

Community Energy Department

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To 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
<i>Providing Clean Energy to the Community Core Service</i>	
Community Energy Renewable Energy Supply	Procures renewable energy, such as solar, thermal, geothermal, and biomass.
Community Energy Conventional Energy Supply	Procures conventional energy, such as natural gas.
Community Energy Hydro Power Supply	Procures hydro power supply energy, such as large hydro and Greenhouse Gas-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 power supply risk to which the Department and City are exposed.
Community Energy Regulatory Compliance	Manages local, state, and federal regulatory compliance and advocacy to ensure compliance with all regulations and to advance Department objectives.
<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 billing accuracy and provides resolution to Call Center customer escalations.
<i>Community Energy Community Programming Core Service</i>	
Local Energy Programs	Provides San José-specific energy programs to reduce carbon and 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, 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 2020-2021 Service Delivery

- 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.
- Ensure the City's new grid infrastructure is designed and constructed to improve grid resiliency, enable high utilization of renewable energy resources, and lower costs for customers.
- Continue prudent financial management practices, including the implementation of effective cost controls and engagement in the regulatory and legislative process to ensure the long-term financial stability of the San José Clean Energy program.
- Develop San José-specific energy and programs that reduce carbon, 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 carbon emissions.

2020-2021 Key Budget Actions

- Adds 1.0 Associate Engineer position and non-personal/equipment funding to support the City's continuing efforts to develop and implement energy resiliency strategies and programs. The additional resources will allow the City to explore, develop, coordinate, and deliver a comprehensive package of strategies and programs to improve energy resiliency at critical City-owned and community facilities, and areas of new development for residents and businesses.
- Adds 1.0 Assistant Director position to provide strategic leadership and day-to-day operational guidance to the Community Energy Department. The Assistant Director will assume the role of 'Chief Operating Officer', guiding the daily operations for the department in navigating an electricity market that has become more complex over the past year with the bankruptcy filing by Pacific Gas & Electric (PG&E), pending regulatory considerations and actions, and legislative activity at the State level. In addition, the onset of Public Safety Power Shutoffs (PSPS) has highlighted the need for the City to develop and implement strategies to improve the City's energy resiliency.
- Adds 1.0 Senior Accountant position to provide fiscal management and accounting oversight and address the critical financial reporting requirements of the San José Clean Energy (SJCE) program. California's electricity markets have become much more complicated over the last year, with significant uncertainty and financial exposure to the City and SJCE. The addition of the Senior Accountant will address the stringent financial accounting and reporting requirements placed on SJCE and support the goal of demonstrating a sustained period of successful operation with strong underlying credit. Accurate and timely financial reporting are important aspects to demonstrating successful SJCE operations.
- Adds 1.0 Analyst position to address several upcoming initiatives that will require thoughtful customer outreach, additional account management, data analysis, and customer support needs that will arise from several significant initiatives that will be initiated in 2020-2021, including the phased enrollment of Net Energy Metering solar customers, transition of many customers to time-of-use rates, and tracking impacts of COVID-19.

Operating Funds Managed

- San José Clean Energy Fund

Community Energy Department

Department Budget Summary

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Adopted
Dollars by Core Service				
Community Energy Community Programming	155,000	150,000	0	863,031
Community Energy Customer Support	3,566,443	8,134,725	8,283,293	8,625,390
Providing Clean Energy to the Community	87,309,115	290,402,269	314,914,675	276,071,821
Strategic Support - Environmental & Utility Services	1,717,647	4,315,979	4,514,305	4,615,063
Strategic Support - Other - Environmental & Utility Services	453,368	14,121,686	22,188,677	13,716,636
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941
Dollars by Category				
<i>Personal Services and Non-Personal/Equipment</i>				
Salaries/Benefits	2,697,945	4,289,172	5,088,472	5,766,081
Overtime	4,897	0	0	0
Subtotal Personal Services	\$2,702,842	\$4,289,172	\$5,088,472	\$5,766,081
Non-Personal/Equipment	4,705,602	8,787,801	8,587,801	9,437,801
Total Personal Services & Non-Personal/Equipment	\$7,408,444	\$13,076,973	\$13,676,273	\$15,203,882
<i>Other Costs*</i>				
Debt Service/Financing	453,368	13,130,000	20,630,000	11,952,109
Other	85,339,762	289,926,000	314,036,000	274,971,423
Other - Capital	0	0	0	0
Overhead Costs	0	991,686	1,558,677	1,764,527
Total Other Costs	\$85,793,130	\$304,047,686	\$336,224,677	\$288,688,059
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941

* 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

	2018-2019 Actuals ***	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Adopted
Dollars by Fund				
San José Clean Energy Operating Fund (501)	93,201,574	317,124,659	349,900,950	303,891,941
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941
Positions by Core Service**				
Community Energy Community Programming	0.00	0.00	0.00	1.00
Community Energy Customer Support	6.00	6.34	7.34	8.34
Providing Clean Energy to the Community	7.85	9.51	11.51	11.51
Strategic Support - Environmental & Utility Services	3.15	6.15	6.15	8.15
Total	17.00	22.00	25.00	29.00

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

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Community Energy Department

Department Budget Summary

	2018-2019 Actuals**	2019-2020 Adopted	2020-2021 Forecast	2020-2021 Adopted	2020-2021 Adopted Positions
Dollars by Program*					
Strategic Support - Environmental & Utility Services					
Community Energy Financial Management	441,496	784,113	795,439	792,936	2.00
Community Energy Information Technology	325,283	571,001	571,001	571,001	0.00
Community Energy Legal Support	67,881	0	0	0	0.00
Community Energy Management and Administration	882,987	2,960,865	3,147,865	3,251,126	6.15
Sub-Total	1,717,647	4,315,979	4,514,305	4,615,063	8.15
Strategic Support - Other - Environmental & Utility Services					
Community Energy Debt/Financing Costs	453,368	13,130,000	20,630,000	11,952,109	0.00
Community Energy Overhead	0	991,686	1,558,677	1,764,527	0.00
Sub-Total	453,368	14,121,686	22,188,677	13,716,636	0.00
Community Energy Community Programming					
Local Energy Programs	155,000	150,000	0	863,031	1.00
Sub-Total	155,000	150,000	0	863,031	1.00
Community Energy Customer Support					
Community Energy Data and Call Center Management	2,448,485	6,621,565	6,515,574	6,863,111	3.84
Community Energy Marketing and Public Affairs	1,117,958	1,513,160	1,767,719	1,762,279	4.50
Sub-Total	3,566,443	8,134,725	8,283,293	8,625,390	8.34
Providing Clean Energy to the Community					
Community Energy Conventional Energy Supply	70,806,739	183,906,089	204,356,116	165,528,193	1.58
Community Energy Hydro Power Supply	1,990,810	17,621,219	3,884,070	3,879,681	2.96
Community Energy Power Scheduling and Other Supply	12,928,435	1,195,950	74,206,897	74,203,680	1.25
Community Energy Regulatory Compliance	143,760	521,935	924,222	921,286	2.76
Community Energy Renewable Energy Supply	1,439,268	87,157,076	31,543,370	31,538,981	2.96
Community Energy Risk Management	104	0	0	0	0.00
Sub-Total	87,309,115	290,402,269	314,914,675	276,071,821	11.51
Total	\$93,201,574	\$317,124,659	\$349,900,950	\$303,891,941	29.00

* 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.

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Community Energy Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2019-2020 Adopted to 2020-2021 Adopted)

	Positions	All Funds (\$)
Prior Year Budget (2019-2020):	22.00	13,076,973
<hr/> Base Adjustments <hr/>		
One-Time Prior Year Expenditures Deleted		
• Community Energy FUSE Fellow		(150,000)
• Community Energy Data Analytics Stanford Fellow		(92,000)
• Community Energy Climate Corps Fellow		(50,000)
One-time Prior Year Expenditures Subtotal:	0.00	(292,000)
Technical Adjustments to Costs of Ongoing Activities		
• Salary/benefit changes and the following position reallocations: - 1.0 Principal Office Specialist to 1.0 Staff Specialist		554,300
• Energy Resiliency and Community Energy Staffing (City Council approval November 19, 2019) Adds 1.0 Power Resources Specialist II, 1.0 Public Information Manager, and 1.0 Senior Power Resources Specialist	3.00	335,000
• Professional Development Program		2,000
Technical Adjustments Subtotal:	3.00	891,300
2020-2021 Forecast Base Budget:	25.00	13,676,273
<hr/> Budget Proposals Approved <hr/>		
1. Energy Resiliency Strategic Planning		550,000
2. Community Energy Department Assistant Director	1.00	230,930
3. Community Energy Senior Accountant	1.00	169,503
4. Energy Resiliency Associate Engineer	1.00	163,031
5. Community Energy Programs Development		150,000
6. Community Energy Account Management Analyst	1.00	148,656
7. Community Energy Climate Corps Fellows		100,000
8. Community Energy Data Analytics Stanford Fellow		50,000
9. City Retirement Contributions Pre-Funding		(34,511)
Total Budget Proposals Approved	4.00	1,527,609
2020-2021 Adopted Budget Total	29.00	15,203,882

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

2020-2021 Adopted Budget Changes	Positions	All Funds (\$)
<p>1. Energy Resiliency Strategic Planning</p> <p><i>Environmental and Utility Services CSA Community Energy Community Programming Core Service Local Energy Programs</i></p> <p>This action adds non-personal/equipment funding of \$550,000 ongoing to continue the department's efforts in determining the City's viability in developing energy resiliency strategies, programs, and projects. This funding will provide resources to support city-wide leadership in the area of improving energy resiliency at critical City-owned and community facilities, as well as in areas of new development. This funding will pay for consultant services who will evaluate: microgrids; the potential of City-owned electric transmission and distribution systems; renewable energy generation, storage, and back-up systems; the design of more energy efficient facilities; and innovative financing options such as grants and power purchase agreements. This allocation will cover the costs of a consultant plus funding for collaborations with other consultants, studies, and supplies as needed. (Ongoing costs: \$550,000)</p>		550,000
<p>2. Community Energy Department Assistant Director</p> <p><i>Environmental and Utility Services CSA Strategic Support Core Service Community Energy Management and Administration Program</i></p> <p>This action adds 1.0 Assistant Director position to support the Community Energy Department Director. The Assistant Director will provide strategic leadership and day-to-day operational guidance, which is essential as the newly-launched San José Clean Energy Program nears full operations. California's electricity markets have become much more complicated over the last year, which has been further complicated by the uncertainty created by the PG&E bankruptcy filing and its potential impacts on Community Choice Aggregators like San José Clean Energy. Rate fluctuations by PG&E and rulings made at the State level by the energy industry's regulatory body (California Public Utilities Commission or CPUC) are further demonstrations of the Department's need to remain vigilant and nimble as the Department seeks to stabilize its operations. (Ongoing costs: \$251,923)</p>	1.00	230,930
<p>3. Community Energy Senior Accountant</p> <p><i>Environmental and Utility Services CSA Strategic Support Core Service Community Energy Management and Administration Program</i></p> <p>This action adds 1.0 Senior Accountant position in the Community Energy Department to provide the financial accounting and fiscal reporting expertise needed to manage the complexities of Community Energy's enterprise fund, San José Clean Energy Fund. The position will address the stringent financial accounting and reporting requirements placed on San José Clean Energy (SJCE) and support the goal of demonstrating a sustained period of successful operation with strong underlying credit. Accurate and timely financial reporting are important aspects to demonstrating successful SJCE operations. (Ongoing costs: \$169,503)</p>	1.00	169,503

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

2020-2021 Adopted Budget Changes	Positions	All Funds (\$)
<p>4. Energy Resiliency Associate Engineer</p> <p><i>Environmental and Utility Services CSA Community Energy Community Programming Core Service Local Energy Programs</i></p> <p>This action adds 1.0 Associate Engineer position in the Community Energy Department to support the City's interest in developing energy resiliency strategies, programs, and projects. This position will provide technical expertise and analysis in support of the City's efforts to improve energy resiliency at critical City-owned and community facilities, and in areas of new development. (Ongoing costs: \$178,835)</p>	1.00	163,031
<p>5. Community Energy Programs Development</p> <p><i>Environmental and Utility Services CSA Community Energy Community Programming Core Service Local Energy Programs</i></p> <p>This action continues one-time non-personal/equipment funding of \$150,000 in 2020-2021 to support consultant services to evaluate and develop community-serving energy programs for San José Clean Energy customers as well as research and apply for grants on behalf of the Department. (Ongoing costs: \$0)</p>		150,000
<p>6. Community Energy Account Management Analyst</p> <p><i>Environmental and Utility Services CSA Community Energy Customer Support Core Service Community Energy Data and Call Center Management Program</i></p> <p>This action adds 1.0 Analyst position to provide analytical support to the Customer Service and Account Management team. Community Energy is underway with enrolling its final set of customers, 22,000 residential and small commercial net energy metering (rooftop solar) customers. There will be four phases of enrollment that began in April 2020 and will complete in January 2021. In addition, the rate schedule for residential customers will also change from prices based on how much electricity is used to when electricity is used. Finally, as mandated by the California Public Utilities Commission, rate schedules will change for commercial and industrial customers that make electricity usage most expensive during the hours of 4 p.m. to 9 p.m. every day; this change will become mandatory during 2020-2021. The Account Management Analyst will provide data analysis and reports and will support customers through these transitions. (Ongoing costs: \$148,656)</p>	1.00	148,656

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



2020-2021 Adopted Budget Changes	Positions	All Funds (\$)
7. Community Energy Climate Corps Fellows <i>Environmental and Utility Services CSA</i> Community Energy Customer Support Core Service <i>Community Energy Data and Call Center Management Program</i> This action continues one-time funding of \$100,000 for two Climate Corps Fellows in 2020-2021. This fellowship program pairs participants with local governments and non-profit agencies to work on special projects. The Climate Corps Fellows in Community Energy Department will continue assisting with customer outreach, research and data analytics, and groundwork development for future community programming. The Fellows will also continue to provide critical support on department initiatives that will require thoughtful customer outreach, messaging, and engagement to maintain the high customer participation rate that San José Clean Energy has enjoyed so far. (Ongoing costs: \$0)		100,000
8. Community Energy Data Analytics Stanford Fellow <i>Environmental and Utility Services CSA</i> Community Energy Customer Support Core Service <i>Community Energy Data and Call Center Management Program</i> This action continues one-time funding of \$50,000 for a Data Analytics Stanford Fellow in 2020-2021 to continue to focus on analyzing the department's customer data and providing reports of customer energy usage and its implications for procurement of energy. The analysis conducted will help the Department to more accurately estimate customer load and assist in forecasting. The Fellow will also research opportunities to optimize operations by leveraging tools that exist commercially. (Ongoing costs: \$0)		50,000
9. City Retirement Contributions Pre-Funding <i>Environmental and Utility Services CSA</i> Core Service: Department-wide <i>Program: Department-wide</i> This action reduces the Community Energy Department's Personal Services appropriation by \$34,511 in the San José Clean Energy Fund to reflect the anticipated expenditure savings associated with lower retirement contributions from the prepayment of the City's retirement costs for both the Tier 1 pension costs and the Unfunded Actuarial Liability in the Federated City Employees' Retirement System Plan and the Police and Fire Department Retirement Plan. By the City making annual prepayments of its employer contributions to the Retirement Plans in lieu of biweekly contributions, this will generate approximately \$13.9 million in savings in all funds, \$11.4 million in the General Fund. In the General Fund, these savings will be offset by an estimated loss in interest earnings of \$2.6 million and costs in TRANS debt service of \$1.4 million, giving a total net savings of \$7.4 million. (Ongoing savings: \$34,511)		(34,511)
2020-2021 Adopted Budget Changes Total	4.00	1,527,609

Community Energy Department

Performance Summary

Community Energy Customer Support

Performance Measures

	2018-2019 Actual	2019-2020 Target	2019-2020 Estimated	2020-2021 Target
 % of customers who opt out	1.5%	< 5%	2.0%	<5%
 % of customers that opt up to TotalGreen (100% renewable energy service)	0.3%	0.4%	0.4%	0.5%

Activity and Workload Highlights



	2018-2019 Actual	2019-2020 Forecast	2019-2020 Estimated	2020-2021 Forecast
Number of customers that opt up to TotalGreen (100% renewable energy service)	940	1,500	1,386	1,500
Number of San José Clean Energy customers	328,900	357,000	329,721	349,000

Community Energy Department

Performance Summary

Providing Clean Energy to the Community

Performance Measures

	2018-2019 Actual	2019-2020 Target	2019-2020 Estimated	2020-2021 Target
 San José Clean Energy mix supplied: <ul style="list-style-type: none"> - Renewable Energy - Carbon Free 	47%	45%	45%	45%
	83%	80%	86%	100%
 PG&E mix supplied (as compared with San José Clean Energy above): <ul style="list-style-type: none"> - Renewable Energy - Carbon Free 	29%	N/A ¹	N/A ²	N/A ¹
	100%	N/A ¹	N/A ²	N/A ¹

¹ Information is reported for actual data only.

² PG&E data for 2019-2020 Estimated has not yet been made available.

Community Energy Department

Performance Summary

Strategic Support

Performance Measures

	2018-2019 Actual	2019-2020 Target	2019-2020 Estimated	2020-2021 Target
S % customer savings compared to PG&E	1%	1%	1%	1%

Activity and Workload Highlights

	2018-2019 Actual	2019-2020 Forecast	2019-2020 Estimated	2020-2021 Forecast
Total customer savings compared to PG&E	\$1.5 million	\$2.0 million	\$4.5 million	\$4.4 million

Community Energy Department

Departmental Position Detail

Position	2019-2020 Adopted	2020-2021 Adopted	Change
Analyst II	3.00	4.00	1.00
Assistant Director	0.00	1.00	1.00
Associate Engineer	0.00	1.00	1.00
Deputy Director	2.00	2.00	-
Director of Community Energy	1.00	1.00	-
Division Manager	3.00	3.00	-
Power Resources Specialist II	1.00	2.00	1.00
Principal Office Specialist	1.00	0.00	(1.00)
Principal Power Resources Specialist II	1.00	1.00	-
Program Manager I	1.00	1.00	-
Public Information Manager	0.00	1.00	1.00
Public Information Representative II	2.00	2.00	-
Senior Account Clerk	1.00	1.00	-
Senior Accountant	0.00	1.00	1.00
Senior Analyst	2.00	2.00	-
Senior Power Resources Specialist	1.00	2.00	1.00
Senior Public Information Representative	1.00	1.00	-
Staff Specialist	2.00	3.00	1.00
Total Positions	22.00	29.00	7.00