

Assumptions

	Feb 25 Proforma	Comment
- 2019 PCIA increase (YoY)	22%	
- 2020 PCIA increase (YoY)	12%	Current estimate (conservative); depends on market prices in 2019 - higher 2019 market prices mean lower 2020 PCIA.
- PG&E generation rate change	-2%	
- Customer opt out rate	10%	
- 2019 Power Supply costs above the forward price curve (for remaining purchases)	10%	
- Enrollment of Small Commercial customers	Jul-19	Current plan to accelerate launch since latest CPUC PCIA decision means they are profitable to serve now.
- Enrollment of Residential Solar customers	Feb-20	

Results

Line of Credit draw	\$	18,000,000
Net Revenue from Operations 2019	\$	2,985,158
Net Revenue from Operations 2020		\$44,583,960
Reserve target met		Dec-19

Reserve Requirements

\$10 million reached		Sep-19
\$15 million reached		Nov-19
\$20 million reached		Dec-19

All-in Power Supply Costs (\$/MWh)

2019	\$	65.73
2020	\$	55.45
2021	\$	57.14

Calendar Year	2018	2019	2020	2021	2022	2023
Energy delivered (MWh)	39,522	3,271,989	4,299,646	4,367,566	4,411,241	4,455,354

Comment

Financials - Cash Flow Accounting

Total Revenues	\$2,147,465	\$209,529,117	\$299,744,667	\$319,861,977	\$300,755,951	\$300,981,599
Expenses						
Total Power Supply	\$4,225,059	\$190,448,452	\$238,307,335	\$264,118,848	\$251,101,773	\$252,836,509
CCA Program Costs						
Total Debt Payments	\$38,219	\$1,097,183	\$30,359,399	\$1,021,248	\$1,066,384	\$1,232,748
Total General	\$114,091	\$6,068,117	\$6,729,756	\$6,731,513	\$6,731,513	\$6,731,513
Total Consultants	\$789,500	\$2,290,470	\$2,183,279	\$2,183,279	\$2,183,279	\$2,183,279
Total Staffing	\$3,271,989	\$4,988,762	\$5,460,054	\$6,196,434	\$6,861,006	\$7,549,854
Total Infrastructure	\$776,167	\$2,085,834	\$1,904,716	\$1,904,716	\$1,904,716	\$1,904,716
Total CCA Program Costs	\$3,107,060	\$16,530,366	\$46,637,204	\$18,037,189	\$18,746,898	\$19,602,109
Total Expenses	\$7,332,119	\$206,978,818	\$284,944,539	\$282,156,037	\$269,848,671	\$272,438,618
Net Revenue from Operations	(\$5,184,654)	\$2,550,299	\$14,800,128	\$37,705,940	\$30,907,279	\$28,542,981
Contribution to Operating Reserve	\$0	\$20,000,000	\$0	\$0	\$0	\$0
Operating Reserve Account Balance (Barclays)	\$0	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
Contribution to SJCE Rate Stabilization Reserve	\$0	\$0	\$14,177,000	\$35,310,000	\$30,149,000	\$31,696,000
SJCE Rate Stabilization Reserve	\$0	\$0	\$14,177,000	\$49,487,000	\$79,636,000	\$111,332,000
Loan Draw	\$10,000,000	\$18,000,000	\$0	\$0	\$0	\$0
Operating Account Balance	\$4,815,346	\$5,365,645	\$5,988,774	\$8,384,714	\$9,142,993	\$5,989,974

BOARD POLICY UPDATE

April 11, 2019



PCIA REGULATORY WORKING GROUPS

- **Benchmarking Issues**

- Consider cost modeling of Brown Power, RPS and RA

- **Prepayment**

- Consider options for fixed, annual PCIA prepayment

- **Portfolio Optimization**

- Consider rules for IOU sales of excess resources

- Proposed Decision Fall 2019

- Proposed Decision Q1 2020

- Proposed Decision Q2 2020

PG&E BANKRUPTCY AND WILDFIRE

- **Governor Newsom** Strike Team Study, input from Cabinet and Key Agencies
- **CPUC proceedings** on Utility De-energization and Wildfire Mitigation Best Practices
- **Senate and Assembly** Policy and Budget Hearings
- April 12, 2019 Report Release
- R.18-12-005 and R.18-10-007
- 2018 and 2019 Sessions

LEGISLATIVE FOCUS

- **Key issues:**

- Centralized v. Local Control
- Cost Liability and allocation
- IOU credit rating (BK)
- Electric System Reliability
- Renewable Procurement
- GHG Reduction
- Customer Protection

- **Key Stakeholders:**

- Investor Owned Utilities
- Renewable Developers
- Banks
- State Agencies
- Labor Unions
- Ratepayer Advocates
- Environmental Groups
- Cities and Counties
- CCAs

BRIGHT ENERGY FUTURE CAMPAIGN

- **Bright Energy Future Campaign** *Principles for a Stronger, Greener, More Reliable Electric System*, launched April 1
<http://brightenergyfutureca.org/>
- **Action Alerts** – 3-4 each month: education and contacts
- **Coalition Building**: build popular support with partners
- **Advocacy**: letters of support, social media, TBD

PROGRAM ROADMAP UPDATE

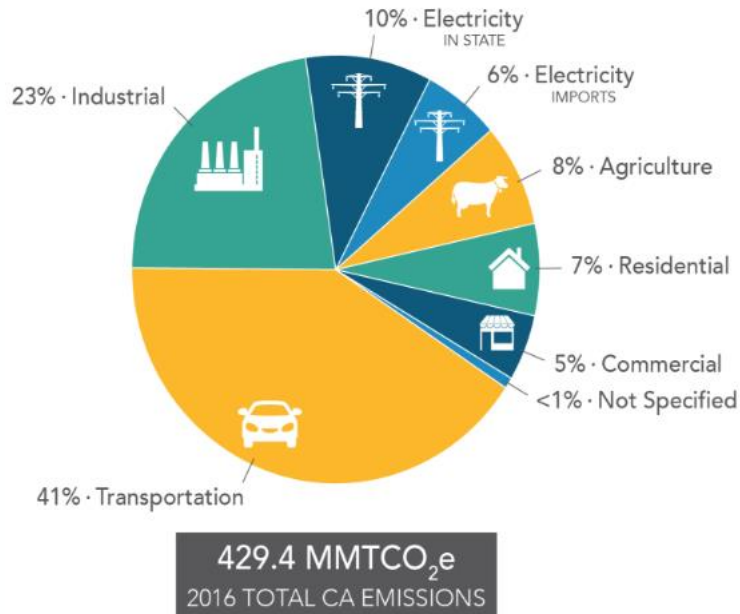
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CALIFORNIA AND SAN JOSE EMISSION SOURCES

California

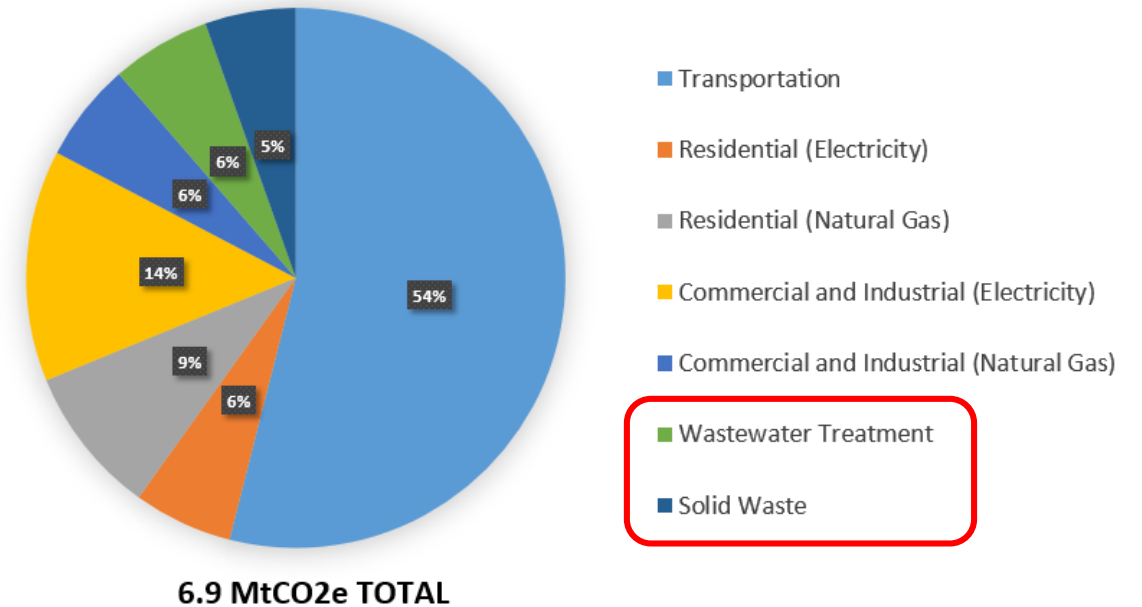
Emissions by Economic Sector



Source: CARB

San Jose

San José GHG Emissions (2014)



Source: San José Community-Wide Greenhouse Gas (GHG) Inventory Update



COMMUNITY OUTREACH

COMMUNITY OUTREACH ACTIVITIES

1. Community Leader Engagement

- Districts and meetings attended
 - District 8, 5, 3, 7, and 6 neighborhood leadership
 - City of San Jose Neighborhood Commission meeting

2. Focus Groups

- Vietnamese and Spanish language focus group with questions focused on programs. English focus group in April.

3. General Survey

- Developing survey for general population on programs
- Targeting 300+ responses

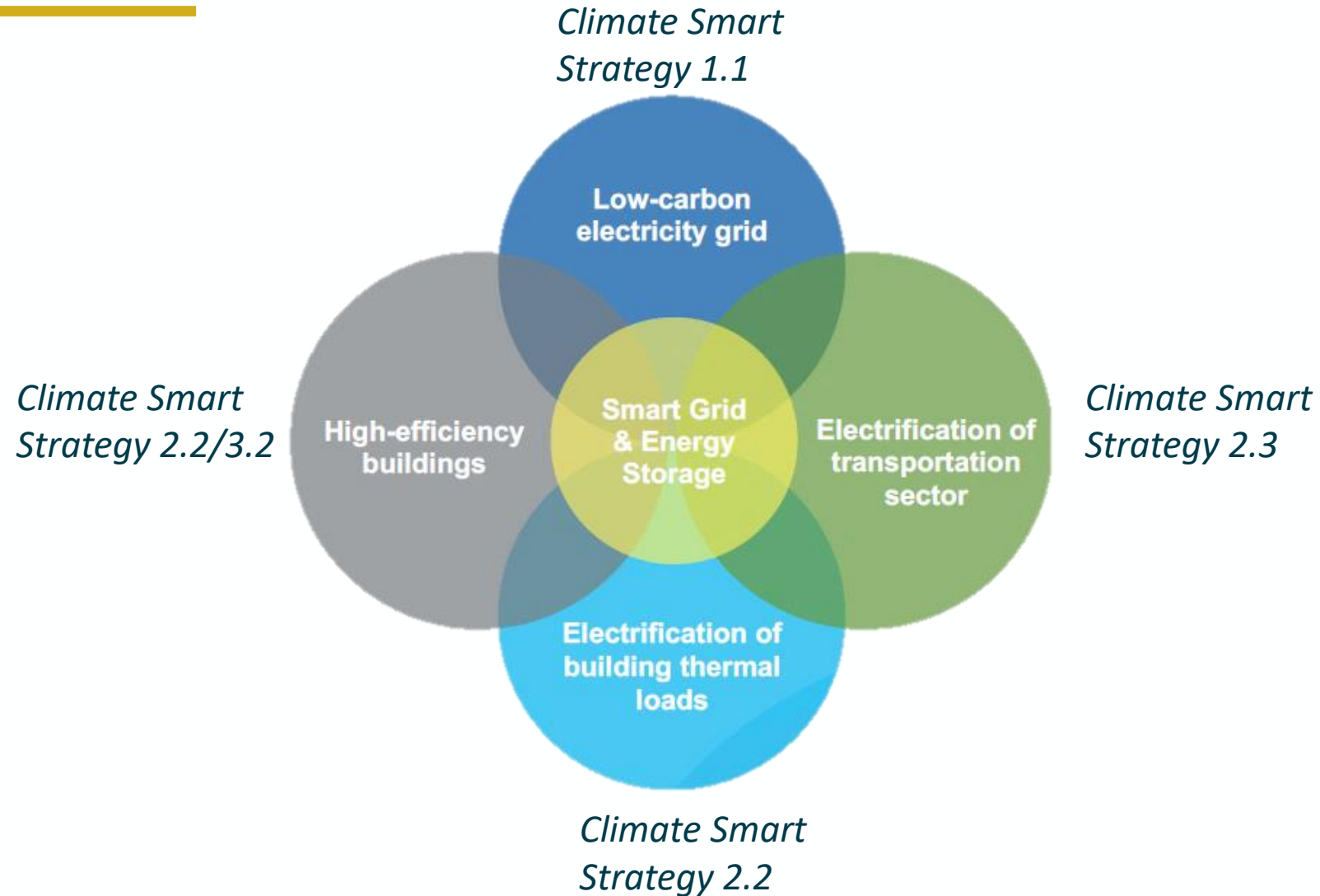


PROGRAM UPDATE

PROGRAM GUIDING PRINCIPLES

- Maximizes greenhouse gas reduction opportunities
- Aligns with Climate Smart San Jose plan
- Promotes equity and supports disadvantaged communities
- Improves or maintains the financial strength of San Jose Clean Energy and the City of San Jose

POTENTIAL PROGRAM LANDSCAPE



POTENTIAL PROGRAM “GAP FILLING”

Vehicle Electrification

Low income EV incentives

EV Incentive Guidance-Education

EV Charging Infrastructure Incentives

Distributed Energy Resources

Roof top Solar in Disadvantaged Communities

Energy Storage-only Program

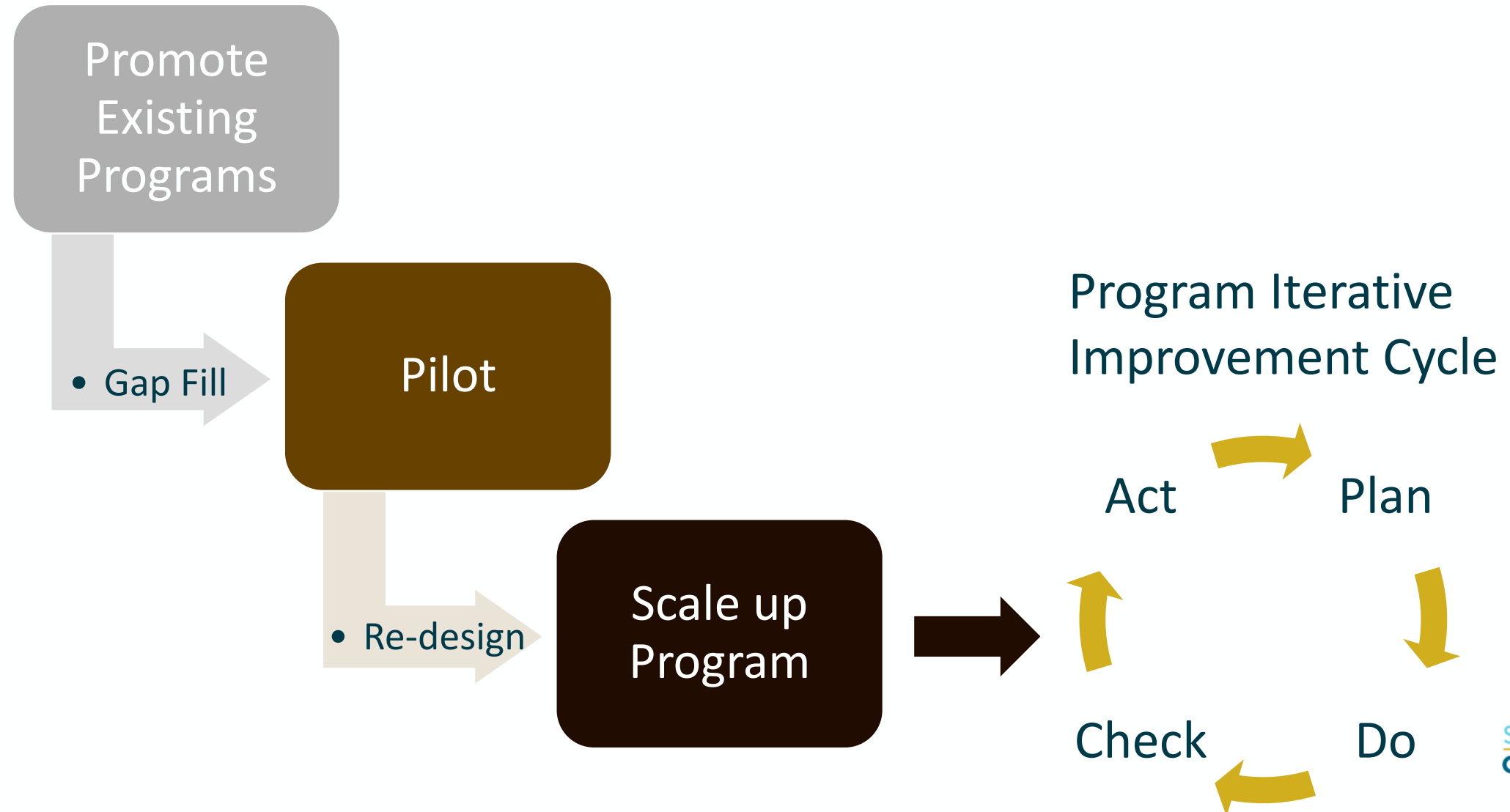
Building Electrification

Heat Pump Water Heater/Panel Incentive Program

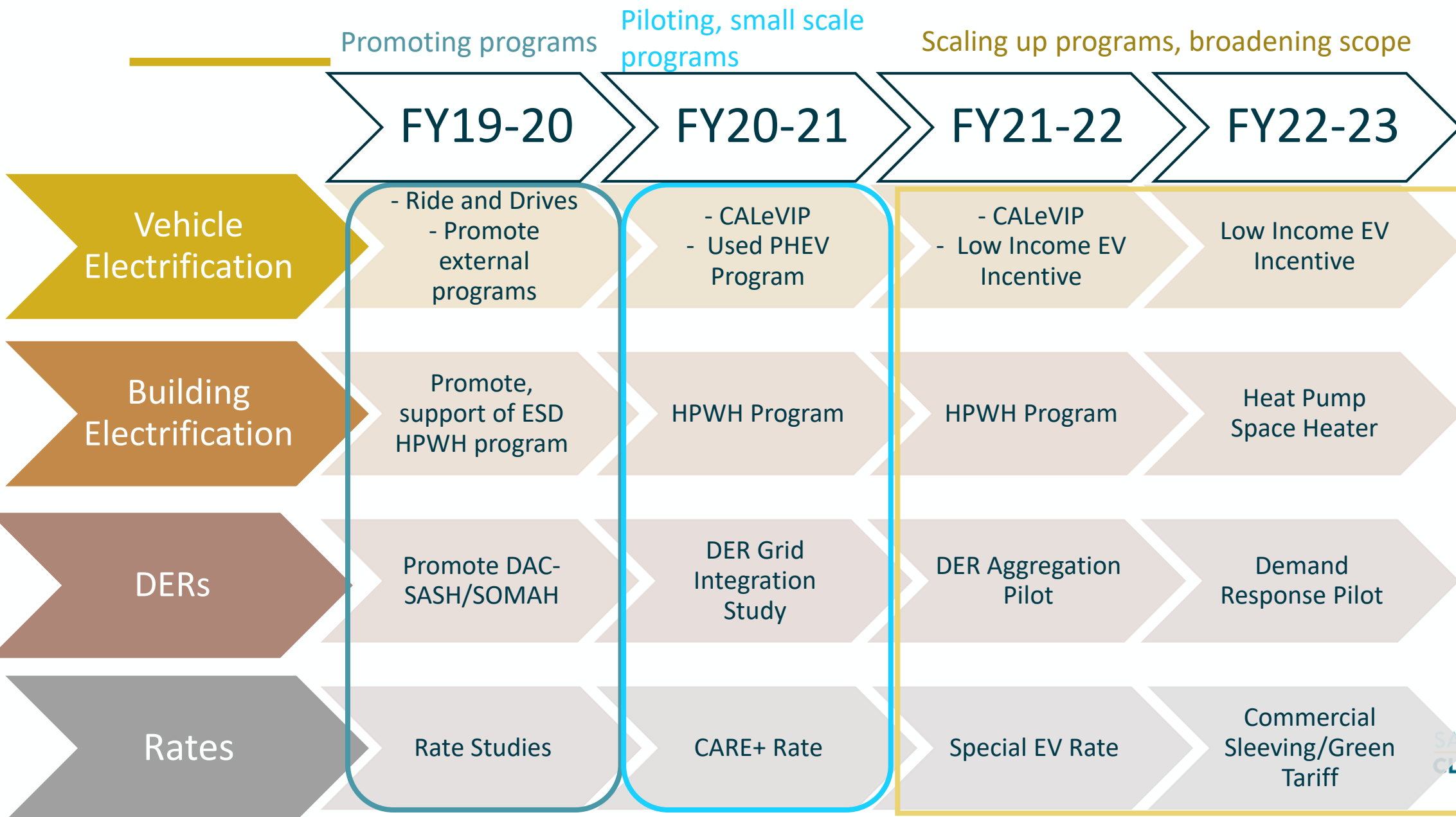
Rates/Equity

Additional CARE Rates for Low Income (>200% FPL)

PROGRAM IMPLEMENTATION APPROACH



POTENTIAL PROGRAM ROADMAP



NEW PROGRAM AREAS EXPLORED

Lawn Equipment Electrification

- Potential equity impact targeting small businesses
- San Jose East Side Union and other School Districts potential targets

School Buses

- Explore Pay as You Save (PAYS) Model
- Leverage existing State and BAAQMD programs

Electrical Panel Upgrades

- Potential program to pair with existing programs for EV charging, electric heat pump and Roof top solar
- Target low income, disadvantaged neighborhoods



QUESTIONS?

PROGRAM IDEAS - QUANTIFIED

Program	Lifetime electrical load impact (MWh)	Lifetime Revenue Potential	Full Program Cost	Program Profit/(Loss)	Customers Impacted	Lifetime Carbon Reductions (MT of CO2e)	% CO2 reduced of CS Plan	Net \$ per MT CO2 reduced
Low Income EV Incentives	24,030 ₁₀	\$1,682,121	\$2,915,000	(\$1,232,879)	1,000	25,360	1.62%	\$49
HPWH Incentive	7,424 ₁₀	\$539,799	\$1,100,100	(\$340,201)	400	7,200	N/A	\$47
Ride and Drive Event	1,090 ₁₀	\$76,296	\$90,000	(\$13,704)	50	1,268	0.08%	\$11
Low Income Used PHEV Program	755 ₅	\$52,867	\$550,000	(\$497,133)	100	660	0.04%	\$753
C&I Energy Storage	(0) ₁₀	(\$2,357,920)	25% of 1 staff time	(\$2,357,920)	3	N/A	N/A	N/A
SASH in Low Income non-DACs	(730) ₁₀	(\$51,100)	\$280,000	(\$331,100)	10			

10 = 10 year product life

5 = 5 year product life

AUTO OEMS ELECTRIC MODEL PLANS

