

# MID-YEAR ADJUSTED OPERATING BUDGET

## FISCAL YEAR 2025-2026



Featured Image: Morgan Hill Fire Station rooftop solar installation, funded by a Silicon Valley Clean Energy community grant.

**SILICON VALLEY CLEAN ENERGY**  
**FY25-26 OPERATING BUDGET**  
(\$ in thousands)

DESCRIPTION	FY25-26	FY25-26	Changes to Reserves Contribution	
	ADJUSTED BUDGET	MID-YEAR ADJUSTED BUDGET	\$	%
<b>ENERGY REVENUES</b>				
Energy Sales	321,123	335,858	14,735	4.6%
Green Prime	2,469	2,439	(30)	-1.2%
CARE/FERA Bill Credit	(4,268)	(4,163)	105	2.5%
Other Income	0	1,344	1,344	N/A
<b>TOTAL ENERGY REVENUES</b>	<b><u>319,324</u></b>	<b><u>335,478</u></b>	<b><u>16,155</u></b>	<b><u>5.1%</u></b>
<b>ENERGY EXPENSES</b>				
Power Supply	(344,221)	(311,996)	32,225	9.4%
<b>OPERATING MARGIN</b>	<b><u>(24,897)</u></b>	<b><u>23,482</u></b>	<b><u>48,379</u></b>	<b><u>194.3%</u></b>
<b>OPERATING EXPENSES</b>				
Data Management	(3,764)	(3,764)	0	0.0%
PG&E Fees	(1,569)	(1,569)	0	0.0%
Salaries and Retirement	(18,870)	(18,870)	0	0.0%
Professional Services	(10,902)	(10,645)	257	2.4%
Marketing & Promotions	(2,347)	(2,189)	158	6.7%
General & Administrative	(5,742)	(5,647)	95	1.7%
<b>TOTAL OPERATING EXPENSES</b>	<b><u>(43,193)</u></b>	<b><u>(42,684)</u></b>	<b><u>509</u></b>	<b><u>1.2%</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(68,091)</u></b>	<b><u>(19,202)</u></b>	<b><u>48,889</u></b>	<b><u>71.8%</u></b>
<b>NON-OPERATING REVENUES</b>				
Interest Income	20,882	20,272	(610)	-2.9%
<b>TOTAL NON-OPERATING REVENUES</b>	<b><u>20,882</u></b>	<b><u>20,272</u></b>	<b><u>(610)</u></b>	<b><u>-2.9%</u></b>
<b>NON-OPERATING EXPENSES</b>				
Financing	(29)	(166)	(138)	-480.8%
<b>TOTAL NON-OPERATING EXPENSES</b>	<b><u>(29)</u></b>	<b><u>(166)</u></b>	<b><u>(138)</u></b>	<b><u>-480.8%</u></b>
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<b><u>20,854</u></b>	<b><u>20,106</u></b>	<b><u>(748)</u></b>	<b><u>-3.6%</u></b>
<b>CHANGE IN NET POSITION</b>	<b><u>(47,237)</u></b>	<b><u>904</u></b>	<b><u>48,141</u></b>	<b><u>101.9%</u></b>
<b>CAPITAL EXPENDITURES, INTERFUND TRANSFERS &amp; OTHER</b>				
Capital Outlay	(512)	(611)	(99)	-19.3%
Transfer to Building Fund	(5,500)	(5,500)	0	0.0%
Program Fund	(7,251)	(7,251)	0	0.0%
<b>TOTAL CAPITAL EXPENDITURES, INTERFUND TRANSFERS &amp; OTHER</b>	<b><u>(13,263)</u></b>	<b><u>(13,362)</u></b>	<b><u>(99)</u></b>	<b><u>-0.7%</u></b>
<b>BALANCE AVAILABLE FOR RESERVES</b>	<b><u>(60,500)</u></b>	<b><u>(12,458)</u></b>	<b><u>48,042</u></b>	<b><u>79.4%</u></b>

(\$ in Thousands)					
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
	(Forecast)	(Forecast)	(Forecast)	(Forecast)	(Forecast)
<b>Operating Revenue</b>					
Electricity Sales, Net <sup>1</sup>	\$335,858	\$238,142	\$317,067	\$367,680	\$390,693
GreenPrime Electricity Premium	\$2,439	\$2,510	\$2,336	\$2,309	\$2,361
Reduction in Revenue <sup>1</sup>	\$(4,163)	\$(928)	\$0	\$0	\$0
Other Income	\$1,344	\$0	\$0	\$0	\$0
<b>Total Operating Revenues</b>	<b>\$335,478</b>	<b>\$239,724</b>	<b>\$319,403</b>	<b>\$369,989</b>	<b>\$393,054</b>
<b>Operating Expense</b>					
Power Supply	\$(311,996)	\$(336,336)	\$(356,970)	\$(378,051)	\$(414,042)
<b>Operating Margin</b>	<b>\$23,482</b>	<b>\$(96,611)</b>	<b>\$(37,566)</b>	<b>\$(8,062)</b>	<b>\$(20,987)</b>
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	\$(10,645)	\$(11,177)	\$(11,736)	\$(12,323)	\$(12,939)
Marketing & Promotions	\$(2,189)	\$(2,299)	\$(2,414)	\$(2,534)	\$(2,661)
General and Administration	\$(5,647)	\$(5,537)	\$(5,814)	\$(6,104)	\$(6,410)
Transfers to Programs Fund	\$(7,251)	\$(4,794)	\$(6,388)	\$(7,400)	\$(7,861)
<b>Total Operating Expenses</b>	<b>\$(361,931)</b>	<b>\$(385,555)</b>	<b>\$(410,004)</b>	<b>\$(434,430)</b>	<b>\$(473,331)</b>
<b>Operating Income</b>	<b>\$(26,453)</b>	<b>\$(145,831)</b>	<b>\$(90,601)</b>	<b>\$(64,441)</b>	<b>\$(80,276)</b>
<b>Nonoperating Revenue</b>					
Investment Income	\$20,272	\$15,050	\$10,070	\$7,568	\$5,191
Grant Income	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Operating Revenues</b>	<b>\$20,272</b>	<b>\$15,050</b>	<b>\$10,070</b>	<b>\$7,568</b>	<b>\$5,191</b>
<b>Nonoperating Expense</b>					
Financing Cost	\$(166)	\$(442)	\$(788)	\$(186)	\$(172)
Capital Outlay	\$(611)	\$(50)	\$(50)	\$(50)	\$(50)
Interest Expense	\$0	\$0	\$0	\$0	\$0
<b>Total Non-Operating Expense</b>	<b>\$(777)</b>	<b>\$(492)</b>	<b>\$(838)</b>	<b>\$(236)</b>	<b>\$(222)</b>
<b>Non-Operating Income</b>	<b>\$19,495</b>	<b>\$14,558</b>	<b>\$9,232</b>	<b>\$7,332</b>	<b>\$4,969</b>
<b>Change in Net Position/Available for Reserves</b>	<b>\$(12,458)</b>	<b>\$(131,273)</b>	<b>\$(81,369)</b>	<b>\$(57,109)</b>	<b>\$(75,308)</b>
Begin, Net Financial Position	\$585,328	\$539,673	\$388,466	\$290,563	\$218,250
Adjustment for Program Expenditure and Building Fund <sup>2</sup>	\$(33,198)	\$(19,934)	\$(16,534)	\$(15,204)	\$(7,281)
End, Net Financial Position	\$539,673	\$388,466	\$290,563	\$218,250	\$135,662

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 \$4.2 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.