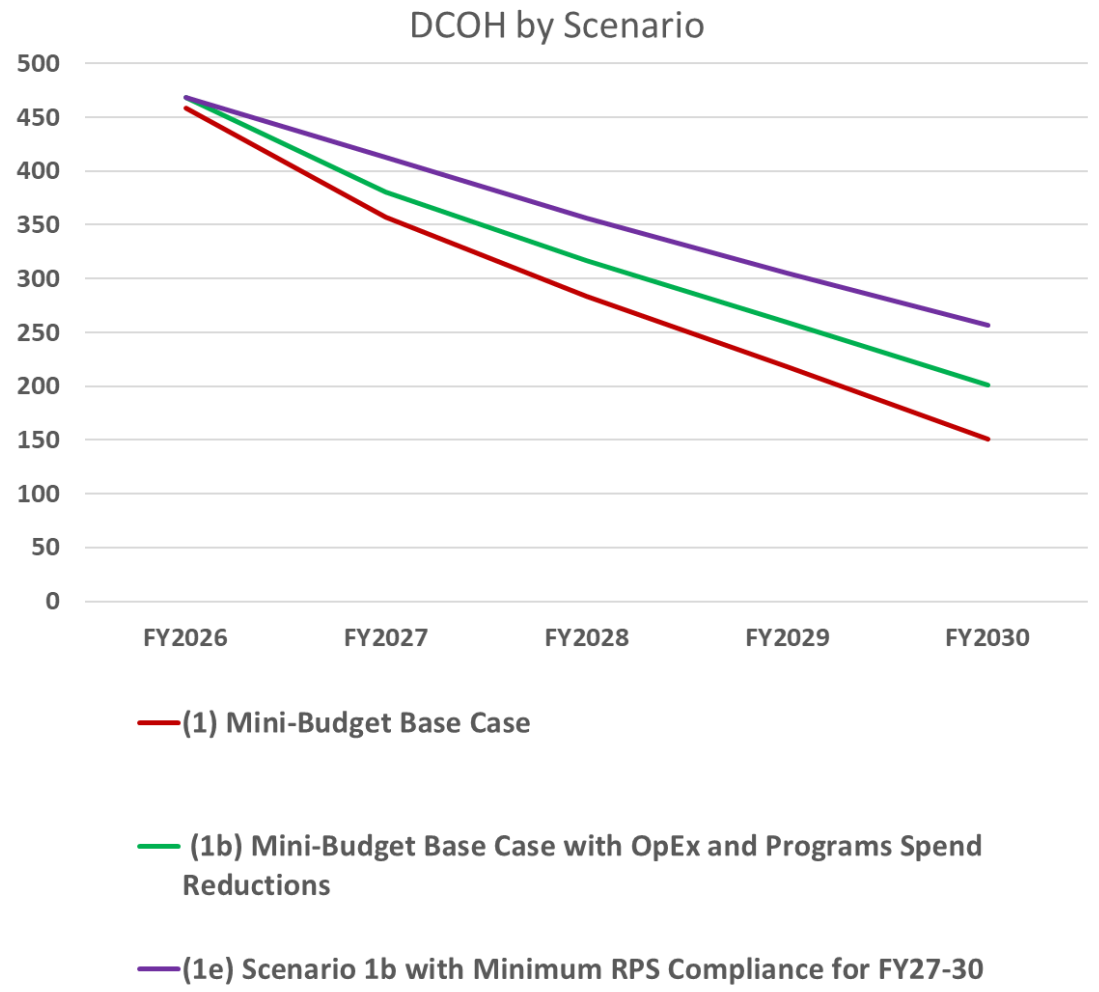
Minimum RPS compliance is 52% RPS by 2028 and 60% RPS by 2031*

Moving to **minimum compliance** (purple) results in 257 DCOH by the end of 2030

Would raise typical SVCE emissions factor from nearly 0 lbs CO2e/MWh to >350 lbs CO2e/MWh

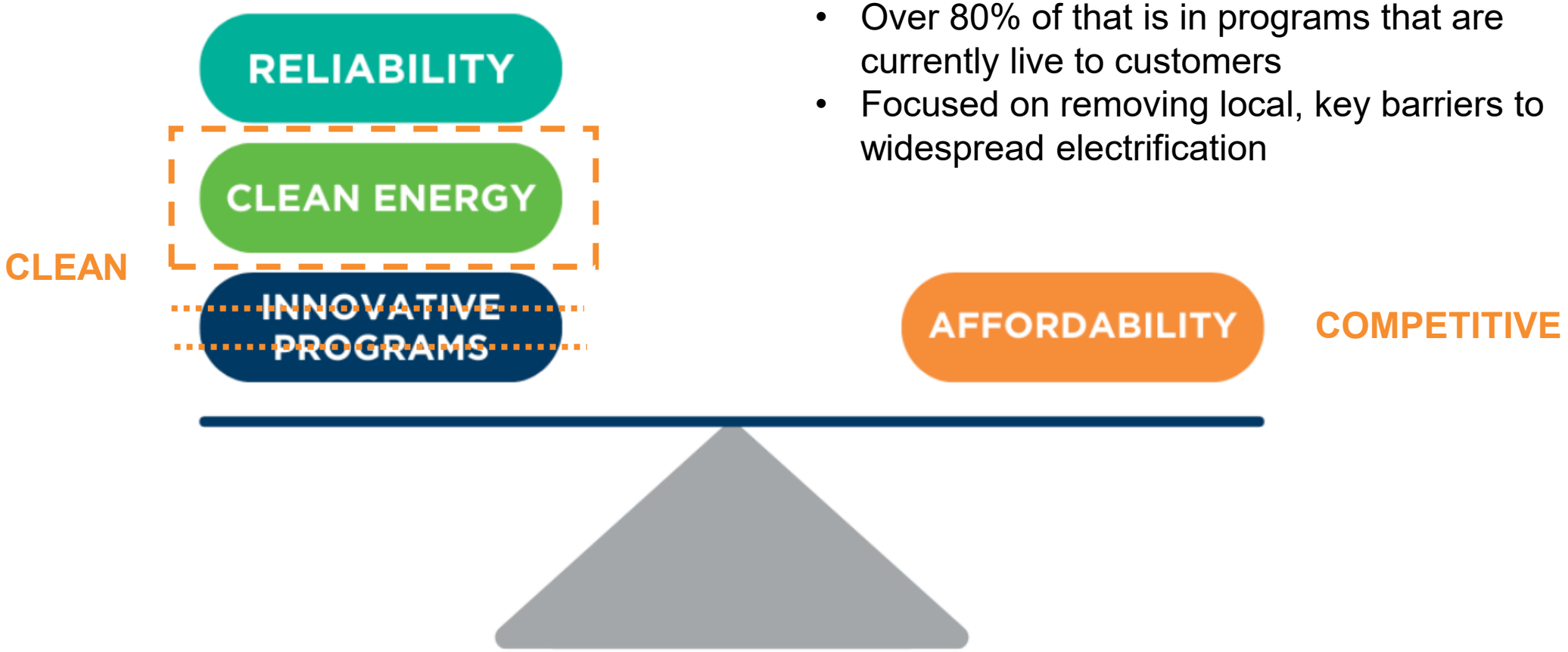
Assumes no opt-outs

*Note: SVCE has met its 100% clean target through calendar year 2027



LEVER 3: scaling back decarb programs

- Program funds sit in reserves until spent; currently close to $100M
- Over 80% of that is in programs that are currently live to customers
- Focused on removing local, key barriers to widespread electrification



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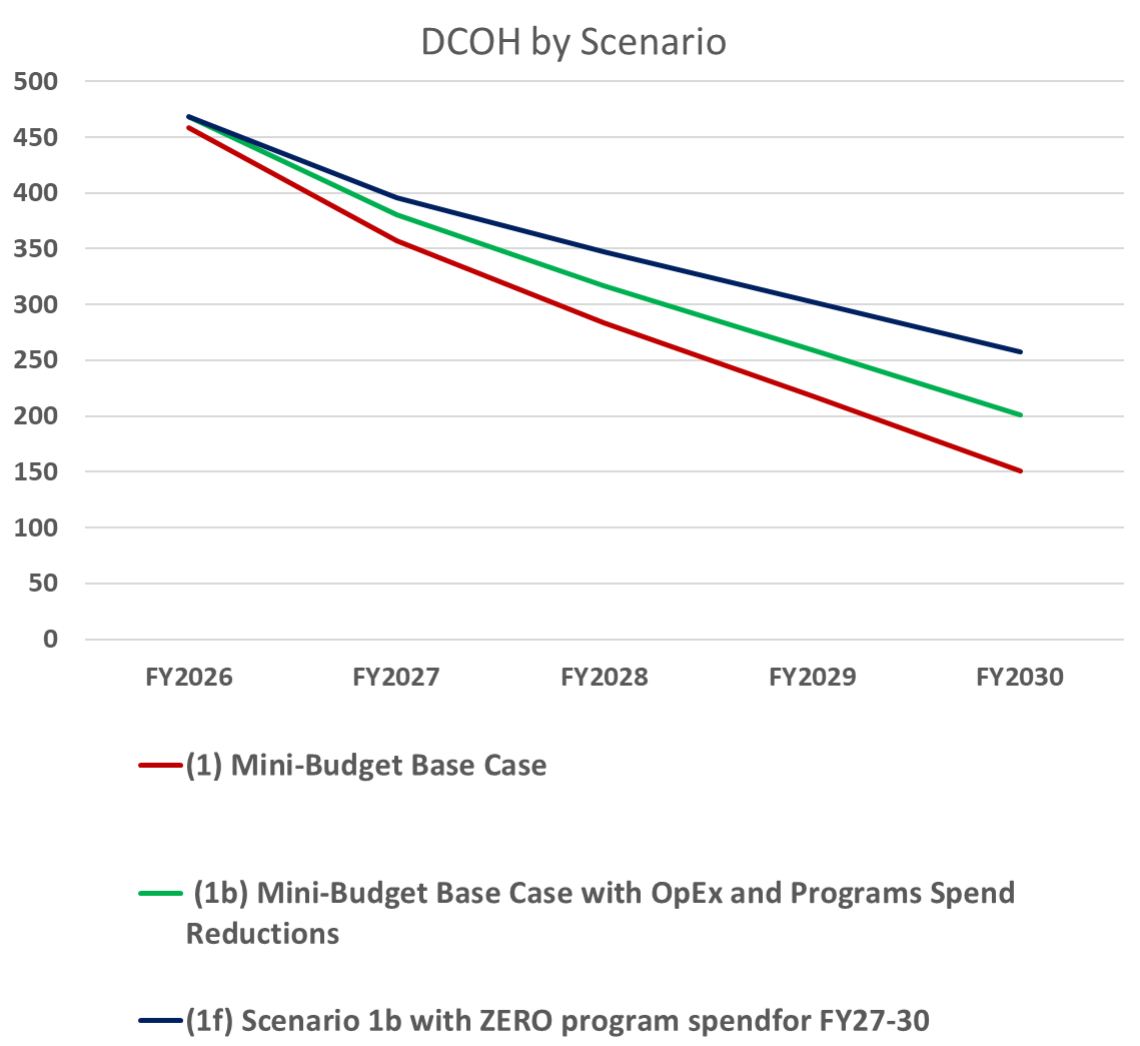
LEVER 3: impact estimate

Eliminating all program expenditures (blue) would result in 257 DCOH by the end of 2030

Programs have touched 5,000+ customer accounts and are projected to reach nearly 20,000 with current budget

Programs are focused on remaining emissions from transportation and buildings

Assumes no opt-outs



Summary

Projected compression on margins and drawdown from reserves would require SVCE to adjust its course somewhat

Key levers affect the financial forecast: rates, clean, and programs

Will also evaluate operational costs regardless of overall priorities (ongoing best practice)

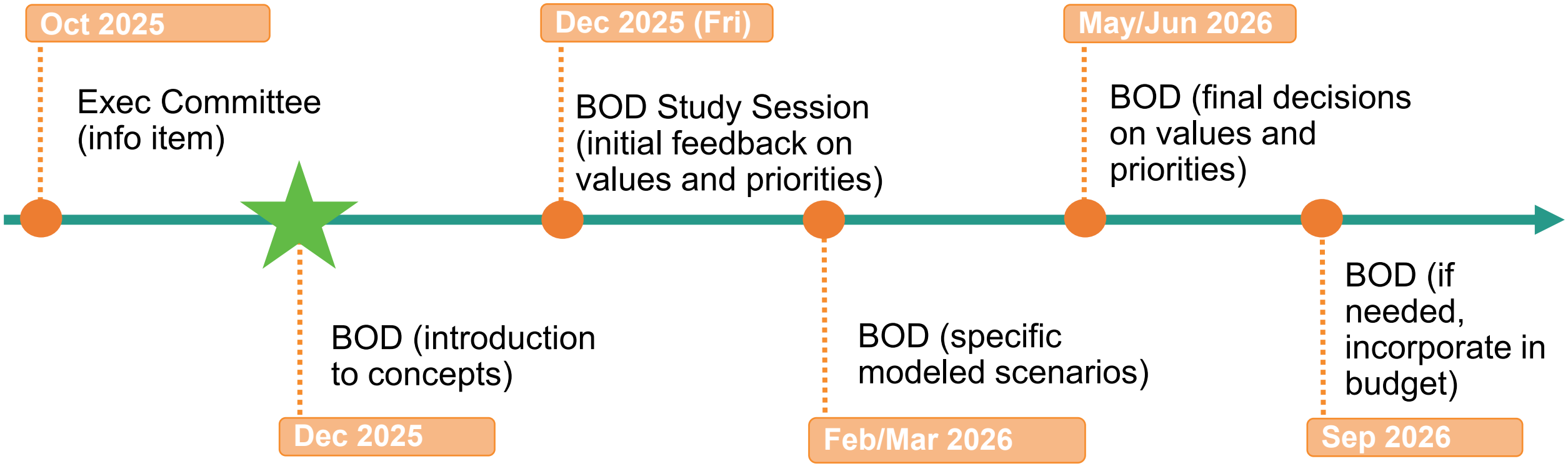
Takeaways

Each lever has a wide range of options we can pursue, and can be mitigated in various ways – these are not “all or nothing”

SVCE can maintain its mission and have a compelling story for our customers even through pivots – they just change how we’d tell it

SVCE may not need to make any changes, but we want to have thought this through ahead of needing to take action in a future budget

Next steps



**Timeline subject to change*

Input staff is seeking from BOD today

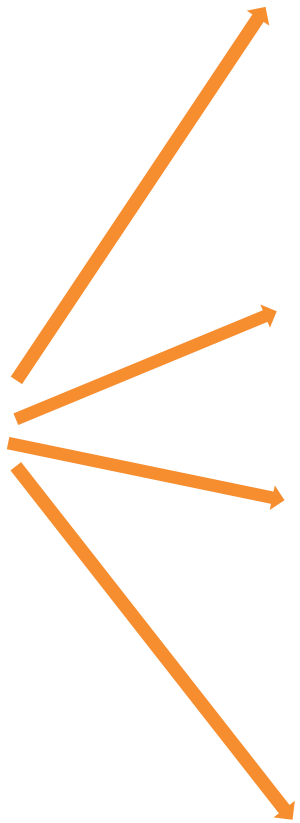
- Initial clarification questions
- Friday Dec 12: discussion

Questions can also be shared with Andrea directly and will be incorporated into future presentations

APPENDIX

This is a key strategic discussion

Financial levers:
Priorities and options to pursue *if required by financial picture*



Annual budget process:
changes anticipated costs and investments

Integrated Resource Plan:
changes forecasted resource mix

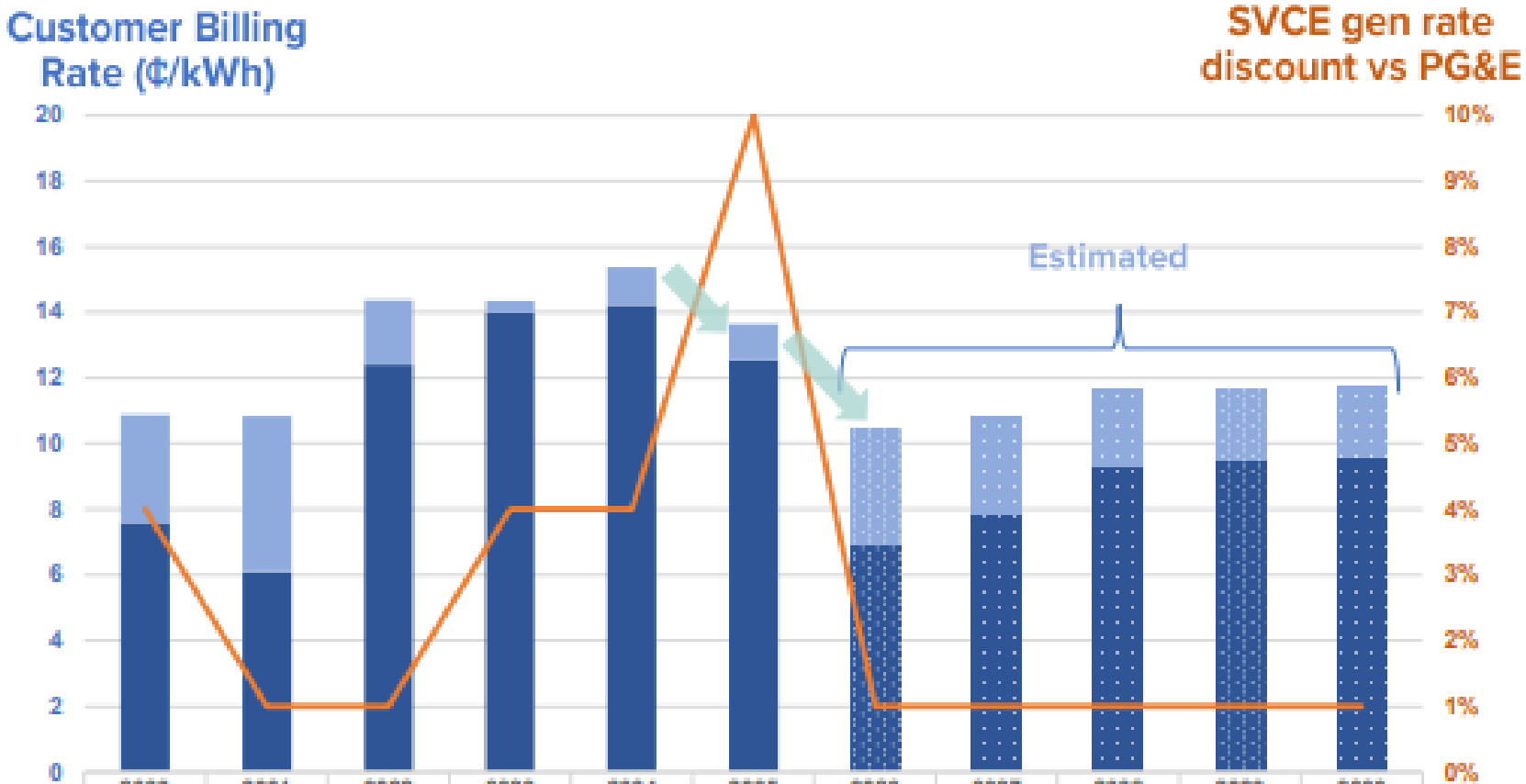
Ongoing procurement:
signing contracts

Decarb Roadmap refresh:
setting decarb program and supply-side objectives and framework

Forecasting a drop in PG&E rates, PCIA increase

Customer gen rate is coming down significantly

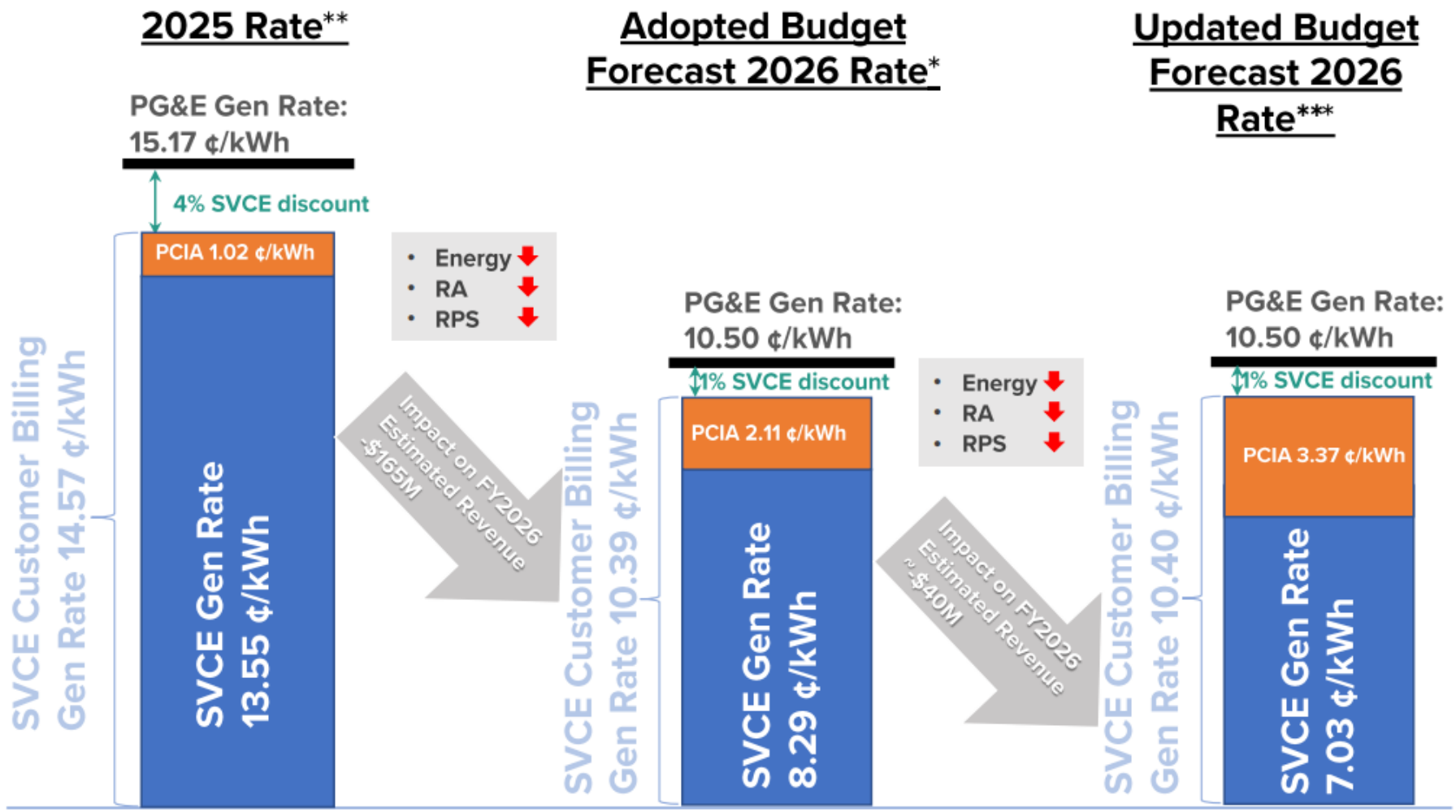
This is good for overall affordability goals



	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PCIA & Franchise Fee* (¢/kWh)	3.29	4.76	1.97	0.37	1.14	1.12	3.47	3.01	2.30	2.20	2.16
SVCE Gen Rate* (¢/kWh)	7.59	6.10	12.41	13.99	14.22	12.53	6.93	7.83	9.30	9.48	9.61
SVCE gen rate discount vs PG&E	4%	1%	1%	4%	4%	10%	1%	1%	1%	1%	1%

*Average effective billing rate inclusive of PCIA, weighted for SVCE portfolio load. The 10% discount for 2025 includes a one-time bill credit, equal to 6% annual discount (up to $35 million in total additional credits). SVCE Gen Rate discount excludes CARE/FERA customer discount equal to 1% general discount distributed among CARE/FERA customers.

Background – upcoming PG&E rate change



* Source: CalCCA NewGen Model analysis using market data as of 6/27/2025 and estimated CPUC attribute benchmarks for CY 2025-2026 (Weighted for SVCE Portfolio Load)
** PG&E 2025 Average Rate, effective January 1, 2025 (Weighted for SVCE Portfolio Load)
*** Estimated 2026 rates, based on PG&E Fall Update Errata, effective January 1, 2026 (Weighted for SVCE Portfolio Load)
Above margin analyses ignores minor reductions for franchise fees (0.1¢/kWh)

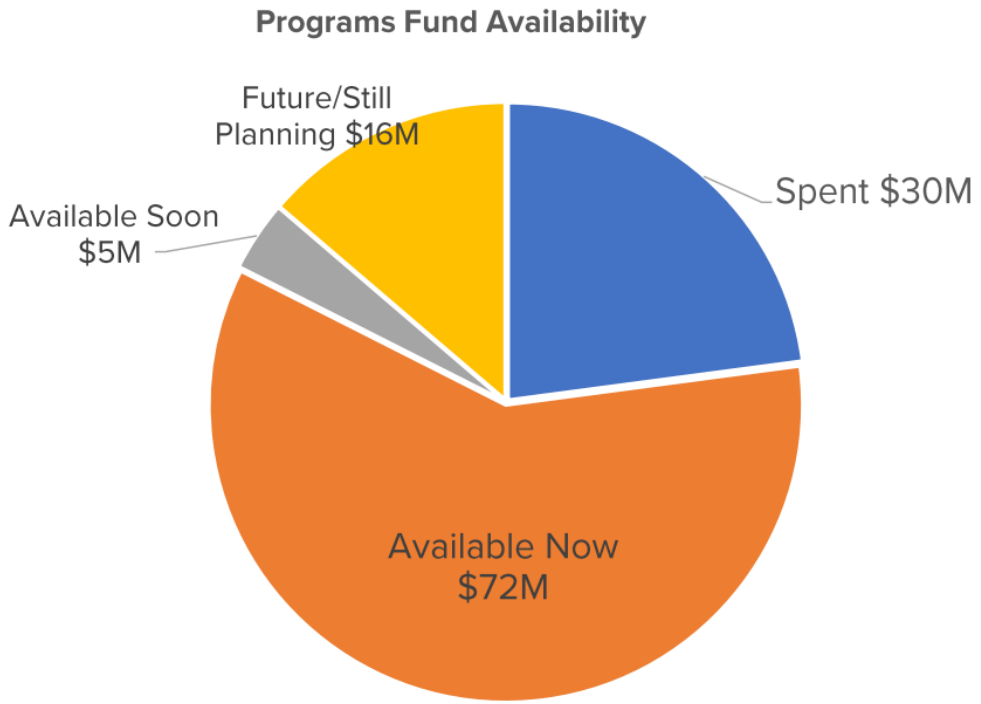
SVCE costs are predominantly power supply

FY26 approved budget:

$369M power supply expense	(88%)
$43M operating expense	(10%)
$8M programs and other	(2%)

Program allocations remain in SVCE reserves until spent on services or incentives for customers

Program portfolio almost fully launched – working to scale uptake



Spent: Already paid out to customer or vendors

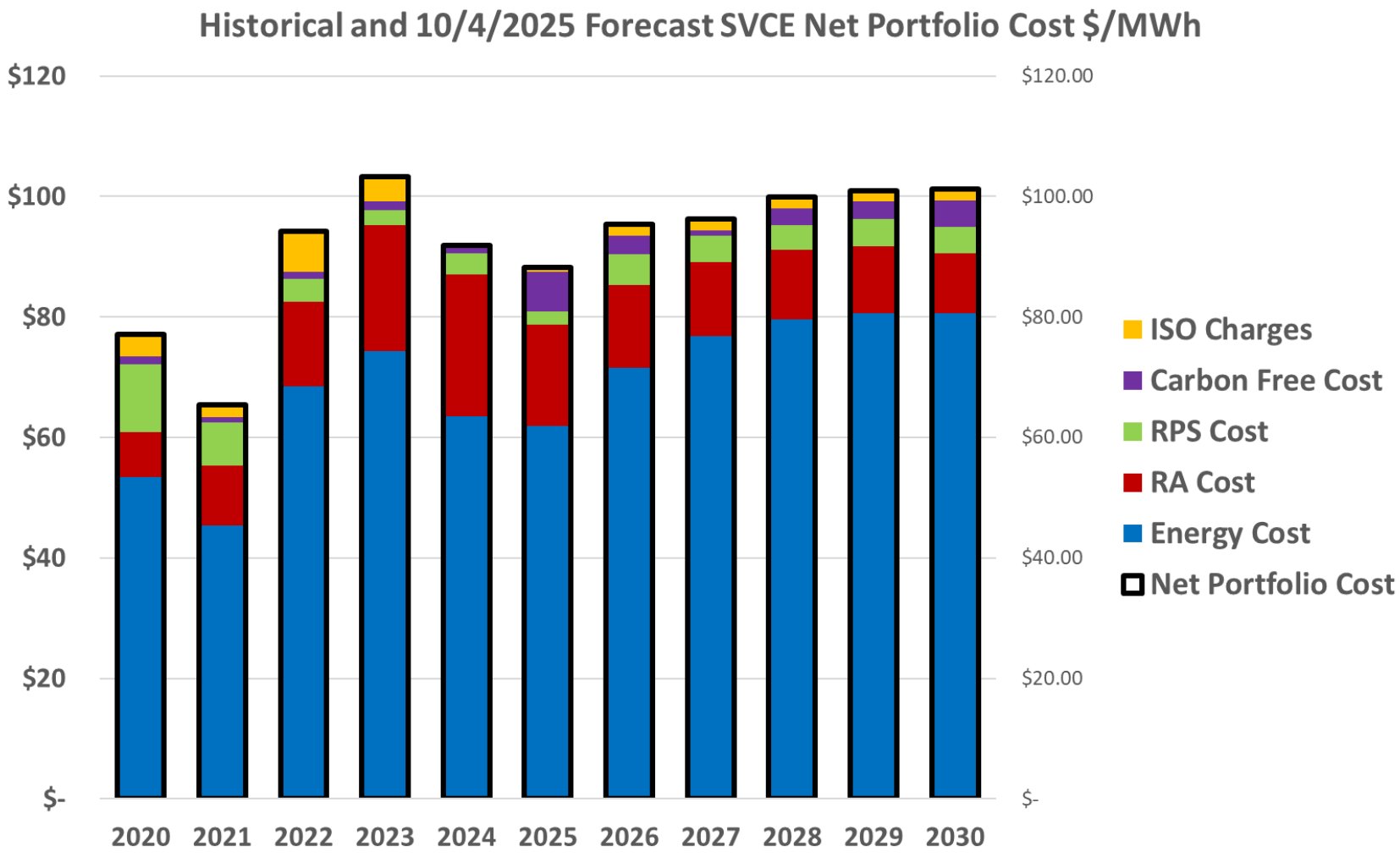
Available Now: Open to customers – includes available and reserved customer incentives (e.g. FutureFit Homes), or funds contracted with a vendor (e.g. eHub, fleet electrification support)

Available Soon: In a planning phase, but will plan to launch in 2025

Future/Still Planning: Won't launch until 2026 or after and funds not currently allocated to a program

Data from FY26 budget

Power supply costs have risen



Background – reserve target definitions

Current Reserve Targets:

- Minimum Reserve Level: **120 DCOH**
  - If reserves fall below the minimum level, develop plans to restore them to the minimum level within two fiscal years.
- Reserve Goal: **350 DCOH**
  - No action required if the reserves are above the minimum and below the maximum levels.
- Maximum Reserve Level: **500 DCOH**
  - If reserve funds are projected to exceed the maximum level, present the Board of Directors with options for disposition of those reserves during the next budget cycle.

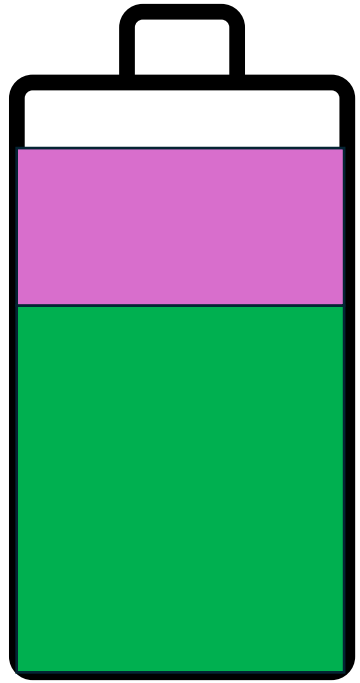
Key lever #3: program funds

- Annual earmark of ~$8M to be spent on programs (moves from green to pink)
- Still ~$100M from previous allocations (several years saw additional funds added)
- Draws down over time as customers engage in programs/services

Program allocation, not yet spent

Building funds, not yet spent

General reserves



TOTAL RESERVES (FY26 Budget)

Integrated Decarbonization Roadmap

Board of Directors Meeting
Dec 10th, 2025

SILICON VALLEY CLEAN ENERGY

Roadmap Challenge Statement:

How can SVCE continue to meet our mission amidst changing conditions?

This 2026 roadmap will build off of seven years of work to build a plan focused to overcome future challenges.

Today: A review of emissions sources, customer types, and decarbonization trends.

Today's discussion:

- GHG trends and progress towards 2045
- Machines and the people who use them
- SVCE's role in community decarbonization

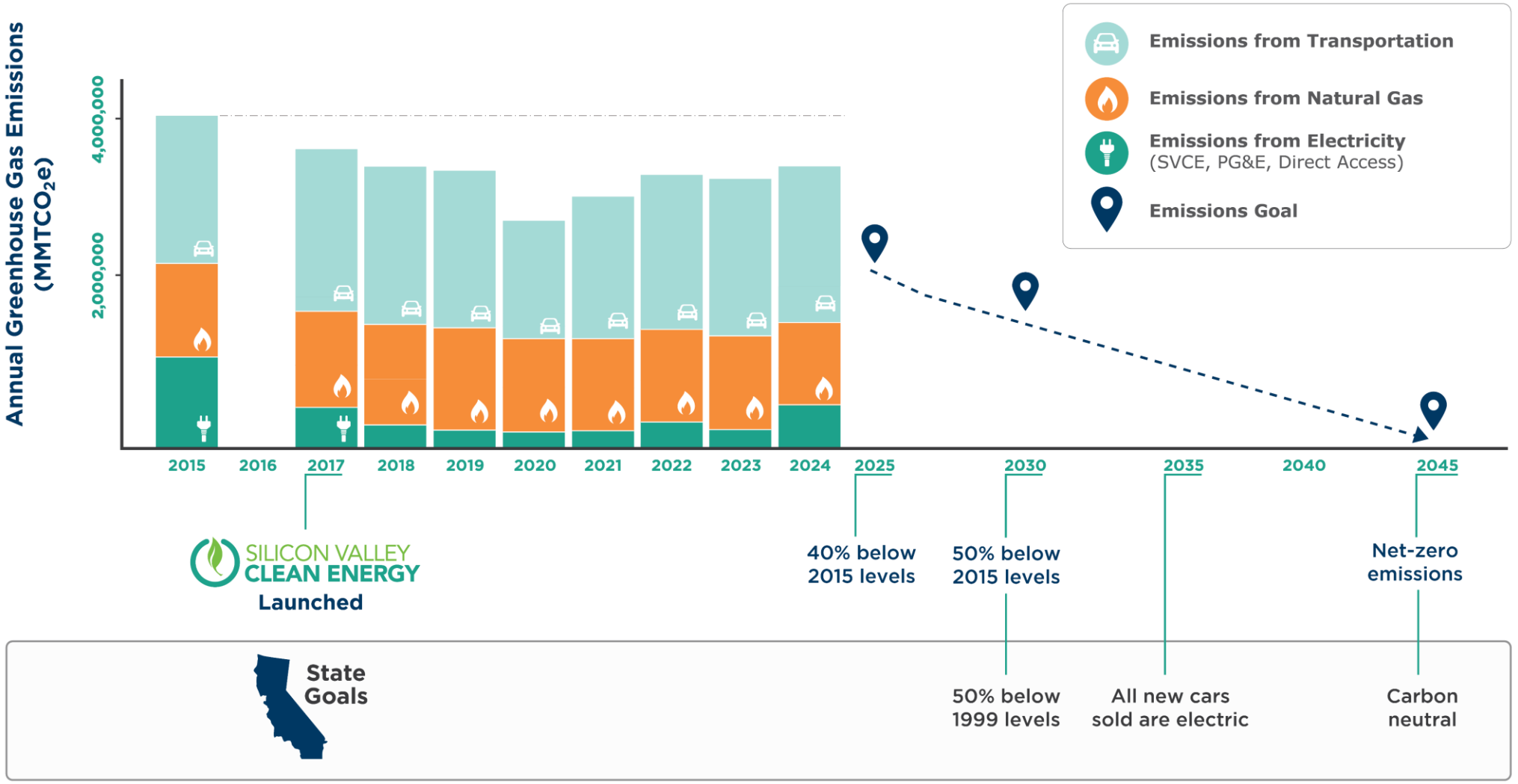
Friday's Study Session:

- Deep dive into values, priorities, and tradeoffs in meeting SVCE's goals

How is the region progressing toward GHG targets?

- Emissions have leveled off since post-Covid rebound.
- Transportation emissions remain flat despite an increase in vehicle miles traveled (VMT) due to increasing fuel efficiency and EV adoption.
- Building emissions have remained relatively flat since 2017, with annual fluctuations influenced primarily by weather and electricity emissions factors.

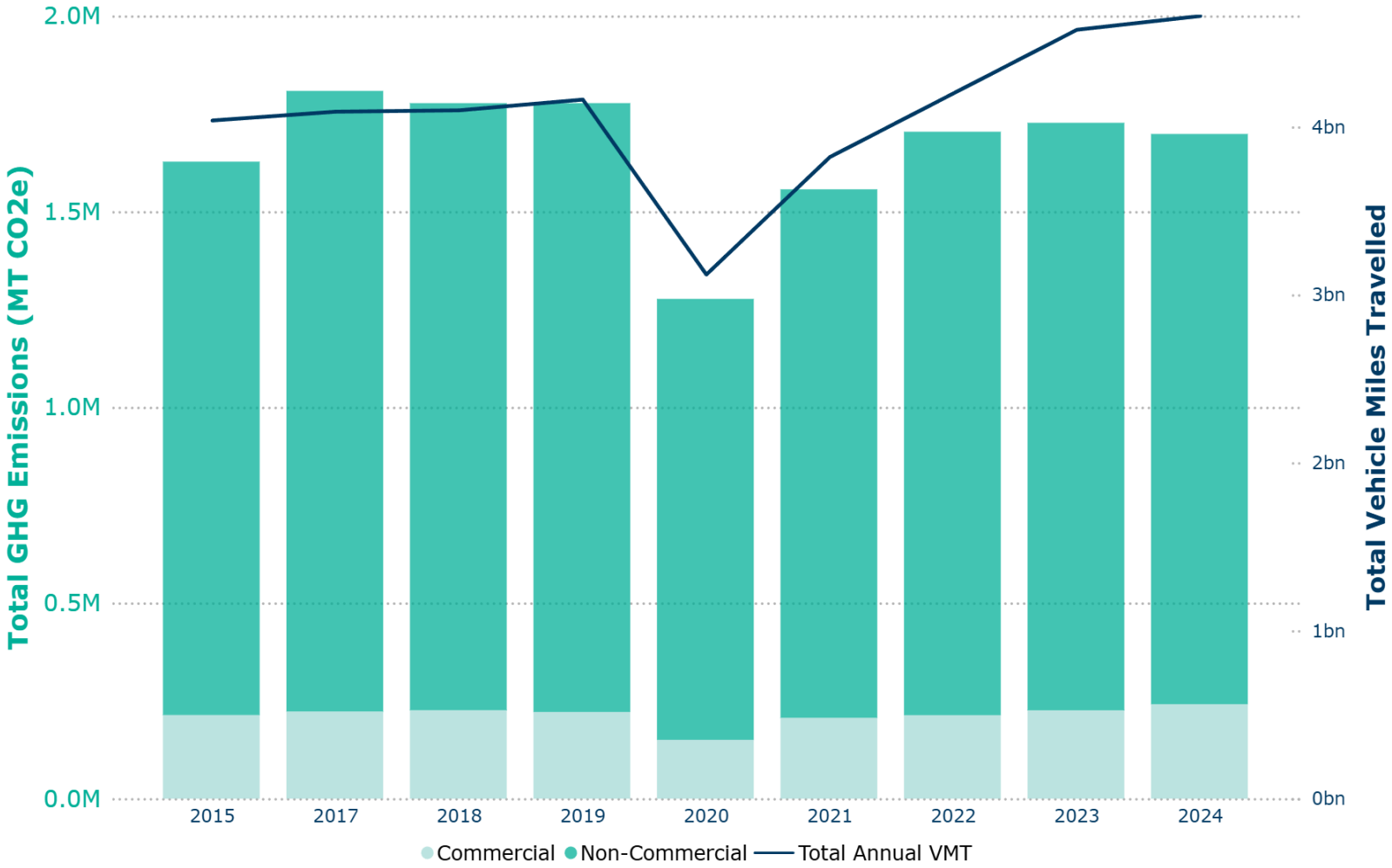
Emissions have decreased but there is a long way to go to meet 2045 targets.



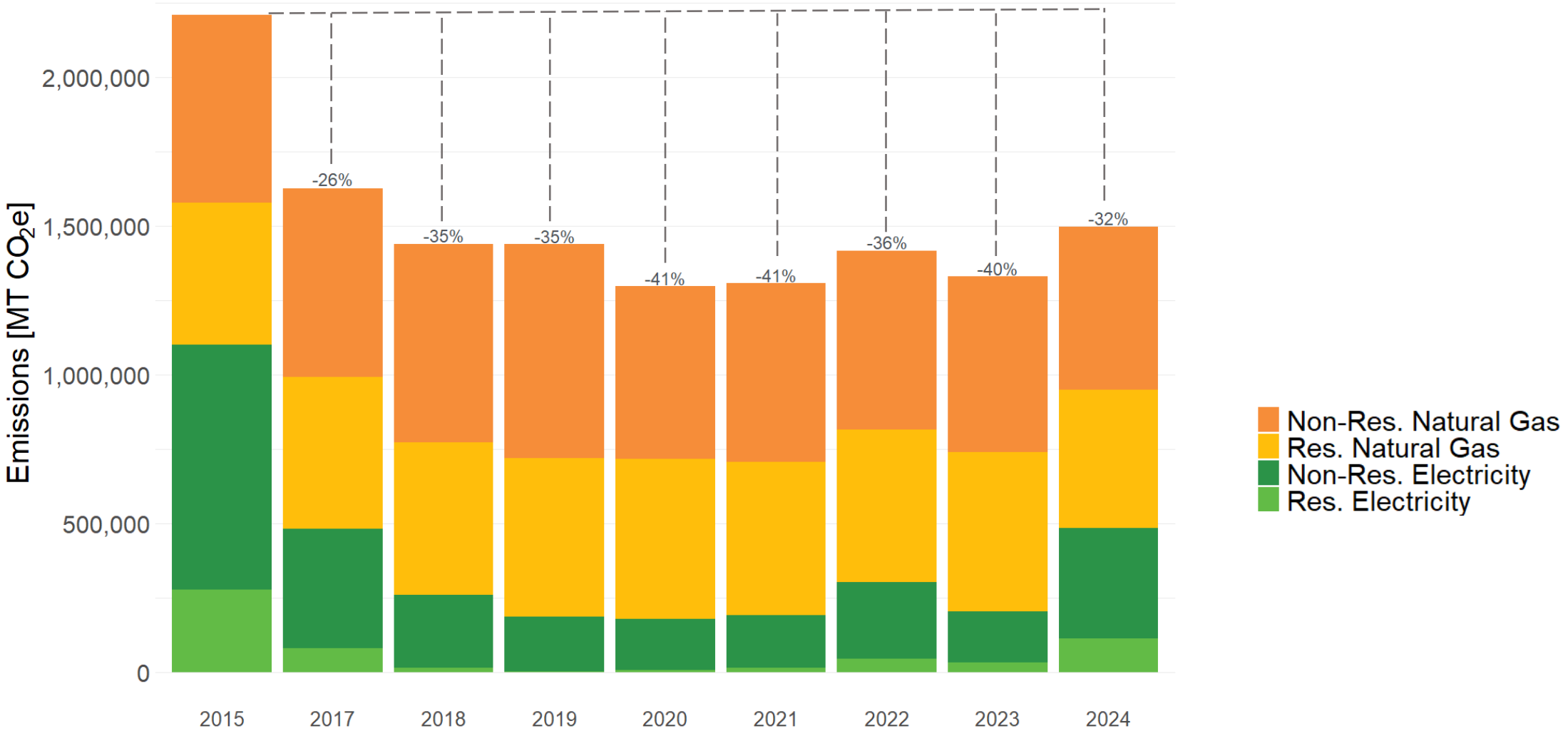
Source: SVCE 2024 GHG Inventory

Transportation emissions remain constant despite increased vehicle miles traveled (VMT) due to fuel efficiency and EV adoption.

On Road Transportation Emissions and Vehicle Miles Traveled



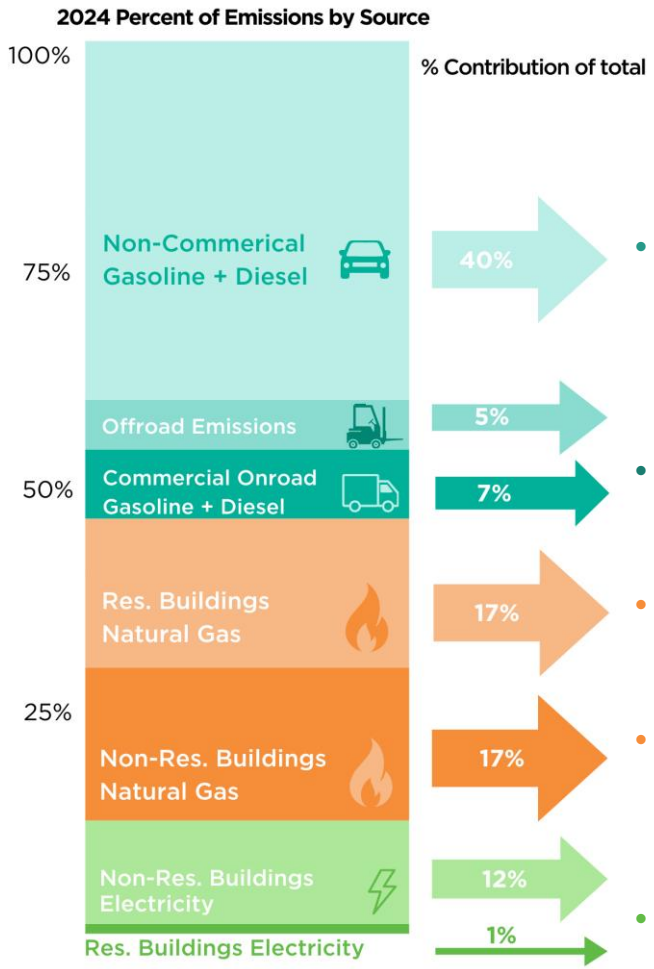
Building emissions have remained relatively flat since 2017 and are influenced primarily by weather and electricity emissions factors.



Emissions come from machines and the people who use them.

- Today's emissions come from >1 million cars, furnaces, water heaters, stoves, and dryers used by residents and businesses.
- Rental and owner-occupied housing have the same emission sources but very different needs.
- Businesses are as unique as households; different types require different strategies.

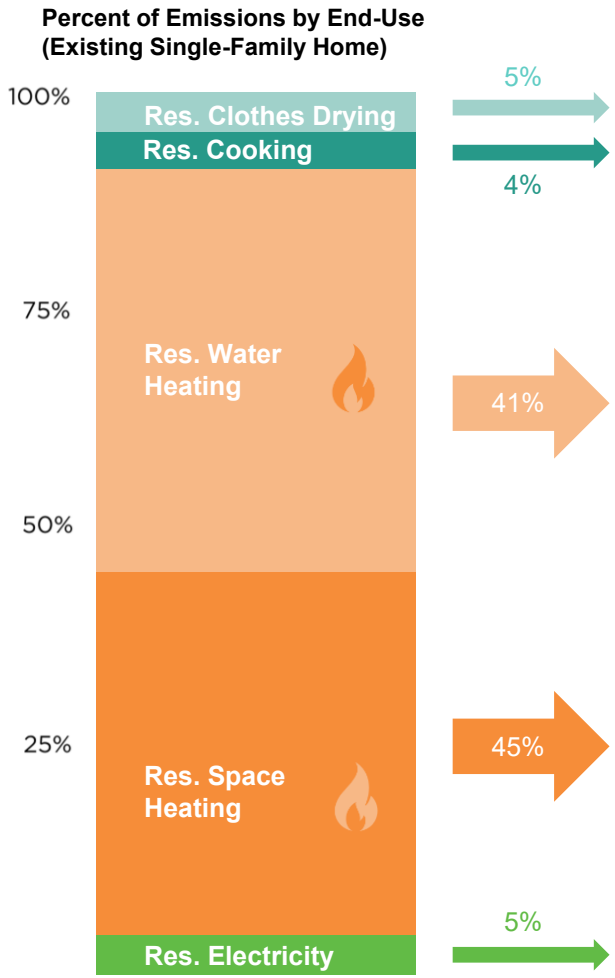
Climate targets require electrifying >1 million machines by 2045.



- **421,000 ICE vehicles** converted to electric vehicles[2]
- Electrify 100% of commercial vehicle miles traveled (about 400,000 miles) [1]
- Electrify residential appliances that include: **128k space heaters**, **178k water heaters**, **96k stoves**, **81k dryers**, fireplaces and spa/pool pumps[3]
- Electrify **5,500 Commercial Buildings** & **1,700 Industrial Facilities**[3]
- Switch to 100% carbon-free electricity sources (including DA accounts)

Sources:
1. SVCE 2024 GHG Inventory
2. SVCE's Vehicles Dashboard
3. SVCE Market Segmentation Study

All residential emissions are dominated by space and water heating, but different customers require different support.



- Electrify **81k clothes dryers**
- Electrify **96k stoves**
- Electrify **178k water heaters**
- Electrify **128k space heaters**
- Switch to 100% carbon-free electricity sources

- 2/3 of residences across SVCE are single-family homes.
- 80% of single-family homes are owner-occupied.
- About half of low-income households live in multifamily properties and 90% are rentals.

Sources:
1. SVCE "Bill Impacts of Home Electrification" (Feb, 2024)
2. SVCE Market Segmentation Study
3. TECH 15th Quarterly Stakeholder Meeting (10/30/2025)

Commercial buildings are as unique as households; each business type requires specific solutions.

SVCE's role is to act as a catalyst that unlocks the region's decarbonization potential to realize its 2045 goals.

- We have invested in community programs that have spurred early adoption.
- Reach codes expanded electrification, accelerated state policy and moved the market.
- Now – we build upon this work to launch the next chapter of regional decarbonization.

SILICON VALLEY CLEAN ENERGY

The Decarbonization Roadmap effort will provide evaluation tools to help guide strategic decisions.

1. **Enhanced electrification planning:**
   - Refine fuel-switching adoption scenarios
   - Connect supply-side planning and forecasting to decarb program strategy
2. **Decarb program evaluation framework:**
   - Develop metrics to guide investments and track program performance
   - Grow capacity for internal reporting and ongoing planning
3. **Prioritized recommendations**
   - Guiding principals to help adapt and scale decarb efforts over 3-5 years

SVCE has executed on our initial decarb goals and now provides a diverse range of customer programs.

1,300
heat pump water heaters installed

600
Level 1, 2, and DCFC chargers installed

350
contractors trained

2,000
heat pump HVAC systems installed

40
multifamily properties that installed EV charging

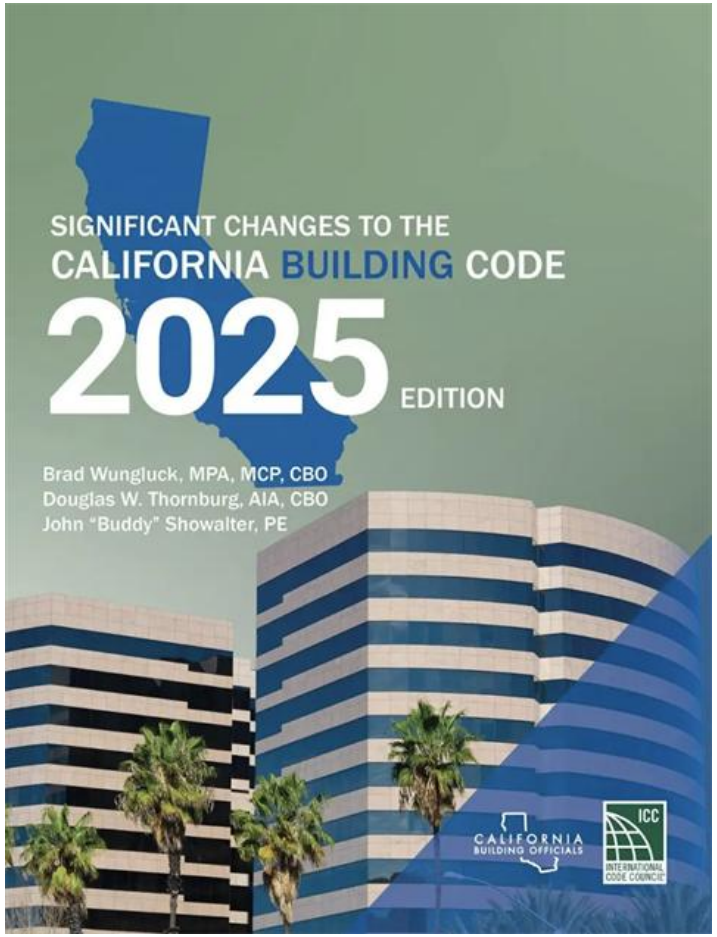
2,300
customers served through Go Electric Advisor service

Rounded data as of 11/21/2025.

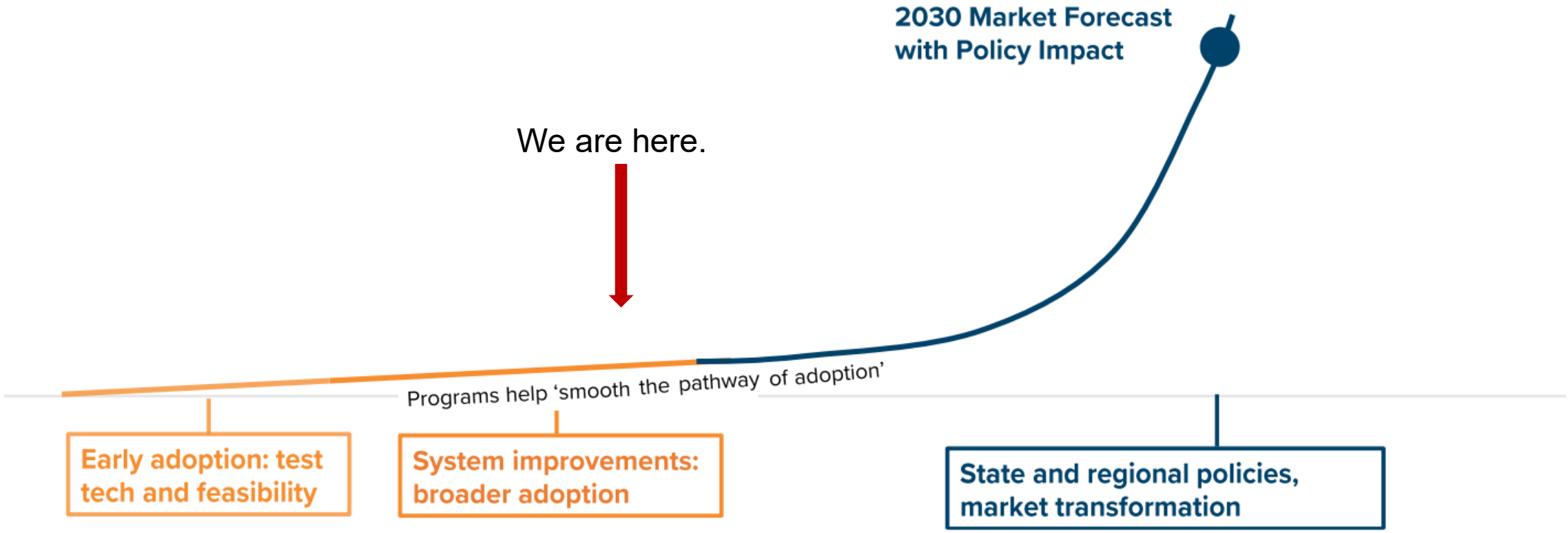
Reach Codes: Moving the market, advancing statewide code.

Local policy catalyzes electrification

- 2020-2023 New construction codes will lead to **>11,000 HPWHs**
- Two-Way AC Codes could lead to as many as 3000 **HPs** over three years



Early investment unlocks system improvements and creates momentum essential to scale.



The first step in building the plan is to identify tradeoffs and set priorities.

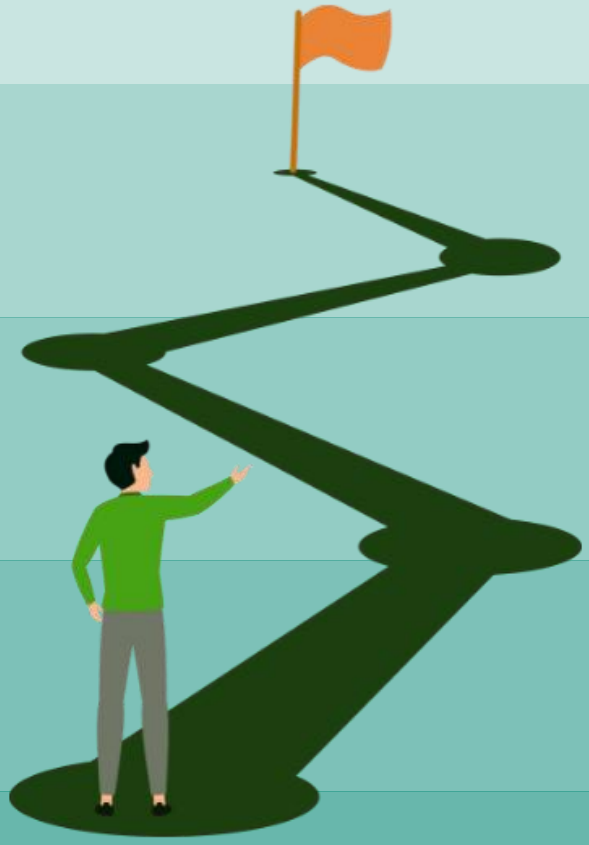
How can we build off the success of reach codes to scale adoption?

How do we expand electrification from early adopters to everyday people?

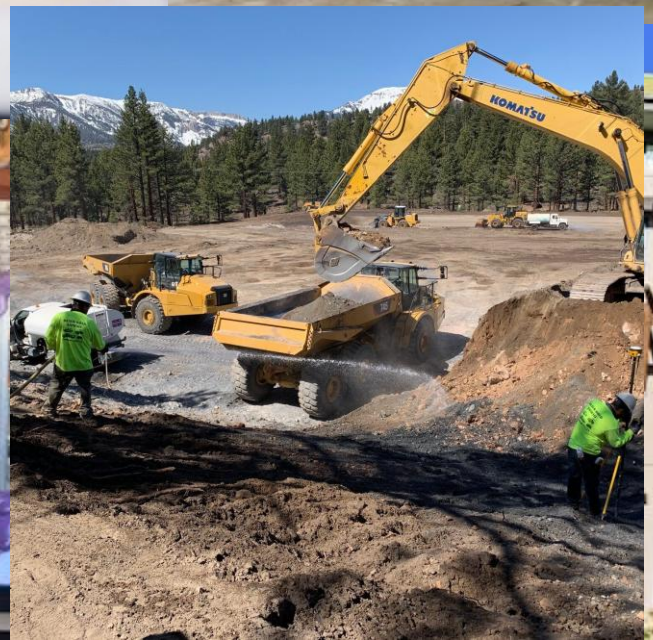
How can we balance the need for speed and the need to address the hardest issues?

How should rebate support evolve as regulations change?

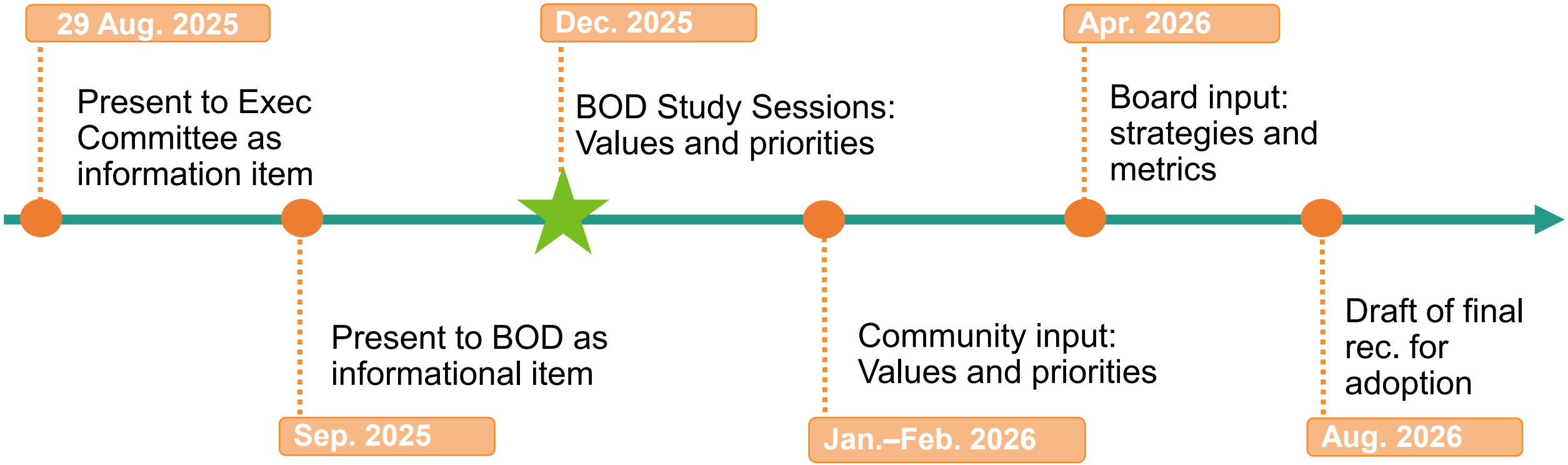
How should incentives vary based on customer income and need?



We can make wise choices that balance various priorities and still support our diverse communities.



Next Step: Board Discussion & Input



***Timeline subject to change**

APPENDIX

This Decarb Roadmap initiative is being driven by SVCE's 2024-25 Strategic Plan

SVCE 2024-25 Goals and Measures:

Goal 3: Long term decarb plan that integrates supply and demand changes, opportunities and challenges

Measure 1: Develop 3-5 potential fuel switching scenarios to inform decarbonization and portfolio planning.

Measure 2: Assess and prioritize SVCE specific actions to meet regional GHG reduction goals.

Measure 3: Develop an updated decarbonization roadmap that lays out pathways and recommendations to meet 2045 climate targets while maximizing community benefit.