

SVCE Mission

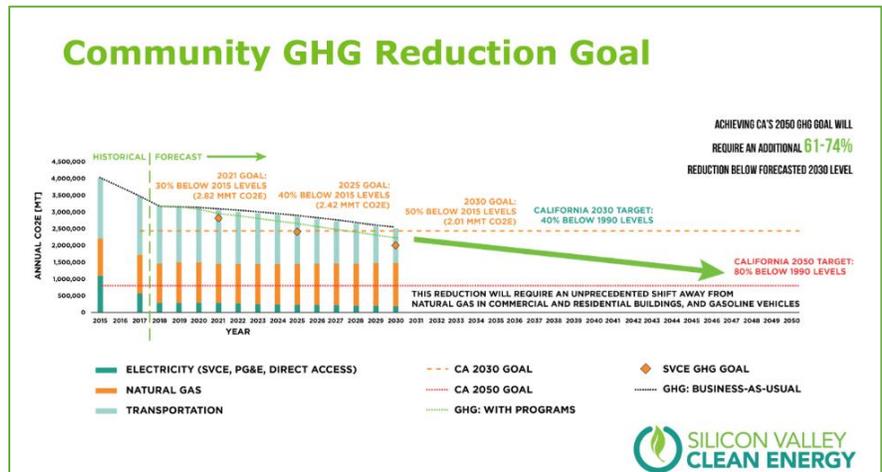
Reduce dependence on fossil fuels by providing carbon free, affordable, and reliable electricity and innovative programs for the SVCE community

Measure of Meeting the Mission

SVCE, working with SVCE member agencies, aspires to achieve energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030

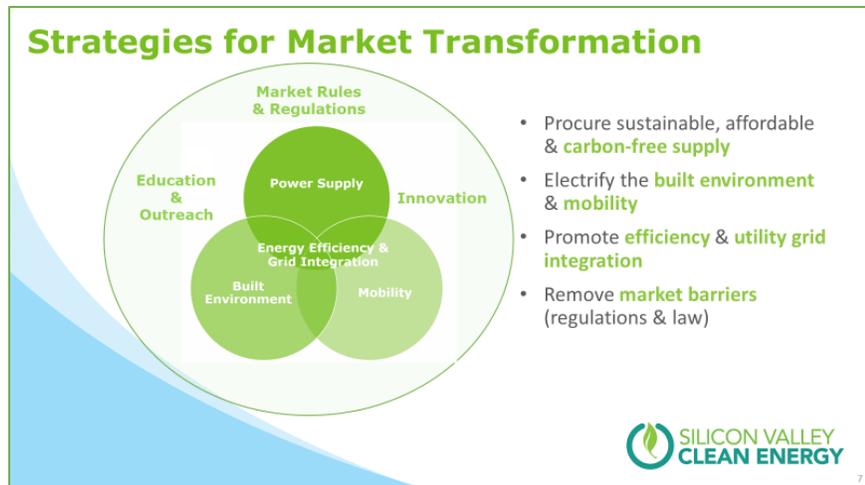
SUMMARY:

SVCE was founded to address climate change, the greatest existential threat of our time. We will play a vital role in this decades-long endeavor, with the ongoing support of our community and our Board. In addition to the most complex, expensive, and regulated sector of providing carbon-free electricity, we are reinvesting in our region and expanding our toolset for furthering emissions reductions by launching decarbonization and grid innovation programs. These programs represent the next stage in SVCE's maturity and are the mechanism by which SVCE will further engage our communities to achieve our mission.



We embody the entrepreneurial and innovative spirit of the community in which we live and work, the spirit of Silicon Valley, to bend the carbon curve downwards and improve the lives of our community members. This means taking calculated risks and demonstrating novel approaches that have the potential to make big impacts – our results serve to inform, inspire, and influence the rest of the market to achieve outsized results.

We prioritize collaborating with our peers and stakeholders to broaden our impact, for instance by forming regional efforts; widely disseminating results (including negative ones) so that others can learn from our experience; and, building on the promising approaches pioneered by others.



STRATEGIC PLAN GOALS:

1. Build and maintain a high-performing team
2. Maintain an enjoyable and rewarding workplace
3. Get great at prioritizing, and rebalancing to align work plan with higher level goals
4. Plan for resources to meet SVCE’s mission while balancing multiple stakeholder objectives
5. Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner
6. Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives
7. Ensure SVCE adopts the appropriate tools, systems, and resources to support portfolio optimization, risk management, load forecasting, compliance, and settlements
8. Work with the community to plan and track achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030
9. Coordinate development of decarbonization strategy, lead design of local policy and programs, and support program deployment
10. Empower customers with the awareness, knowledge and resources needed to make effective clean energy choices
11. Engage a full range of public, private, and non-profit stakeholders to leverage our decarbonization efforts
12. Enact competitive service offerings and programs that deliver measurable environmental and economic benefits
13. Commit to maintaining a strong financial position
14. Empower organization-wide financial decision making with data, systems, processes, and infrastructure
15. Engage regulators, legislators and local electeds in developing policies that protect CCA customer investments and furthers decarbonization, grid reliability, affordability, and social equity
16. Encourage the development of regulations that proactively support the changing, evolving energy market and facilitate innovation
17. Influence policy makers by building and leveraging local electeds, diverse stakeholders, and regional agencies
18. Ensure SVCE’s Information Technology infrastructure is secure, reliable, and disaster resilient to provide 24/7/365 online access
19. Enable data-driven decision-making across the organization

2020-21 BOARD STRATEGIC FOCUS AREAS:

During the period from May-September 2020, the Board identified and approved 5 Focus Areas for the next year. This table shows the strategic plan goals where we address these focus areas.

2020-21 Strategic Focus Areas	Related Strategic Plan Goals
Additional Resources & Efficiencies	 Goals 1, 2, 3, 17
Enterprise-wide systems, metrics & tools	 Goals 7, 14, 18, 19
Focus on Equity	 Goals 4, 8, 10, 11, 15
Digital Pivot- Customer & Community Engagement	 Goals 10, 11, 12
Community Outreach and Leverage	 Goals 8, 9, 11, 17

FUNCTIONAL NARRATIVES AND MEASURES:

A. WORKPLACE & HOW WE GET WORK DONE

Achieving SVCE’s ambitious and urgent mission require a team capable of meeting the tremendous challenges embedded in these goals. SVCE develops and fosters a diverse and talented team that thrives in a dynamic and fast-changing environment. As such, we recruit and retain smart, passionate, innovative, and collaborative employees. We contribute, as a team and as individuals, to continuously building and supporting a culture of collaboration and trust. We encourage creativity and the free flow of ideas to spur innovation. The workplace environment is adaptable, and technology enabled to drive innovative solutions. We emphasize focus and prioritization across departments to achieve quality, rather than simply quantity of output. We provide a rewarding workplace experience where productivity can be maintained across a variety of work environments. We provide opportunities for growth, engagement, and support professional and personal development. We offer opportunities that position our people, as well as SVCE, for success.

Goal (We will ..	Measures by achieving ...
<p>1. Build and maintain a high performing team</p> <p>2. Maintain an enjoyable and rewarding workplace</p> <p>3. Get great at prioritizing, and rebalancing to align work plan with higher level goals</p>	<p>1. Develop and refine hybrid workplace policies as community situation evolves. Survey employees at least twice during the year soliciting ideas to make the hybrid work arrangement rewarding.</p> <p>2. Establish and update administration policies and procedures to enable all employees to work effectively. Employees surveyed at least once per year and we will strive to obtain an employee satisfaction survey result of at least 4 out of 5</p> <p>3. Revisit workplans quarterly and review inter-departmental dependencies; Assess programs and projects at mid-year budget cycle for priority, and elevate or demote appropriately</p>

B. POWER SUPPLY

SVCE’s Power Resource Team is responsible for planning, acquiring, and managing power supply resources to meet the community’s clean energy goals and state-mandated power and reliability requirements. This is done through a balanced approach which considers cost, risk, long-term value, and best-fit in meeting community goals. This requires sustainable planning, innovative thinking, prudent risk management and the constant search for the best solutions. Going forward, to be successful SVCE must adapt to new climate and social challenges; customer specific needs; support region-wide decarbonization and electrification goals; integrate distributed energy resources; collaborate and leverage opportunities for joint procurement; and become technology and data driven.

Goals (we will ...	Measures by achieving ...
<p>4. Plan for resources to meet SVCE’s mission while balancing multiple stakeholder objectives</p>	<p>1. Expand on 2021-30 IRP and evaluate merits of achieving 100% Clean Energy by increasing RPS to 75% RPS by 2030, or sooner, and need to balance carbon-free resources with load (annually, monthly and 24x7) - Q3 ‘21</p> <p>2. Expand on 2021-30 IRP and evaluate developing a Preferred Resource Adequacy Policy/Goal and set a target of meeting 50% of system RA needs via long-term resources to ensure sustainable, clean and preferred source of resources (RPS, DR, DER, local and storage) to provide grid reliability (Clean RA goal) Q2 ‘21</p>

<p>5. Acquire clean and reliable electricity in a cost effective, equitable and sustainable manner</p>	<ol style="list-style-type: none"> 1. Annually achieve SVCE 100% Clean goals (50% RPS and 50% carbon-free, non-RPS); exceed long-term RPS mandate of 65% by 5% per Compliance Period; and exceed storage mandates - by end of each compliance period and calendar year. 2. Meet SVCE’s standard retail rate product offerings (i.e., GreenPrime and GreenStart) and assist in the development of sustainable, strategic and risk managed GreenPrime Direct and other Commercial Industrial custom product offerings and response to potential expansion of Direct Access. Annually and on-going 3. Seek and integrate local & preferred utility-scale and behind the meter resources into procurement plans and activities Q3 ‘21 4. Pursue joint procurement of cost effective renewable, resource adequacy and long-duration storage resources with other CCAs and public power partners
<p>6. Manage and optimize power supply resources to meet affordability, GHG reduction and reliability objectives</p>	<ol style="list-style-type: none"> 1. Manage Net Revenue at Risk by reducing annual supply cost risk exposure (be within 95-105% of budgeted Supply Cost) by hedging within Energy Risk Management tolerance bands and ensuring a viable and creditworthy set of power supply counterparties 2. Implement power prepay structure to achieve 8 to 10% annual cost savings from RPS power purchase agreements and/or carbon-free market transactions. 3. Transition to using AMI for scheduling and settlements to reduce forecasting error and integrate DERs and dynamic and/or TOU rates. February 2021 4. Analyze and implement super peak hedging strategies and alternatives (e.g., customer DR, supplier call options, virtual tolls, hourly hedges) for summer 2021 and 2022 by March 2021 5. Develop coordinated operating and scheduling coordination agreements and solar plus storage bidding strategy with CCCE to ensure optimal use and dispatch of RPS resources.
<p>7. Ensure SVCE adopts the appropriate tools, systems, and resources to support portfolio optimization, risk management, load forecasting, compliance, and settlements</p>	<ol style="list-style-type: none"> 1. Issue an Energy Trade Management System RFP to monitor and report risk and manage supplier transaction positions, counterparty headroom and power supply settlements – July 2021 2. Issue a portfolio modeling/optimization system/tools RFP to meet long-term portfolio, risk and resource valuation needs for implementation starting in Q2 2022 – July 2021 3. Develop a load forecasting plan to meet scheduling, procurement, planning and compliance related load forecasting needs – March 2021

C. DECARBONIZATION & GRID INNOVATION PROGRAM PLANNING & TRACKING

SVCE’s Decarbonization & Grid Innovation team is a data-driven, analytical powerhouse responsible for leading the design and development of comprehensive strategies, local policies, and programs to drive carbon out of Santa Clara County in an equitable and scalable manner. We take calculated risks to demonstrate novel technologies, programs, and approaches that have the potential to scale. This enables us to achieve outsized results. We take an integrated and collaborative approach that ties together our power supply, mobility, the built environment, energy efficiency and grid integration, which enables us to address key technical, economic and policy barriers to achieving deep decarbonization. We leverage partnerships, foster innovation, and use data science to develop

programs that provide value to our customers and community, and are scalable and transferable beyond our borders.

Goals (We will ...	Measures by achieving ...
<p>8. Work with the community to plan and track achieving energy and transportation GHG reductions of 30% from the 2015 baseline by 2021, 40% by 2025, and 50% by 2030</p>	<ol style="list-style-type: none"> 1. Carry out annual GHG emissions inventory by source, sector to track progress toward meeting climate goals, and support Member Agencies with their inventory 2. Update sector-specific analyses on an approximately biennial basis (e.g. Buildings Baseline Study, DER/electrification potential) to inform the development and updates to strategies for achieving decarb targets 3. Develop and track relevant additional sector specific KPIs (e.g. # of gas accounts, square footage of all-electric buildings, DER deployment, etc. by municipality, sector, SEVI quartile, etc.)
<p>9. Coordinate development of decarbonization strategy, lead design of local policy and programs, and support program deployment</p>	<ol style="list-style-type: none"> 4. Lead local policy & program design efforts of programs portfolio in close collaboration with ASCR to help seamless and successful implementation. <ol style="list-style-type: none"> a. C&I clean power offerings b. Building programs c. EVI programs d. Resilience program e. Innovation programs 5. Lead development of proposal to Board in 2021 for how SVCE will approach equity in our programs portfolio and achieving decarb targets 6. Support equity-related activities on other teams (e.g. Power Supply supplier diversity requirements, ASCR for targeted comms/outreach) 7. Develop and track KPIs for measuring how we are doing re innovation & partnerships 8. Build out customer segmentation capabilities to permit enhanced targeting of programs and messages

D. ACCOUNT SERVICES, CUSTOMER & COMMUNITY, PROGRAM DEPLOYMENT

Core to SVCE’s mission is delivery of high-value clean energy services and programs for our customers, who range from individual residents and small businesses to some of the world’s largest and most innovative tech companies. By providing reliable and responsive carbon-free electricity service at competitive rates, SVCE maintains a high customer participation rate and a strong financial foundation. Access to carbon-free electricity has helped our communities take a major step in fighting climate change, reducing local emissions by more than 20%. Yet supplying clean electricity is just the start.

To be the ‘provider of choice’ and meet longer-term community decarbonization goals, SVCE must continue to provide competitive energy services, and innovative programs or large scale electrification in transportation and the built environment. These must be well-tailored to the needs of our customers, including those traditionally underserved or difficult to reach, and large commercial customers with access to many other providers.

It is essential that SVCE engages our 270,000+ residential and commercial electricity customers in the electrification journey and taking the necessary next steps. To do so, SVCE must continue to inspire and educate customers, and enable relevant action. This means expanding awareness and becoming a trusted advisor for electrification and leveraging direct digital engagement with customers via the web, email, and hosted online services. Supporting information and tools must be engaging, factual and easy to understand – and useful to a full range of SVCE stakeholders, including community leaders, local elected officials, labor, and private sector partners.

Given the scale of the challenge, effective public communication will be critical. This includes regular communications to key stakeholder groups, and more broadly, telling the essential ‘stories’ behind electrification and decarbonization. To win hearts and minds, SVCE must work to illustrate the full range of social, environmental, and economic benefits and consequences at stake. In addition, SVCE must cultivate customer and stakeholder relationships in a leveraged way - using an array of channels that bring value to all segments of the communities we serve. These channels include our member agencies, and regular SVCE community stakeholder forums for transportation and building electrification.

Goal (we will ...)	Measures by achieving ...
<p>10. Empower customers with the awareness, knowledge and resources needed to make effective clean energy choices</p>	<ol style="list-style-type: none"> 1. Conduct and communicate baseline SVCE customer awareness and needs survey, by SEVI quartile 2. Scale SVCE’s digital customer engagement capabilities, and conduct 3+ full-scale direct email communications campaigns, plus focused customer email campaigns – totaling 1M+ outbound messages 3. Engage 20,000+ new unique visitors to SVCE eHub resources 4. Conduct two pilot online retail promotions 5. Deploy the ‘Switch is On’ building electrification awareness advertising campaign locally to achieve 1M+ impressions
<p>11. Engage a full range of public, private and non-profit stakeholders to leverage our decarbonization efforts</p>	<ol style="list-style-type: none"> 1. Deliver online training for 1,500 qualified contractors and skilled labor 2. Work with new government affairs role to expand communication and outreach through MAWG, and all local elected officials 3. Develop strategic communications ‘narratives’ for L&R and industry audiences (e.g. decarb, power supply and innovation)
<p>12. Enact competitive service offerings and programs that deliver measurable environmental and economic benefits</p>	<ol style="list-style-type: none"> 1. Sign non-standard pricing agreements with two or more large C&I customers and develop plan for potential direct access expansion. 2. Support further reach code adoption and enhancement by member agencies, and ongoing all-electric building technical design assistance 3. Support EVI programs to reserve or utilize funding for installation of 500 L2 chargers and 75 DCFC chargers; to the extent possible, continue to target multifamily, local government, and small business use cases 4. Complete community energy resilience planning, analysis, and support project; support completion of 3 capex projects, and reserve funding for additional 7 projects 5. Launch selected Building Decarbonization Joint Action Plan programs

E. FINANCE AND FISCAL RESPONSIBILITY

Maintaining a sound financial position requires the consistent implementation of disciplined fiscal strategies and policies. SVCE is committed to managing its financial resources responsibly by setting a high standard of transparency, accountability, efficiency, and strong stewardship. At SVCE, our

commitment to fiscal and operational excellence will ensure that all processes are clearly defined and efficiently designed to achieve maximum productivity by aligning people, systems, and policies. Adherence to sound fiscal-policies and active risk management will help respond to unexpected volatility, maintain a high credit rating and a healthy position in delivering customer value.

Goals (We will ...	Measures by achieving ...
<p>13. Commit to maintaining a strong financial position</p> <p>14. Empower organization-wide financial decision making with data, systems, processes and infrastructure</p>	<ol style="list-style-type: none"> 1. Balanced budget that achieves cash reserve targets and maintains customer value 2. Set balanced rates that maintain customer value and support SVCE's financial stability 3. Unqualified audit opinion 4. Maintain investment grade credit rating from one of the 3 credit rating agencies 5. Board presentation on 5-year financial forecast twice a year 6. Provide effective risk management and financial control functions

F. REGULATORY & LEGISLATIVE POLICY

The regulatory and legislative processes wield critical influence over SVCE's ability to serve our customers and fulfill our core goals and mission. SVCE proactively promotes a stable, long-term regulatory infrastructure that supports our vision to decarbonize and electrify the grid. SVCE will work to align regulatory and legislative directives with SVCE's mission, incentivize resources that decarbonize the grid, and serve our customers' needs within the evolving energy market.

SVCE will actively engage with the regulatory and legislative stakeholders to enhance our ability to mitigate greenhouse gas emissions, protect the large investments made by SVCE on behalf of our customers, minimize rate volatility, encourage regulatory certainty and help build a policy framework that supports innovation in an equitable and cost-effective manner. SVCE will promote policies that encourage customers to adopt clean energy choices, transportation electrification, and transition to future fit buildings. SVCE will leverage relationships and build coalitions with organizations with common goals to amplify our message and influence policy. SVCE will use its unique ties to communities and the power of its elected officials to support decarbonization on the state and local level.

Goal (We will...	Measures by achieving ...
<p>15. Engage regulators, legislators and local electeds in developing policies that protect CCA customer investments and furthers decarbonization, grid reliability, affordability, and social equity</p>	<ol style="list-style-type: none"> 1. Board adopted policy platform updated each calendar year. 2. Update Ad Hoc Legislative and Regulatory Committee focus areas for the year 3. District meetings with all legislators at least once per year 4. Monthly updates to the Board on legislative and regulatory affairs 5. Coordinate supplier diversity activities
<p>16. Encourage the development of regulations that proactively support the changing, evolving</p>	<ol style="list-style-type: none"> 1. Actively advocate in proceedings, initiatives and dockets that facilitate reform in high-impact policy areas including, but not limited to, Resource Adequacy, Power Charge Indifference Adjustment and Direct Access.

<p>energy market and facilitate innovation</p>	<ol style="list-style-type: none"> 2. Proactively develop a plan that facilitates innovation in demand-side management and/or promotes an open access distribution system that allows information to be shared among a variety of market participants. 3. Identify and work with 1 to 3 legislative champions who support our positions related to an energy market that supports the growth of CCAs.
<p>17. Influence policy makers by building and leveraging local electeds, diverse stakeholders, and regional agencies</p>	<ol style="list-style-type: none"> 1. Develop training materials and provide briefings as needed to bring new local and state electeds up-to-speed on relevant policies. 2. Identify and partner with local/regional businesses, community-based organizations, trade associations to share and amplify our message with regulators and the Legislature. 3. Request Board Approval for Government Relations Analyst – November 2020

G. DATA ANALYTICS, GOVERNANCE & INFORMATION TECHNOLOGY

SVCE is committed to addressing the challenges of delivering IT services in a dynamic environment with new regulations and continuous advancements in science and technology. We take customer information, privacy, and security seriously. Our systems and processes follow best practices and industry standards. Performance metrics are in place to ensure resiliency and high system availability on standard and mobile platforms, supporting staff wherever they work from. Regular upgrades to IT resources ensure continued data security, efficient data access, and support the transition to a more digital outreach and community engagement model. As the volume of data generated by the organization’s activities expands, IT is focused on enabling greater analysis and utilization of the data available, while ensuring its security and confidentiality.

We understand that data is key to achieving our mission. We develop and apply proper data governance to establishes standards, policies, and processes to ensure effective data management throughout the enterprise, to build and maintain availability, usability, consistency, integrity, and security of data. Through data science, we advance key data-intensive business cases to inform programs and other departments’ activities to achieve our common mission.

Goals (we will ..	Measures by achieving ...
<p>18. Ensure SVCE’s Information Technology infrastructure is secure, reliable, and disaster resilient to provide 24/7/365 online access</p>	<ol style="list-style-type: none"> 1. Conduct annual IT audit to assess information security at both the policy and technology (software and hardware) levels and implement all critical recommendations 2. Ensure appropriate processes and resources are in place to allow for business continuity through disasters and disruptions 3. Continue staff training to prevent unauthorized system access and/or data loss through spoofing, phishing, and hacking
<p>19. Enable data-driven decision-making across the organization</p>	<ol style="list-style-type: none"> 1. Establishing/managing the Data Governance Committee & data governance “strategic plan” 2. Identify and evaluate IT infrastructure improvements to enhance collaboration 3. Gather and assess all departments’ needs and connect staff to available data and tools 4. Seek out and integrate additional data sources to enhance data-driven insights