

# Community Energy Department

Lori Mitchell, Director

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

# Community Energy Department

## Department Budget Summary

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### Expected 2019-2020 Service Delivery

- Continue to deliver and operate the San José Clean Energy program. Phases to launch Municipal, Commercial, Residential, and Small Commercial were successful; the final phase to launch Net Energy Metering residential solar customers is scheduled in 2020.
- Provide cost effective electric generation rates by procuring cleaner electric supplies, offer customers at least one power mix option at ten percent or more renewables than PG&E, and offer at least one power mix option that is 100 percent renewable.
- 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.

### 2019-2020 Key Budget Actions

- Adds 1.0 Division Manager, 1.0 Analyst, and 1.0 Senior Account Clerk positions to form a Settlement and Contracts Management Division that will manage compliance and performance, as well as provide operational oversight for all power supply contracts. Once medium and long-term contracts are introduced, the value of the supply contracts could total more than \$2 billion and extend three to five years for medium-term and ten to twenty years for long-term contracts, representing approximately 500 contracts to manage with various terms, compensation, and type of power being purchased.
- Adds 1.0 Principal Office Specialist position and corresponding non-personal/equipment funding to provide administrative support for two Deputy Directors and two Division Managers. In addition, ongoing non-personal/equipment funding will support a third party billing reconciliation and accounting services firm (\$144,000) to support more than 300,000 accounts, as well as fund subscriptions and licenses to a web-based, commercially available Customer Relationship Management tool and Utility Data Management service (\$65,000) to improve customer services by accurately providing energy data from PG&E to customers.
- Adds one-time funding of \$150,000 to host a FUSE fellow from September 2019 through August 2020 to assist with a variety of projects as the department ramps up and develops a comprehensive Community Programs plan for the 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.
- Adds one-time funding of \$92,000 for two Data Analytics Stanford Fellows for one year to assist with analyzing the department's data and provide reports of customer energy usage and the implications for the Department's procurement of energy.
- Adds one-time funding of \$50,000 for one Climate Corps Fellow to assist with customer outreach, research and data analytics, and groundwork development of future community programming.

### Operating Funds Managed

- San José Clean Energy Fund

# Community Energy Department

## Department Budget Summary

|  | 2017-2018<br>Actuals *** | 2018-2019<br>Adopted | 2019-2020<br>Forecast | 2019-2020<br>Proposed |
|--|--------------------------|----------------------|-----------------------|-----------------------|
| <b>Dollars by Core Service</b>                               |                          |                      |                       |                       |
| Community Energy Community Programming                       | 0                        | 150,000              | 0                     | 150,000               |
| Community Energy Customer Support                            | 22,731                   | 4,440,363            | 7,584,662             | 7,827,225             |
| Providing Clean Energy to the Community                      | 94,386                   | 74,121,312           | 242,235,836           | 283,366,269           |
| Strategic Support - Environmental & Utility Services         | 864,199                  | 2,694,876            | 2,328,540             | 2,891,979             |
| Strategic Support - Other - Environmental & Utility Services | 0                        | 44,055,000           | 44,904,472            | 14,121,686            |
| <b>Total</b>   | <b>\$981,316</b>         | <b>\$125,461,551</b> | <b>\$297,053,510</b>  | <b>\$308,357,159</b>  |
| <b>Dollars by Category</b>                                   |                          |                      |                       |                       |
| <i>Personal Services and Non-Personal/Equipment</i>          |                          |                      |                       |                       |
| Salaries/Benefits  | 515,563                  | 3,674,551            | 3,688,137             | 4,289,172             |
| Overtime   | 966                      | 0                    | 0                     | 0                     |
| <b>Subtotal Personal Services</b>                            | <b>\$516,529</b>         | <b>\$3,674,551</b>   | <b>\$3,688,137</b>    | <b>\$4,289,172</b>    |
| Non-Personal/Equipment                                       | 364,787                  | 6,586,000            | 7,912,301             | 8,336,301             |
| <b>Total Personal Services &amp; Non-Personal/Equipment</b>  | <b>\$881,316</b>         | <b>\$10,260,551</b>  | <b>\$11,600,438</b>   | <b>\$12,625,473</b>   |
| <i>Other Costs*</i>  |                          |                      |                       |                       |
| Debt Service/Financing                                       | 0                        | 44,055,000           | 44,055,000            | 13,130,000            |
| Housing Loans and Grants                                     | 0                        | 0                    | 0                     | 0                     |
| Other  | 100,000                  | 71,146,000           | 240,548,600           | 281,610,000           |
| Overhead Costs   | 0                        | 0                    | 849,472               | 991,686               |
| <b>Total Other Costs</b>                                     | <b>\$100,000</b>         | <b>\$115,201,000</b> | <b>\$285,453,072</b>  | <b>\$295,731,686</b>  |
| <b>Total</b>   | <b>\$981,316</b>         | <b>\$125,461,551</b> | <b>\$297,053,510</b>  | <b>\$308,357,159</b>  |

\* 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. The amounts in the 2018-2019 Adopted Budget column may vary from the published Adopted Budget due to the realignment of Other Costs (primarily City-Wide Expenses and General Fund Capital) between Departments.

\*\* The positions displayed in the 2017-2018 Actuals column reflect those included in the 2017-2018 Adopted Budget.

\*\*\* 2017-2018 Actuals may not subtotal due to rounding.

# Community Energy Department

## Department Budget Summary

|  | 2017-2018<br>Actuals *** | 2018-2019<br>Adopted | 2019-2020<br>Forecast | 2019-2020<br>Proposed |
|--|--------------------------|----------------------|-----------------------|-----------------------|
| <b>Dollars by Fund</b>                               |                          |                      |                       |                       |
| San José Clean Energy Operating Fund (501)           | 981,316                  | 125,461,551          | 297,053,510           | 308,357,159           |
| <b>Total</b>   | <b>\$981,316</b>         | <b>\$125,461,551</b> | <b>\$297,053,510</b>  | <b>\$308,357,159</b>  |
| <b>Positions by Core Service**</b>                   |                          |                      |                       |                       |
| Community Energy Customer Support                    | 0.00                     | 6.00                 | 6.00                  | 6.34                  |
| Providing Clean Energy to the Community              | 0.00                     | 7.85                 | 8.85                  | 9.51                  |
| Strategic Support - Environmental & Utility Services | 0.00                     | 3.15                 | 3.15                  | 6.15                  |
| <b>Total</b>   | <b>0.00</b>              | <b>17.00</b>         | <b>18.00</b>          | <b>22.00</b>          |

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# Community Energy Department

## Department Budget Summary

|   | 2017-2018<br>Actuals ** | 2018-2019<br>Adopted | 2019-2020<br>Forecast | 2019-2020<br>Proposed | 2019-2020<br>Proposed<br>Positions |
|---|-------------------------|----------------------|-----------------------|-----------------------|------------------------------------|
| <b>Dollars by Program*</b>  |                         |                      |                       |                       |                                    |
| <b>Strategic Support - Environmental &amp; Utility Services</b>         |                         |                      |                       |                       |                                    |
| Community Energy Financial Management                                   | 0                       | 1,027,964            | 640,113               | 784,113               | 2.00                               |
| Community Energy Information Technology                                 | 0                       | 285,000              | 424,001               | 424,001               | 0.00                               |
| Community Energy Legal Support  | 0                       | 182,000              | 250,000               | 250,000               | 0.00                               |
| Community Energy Management and Administration                          | 864,199                 | 1,199,912            | 1,014,426             | 1,433,865             | 4.15                               |
| <b>Sub-Total</b>  | <b>864,199</b>          | <b>2,694,876</b>     | <b>2,328,540</b>      | <b>2,891,979</b>      | <b>6.15</b>                        |
| <b>Strategic Support - Other - Environmental &amp; Utility Services</b> |                         |                      |                       |                       |                                    |
| Community Energy Debt/Financing Costs                                   | 0                       | 44,055,000           | 44,055,000            | 13,130,000            | 0.00                               |
| Community Energy Overhead   | 0                       | 0                    | 849,472               | 991,686               | 0.00                               |
| <b>Sub-Total</b>  | <b>0</b>                | <b>44,055,000</b>    | <b>44,904,472</b>     | <b>14,121,686</b>     | <b>0.00</b>                        |
| <b>Community Energy Community Programming</b>                           |                         |                      |                       |                       |                                    |
| Local Energy Programs   | 0                       | 150,000              | 0                     | 150,000               | 0.00                               |
| <b>Sub-Total</b>  | <b>0</b>                | <b>150,000</b>       | <b>0</b>              | <b>150,000</b>        | <b>0.00</b>                        |
| <b>Community Energy Customer Support</b>                                |                         |                      |                       |                       |                                    |
| Community Energy Data and Call Center Management                        | 0                       | 2,142,258            | 6,419,002             | 6,661,565             | 2.84                               |
| Community Energy Marketing and Public Affairs                           | 22,731                  | 2,298,105            | 1,165,660             | 1,165,660             | 3.50                               |
| <b>Sub-Total</b>  | <b>22,731</b>           | <b>4,440,363</b>     | <b>7,584,662</b>      | <b>7,827,225</b>      | <b>6.34</b>                        |
| <b>Providing Clean Energy to the Community</b>                          |                         |                      |                       |                       |                                    |
| Community Energy Conventional Energy Supply                             | 0                       | 14,632,079           | 175,693,809           | 183,906,089           | 1.58                               |
| Community Energy Hydro Power Supply                                     | 0                       | 29,231,167           | 1,196,659             | 17,621,219            | 2.96                               |
| Community Energy Power Scheduling and Other Supply                      | 94,386                  | 297,151              | 1,235,950             | 1,235,950             | 1.25                               |
| Community Energy Regulatory Compliance                                  | 0                       | 729,748              | 167,902               | 236,935               | 0.76                               |
| Community Energy Renewable Energy Supply                                | 0                       | 29,231,167           | 63,941,516            | 80,366,076            | 2.96                               |
| <b>Sub-Total</b>  | <b>94,386</b>           | <b>74,121,312</b>    | <b>242,235,836</b>    | <b>283,366,269</b>    | <b>9.51</b>                        |
| <b>Total</b>  | <b>\$981,316</b>        | <b>\$125,461,551</b> | <b>\$297,053,510</b>  | <b>\$308,357,159</b>  | <b>22.00</b>                       |

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# Community Energy Department

## Budget Reconciliation

### Personal Services and Non-Personal/Equipment (2018-2019 Adopted to 2019-2020 Proposed)

|  | Positions    | All Funds (\$)    |
|--|--------------|-------------------|
| <b>Prior Year Budget (2018-2019):</b>  | <b>17.00</b> | <b>10,260,551</b> |
| <b>Base Adjustments</b>  |              |                   |
| <b>One-Time Prior Year Expenditures Deleted</b>  |              |                   |
| • Community Energy FUSE Fellow   |              | (150,000)         |
| <b>One-time Prior Year Expenditures Subtotal:</b>  | <b>0.00</b>  | <b>(150,000)</b>  |
| <b>Technical Adjustments to Costs of Ongoing Activities</b>  |              |                   |
| • Salary/benefit changes and the following position reallocations:   |              | (492,234)         |
| - 1.0 Senior Accountant to 1.0 Program Manager I   |              |                   |
| - 1.0 Senior Analyst to 1.0 Senior Power Resources Specialist  |              |                   |
| - 1.0 Staff Technician to 1.0 Staff Specialist   |              |                   |
| • Calpine agreement annualization  |              | 2,618,500         |
| • Northern California Power Agency contract agreement annualization  |              | 277,600           |
| • Power Procurement Rate Setting and Power Mix for San José Clean Energy (City Council approval November 6, 2018)<br>Adds 1.0 Division Manager   | 1.00         | 270,519           |
| • California Community Choice Association (CalCCA) contract agreement annualization  |              | 220,000           |
| • City Pay Plan for Various Classifications (City Council approval December 18, 2018) (Deletes 2.0 Senior Analyst, Adds 1.0 Power Resources Specialist II, and 1.0 Principal Power Resources Specialist) | 0.00         | 235,301           |
| • Printing, advertising, and mailings (one-time program launch expenses)   |              | (1,100,000)       |
| • Computers, furniture, office supplies (one-time program launch expenses)   |              | (318,799)         |
| • Marketing and communications (one-time program launch expenses)  |              | (221,000)         |
| <b>Technical Adjustments Subtotal:</b>   | <b>1.00</b>  | <b>1,489,887</b>  |
| <b>2019-2020 Forecast Base Budget:</b>   | <b>18.00</b> | <b>11,600,438</b> |
| <b>Budget Proposals Recommended</b>  |              |                   |
| 1. Community Energy Settlements and Contract Management Division   | 3.00         | 419,439           |
| 2. Community Energy FUSE Fellow  |              | 150,000           |
| 3. Clean Energy Program Billing Services   |              | 144,000           |
| 4. Administrative Support Staffing   | 1.00         | 104,596           |
| 5. Community Energy Data Analytics Stanford Fellow   |              | 92,000            |
| 6. Community Energy Customer Relationship and Utility Data Management Services   |              | 65,000            |
| 7. Community Energy Climate Corps Fellow   |              | 50,000            |
| <b>Total Budget Proposals Recommended</b>  | <b>4.00</b>  | <b>1,025,035</b>  |
| <b>2019-2020 Proposed Budget Total</b>   | <b>22.00</b> | <b>12,625,473</b> |

# Community Energy Department

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

| 2019-2020 Proposed Budget Changes   | Positions   | All Funds (\$) |
|---|-------------|----------------|
| <b>1. Community Energy Settlements and Contract Management Division</b>   | <b>3.00</b> | <b>419,439</b> |
| <i>Environmental and Utility Services CSA<br/>Strategic Support Core Service<br/>Community Energy Management and Administration Program</i>   |             |                |
| <p>This action adds 1.0 Division Manager, 1.0 Analyst, and 1.0 Senior Account Clerk positions that will form a Settlements and Contract Management Division in the Community Energy Department. This team will manage compliance and performance, as well as provide operational oversight for all power supply contracts. In 2019-2020, power supply is estimated to cost \$296 million. Once medium and long-term contracts are introduced, the value of the supply contracts could total more than \$2 billion and extend three to five years for medium-term and ten to twenty years for long-term. This represents approximately 500 contracts to manage with various terms, compensation, and type of power being purchased. The team must ensure that the department remains in compliance with risk management policies. Some of the duties of this team include: evaluating and reviewing credit terms for long, medium, and short-term power supply contracts; evaluating counterparty performance; providing support during contract negotiations; ensuring compliance with credit terms; and evaluating the performance of a contract. (Ongoing costs: \$445,776)</p> |             |                |
| <b>2. Community Energy FUSE Fellow</b>  |             | <b>150,000</b> |
| <i>Environmental and Utility Services CSA<br/>Community Energy Community Programming Core Service<br/>Local Energy Programs</i>   |             |                |
| <p>This action continues one-time non-personal/equipment funding of \$150,000 for the second year to fund a FUSE Fellow in 2019-2020 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 help refine the Department's Community Programs strategy and also explore ways for Clean Energy to partner with existing programming in various City departments (including Transportation, Environmental Services, and Public Works). Finally, this fellow will research and apply for grants on behalf of the Department. (Ongoing costs: \$0)</p>   |             |                |
| <b>3. Clean Energy Program Billing Services</b>   |             | <b>144,000</b> |
| <i>Environmental and Utility Services CSA<br/>Strategic Support Core Service<br/>Community Energy Financial Management Program</i>  |             |                |
| <p>This action provides ongoing funding of \$144,000 for a third party billing service that will reconcile the more than 300,000 separate accounts with PG&amp;E each month that include the statement remittances as well. This provider will ensure the accuracy and integrity of the data in the accounts. This contract provides for a data storage warehouse, reconciliation of account revenue received through PG&amp;E's billing service, the research of discrepancies, and some customized reports. (Ongoing costs: \$144,000)</p>  |             |                |

# Community Energy Department

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

| 2019-2020 Proposed Budget Changes  | Positions   | All Funds (\$) |
|--|-------------|----------------|
| <b>4. Administrative Support Staffing</b>  | <b>1.00</b> | <b>104,596</b> |
| <i>Environmental and Utility Services CSA</i><br><b>Community Energy Customer Support and Providing Clean Energy to the Community Core Services</b><br><i>Community Energy Data and Call Center Management and Community Energy Regulatory Compliance Programs</i>   |             |                |
| <p>This action adds 1.0 Principal Office Specialist position to provide administrative support for two Deputy Directors and two department Division Managers. The Department currently has 2.0 Staff Specialist positions that provide administrative support. This Principal Office Specialist will support the managers in scheduling, calendaring, and travel coordination, as well as coordinating the council memo process. This position will serve as back-up to the Staff Specialist currently supporting the Department Director. (Ongoing costs: \$110,537)</p>  |             |                |
| <b>5. Community Energy Data Analytics Stanford Fellow</b>  |             | <b>92,000</b>  |
| <i>Environmental and Utility Services CSA</i><br><b>Community Energy Customer Support Core Service</b><br><i>Community Energy Data and Call Center Management Program</i>  |             |                |
| <p>This action adds one-time personal services funding of \$92,000 to fund two Stanford Fellows (at \$46,000 each) for one year in the Community Energy Department. The fellows' primary focus will be to analyze the department's data and provide reports of customer energy usage and the implications for the Department's procurement of energy. This includes preparing an analysis that will help the Department to more accurately estimate customer load and assist in forecasting which will be especially instrumental once Community Energy starts executing longer-term supply agreements. The fellows will also research opportunities to optimize operations by leveraging tools that exist commercially. Power supply costs are expected to reach almost \$300 million in 2019-2020, and grow annually as load grows. Even moderate reductions in energy costs to more accurately match supply resources could mean millions of dollars of savings. (Ongoing costs: \$0)</p> |             |                |
| <b>6. Community Energy Customer Relationship and Utility Data Management Services</b>  |             | <b>65,000</b>  |
| <i>Environmental and Utility Services CSA</i><br><b>Community Energy Customer Support Core Service</b><br><i>Community Energy Data and Call Center Management Program</i>  |             |                |
| <p>This action adds ongoing funding of \$65,000 for subscriptions and licenses to the web-based Customer Relationship Management (CRM) tool and a Utility Data Management service. The CRM will be used to track customer interactions with staff to ensure excellent customer service especially with large commercial customers; will prepare tariff analyses; and will track long-term customer relationships to discover patterns and trends that could lead to future program partnerships and services. (Ongoing costs: \$65,000)</p>  |             |                |

# Community Energy Department

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

| <b>2019-2020 Proposed Budget Changes</b>   | <b>Positions</b> | <b>All<br/>Funds (\$)</b> |
|--|------------------|---------------------------|
| <b>7. Community Energy Climate Corps Fellow</b>  |                  | <b>50,000</b>             |
| <i>Environmental and Utility Services CSA<br/>Strategic Support Core Service<br/>Community Energy Data and Call Center Management Program</i>  |                  |                           |
| <p>This action adds one-time non-personal/equipment funding of \$50,000 to fund a Climate Corps fellow from July 2019 through May 2020 in the Community Energy Department. Climate Corps is a professional development program for emerging leaders in the field of climate change. This fellowship program pairs participants with local governments and non-profit agencies to work on a variety of special projects. The Community Energy Department will have the Climate Corps fellow assist with customer outreach, research and data analytics, and groundwork development of future community programming. Climate Corps is one of three fellowship programs with which Clean Energy will partner in 2019-2020. (Ongoing costs: \$0)</p> |                  |                           |
| <b>2019-2020 Proposed Budget Changes Total</b>   | <b>4.00</b>      | <b>1,025,035</b>          |

# Community Energy Department

## Performance Summary

### Community Energy Customer Support

#### Performance Measures

|   | 2017-2018<br>Actual | 2018-2019<br>Target | 2018-2019<br>Estimated | 2019-2020<br>Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  % of customers who opt out  | NEW                 | NEW                 | 3%                     | < 5%                |
|  % of customers that opt up to TotalGreen<br>(100% renewable energy service) | NEW                 | NEW                 | 0.2%                   | 0.4%                |

#### Activity and Workload Highlights

|  | 2017-2018<br>Actual | 2018-2019<br>Forecast | 2018-2019<br>Estimated | 2019-2020<br>Forecast |
|--|---------------------|-----------------------|------------------------|-----------------------|
| Number of customers that opt up to TotalGreen<br>(100% renewable energy service) | NEW                 | NEW                   | 700                    | 1,500                 |
| Number of San José Clean Energy customers  | NEW                 | NEW                   | 317,000                | 357,000               |

# Community Energy Department

## Performance Summary

### Providing Clean Energy to the Community

#### Performance Measures

|   | 2017-2018<br>Actual | 2018-2019<br>Target | 2018-2019<br>Estimated | 2019-2020<br>Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  San José Clean Energy mix supplied:                               |                     |                     |                        |                     |
| - Renewable Energy  | NEW                 | NEW                 | 45%                    | 45%                 |
| - Carbon Free   | NEW                 | NEW                 | 80%                    | 80%                 |
|  PG&E mix supplied (as compared with San José Clean Energy above): |                     |                     |                        |                     |
| - Renewable Energy  | NEW                 | N/A <sup>1</sup>    | 33%                    | N/A <sup>1</sup>    |
| - Carbon Free   | NEW                 | N/A <sup>1</sup>    | 78%                    | N/A <sup>1</sup>    |

<sup>1</sup> Information is reported for actual data only.

# Community Energy Department

## Performance Summary

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### Strategic Support

#### Performance Measures

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|   | 2017-2018<br>Actual | 2018-2019<br>Target | 2018-2019<br>Estimated | 2019-2020<br>Target |
|---|---------------------|---------------------|------------------------|---------------------|
|  % Customer savings compared to PG&E | NEW                 | NEW                 | 1%                     | 1%                  |

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#### Activity and Workload Highlights

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|   | 2017-2018<br>Actual | 2018-2019<br>Forecast | 2018-2019<br>Estimated | 2019-2020<br>Forecast |
|---|---------------------|-----------------------|------------------------|-----------------------|
| Total customer savings compared to PG&E | NEW                 | NEW                   | \$1.2 million          | \$2.0 million         |

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# Community Energy Department

## Departmental Position Detail

| Position                                 | 2018-2019<br>Adopted | 2019-2020<br>Proposed | Change      |
|--|----------------------|-----------------------|-------------|
| Analyst II                               | 2.00                 | 3.00                  | 1.00        |
| Deputy Director                          | 2.00                 | 2.00                  | -           |
| Director of Community Energy             | 1.00                 | 1.00                  | -           |
| Division Manager                         | 1.00                 | 3.00                  | 2.00        |
| Power Resources Specialist II            | 0.00                 | 1.00                  | 1.00        |
| Principal Office Specialist              | 0.00                 | 1.00                  | 1.00        |
| Principal Power Resources Specialist II  | 0.00                 | 1.00                  | 1.00        |
| Program Manager I                        | 0.00                 | 1.00                  | 1.00        |
| Public Information Representative II     | 2.00                 | 2.00                  | -           |
| Senior Account Clerk                     | 0.00                 | 1.00                  | 1.00        |
| Senior Accountant                        | 1.00                 | 0.00                  | (1.00)      |
| Senior Analyst                           | 5.00                 | 2.00                  | (3.00)      |
| Senior Power Resources Specialist        | 0.00                 | 1.00                  | 1.00        |
| Senior Public Information Representative | 1.00                 | 1.00                  | -           |
| Staff Specialist                         | 1.00                 | 2.00                  | 1.00        |
| Staff Technician                         | 1.00                 | 0.00                  | (1.00)      |
| <b>Total Positions</b>                   | <b>17.00</b>         | <b>22.00</b>          | <b>5.00</b> |

## San José Clean Energy Operating Fund (501)

### STATEMENT OF SOURCE AND USE OF FUNDS

|  | 2017-2018<br>Actuals * | 2018-2019<br>Adopted | 2018-2019<br>Modified | 2018-2019<br>Estimate | 2019-2020<br>Proposed |
|--|------------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>SOURCE OF FUNDS</b>                       |                        |                      |                       |                       |                       |
| <b>Beginning Fund Balance</b>                |                        |                      |                       |                       |                       |
| Operations and Maintenance Reserve (Source)  | 0                      | 500,000              | 0                     | 0                     | 5,000,000             |
| Reserve for Encumbrances (Source)            | 0                      | 0                    | 49,164                | 49,164                | 49,164                |
| Unrestricted Beginning Fund Balance (Source) | 0                      | 0                    | (251,935)             | (251,935)             | 2,611,187             |
| <b>Total Beginning Fund Balance</b>          | <b>0</b>               | <b>500,000</b>       | <b>(202,771)</b>      | <b>(202,771)</b>      | <b>7,660,351</b>      |
| <b>Fees, Rates, and Charges</b>              |                        |                      |                       |                       |                       |
| Energy Sales                                 | 0                      | 98,785,000           | 114,616,000           | 114,616,000           | 296,000,000           |
| <b>Total Fees, Rates, and Charges</b>        | <b>0</b>               | <b>98,785,000</b>    | <b>114,616,000</b>    | <b>114,616,000</b>    | <b>296,000,000</b>    |
| <b>Financing Proceeds</b>                    |                        |                      |                       |                       |                       |
| Other Financing Proceeds                     | 0                      | 35,000,000           | 20,000,000            | 0                     | 30,000,000            |
| Commercial Paper Proceeds                    | 913,673                | 3,887,000            | 9,102,512             | 9,086,327             | 0                     |
| <b>Total Financing Proceeds</b>              | <b>913,673</b>         | <b>38,887,000</b>    | <b>29,102,512</b>     | <b>9,086,327</b>      | <b>30,000,000</b>     |
| <b>TOTAL SOURCE OF FUNDS</b>                 | <b>913,673</b>         | <b>138,172,000</b>   | <b>143,515,741</b>    | <b>123,499,556</b>    | <b>333,660,351</b>    |
| <b>USE OF FUNDS</b>                          |                        |                      |                       |                       |                       |
| <b>Expenditures</b>                          |                        |                      |                       |                       |                       |
| Bonding and Security (CPUC)                  | 100,000                | 100,000              | 150,000               | 150,000               | 150,000               |
| City Attorney Personal Services              | 95,203                 | 372,374              | 368,270               | 300,000               | 483,637               |
| Community Energy Non-Personal/Equipment      | 364,787                | 6,586,000            | 7,227,000             | 6,000,000             | 8,336,301             |
| Community Energy Personal Services           | 516,529                | 3,674,551            | 3,674,551             | 3,000,000             | 4,289,172             |
| Cost of Energy                               | 0                      | 69,046,000           | 105,000,000           | 105,000,000           | 280,000,000           |
| Debt Service - Interest - CP                 | 0                      | 460,000              | 100,000               | 93,458                | 480,000               |
| Debt Service - Interest - Revolver           | 0                      | 1,095,000            | 720,000               | 265,000               | 1,650,000             |
| Debt Service - Principal - CP                | 0                      | 7,500,000            | 0                     | 0                     | 0                     |
| Debt Service - Principal - Revolver          | 0                      | 35,000,000           | 0                     | 0                     | 10,000,000            |
| ESD Personal Services                        | 39,924                 | 0                    | 0                     | 0                     | 0                     |
| Finance Personal Services                    | 0                      | 117,747              | 117,747               | 117,747               | 153,891               |
| Letter of Credit Fees                        | 0                      | 0                    | 375,000               | 255,000               | 1,000,000             |
| Overhead                                     | 0                      | 0                    | 0                     | 0                     | 1,140,543             |
| Pacific Gas & Electric Security Fees         | 0                      | 2,000,000            | 1,000,000             | 658,000               | 1,460,000             |
| <b>Total Expenditures</b>                    | <b>1,116,444</b>       | <b>125,951,672</b>   | <b>118,732,568</b>    | <b>115,839,205</b>    | <b>309,143,544</b>    |
| <b>Transfers</b>                             |                        |                      |                       |                       |                       |
| Transfer to the City Hall Debt Service Fund  | 0                      | 0                    | 0                     | 0                     | 215,789               |
| <b>Total Transfers</b>                       | <b>0</b>               | <b>0</b>             | <b>0</b>              | <b>0</b>              | <b>215,789</b>        |
| <b>Ending Fund Balance</b>                   |                        |                      |                       |                       |                       |
| Community Energy Rate Stabilization Reserve  | 0                      | 4,939,000            | 1,939,000             | 0                     | 0                     |
| Operations and Maintenance Reserve (Use)     | 0                      | 5,306,000            | 20,000,000            | 5,000,000             | 20,000,000            |
| Reserve for Encumbrances (Use)               | 49,164                 | 0                    | 49,164                | 49,164                | 49,164                |
| Unrestricted Ending Fund Balance (Use)       | (251,935)              | 1,975,328            | 2,795,009             | 2,611,187             | 4,251,854             |
| <b>Total Ending Fund Balance</b>             | <b>(202,771)</b>       | <b>12,220,328</b>    | <b>24,783,173</b>     | <b>7,660,351</b>      | <b>24,301,018</b>     |
| <b>TOTAL USE OF FUNDS</b>                    | <b>913,673</b>         | <b>138,172,000</b>   | <b>143,515,741</b>    | <b>123,499,556</b>    | <b>333,660,351</b>    |

\* 2017-2018 Actuals may not subtotal due to rounding.