



# Bipartisan Infrastructure Package moves on to House to be considered with \$3.5 reconciliation package.

Programs denoted with asterisk are areas where SVCE may be able to access funding directly. Staff is exploring further.

Bipartisan Package Program	Funding
Energy Efficiency and Conservation Block Grant Program – grants to local governments for energy efficiency projects	\$550 million
Electric Grid Reliability and Resiliency R&D program*	\$5 billion – for FY '22-'26
Smart Grid Investment Matching Grant Program*	\$3 billion
Charging Infrastructure*	\$7.5 billion
Cost-Effective Codes Implementation for Efficiency and Resilience*	\$225 million
Career Skills Training for Energy Efficient Design and Ops.	\$10 million
Revolving Loans for New or Upgraded Transmission Lines	\$2.5 billion

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# SVCE Strategic Plan FY 22 Update

Girish Balachandran

August 27, 2021

SVCE Board Executive Committee Meeting



# Aggressive State Goals are Now Supported by Changes at the Federal Level

## Statewide GHG Emissions

(including electricity, natural gas, transportation, agriculture and industrial sectors)



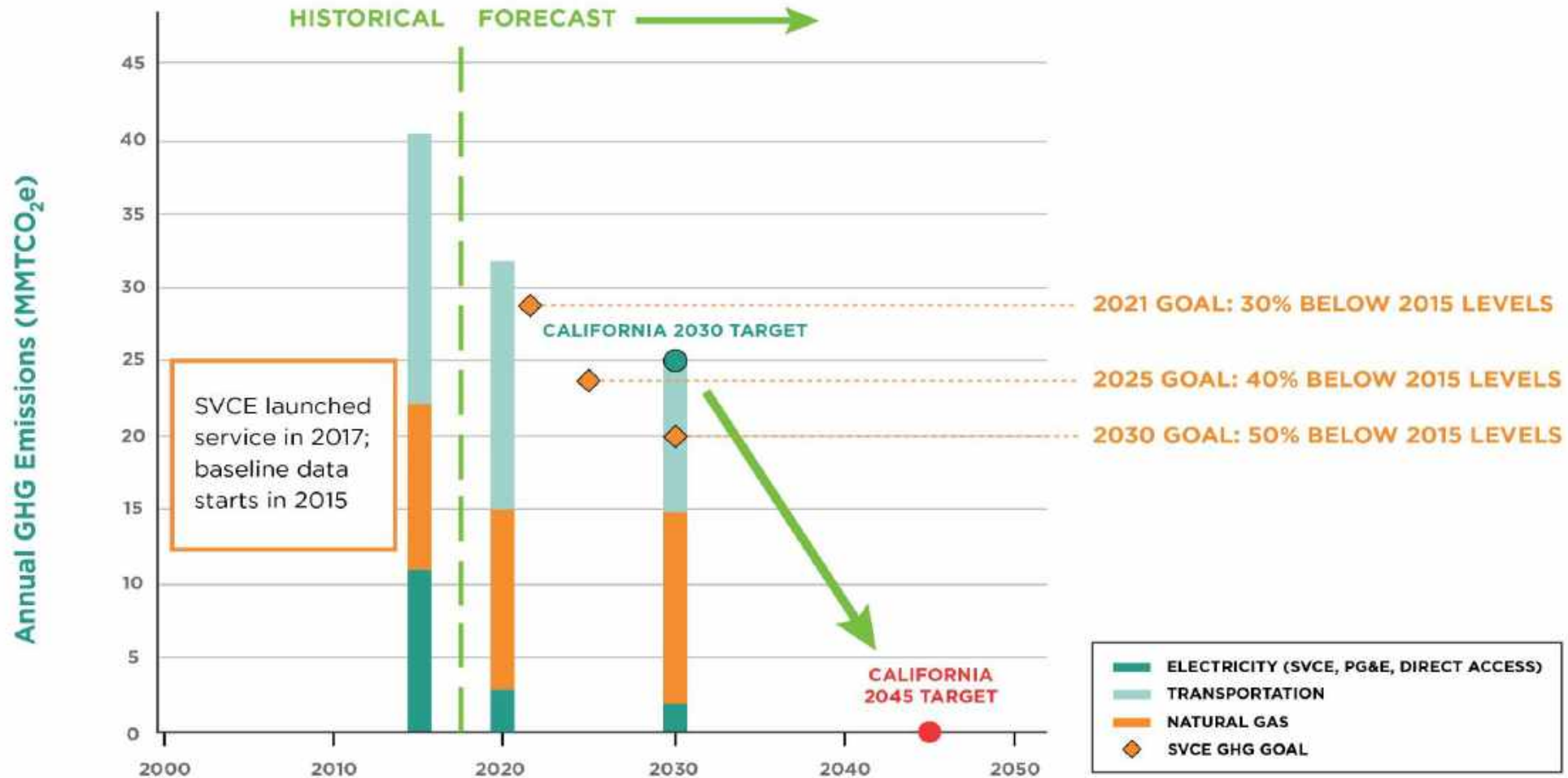
Electricity makes up only **18%** of allowable statewide emissions in **2030**.

Graph based on data from the California Climate Change Scoping Plan: [https://ww3.arb.ca.gov/cc/scopingplan/scoping\\_plan\\_2017.pdf](https://ww3.arb.ca.gov/cc/scopingplan/scoping_plan_2017.pdf)



# SVCE has set aggressive carbon reduction goals

## SVCE Emissions Reduction Goals

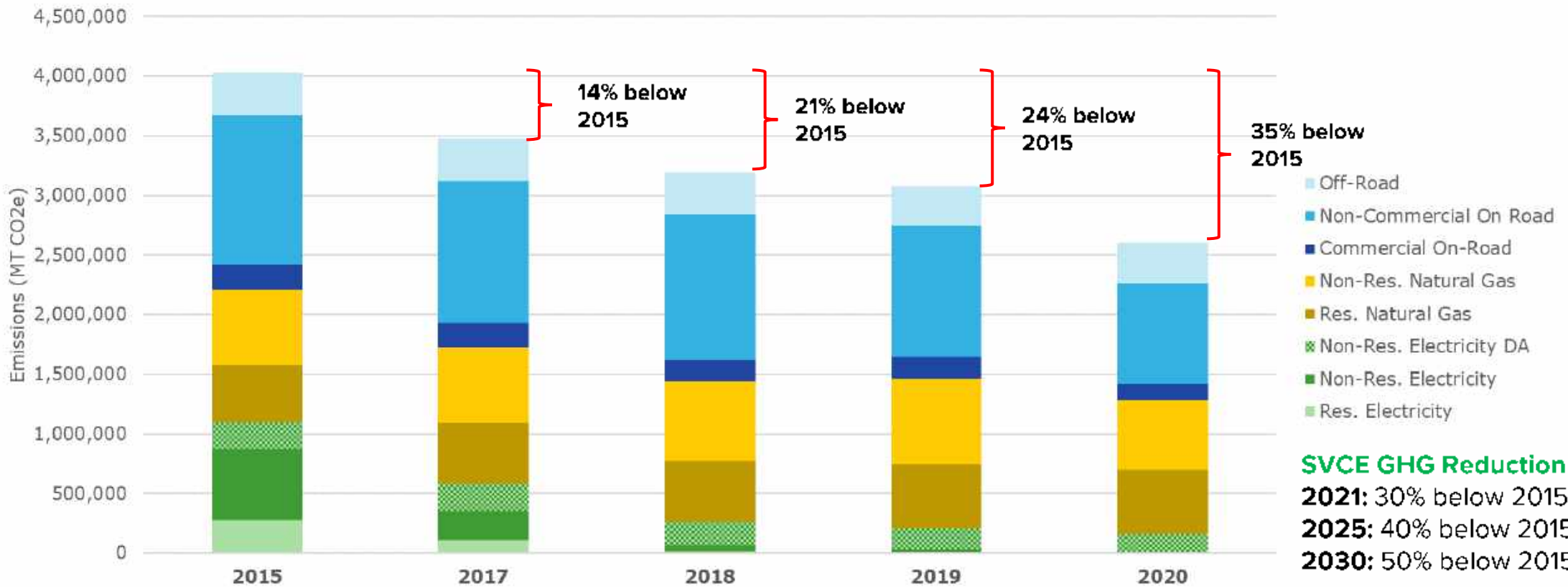




# Over the last 4 years SVCE has reduced emissions tremendously

2020 emissions were 35% below 2015 due to COVID, exceeding 2021 target of 30%

Energy & Transportation Emissions by Subsector



**SVCE GHG Reduction Targets**

- 2021:** 30% below 2015
- 2025:** 40% below 2015
- 2030:** 50% below 2015

**2020 emissions:** 2.6 million MT CO2e

# Recent External Shifts & Opportunities

2020-21 has brought tremendous changes at the national and local level; this leads to some new risks and new opportunities

## USA

- Vaccines
- Stimulus
- Equity
- Clean energy
- IPCC “code red” report

## California

- COVID recovery
- Budget surplus
- Drought
- Wildfires
- Blackouts

## CPUC, CEC, CAISO

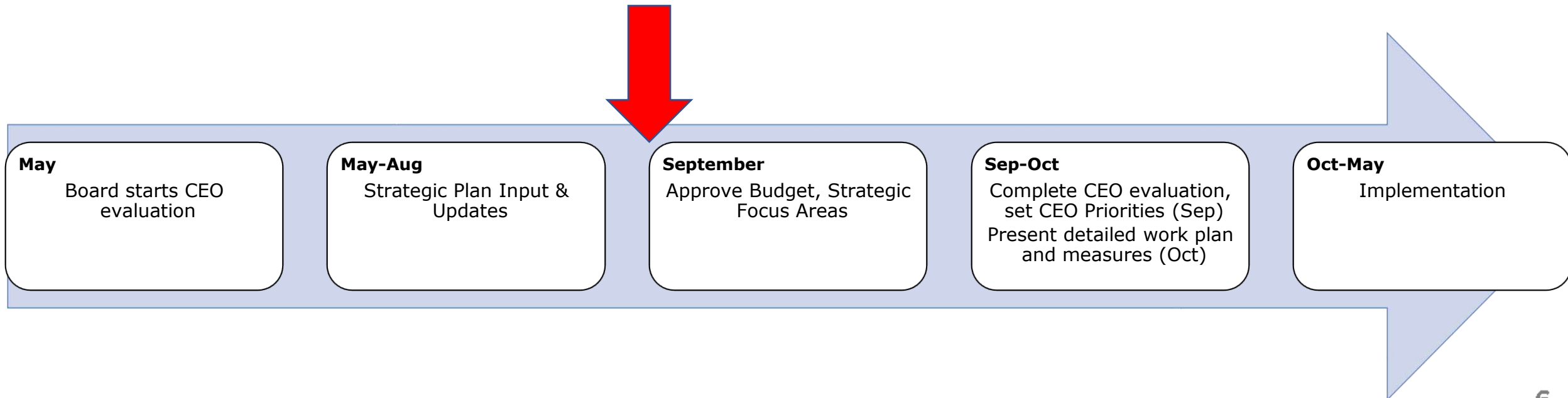
- Reliability
- 11,500 MW new clean energy
- PCIA volatility
- PG&E Gen Rate
- Customer utility debt
- Possible 5,000 MW 2022-23 emergency procurement

## CCAs

- CalCCA leverage
- CC Power
- WCE bankruptcy
- CCCFA
- Other shared services

# Strategic Plan Update Status

- ✓ May 28 - Executive Committee (strategic plan)
- ✓ June 9 - Board (strategic plan)
- ✓ June 25 - Executive Committee (strategic plan & budget)
- ✓ August 2 - Finance Committee (budget)
- ✓ August 11 - Board (budget)





# No Changes to Mission & Measure

Board supported keeping the **Mission and the Overall Measure** the same

## MISSION:

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

## MEASURE:

*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*





# Strong Support for 5 Focus Areas to Adapt to Industry Changes

Significant input on Additional Staffing, followed by input on Financial Stability

Additional input focused on specific goals in the Strategic Plan

Additional Staffing to Maintain Capacity

Operations Mode with PPA's coming online

Procurement, Clean Energy Mix & Integration

Financial Stability & Trade-Offs

Internal Operations & Cyber Risk Management



# Other Input to be incorporated

Executive Committee and Board provided additional input

- Continue focus on equity
- Enhance work plan focus on Transportation opportunities including funding and regional collaboration
- Resilience to be added to a strategic plan goal
- Review/re-think deployment of decarbonization programs to accelerate deep decarbonization (IPCC “code red” report)



# Next Steps & Budget Impacts

- May 28 EC, June 9 Board, June 25 EC, August 2 FC input**
  - Strategic Plan input and Budget impact review

- Aug 11 Board**

Reviewed budget and supported

  - increased funding & policy changes for staff resources
  - updated reserve policy to strengthen finances & provide rainy day fund
  - maintain 1% rate discount and re-visit end of 2021

Additional discussion on increased & accelerated program deployment (IPCC “code red” report)

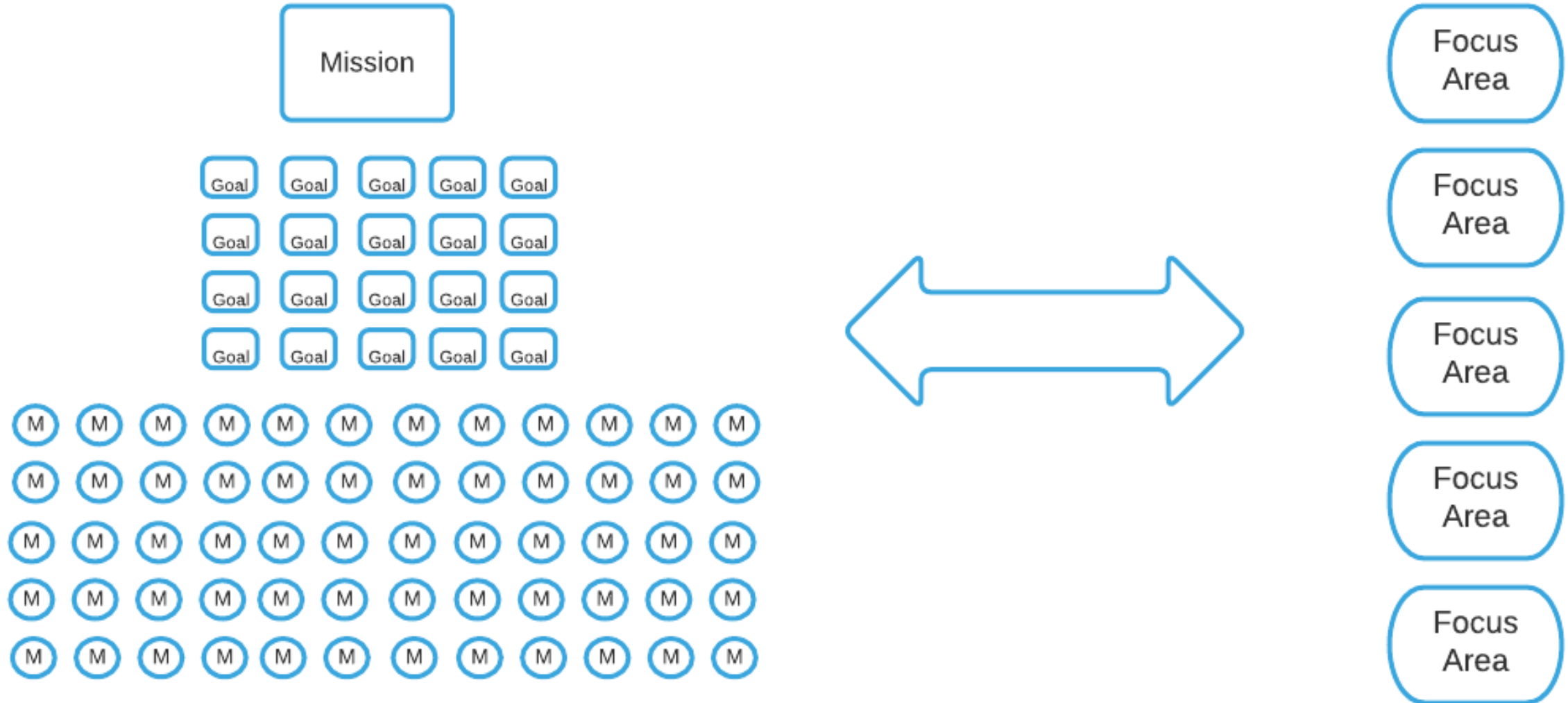
- Sep 8 Board**
  - Present Strategic Focus Areas for approval along with Budget allocation for these strategic focus areas; also, present FY21 Accomplishments

- October 13 Board**
  - Detailed Work Plan update with Goals and Measures

- Background Slides



# Distilling Strategic Plan to Focus Areas for Upcoming Fiscal Year



# 5 Focus Areas responsive to internal & external risks & opportunities

## Additional Staffing to Maintain Capacity

- New positions to manage operational risk and support maturation
- Organization review

## Operations Mode with PPA's coming online

- \$1.6 billion in 13 PPA investments over last 3 years
- First PPA online December 2021
- Operations, optimization, settlement

## Procurement, Clean Energy Mix & Integration

- Long-term RPS% Policy & Procurement
- Mandated procurement, emerging technologies, demand flexibility
- CAISO involvement, Grid Integration

## Financial Stability & Trade-Offs

- FY21 – SVCE in the red
- Power Prepay
- Energy Risk Management
- Trade-off's (RPS % policy, Clean Energy, Discount, etc.)

## Internal Operations

- Business Process Optimization
- Cyber & Physical Risk
- Post-COVID hybrid work for staff and Board

# Last Year Focus Areas

Additional Resources & Efficiencies

Enterprise-wide systems, metrics  
& tools

Focus on Equity

Digital Pivot - Customer &  
Community engagement

Community outreach and leverage

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# SVCE Equity Policy Update

Melicia Charles  
Executive Committee Meeting  
August 27, 2021





# Diversity, Equity & Inclusion (DEI)

## SVCE's vision for addressing equity across our organization

**Purpose of a DEI Strategy:** To provide opportunities, increase access and promote fairness across SVCE's internal and external activities.

- **Programs (external):** Integrating equity into SVCE's program offerings.
- **Supplier Diversity (external):** Contracting/partnering with diverse businesses.
- **Staffing (internal):** Recruiting, attracting and retaining a diverse workforce.

Programs

Supplier  
Diversity

Staffing



# SVCE Equity Framework for Supplier Diversity

**Goal:** Establish a set of procedures that encourage more contracting with diverse, small and/or local businesses.

**Mission:** To foster a diverse and locally-focused supply chain that serves SVCE's communities and supports SVCE's short and long-term environmental and decarbonization goals.



# Supplier Diversity Framework Elements

- **Framework scope: supplier diversity**
  - Larger vision for diversity, equity, & inclusion framework (programs, supplier diversity & internal staffing) - scope in tandem
- **Programs framework: 2 components, length < 5 pages**
  - Mission statement
  - Action Plan

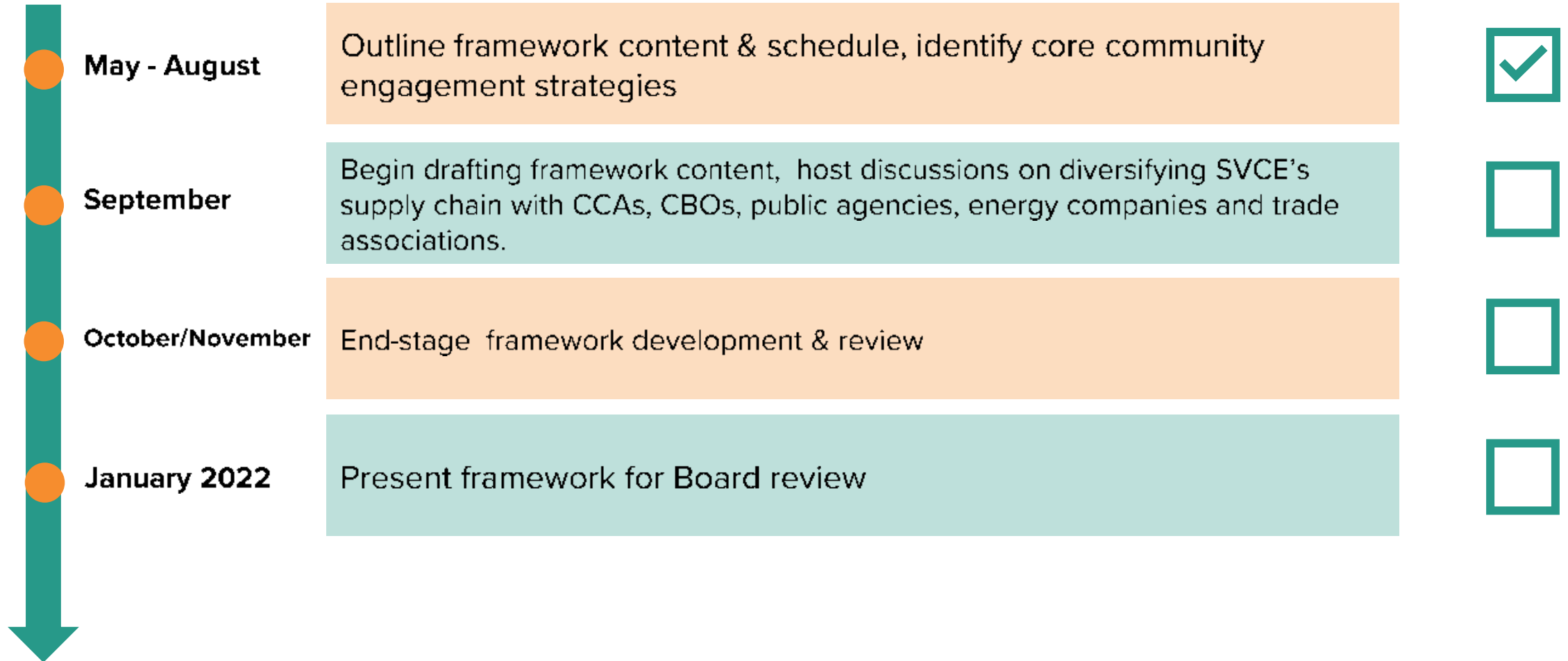


# Supplier Diversity Framework Elements

- **Mission Statement** – What is our definition of success for further diversifying our supplier pool?
- **Action Plan** - A set of procedures that are integrated within our operational procurement activities to ensure SVCE is recruiting and contracting with diverse suppliers and complies with statutory requirements.



# Supplier Diversity Development Schedule





# SVCE Equity Framework for Internal Staffing

**Goal:** Establish a set of procedures that encourage recruitment, hiring and retention of diverse staff.

**Mission:** To foster and sustain an inclusive environment and internal culture where diversity drives innovation and solutions that meet the needs of SVCE's customers.



# Staffing Framework Elements

- **Framework scope: internal staffing**
  - Larger vision for diversity, equity, & inclusion framework (programs, supplier diversity, & internal staffing) - scope in tandem
- **Programs framework: 2 components, length < 5 pages**
  - Mission statement
  - Action Plan



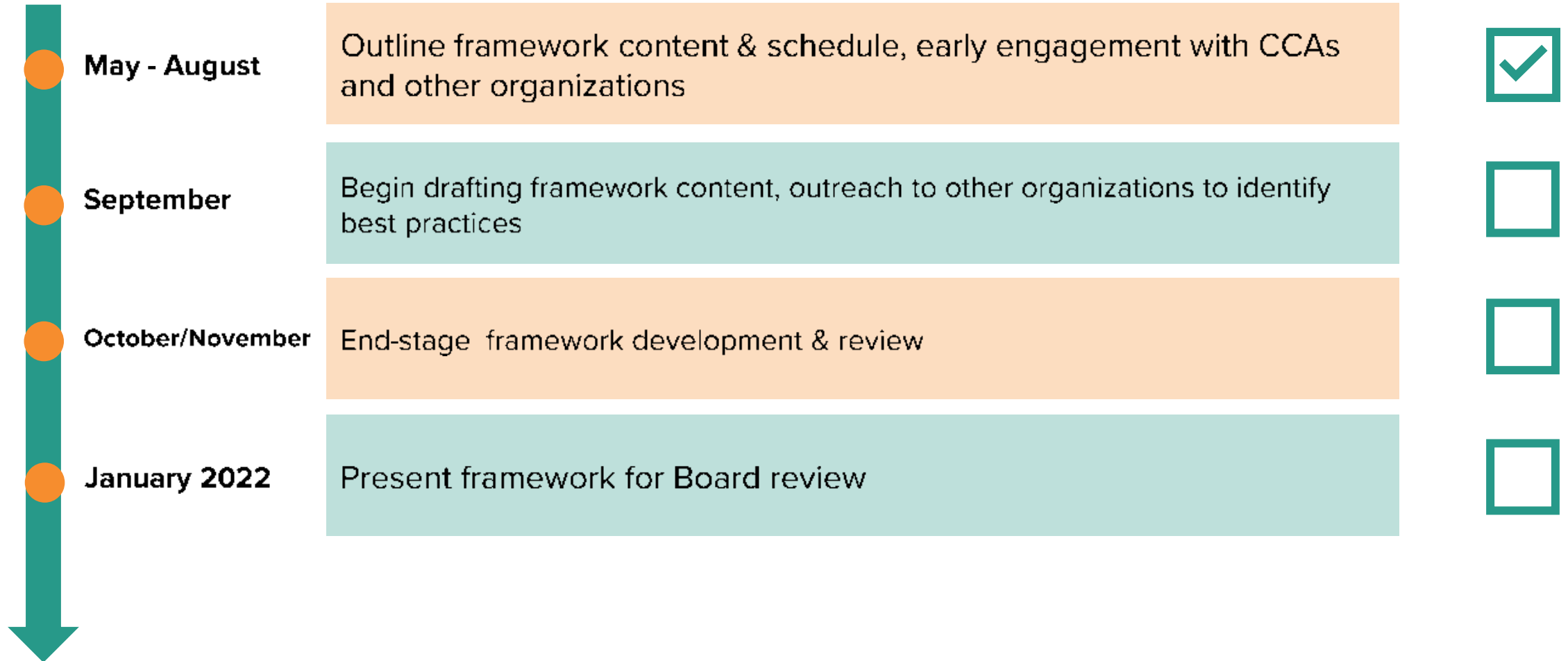
# Internal Staffing Framework Elements

- **Mission Statement** – What is our definition of success for developing a diverse SVCE team and an inclusive culture?
- **Action Plan** - A set of procedures that are integrated within our recruitment and retention activities to ensure SVCE has a diverse staff.





# Internal Staffing Framework Development schedule





# Questions/Feedback?