

Community Energy Department

Lori Mitchell, Director

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To generate, transmit, and procure energy for the benefit of its customers

City Service Area

Environmental and Utility Services

Core Services

Community Energy Community Programming

To establish San José-specific renewable energy and local renewable energy efficiency programs

Community Energy Customer Support

Provide exceptional customer experience by educating and communicating effectively with customers, the public and the media

Providing Clean Energy to the Community

Promote enhanced sustainable energy practices by providing the community with cleaner energy options, resources and education

Strategic Support: Administration, Financial Management, Information Technology, and Human Resources

Community Energy Department

Service Delivery Framework

PROGRAM	DESCRIPTION
<i>Providing Clean Energy to the Community Core Service</i>	
Community Energy Renewable Energy Supply	Procures renewable energy, such as solar, thermal, geothermal, biomass.
Community Energy Conventional Energy Supply	Procures conventional energy, such as natural gas and unspecified.
Community Energy Hydro Power Supply	Procures hydro power supply energy, such as large hydro and GHD free energy.
Community Energy Power Scheduling and Other Supply	Manages grid and California Independent System Operator (ISO) charges.
Community Energy Risk Management	Manages and mitigates potential risk to which the Department and City are exposed.
Community Energy Regulatory Compliance	Manages regulatory compliance of San José Community Energy through the City Council-approved Policy, Energy Risk Management Regulations, and the Risk Oversight Committee.
<i>Community Energy Customer Support Core Service</i>	
Community Energy Marketing and Public Affairs	Provides direct communication to customers, the public, and media.
Community Energy Data and Call Center Management	Manages Energy Data and provides resolution to Call Center customer escalations.
<i>Community Energy Community Programming Core Service</i>	
Local Energy Programs	Provides San José-specific renewable energy and energy efficiency programs to provide additional benefits to the community.
<i>Strategic Support Core Service</i>	
Community Energy Management and Administration	Provides executive-level, analytical and administrative support to the department.
Community Energy Financial Management	Manages the budget and all financial transactions for the department; assists in annual budget development.
Community Energy Human Resources	Manages personnel-related functions for the department, including hiring (in coordination with the Human Resources Department), employee development, and employee discipline (in coordination with the Office of Employee Relations), and personnel transactions.
Community Energy Information Technology	Provides information technology services, planning, system development and maintenance for the department in coordination with the Information Technology Department.
Community Energy Legal Support	Manages all legal support functions for the Department.

Community Energy Department

Department Budget Summary

Expected 2018-2019 Service Delivery

- Develop, implement, and operate San José Clean Energy; Phase 1 launch scheduled for September 1, 2018, for Municipal accounts followed by Phase 2 launch scheduled for March 1, 2019, for Residential and Commercial accounts.
- Provide cost effective electric generation rates that support the development of renewable and greenhouse gas free resources.
- Procure cleaner electric supplies and offer customers at least one power mix option at 10 percent or more renewables than PG&E. Offer at least one power mix option that is 100 percent greenhouse gas free.
- Support sustainable energy practices throughout the community through education and public-private partnerships.
- Develop San José-specific renewable energy and energy efficiency programs that maintain and expand utility programs for low-income customers and support local renewable energy projects in compliance with regulatory obligations.
- Support Climate Smart San José by aiming to reduce greenhouse gas emissions.

2018-2019 Key Budget Actions

- Adds one-time funding of \$150,000 to host a FUSE fellow from September 2018 through August 2019 to develop a comprehensive Community Programs plan for Community Energy Department. The FUSE fellowship is a national non-profit program that recruits experienced professionals that will partner with local governments on a range of issues impacting a community.

Operating Funds Managed

- San José Clean Energy Fund

Community Energy Department

Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed
Dollars by Core Service				
Community Energy Community Programming	n/a	0	0	150,000
Community Energy Customer Support	n/a	0	4,440,363	4,440,363
Providing Clean Energy to the Community	n/a	0	74,439,069	74,439,069
Strategic Support - Environmental & Utility Services	n/a	0	2,694,876	2,694,876
Strategic Support - Other - Environmental & Utility Services	n/a	0	44,055,000	44,055,000
Total	n/a	\$0	\$125,629,308	\$125,779,308
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	0	0	3,992,308	3,992,308
Subtotal Personal Services	\$0	\$0	\$3,992,308	\$3,992,308
Non-Personal/Equipment	0	0	6,436,000	6,586,000
Total Personal Services & Non-Personal/Equipment	\$0	\$0	\$10,428,308	\$10,578,308
<i>Other Costs**</i>				
Debt Service/Financing	n/a	0	44,055,000	44,055,000
Other	n/a	0	71,146,000	71,146,000
Total Other Costs	n/a	\$0	\$115,201,000	\$115,201,000
Total	n/a	\$0	\$125,629,308	\$125,779,308

*** The Community Energy Department was established by the City Council on August 8, 2017, after the adoption of the 2017-2018 budget. 2018-2019 is the first full year of funding this new department.

* Some data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

** Fund Balance, Transfers, and Reserves for funds that may be managed by this department have been excluded from this display. This information can be found in Source and Use of Funds Statements elsewhere in this document.

Community Energy Department

Department Budget Summary

	<u>2016-2017</u> <u>Actuals*</u>	<u>2017-2018</u> <u>Adopted</u>	<u>2018-2019</u> <u>Forecast</u>	<u>2018-2019</u> <u>Proposed</u>
Dollars by Fund				
San José Clean Energy Operating Fund (501)	n/a	0	125,629,308	125,779,308
Total	n/a	0	\$125,629,308	\$125,779,308
Authorized Positions by Core Service				
Community Energy Customer Support	n/a	0.00	6.00	6.00
Providing Clean Energy to the Community	n/a	0.00	7.85	7.85
Strategic Support - Environmental & Utility Services	n/a	0.00	3.15	3.15
Total	n/a	0	17.00	17.00

Community Energy Department

Department Budget Summary

	2016-2017 Actuals*	2017-2018 Adopted	2018-2019 Forecast	2018-2019 Proposed	2018-2019 Proposed FTE
Dollars by Program**					
Strategic Support - Environmental & Utility Services					
Community Energy Financial Management	n/a	0	1,027,964	1,027,964	2.00
Community Energy Information Technology	n/a	0	285,000	285,000	0.00
Community Energy Legal Support	n/a	0	182,000	182,000	0.00
Community Energy Management and Administration	n/a	0	1,199,912	1,199,912	1.15
Sub-Total	n/a	0	2,694,876	2,694,876	3.15
Strategic Support - Other - Environmental & Utility Services					
Community Energy Debt/Financing Costs	n/a	0	44,055,000	44,055,000	0.00
Sub-Total	n/a	0	44,055,000	44,055,000	0.00
Community Energy Community Programming					
Local Energy Programs	n/a	0	0	150,000	0.00
Sub-Total	n/a	0	0	150,000	0.00
Community Energy Customer Support					
Community Energy Data and Call Center Management	n/a	0	2,142,258	2,142,258	2.50
Community Energy Marketing and Public Affairs	n/a	0	2,298,105	2,298,105	3.50
Sub-Total	n/a	0	4,440,363	4,440,363	6.00
Providing Clean Energy to the Community					
Community Energy Conventional Energy Supply	n/a	0	14,670,210	14,670,210	1.58
Community Energy Hydro Power Supply	n/a	0	29,307,429	29,307,429	2.96
Community Energy Power Scheduling and Other Supply	n/a	0	424,253	424,253	0.25
Community Energy Regulatory Compliance	n/a	0	729,748	729,748	0.10
Community Energy Renewable Energy Supply	n/a	0	29,307,429	29,307,429	2.96
Sub-Total	n/a	0	74,439,069	74,439,069	7.85
Total	n/a	\$0	\$125,629,308	\$125,779,308	17.00

* Data for the 2016-2017 Actual column are not available. With the change to a program-based budgeting model in 2017-2018, historical budget data by the new programs and core services is not available for prior periods.

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Community Energy Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment
(2017-2018 Adopted to 2018-2019 Proposed)

	Positions	All Funds (\$)
Prior Year Budget (2017-2018): N/A	0.00	0
Base Adjustments		
One-Time Prior Year Expenditures Deleted		
<ul style="list-style-type: none"> ● N/A 		
One-time Prior Year Expenditures Subtotal:	0.00	0
Technical Adjustments to Costs of Ongoing Activities		
<ul style="list-style-type: none"> ● Initial position adds (City Council approval August 29, 2018) and Staffing Plan revisions (City Council approval February 6, 2018): <li style="padding-left: 20px;">- Analyst II <li style="padding-left: 20px;">- Deputy Director <li style="padding-left: 20px;">- Director of Community Energy <li style="padding-left: 20px;">- Public Information Representative I/II <li style="padding-left: 20px;">- Senior Accountant <li style="padding-left: 20px;">- Senior Analyst <li style="padding-left: 20px;">- Senior Public Information Representative <li style="padding-left: 20px;">- Staff Specialist <li style="padding-left: 20px;">- Staff Technician <li style="padding-left: 20px;">- Division Manager ● Data Management and Call Center Consulting services ● Training, travel, and consulting services ● Power Scheduling/Supply Management Consulting services ● Advertising/Communications Consulting services ● Legal/Regulatory Consulting services ● Financial Consulting services ● Technical Consulting services (Rates and ISO) ● Regulatory Legal Support services - California Community Choice Association (CalCCA) ● California Community Choice Association (CalCCA) membership dues ● Lobbyist services ● Office supplies, space, furnishings, and computer equipment ● Printing, advertising, and mailings 	17.00	10,428,308
Technical Adjustments Subtotal:		
2018-2019 Forecast Base Budget:	17.00	10,428,308
Budget Proposals Recommended		
1. Community Energy FUSE Fellow		150,000
Total Budget Proposals Recommended	0.00	150,000
2018-2019 Proposed Budget Total	17.00	10,578,308

Community Energy Department

Budget Changes By Department Personal Services and Non-Personal/Equipment

Proposed Budget Changes	Positions	All Funds (\$)
1. Community Energy FUSE Fellow		150,000
<i>Environmental and Utility Services CSA</i>		
<i>Community Energy Community Programming Core Service</i>		
<i>Local Energy Programs</i>		
<p>This action adds one-time funding of \$150,000 to fund a FUSE fellow from September 2018 through August 2019 in the Community Energy Department. The FUSE fellowship program is a national nonprofit organization that partners experienced professionals in a range of industries with local governments to assist with strategic projects in the public sector. The FUSE fellow for the Community Energy Department will assist the Director with a variety of projects as the department and the community energy program ramp up, and will also help to develop a comprehensive plan to deliver community programs that benefit residents and/or the community at-large once San José Clean Energy is operational and in a financial position to begin programming. (Ongoing costs: \$0)</p>		
2018-2019 Proposed Budget Changes Total		150,000

Community Energy Department

Departmental Position Detail

Position	2017-2018 Adopted	2018-2019 Proposed	Change
Analyst II	0.00	2.00	2.00
Deputy Director	0.00	2.00	2.00
Director of Community Energy	0.00	1.00	1.00
Division Manager	0.00	1.00	1.00
Public Information Rep II	0.00	2.00	2.00
Senior Accountant	0.00	1.00	1.00
Senior Analyst	0.00	5.00	5.00
Senior Public Information Rep	0.00	1.00	1.00
Staff Specialist	0.00	1.00	1.00
Staff Technician	0.00	1.00	1.00
Total Positions	0.00	17.00	17.00

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