

SILICON VALLEY CLEAN ENERGY AUTHORITY

RESOLUTION NO. 2019-12

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY DELEGATING AUTHORITY TO THE CHIEF EXECUTIVE OFFICER TO NEGOTIATE NON-STANDARD PRICING AGREEMENTS FOR ELIGIBLE LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS

THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY HEREBY RESOLVES AS FOLLOWS:

WHEREAS, the Silicon Valley Clean Energy Authority ("SVCE") was formed on March 31, 2016, pursuant to a Joint Powers Agreement to promote, develop, conduct, operate, and manage energy programs in Santa Clara County;

WHEREAS, Silicon Valley Clean Energy launched service under a community choice aggregation program on April 3, 2017;

WHEREAS, commercial and industrial customers make up a substantial majority of SVCE's electric load;

WHEREAS, commercial and industrial customers are critical partners in helping SVCE and its member agencies reduce carbon emissions and meet climate action planning goals;

WHEREAS, the state of California adopted new legislation to re-open the cap for Direct Access to the wholesale markets for commercial and industrial customers under SB 237 in September 2018;

WHEREAS, in the expanded Direct Access marketplace, current SVCE commercial and industrial customers may opt out to receive DA service under more flexible or lower-cost tariff structures;

WHEREAS, SVCE seeks to provide clean, carbon-free electricity services that meet customer needs, at rates that are competitive and contribute positively to SVCE's financial position;

WHEREAS, the Direct Access marketplace is highly competitive, requiring that SVCE structure non-standard pricing agreement terms in a highly responsive, time-sensitive fashion;

WHEREAS, SVCE wishes to offer non-standard pricing agreements to retain eligible commercial and industrial accounts, under the terms of the attached 'Non-Standard Pricing Agreement Policy'

WHEREAS, in order to expedite the approval of non-standard pricing agreements consistent with Direct Access marketplace requirements, the Board wishes to delegate to the Chief Executive Officer the authority to negotiate directly with eligible commercial and industrial accounts in accordance with the Board approved Non-Standard Pricing Agreement Policy.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN ENERGY AUTHORITY DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The Board hereby delegates authority to the Chief Executive Officer to negotiate and execute non-standard pricing agreements with eligible large commercial and industrial customers, provided that the pricing agreements meet the minimum requirements set forth in the Non-Standard Pricing Agreement Policy.

PASSED AND ADOPTED this 12th day of June 2019, by the following vote:

JURISDICTION	NAME	AYE	NO	ABSTAIN	ABSENT
City of Campbell	Director Gibbons	✓			
City of Cupertino	Director Sinks				✓
City of Gilroy	Director Tovar	✓			
City of Los Altos	Alternate Director Fligor	✓			
Town of Los Altos Hills	Director Corrigan	✓			
Town of Los Gatos	Director Sayoc	✓			
City of Milpitas	Director Nuñez				✓
City of Monte Sereno	Director Javed Ellahie	✓			
City of Morgan Hill	Director Martinez Beltran	✓			
City of Mountain View	Director Abe-Koga	✓			
County of Santa Clara	Director Ellenberg	✓			
City of Saratoga	Director Miller	✓			
City of Sunnyvale	Director Smith	✓			


Chair

ATTEST:


Andrea Pizano, Board Secretary

SILICON VALLEY CLEAN ENERGY AUTHORITY
NON-STANDARD PRICING AGREEMENT POLICY

When offering non-standard pricing agreements to eligible customers, SVCE adheres to a defined non-standard pricing agreement policy. A non-standard pricing agreement will apply to electric generation services, and if applicable, may include consideration and valuation of supporting products or services. Under this policy, the non-standard pricing agreement must:

- 1) apply exclusively to customers with annual load in SVCE's service territory greater than 10GWh
- 2) be marginal cost-based and account for any volume and/or price risk
- 3) be priced to allow SVCE to cover variable costs and achieve some level of contribution to fixed cost and reserve margin, in conformance with SVCE's financial objectives, Risk Management Policy and controls.
- 4) require a commitment level from the customer (e.g. volume, length of term) commensurate with the non-standard pricing agreement offered to the customer
- 5) meet SVCE's carbon-free requirements, and be consistent with SVCE's decarbonization strategy for power supply, transportation and the built environment