

Community Energy Department

Lori Mitchell, Director

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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, Human Resources, and Pandemic Response

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 Pandemic Response	Provides for the coordination and delivery of emergency services and recovery activities in response to the COVID-19 pandemic.

Community Energy Department

Department Budget Summary

Expected 2021-2022 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 new electrical infrastructure constructed as part of major development projects are designed and constructed to improve grid resiliency and enable high utilization of renewable energy resources.
- Execute 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 (SJCE) 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.

2021-2022 Key Budget Actions

- Adds 1.0 Deputy Director position limit-dated through June 30, 2023 to provide city-wide strategic leadership in support of the City's continuing efforts to develop and implement energy resiliency strategies and programs. The position will advance the City's efforts 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 Senior Environmental Program Manager position to oversee the continued development of the SJCE Programs Roadmap and manage the implementation of community energy efficiency programs, the first of which is anticipated to be funded by the California Public Utilities Commission during 2021-2022. The position will lead efforts to leverage other City programs that align with Climate Smart San José strategies to reduce household energy use and accelerate the use of greener technologies.
- Adds 1.0 Public Information Representative position to promote State-funded electricity bill discount programs for low-income customers and the new arrearage management program for those who have fallen behind on their bills due to COVID-19. In addition, the Public Information Representative will be focused on implementing and promoting programs that will help low-income and disadvantaged communities reduce their energy bills and benefit from clean energy technologies, in line with what was approved in the Mayor's March Budget Message for Fiscal Year 2021-2022.
- Adds 1.0 Power Resources Specialist II position to provide the technical expertise and adequate risk management oversight for power procurement contracts. The Department requires additional energy industry expertise to adequately support the critical risk management functions as SJCE continues to grow. There are a variety of complex local, State, and federal laws, rules and regulations, codes, and standards that SJCE must follow, including the Federal Risk Management Regulations. A Power Resources Specialist II position will allow for a specific focus on energy-related risk management, ensuring that department's power purchase agreements align with the needs and requirements of the Department.

Operating Funds Managed

- San José Clean Energy Fund

Community Energy Department

Department Budget Summary

	2019-2020 Actuals ***	2020-2021 Adopted	2021-2022 Forecast	2021-2022 Adopted
Dollars by Core Service				
Community Energy Community Programming	152,443	863,031	722,086	1,521,961
Community Energy Customer Support	7,089,268	8,625,390	8,469,209	8,615,583
Providing Clean Energy to the Community	288,271,407	276,071,821	276,601,385	289,678,802
Strategic Support - Environmental & Utility Services	2,983,677	4,615,063	4,793,973	5,978,026
Strategic Support - Other - Environmental & Utility Services	2,699,389	13,716,636	14,172,896	3,953,884
Total	\$301,196,185	\$303,891,941	\$304,759,549	\$309,748,256
Dollars by Category				
Personal Services and Non-Personal/Equipment				
Salaries/Benefits	4,432,148	5,766,081	6,477,429	7,524,543
Overtime	1,005	0	0	0
Subtotal Personal Services	\$4,433,153	\$5,766,081	\$6,477,429	\$7,524,543
Non-Personal/Equipment	6,663,597	9,437,801	9,137,801	9,437,801
Total Personal Services & Non-Personal/Equipment	\$11,096,750	\$15,203,882	\$15,615,230	\$16,962,344
Other Costs*				
City-Wide Expenses	0	0	0	0
Debt Service/Financing	1,558,846	11,952,109	11,952,109	1,400,000
Other	287,400,046	274,971,423	274,971,423	288,832,028
Overhead Costs	1,140,543	1,764,527	2,220,787	2,553,884
Total Other Costs	\$290,099,435	\$288,688,059	\$289,144,319	\$292,785,912
Total	\$301,196,185	\$303,891,941	\$304,759,549	\$309,748,256

* 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 2020-2021 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 2019-2020 Actuals column reflect those included in the 2019-2020 Adopted Budget.

*** 2019-2020 Actuals may not subtotal due to rounding.

Community Energy Department

Department Budget Summary

	2019-2020 Actuals ***	2020-2021 Adopted	2021-2022 Forecast	2021-2022 Adopted
Dollars by Fund				
General Fund (001)	0	0	0	300,000
Coronavirus Relief Fund (401)	54,403	0	0	0
American Rescue Plan Fund (402)	0	0	0	500,000
San José Clean Energy Operating Fund (501)	301,141,782	303,891,941	304,759,549	308,948,256
Total	\$301,196,185	\$303,891,941	\$304,759,549	\$309,748,256
Positions by Core Service**				
Community Energy Community Programming	0.00	1.00	1.00	2.00
Community Energy Customer Support	6.34	8.34	8.34	9.34
Providing Clean Energy to the Community	9.51	11.51	13.51	14.51
Strategic Support - Environmental & Utility Services	6.15	8.15	8.15	11.15
Total	22.00	29.00	31.00	37.00

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** The positions displayed in the 2019-2020 Actuals column reflect those included in the 2019-2020 Adopted Budget.

*** 2019-2020 Actuals may not subtotal due to rounding.

Community Energy Department

Department Budget Summary

	2019-2020 Actuals**	2020-2021 Adopted	2021-2022 Forecast	2021-2022 Adopted	2021-2022 Adopted Positions
Dollars by Program*					
Community Energy Community Programming					
Local Energy Programs	152,443	863,031	722,086	1,521,961	2.00
Sub-Total	152,443	863,031	722,086	1,521,961	2.00
Community Energy Customer Support					
Community Energy Data and Call Center Management	6,005,496	6,863,111	6,715,275	6,715,275	3.84
Community Energy Marketing and Public Affairs	1,083,772	1,762,279	1,753,934	1,900,308	5.50
Sub-Total	7,089,268	8,625,390	8,469,209	8,615,583	9.34
Providing Clean Energy to the Community					
Community Energy Conventional Energy Supply	222,928,413	165,528,193	165,544,200	168,469,805	1.58
Community Energy Hydro Power Supply	7,032,274	3,879,681	3,910,780	3,910,780	2.96
Community Energy Power Scheduling and Other Supply	22,095,134	74,203,680	74,216,698	74,216,698	1.25
Community Energy Regulatory Compliance	321,468	921,286	1,359,627	1,511,439	5.76
Community Energy Renewable Energy Supply	35,759,356	31,538,981	31,570,080	41,570,080	2.96
Community Energy Risk Management	134,761	0	0	0	0.00
Sub-Total	288,271,407	276,071,821	276,601,385	289,678,802	14.51
Strategic Support - Environmental & Utility Services					
Community Energy Financial Management	964,739	792,936	808,179	792,759	3.00
Community Energy Information Technology	123,107	571,001	571,001	571,001	0.00
Community Energy Legal Support	398,061	0	0	0	0.00
Community Energy Management and Administration	1,443,367	3,251,126	3,414,793	4,114,266	8.15
Community Energy Pandemic Response	54,403	0	0	500,000	0.00
Sub-Total	2,983,677	4,615,063	4,793,973	5,978,026	11.15
Strategic Support - Other - Environmental & Utility Services					
Community Energy Debt/Financing Costs	1,558,846	11,952,109	11,952,109	1,400,000	0.00
Community Energy Overhead	1,140,543	1,764,527	2,220,787	2,553,884	0.00
Sub-Total	2,699,389	13,716,636	14,172,896	3,953,884	0.00
Total	\$301,196,185	\$303,891,941	\$304,759,549	\$309,748,256	37.00

* 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.

** 2019-2020 Actuals may not subtotal due to rounding.

Community Energy Department

Budget Reconciliation

Personal Services and Non-Personal/Equipment (2020-2021 Adopted to 2021-2022 Adopted)

	Positions	All Funds (\$)	General Fund (\$)
Prior Year Budget (2020-2021):	29.00	15,203,882	0
<hr/> Base Adjustments <hr/>			
One-Time Prior Year Expenditures Deleted			
• Community Energy Programs Development		(150,000)	0
• Community Energy Climate Corps Fellow		(100,000)	0
• Community Energy Data Analytics Stanford Fellow		(50,000)	0
One-time Prior Year Expenditures Subtotal:	0.00	(300,000)	0
Technical Adjustments to Costs of Ongoing Activities			
• Salary/benefit changes and the following position reallocations: - 1.0 Analyst II to 1.0 Power Resources Specialist II		295,868	0
• Community Energy Department Staffing Additions (City Council approval February 9, 2021): 1.0 Principal Power Resources Specialist and 1.0 Public Power Resources Specialist II	2.00	415,480	0
Technical Adjustments Subtotal:	2.00	711,348	0
2021-2022 Forecast Base Budget:	31.00	15,615,230	0
<hr/> Budget Proposals Approved <hr/>			
1. New Franchise Fee Agreement Review		300,000	300,000
2. Energy Resiliency Strategic Planning	1.00	227,387	0
3. Advancing Community Energy Community Programs	1.00	214,875	0
4. Community Energy Risk Management and Contract Oversight Staffing	1.00	172,086	0
5. Community Energy Legislative and Regulatory Compliance Staffing	1.00	151,812	0
6. Community Energy Customer Outreach Staffing	1.00	146,374	0
7. Community Energy Fiscal Support Staffing	1.00	134,580	0
Total Budget Proposals Approved	6.00	1,347,114	300,000
2021-2022 Adopted Budget Total	37.00	16,962,344	300,000

Community Energy Department

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

2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
1. New Franchise Fee Agreement Review		300,000	300,000

*Environmental and Utility Services CSA
Strategic Support – Environmental and Utility Services Core Service
Community Energy Management and Administration Program*

This action establishes one-time non-personal/equipment funding of \$300,000 in the General Fund for consultant services to conduct an independent study that will help determine if the City should reopen its current Franchise Fee Agreement with PG&E, which would go into effect beginning January 2022. The City’s Franchise Fee Agreement with PG&E was last amended in 2010. The renegotiation of a new franchise fee agreement could mean the City has an opportunity to negotiate terms that could provide further benefits to the community. (Ongoing costs: \$0)

2. Energy Resiliency Strategic Planning	1.00	227,387	0
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*Environmental and Utility Services CSA
Strategic Support – Environmental and Utility Services Core Service
Community Energy Management and Administration Program*

This action adds 1.0 Deputy Director position limit-dated through June 30, 2023 to provide city-wide strategic leadership in determining the viability of developing energy resiliency strategies, programs, and projects. This position will continue the efforts currently underway to explore, develop, coordinate, and ultimately deliver a comprehensive package of strategies to improve energy resiliency at critical City-owned and community facilities and areas of new development. The risk of frequent and prolonged power shutoff events like those experienced over the past two years has prompted the City to assess City facilities’ energy resiliency and the operational and financial risks associated with Pacific Gas & Electric (PG&E) control of the transmission and distribution grid – including power delivery – and to start planning for a more energy-resilient future. The Deputy Director will also participate in long- and short-range planning of Community Energy policies and practices and will support the Director in providing executive level leadership to staff. (Ongoing costs: \$227,387)

Community Energy Department

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

2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
3. Advancing Community Energy Community Programs	1.00	214,875	0

*Environmental and Utility Services CSA
Community Energy Community Programming Core Service
Local Energy Programs*

This action adds 1.0 Senior Environmental Program Manager position to lead SJCE’s efforts to advance community energy efficiency programs. The Senior Environmental Program Manager position will oversee the continued development of the SJCE Programs Roadmap and manage the implementation of community energy efficiency programs. On March 9, 2021, City Council authorized SJCE’s Programs Roadmap and energy efficiency programs grant application to the California Public Utilities Commission for \$1.7 million per year funding allocation over three years. The Department will continue to pursue grant and other external funding opportunities to advance community-serving energy efficiency programs and will bring forward recommendations for additional staff resources to further the implementation of community energy efficiency programs in future fiscal years. The Senior Environmental Program Manager will also partner with City departments to leverage other programs that align with Climate Smart San José strategies to reduce household energy use and accelerate the use of greener technologies. (Ongoing costs: \$214,875)

4. Community Energy Risk Management and Contract Oversight Staffing	1.00	172,086	0
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*Environmental and Utility Services CSA
Strategic Support – Environmental and Utility Services Core Service
Community Energy Management and Administration Program*

This action adds 1.0 Power Resources Specialist II position to provide critical risk management and power contract oversight support. The Department requires additional energy industry expertise to adequately support the critical risk management functions as SJCE continues to grow, as demonstrated by the addition of one other Power Resources Specialist position that was approved by City Council on February 9, 2021. These positions will allow for a specific focus on energy-related risk management and ensure that the department’s power purchase agreements align with the needs and requirements of the Department. Both positions will provide the technical energy industry expertise required to adequately track and monitor the complex local, State, and federal laws, rules and regulations, codes, and standards that San José Clean Energy must follow, including the Federal Risk Management Regulations. (Ongoing costs: \$172,086)

Community Energy Department

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

2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
5. Community Energy Legislative and Regulatory Compliance Staffing	1.00	151,812	0

*Environmental and Utility Services CSA
Providing Clean Energy to the Community Core Service
Community Energy Regulatory Compliance Program*

This action adds 1.0 Analyst position to provide the necessary technical and research support of SJCE's timely response to the many simultaneous compliance filings and data requests associated with the growing regulatory, compliance, and data analysis requirements placed on SJCE as a regulated local electricity provider. SJCE must regularly respond to an increasing number of operational and procurement data requests from State agencies to meet complex electric system planning needs and to the California Community Choice Association to support the trade association's policy analysis and policy advocacy requests on behalf of community choice aggregators. The addition of the Analyst will enable the department to more effectively manage the ongoing compliance filings and data requests. (Ongoing costs: \$151,812)

6. Community Energy Customer Outreach Staffing	1.00	146,374	0
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*Environmental and Utility Services CSA
Community Energy Customer Support Core Service
Community Energy Marketing and Public Affairs Program*

This action adds 1.0 Public Information Representative II position whose primary focus will be to outreach and support underserved communities. This position will assist those who have fallen behind on their bills due to the pandemic and promote electricity bill discount programs for low-income customers. In addition, the Public Information Representative II will implement and promote programs that will help low-income and disadvantaged communities reduce their energy bills and benefit from clean energy technologies, in line with direction included in the City Council-approved Mayor's March Budget Message for Fiscal Year 2021-2022. Additionally, if SJCE is forced to raise rates above PG&E, the position will support outreach to those who are burdened by higher rates, namely low-income customers, to educate them of the options available to them to minimize the financial burden. (Ongoing costs: \$146,374)

Community Energy Department

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



2021-2022 Adopted Budget Changes	Positions	All Funds (\$)	General Fund (\$)
7. Community Energy Fiscal Support Staffing	1.00	134,580	0
<i>Environmental and Utility Services CSA</i> <i>Strategic Support – Environmental and Utility Services Core Service</i> <i>Community Energy Financial Management Program</i>			
<p>This action adds 1.0 Accounting Technician position to provide financial accounting support to the Community Energy Department. The Accounting Technician will review bank reconciliations and ensure the accuracy of financial transactions and their compliance with the requirements of Generally Accepted Accounting Principles. On average, the Department processes payments to energy suppliers and consultants totaling between \$20-\$25 million each month. Accurate and timely financial accounting and reporting are important aspects to demonstrating successful fiscal operations, and the addition of the Accounting Technician represents a key step in support of continuing efforts to strengthen fiscal operations within the Department. (Ongoing costs: \$134,580)</p>			
2021-2022 Adopted Budget Changes Total	6.00	1,347,114	300,000

Community Energy Department

Performance Summary

Community Energy Customer Support

Performance Measures

	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated	2021-2022 Target
 % of customers who opt out ¹	1.96%	<5%	2.69%	<5%
 % of customers that opt up to TotalGreen (100% renewable energy service)	0.40%	0.50%	0.38%	0.50%

¹ When the San José Clean Energy (SJCE) program initially launched, San José customers were automatically enrolled, or opted in, to the program. Customers do have the option to leave, or opt out, of SJCE service at any time during the year.

Activity and Workload Highlights



	2019-2020 Actual	2020-2021 Forecast	2020-2021 Estimated	2021-2022 Forecast
Number of customers that opt up to TotalGreen (100% renewable energy service)	1,383	1,500	1,314	1,500
Number of San José Clean Energy customers	330,135	349,000	348,000	340,000

Community Energy Department

Performance Summary

Providing Clean Energy to the Community

Performance Measures

	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated	2021-2022 Target
 San José Clean Energy mix supplied: <ul style="list-style-type: none"> - Renewable Energy - Carbon Free 	46%	45%	49%	54%
 PG&E mix supplied (as compared with San José Clean Energy above): <ul style="list-style-type: none"> - Renewable Energy - Carbon Free 	29% ¹	N/A ³	35% ²	N/A ³
	100% ¹	N/A ³	88% ²	N/A ³


¹ PG&E information is reported for calendar year 2019.
² PG&E information is unaudited for calendar year 2020.
³ Information is reported for actual data only.

Community Energy Department

Performance Summary

Strategic Support

Performance Measures

	2019-2020 Actual	2020-2021 Target	2020-2021 Estimated ¹	2021-2022 Target ¹
 % customer savings compared to PG&E	1%	1%	-0.4%	-6.3%

Activity and Workload Highlights

	2019-2020 Actual	2020-2021 Forecast	2020-2021 Estimated ¹	2021-2022 Forecast ¹
Total customer savings compared to PG&E	\$4.6 million	\$4.4 million	-\$1.8 million	-\$27.6 million

¹ Reflects a price increase of 8% above PG&E rates, which was approved by City Council on May 11, 2021. To mitigate the impacts of the increasing Power Charge Indifference Adjustment fee paid by all California electric utility customers, this rate adjustment will apply to San José Clean Energy's GreenSource product.

Community Energy Department

Departmental Position Detail

Position	2020-2021 Adopted	2021-2022 Adopted	Change
Accounting Technician	0.00	1.00	1.00
Analyst II	4.00	4.00	-
Assistant Director	1.00	1.00	-
Associate Engineer	1.00	1.00	-
Deputy Director	2.00	3.00	1.00
Director of Community Energy	1.00	1.00	-
Division Manager	3.00	3.00	-
Power Resources Specialist II	2.00	5.00	3.00
Principal Power Resources Specialist II	1.00	2.00	1.00
Program Manager I	1.00	1.00	-
Public Information Manager	1.00	1.00	-
Public Information Representative II	2.00	3.00	1.00
Senior Account Clerk	1.00	1.00	-
Senior Accountant	1.00	1.00	-
Senior Analyst	2.00	2.00	-
Senior Environmental Program Manager	0.00	1.00	1.00
Senior Power Resources Specialist	2.00	2.00	-
Senior Public Information Representative	1.00	1.00	-
Staff Specialist	3.00	3.00	-
Total Positions	29.00	37.00	8.00

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