



**Silicon Valley Clean Energy  
Finance and Administration Committee Special Meeting**

Monday, November 29, 2021  
3:00 pm

Margaret Abe-Koga, Chair  
City of Mountain View

Liz Gibbons, Vice Chair  
City of Campbell

Jon Willey  
City of Cupertino

Zach Hilton  
City of Gilroy

Neysa Fligor  
City of Los Altos

George Tyson  
Town of Los Altos Hills

Rob Rennie  
Town of Los Gatos

Evelyn Chua  
City of Milpitas

Javed Ellahie  
City of Monte Sereno

Yvonne Martinez Beltran  
City of Morgan Hill

Tina Walia  
City of Saratoga

Gustav Larsson  
City of Sunnyvale

Susan Ellenberg  
County of Santa Clara

Pursuant to State of California Executive Order N-29-20, dated March 17, 2020, the meeting was conducted via teleconference.

**MEETING MINUTES**

**Call to Order**

Chair Rob Rennie called the meeting to order at 3:03 p.m.

**Roll Call**

**Present:**

Committee Chair Rob Rennie, Town of Los Gatos  
Committee Vice Chair Bryan Mekechuk, City of Monte Sereno  
Director Liz Gibbons, City of Campbell  
Alternate Director Larry Klein, City of Sunnyvale

**Absent:**

Director Yvonne Martinez Beltran, City of Morgan Hill, was not present at the time of Roll Call, but was recognized and joined the meeting at 4:00 p.m.

**Public Comment on Matters Not Listed on the Agenda**

Committee Chair Rennie called for Public Comment; there were no speakers. Chair Rennie closed Public Comment.

**Regular Calendar**

**1) Consider Recommending to the SVCE Board Changes to SVCE Rates for the Revised FY 2022 Budget**

Amrit Singh, CFO and Director of Administrative Services, provided a detailed presentation to the Committee to consider the approval of updating the SVCE rates. He explained that the Executive Committee (EC) reviewed updated SVCE margin analysis based on a positive forecast, they reached consensus to spend an additional \$20 million funds from the FY 22 budget. He explained that this Special Meeting was set to provide the same information to the Finance and Administration Committee; the Board of Directors would then consider the information for final approval in December with revised rates effective January 2022.

[svcleanenergy.org](http://svcleanenergy.org)

333 W El Camino Real  
Suite 330  
Sunnyvale, CA 94087



Margaret Abe-Koga, Chair  
City of Mountain View

CFO Singh explained that PG&E's generation rate was expected to increase by approximately 24%; and the PCIA was expected to decrease by approximately 54%; improving SVCE's margin by up to 44% in calendar year 2022. CPUC's final rate adoption should occur in late December. The preliminary revised margins increase the variance to the revised budget by \$72 million.

Liz Gibbons, Vice Chair  
City of Campbell

CFO Singh detailed risk factors to consider ("Black Swan" events) and commodity price implications on the PCIA and Generation rates. He stated price trends were showing moving upward; however, prices could drop, which must be also be considered. He provided a stress-test scenario where market prices plunge. Questions and responses ensued.

Jon Willey  
City of Cupertino

Zach Hilton  
City of Gilroy

CFO Singh then explained the biggest source of uncertainty is market price volatility, and changing hedging strategy to account for improved modeling of PCIA and PG&E Generate rate could reduce risk.

Neysa Fligor  
City of Los Altos

CFO Singh explained options for use of improved margins, which included utilizing reserves for future "Black Swan" events, adding funds to "double-down" on programs, and increasing the customer discount. Director comments and questions ensued with regard to risk and hedging strategies.

George Tyson  
Town of Los Altos Hills

Rob Rennie  
Town of Los Gatos

CFO Singh explained stress tests scenarios. He stated at its Nov. 17, 2021 meeting, the EC reached consensus to spend an additional \$20 million from the FY 22 budget; however, they did not comment on how to allocate the \$20 million between programs and additional customer discount, but rather agreed to discuss and reach consensus at the December 8<sup>th</sup> Board of Directors meeting.

Evelyn Chua  
City of Milpitas

Discussion ensued; Director Rennie asked what a one percent discount would mean in dollars for the average residential customer. Director Singh responded it would be a savings of approximately \$9.00 a year.

Javed Ellahie  
City of Monte Sereno

Director Gibbons made suggestions to the presentation for clarity for the Board of Directors meeting. She stated given the new information, SVCE has the potential of a very positive margin.

Yvonne Martinez Beltran  
City of Morgan Hill

Tina Walia  
City of Saratoga

Director Mekechuk brought forward questions and scenarios concerning reserves including potential investments. CFO Singh reviewed the importance of stress tests and the need to continue to adjust accordingly. He explained the current type volatility we are seeing now is market driven.

Gustav Larsson  
City of Sunnyvale

Discussion ensued regarding the use of reserves.

Susan Ellenberg  
County of Santa Clara

Alternate Director Klein stated he felt comfortable to stay with one percent Discount Rate now and to continue to reevaluate.

[svcleanenergy.org](http://svcleanenergy.org)

333 W El Camino Real  
Suite 330  
Sunnyvale, CA 94087

In response to questions by Director Gibbons regarding customer optics and the one percent Discount Rate, CEO Balachandran stated in terms of leveraging the SVCE mission, having the money in SVCE reserves for risk management and leveraging decarbonization efforts doesn't take away the option of an additional discount in the future. He stressed that SVCE desires to have rates competitive with PG&E and holding sufficient reserves would allow SVCE to keep rates lower than PG&E under a variety of future scenarios.



Margaret Abe-Koga, Chair  
City of Mountain View

Liz Gibbons, Vice Chair  
City of Campbell

Jon Willey  
City of Cupertino

Zach Hilton  
City of Gilroy

Neysa Fligor  
City of Los Altos

George Tyson  
Town of Los Altos Hills

Rob Rennie  
Town of Los Gatos

Evelyn Chua  
City of Milpitas

Javed Ellahie  
City of Monte Sereno

Yvonne Martinez Beltran  
City of Morgan Hill

Tina Walia  
City of Saratoga

Gustav Larsson  
City of Sunnyvale

Susan Ellenberg  
County of Santa Clara

Director Martinez Beltran noted that the Board has the option to reevaluate at a later date.

CFO Singh reviewed the potential scenarios and options for Board consideration and explained that there were possibilities if needed to “true up” if there were an over-collection as a result of timing.

**Motion:** Director Mekechuk moved to approve the one percent Discount Rate, but not to transfer any additional funds, and to revisit program funding at mid-year budget.

Director Gibbons stated she agreed with the one percent Discount Rate and also the \$20 million to go to program funds because of the analysis and “stress tests” used by staff.

Alternate Director Klein seconded the motion by Director Mekechuk.

Further discussion ensued. Mike Maher (Mahar Accountancy) responded to additional questions.

Discussion ensued regarding program funds. CEO Balachandran stated the Board could target \$20 million to be addressed in the mid-year budget.

Director Mekechuk AMENDED his motion to target \$20 million for the mid-year Budget but not to transfer at this time; the amendment to the motion was SECONDED by Director Klein.

Motion Carried Unanimously by a Roll Call vote.

**Committee/Staff Remarks**

None.

**Adjourn:** 4:48 p.m.

Submitted by,

DocuSigned by:  
*Dorothy Roberts*  
FA4736575GF7449...

Dorothy Roberts,  
Interim Board Clerk

[svcleanenergy.org](http://svcleanenergy.org)

333 W El Camino Real  
Suite 330  
Sunnyvale, CA 94087