CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: TRANSPORTATION AND ENVIRONMENT COMMITTEE

FROM: Lori Mitchell

SUBJECT: SAN JOSE CLEAN ENERGY COST-OF-SERVICE STUDY SUMMARY REPORT

DATE: October 19, 2022

Approved Date 10/25/22

RECOMMENDATION

Accept summary report on San José Clean Energy cost-of-service study.

OUTCOME

The summary report will be accepted at the November 7, 2022, Transportation and Environment Committee Meeting.

EXECUTIVE SUMMARY

The San José City Council (City Council) unanimously approved the formation of San José Clean Energy (SJCE) in May 2017, and SJCE launched service to most businesses and residents in February 2019. SJCE sources electricity from clean resources like solar and wind, while Pacific Gas and Electric Company (PG&E) continues to deliver electricity, maintain powerlines, respond to power outages, and provide customer billing. At launch, SJCE set rates in relation to PG&E's standard rates, inclusive of all PG&E added fees (i.e., the Power Charge Indifference Adjustment (PCIA) and Franchise Fee Surcharge), to start operations quickly and offer customers renewable energy at a competitive cost. The challenges in using this rate-setting strategy are the volatility of PG&E's PCIA and generation rates and the impact on SJCE's ability to cover the cost of providing service to customers and build operating reserves needed for resiliency.

During Fiscal Year (FY) 2020-2021, SJCE's financial position suffered from high power supply costs and unprecedented increases in PG&E's PCIA resulting in operating losses of $12 million and forcing SJCE to raise rates in May 2021 and to utilize $60 million in commercial paper notes from the City of San José Financing Authority since June 2021. SJCE's financial condition has improved, with FY 2021-2022 net income of $21 million. SJCE is on track to begin repaying commercial paper notes and attain 90 days of operating expenses in reserve net of the commercial paper notes in FY 2022-2023.

Two key aspects of the Strategic Framework Plan presented to the Transportation and Environment City Council Committee on December 6, 2021 are for SJCE to build reserves to 180 days of operating expenses and adopt a cost-of-service model for setting rates.

In July 2022, SJCE commissioned NewGen Strategies and Solutions (NewGen) to conduct a cost-of-service study in alignment with Deloitte's recommendations. Transitioning to cost-based rates will give SJCE the ability to set rates that reflect the City Council's priorities, build operating reserves for resiliency, and provide more consistency and transparency for customers. All costs that need to be recovered from customers, including a contribution to operating reserves, determine the projected SJCE revenue requirement. The SJCE revenue requirement for CY 2023 is forecasted to be between $443 million to $490 million. The projected revenue at current rates is estimated to be approximately $504 million.

SJCE staff will use the results of the cost-of-service study and information in recent PG&E California Public Utility Commission filings regarding PCIA and generation rates in the coming weeks to make a recommendation for 2023 power mix and rates. SJCE's 2023 power mix and rates recommendations will be for presented to City Council during the December 6, 2022 meeting.

BACKGROUND

On November 7, 2017, the City Council approved an ordinance to add Title 26 to the San José Municipal Code (Code) that provides procedures for the operation and management of SJCE. Under Title 26 of the Code, SJCE may provide rate designs or programs as approved by the City Council.

On November 6, 2018, the City Council approved a resolution authorizing SJCE to set rates for the GreenSource service to be one percent below PG&E generation rates, after accounting for all PG&E added fees including, the Franchise Fee Surcharge and the PCIA, across all rate classes for 2019.

On November 17, 2020, the City Council approved a resolution requiring SJCE to establish a power mix of at least 40 percent renewable energy for the GreenSource service and to set GreenSource rates at 0.25 percent below PG&E generation rates after accounting for all PG&E added fees, including the PCIA and Franchise Fee Surcharge, across all rate classes for 2021. The City Council also approved flexibility to vary the rate discount to customers between zero percent and one percent below PG&E.

On May 11, 2021, the City Council approved a resolution authorizing SJCE to establish a third service called GreenValue with rates set at parity with PG&E and a power mix of at least 36 percent renewable energy and 80 percent carbon-free energy. The City Council also approved a resolution that established the SJ Cares program, which allows California Alternate Rates for Energy (CARE)[1] and Family Electric Rate Assistance (FERA) customers enrolled in GreenSource service to pay GreenValue rates. Finally, City Council approved a resolution adjusting rates for SJCE's GreenSource service to eight percent above PG&E's standard rates, after accounting for the PCIA and Franchise Fee Surcharge across all rate classes and setting the power mix for GreenSource at 55 percent renewable energy and at least 80 percent carbon-free energy.

On June 22, 2021, the City Council authorized the City of San José Financing Authority to issue no more than $95 million in commercial paper notes to SJCE to finance power purchases and other operating costs. The City Council also approved the second amendment to the revolving credit agreement with Barclays and related budget actions. The City Council directed that staff return to the Transportation and Environment Committee in the Fall of 2022 with a report on the business plan and the outlook for SJCE.

On December 6, 2021, the Transportation and Environment Committee accepted SJCE's Strategic Framework Plan for 2023 to 2025, which outlines strategies for SJCE to strengthen financial resiliency and adopt cost-of-service ratemaking.

On December 14, 2021, SJCE presented two sets of recommendations to the City Council regarding its 2022 power mix and rates. This approach was necessary to manage a potential delay in PG&E's rate-setting process.

1. Plan A: If there was no delay in PG&E's rate-setting process, SJCE recommended amending SJCE service options as follows, beginning January 1, 2022:
    a. Increase the renewable energy content for SJCE's GreenSource service to 60 percent and continue to set rates at eight percent above PG&E's generation rates after accounting for the PCIA and the Franchise Fee Surcharge;
    b. Increase the renewable content for SJCE's GreenValue service to 40 percent and continue to set rates at parity to PG&E's generation rates after accounting for the PCIA and the Franchise Fee Surcharge;
    c. Continue to set rates for SJCE's TotalGreen service (100 percent renewable energy service) at $0.005 or $0.01 per kilowatt-hour (kWh) above GreenSource, depending on rate class; and
    d. Provide an extra five percent discount off GreenValue rates to customers enrolled in the SJ Cares program.
2. Plan B: If there was a delay in PG&E's rate-setting process, SJCE recommended amending SJCE service options as follows beginning January 1, 2022, provided that SJCE adopt Plan A as soon as is practically reasonable after PG&E's implementation of rate and PCIA changes:
    a. Increase the renewable energy content for SJCE's GreenSource service to 60 percent and set rates at 30 percent above PG&E generation rates after accounting for the PCIA and Franchise Fee Surcharge;

[1] The California Public Utilities Commission refers to the California Alternate Rates for Energy while previous memorandums refer to the California Alternate Rates for Electricity.

b. Increase the renewable content for SJCE's GreenValue service to 40 percent and continue to set rates at parity with PG&E's generation rates after accounting for the PCIA and Franchise Fee Surcharge;
c. Continue to set rates for SJCE's TotalGreen service (100 percent renewable energy service) at $0.005 or $0.01 per kWh above GreenSource, depending on rate class; and
d. Continue to set rates for the SJ Cares program at parity with PG&E's generation rates after accounting for the PCIA and Franchise Fee Surcharge.

On January 1, 2022, SJCE implemented Plan B due to delays in PG&E's rate-setting process.

On March 1, 2022, SJCE adopted Plan A upon PG&E's rate and PCIA changes taking effect. The City Council approved a resolution authorizing SJCE to increase the renewable energy content of GreenSource from 55 percent to 60 percent; increase the renewable energy content of GreenValue from 36 percent to 40 percent; and establish a new five percent discount for CARE and FERA customers enrolled in the SJ Cares program.

On June 28, 2022, the City Council approved a resolution to modify Plan A of the 2022 power mix in response to June 1, 2022 changes in rates by PG&E in that SJCE rates would no longer be consistent with the percentages as compared to PG&E established by City Council. The City Council established the ceiling for percentage difference of GreenSource over PG&E rates to be no more than eight percent, as well as the floor for percentage difference of GreenValue and SJ Cares to be no less than parity or five percent below PG&E's rates, respectively. The amendment left SJCE rates unchanged for any customer classes for whom PG&E's generation rates are increasing as of June 1, 2022. Section 26.40.020 of Chapter 26.40 of Title 26 of the Municipal Code allows SJCE to decrease rates without providing written notice to customers.

ANALYSIS

During FY 2020-2021, SJCE's financial position suffered from high power supply costs and unprecedented increases in the PCIA resulting in operating losses of $12 million reported in the FY 2020-21 Year End Audited Financial Statements[2].

As directed by City Council, in the fall of 2021, SJCE commissioned Deloitte & Touche, LLP (Deloitte) to examine SJCE's 2017 Business Plan and compare its assumptions, market conditions, projections, and risks to actual results and performance in 2019 and 2020. Deloitte's

[2] FY 2020-21 Year End Audited Financial Statements:
https://sanjosecleanenergy.org/wp-content/uploads/2022/02/FY-2021-City-of-San-Jose-Clean-Energy-Financial-Statements-final-pdf.pdf

analysis and recommendations were compiled into a Strategic Framework Plan for 2023-2025,[3] which was approved by the Transportation and Environment Committee on December 6, 2021.[4]

The 2017 Business Plan made projections about SJCE's revenues, power supply costs, administrative costs, electric loads, future rates, emissions reductions, and customer participation. The Deloitte examination found that, while SJCE experienced higher-than-expected customer participation and revenues in 2019 and 2020 compared to the 2017 plan, SJCE's financial position suffered from higher power supply costs in addition to unprecedented and steep increases in the PCIA. These impacts led SJCE to increase rates and borrow from the City's commercial paper program in 2021.

To strengthen financial resiliency, Deloitte recommended that SJCE build reserves to 180 days of operating expenses and suggested several strategies to achieve this goal. One key recommendation is to adopt a cost-of-service model for setting rates. Adopting a cost-of-service model would allow SJCE to keep rates aligned to underlying costs, control the timing and magnitude of rate changes, and achieve local clean energy and financial goals.

In the March 24, 2022 informational memorandum delivered to the City Council, staff estimated that SJCE rates for 2022 would allow SJCE to begin paying back commercial paper notes and to attain 90 days of operating expenses in reserve net of the commercial paper notes in Fiscal Year 2022-2023. SJCE implemented 2022 rates resulting in net income of $21 million reported in the FY 2021-22 Unaudited Fourth Quarter Financial Statement.[5]

As of the date of this memorandum, and despite the historic heat event of early September 2022, the energy market disruptions from the war in Ukraine, and reduced hydropower available in the market because of the ongoing drought, SJCE remains on track to begin repaying commercial paper notes and attain 90 days of operating expenses in reserve net of the commercial paper notes in Fiscal Year 2022-2023.

Current Rate-Setting Process

Since launching service in 2019, SJCE has fixed its rates, inclusive of PG&E added fees (i.e., the PCIA and the Franchise Fee Surcharge), to PG&E's standard rates. This means each time the generation portion of PG&E's rates rises or falls, SJCE's rates change accordingly. Setting rates in relation to the local investor-owned utility (i.e., PG&E for San José) is a common approach used by Community Choice Aggregators (CCA) because it makes it easier for customers to understand rates and bill impacts under their new service provider.

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[3] Strategic Framework Plan for 2023 - 2025 prepared by Deloitte:
https://www.sanjoseca.gov/home/showpublisheddocument/80624/637752767690970000

[4] December 6, 2021 Transportation and Environment Committee Meeting: SJCE Operational Update and Strategic Framework Plan Memorandum:
https://www.sanjoseca.gov/home/showpublisheddocument/80628/637752767700370000

[5] FY 2021-22 Unaudited Fourth Quarter Financial Statement:
https://sanjosecleanenergy.org/wp-content/uploads/2022/08/Fund-501-Clean-Energy-FY22-Q4-Financial-Statements.pdf

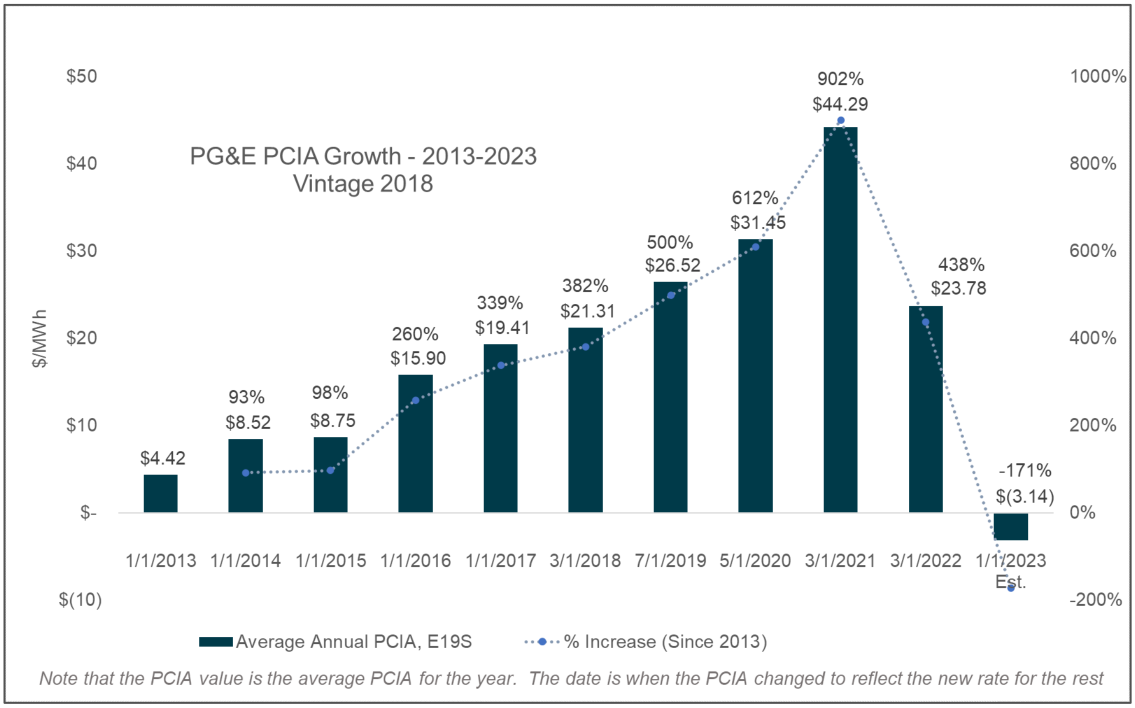
This rate strategy is intended to allow CCAs to start operations quickly and offer customers more renewable energy at a competitive cost that is easily compared to the local investor-owned utility. This approach establishes customer confidence to maximize the number of customers choosing to remain with CCAs rather than return to bundled service from the investor-owned utility. This rate strategy also allows CCAs to focus on resource acquisition to pay startup costs and use any discretionary funds to build operating reserves to stabilize rates.

CCAs have experienced challenges in paralleling its rates with PG&E's rates. All California electric customers continue to pay the PCIA to investor-owned utilities when they obtain electric generation service from another entity, like CCAs. The PCIA is a fee designed to cover the investor-owned utility's above-market costs from legacy energy contracts and power plant operations procured prior to any customer leaving their service.

The volatility of PG&E's PCIA and generation rates can impact SJCE's ability to cover the cost of providing service to customers and meet certain financial objectives such as building operating reserves needed for resiliency. As directed by the City Council, SJCE factors in the cost of the PCIA and the Franchise Fee Surcharge when setting its rates. The model of paralleling SJCE rates with PG&E's rates limits the City Council's ability to set rates to fully recover SJCE costs. Customers are also subjected to frequent and large rate increases as PG&E changes rates.

For example, PG&E's average annual PCIA rose over 900 percent between 2013 and 2021. For the average residential customer in San José using 354 kWh per month, PCIA fees doubled from $7.54 per month in 2018 to $15.41 per month in 2021. In 2022, the PCIA decreased by 55 percent relative to 2021 and returned to approximately $6.95 per month. PG&E, then, increased generation rates by 33 percent in 2022 which increased customer bills by approximately $14.00 per month.

Figure 1: PG&E's Average Annual PCIA 2013 through 2023



The complexity of PG&E's rate setting process leads to multiple rate changes throughout the year. The primary proceeding before the California Public Utilities Commission addressing PG&E's generation rates and the PCIA is called the Energy Resources Recovery Account (ERRA). PG&E's final ERRA filing is typically not finalized until December of each year and new rates take effect in January (or sometimes later in the subsequent calendar year). Additionally, PG&E may make periodic rate changes to adjust for any difference with the California Public Utilities Commission rate decision leading to mid-year rate changes.

CCAs have limited insight into PG&E's process to modify rates which makes it difficult for CCAs to adjust their own rates to cover costs. For example, staff are typically informed only one to two months prior to a planned PG&E rate change, and it is often uncertain as to whether the change will impact generation rates, as ***staff generally does not know the magnitude of each PG&E rate change until approximately a week before PG&E's new rates go into effect***. Title 26 requires SJCE to provide notice to customers when PG&E increases rates above five percent. This process can cause additional delays to adjusting rates to cover costs which negatively impacts revenues.

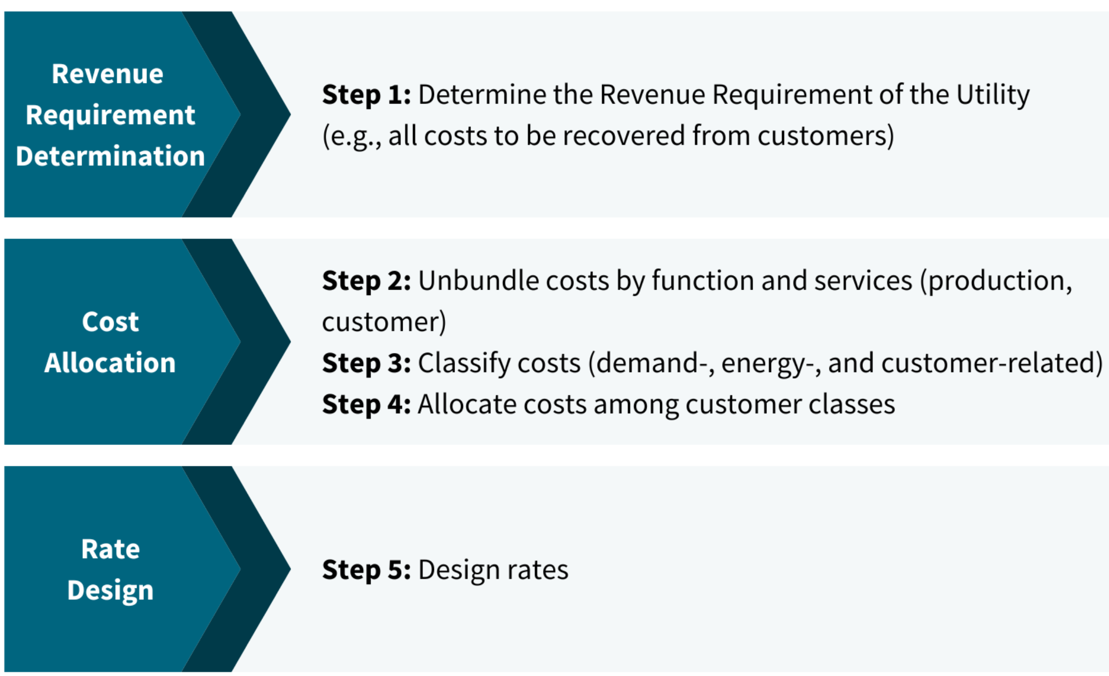
As a result of SJCE paralleling its rates with PG&E and not fully recovering the cost to serve customers, SJCE borrowed from the City's commercial paper program in 2021. To date, SJCE has drawn $60 million in commercial paper notes and does not expect to utilize any further funds in 2022. SJCE also needed to increase rates for its standard service, GreenSource, to eight percent above PG&E in May 2021 to cover costs.

Cost-of-Service Rate Design

In July 2022, SJCE commissioned NewGen Strategies and Solutions (NewGen) to conduct a SJCE cost-of-service study. Attachment A of this memorandum contains NewGen's SJCE Cost-of-Service Study Summary Report.

The cost-of-service methodology is an industry-accepted framework that assigns or allocates costs to each customer class served by a utility (e.g., residential, small commercial, medium commercial, large commercial, etc.). The cost-of-service process determines the "cost to serve" each customer within a utility through a series of steps to identify costs and allocate them by function, classification, and ultimately customer class. Electric utility costs include purchases of renewable energy, shaped energy, capacity, California Independent System Operator costs, reserves, and other operating costs. Additionally, it is recognized that electric utility costs are typically categorized as either fixed or variable. Fixed costs are those that do not change with the production of electricity, whereas variable costs are directly related to the amount of electricity produced and/or purchased. A summary of the steps in the cost-of-service process, as well as a description of the types of costs incurred to operate an electric utility, are summarized in Figure 2 below.

Figure 2: Cost-of-Service Rate Design Process



The cost-of-service model for rate design is not new and is the standard approach for rate design across the utility industry both in the public and private sectors. Some CCAs continue to fix their rates to the local investor-owned utility; however, some CCAs, like CleanPowerSF and Central Coast Community Energy, are currently setting their rates according to the cost-of-service methodology. CleanPowerSF began enrolling customers in 2016 and completed enrollment in 2020. CleanPowerSF's study to move to cost-of-service rates began in November 2021, and new rates were implemented in July 2022.[6] Central Coast Community Energy began enrolling customers in 2018 and continues to enroll new customers as additional jurisdictions choose to become part of their CCA. Central Coast Community Energy's study to move to cost-of-service rates began in August 2020, and new rates were implemented in January 2022.[7]

Goals of Cost-of-Service Rate Design

Cost-of-service rate design can provide significant benefits and value including:

- Local Control – enhances the City Council's discretion and autonomy to set rates that recover the full cost to provide service while achieving financial and clean energy goals;
- Fairness – enables SJCE to design rates to recover the cost to serve customers fairly among rate classes;
- Competitiveness – ensures that SJCE rates and service options remain competitive with investor-owned utility rates;
- Predictability – provides the ability to decouple from investor-owned utility volatility in rate setting and provide customers more consistent and transparent rates; and
- Simplicity – avoids the tracking of complicated and sometimes illogical rate class structures and the rate setting processes of the investor-owned utility

Adopting cost-of-service rates would help SJCE provide stable rates and fully recover the cost of providing service to customers. It will also help achieve financial goals to build operating reserves for resiliency and provide customers affordable choices for clean energy.

Transitioning to a cost-based rate design will allow a proactive approach for rate setting based on an analysis of costs and revenue requirements specific to SJCE. When rates are based on PG&E's rates, SJCE financial performance is dependent on PG&E. A proactive approach to rate design based on the cost-of-service enhances the ability for SJCE rates to reflect the City Council's priorities, builds the operating reserves necessary for resiliency, and provides a more consistent and transparent rate setting process. SJCE's rate setting process would also need to consider PG&E's rates. The cost-of-service process would provide better insights for SJCE rate setting and provide the City Council the ability to react to changes in the market and raise or lower rates to cover costs while providing excellent SJCE service options to compete with PG&E.

Cost-of-Service Study - Revenue Requirements

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[6] May 24, 2022 San Francisco Public Utilities Commission Public Hearing: Adopt CleanPowerSF Rates for FY 2022-23 https://sfpuc.sharefile.com/share/view/s9d3f195e0c874393b9faf3d49746818f

[7] August 30, 2021 Board of Directors Meeting: Staff Report Item 2 https://3cenergy.hylandcloud.com/203agendaonline/Documents/ViewDocument/Special_413_Agenda_Packet_8_30_2021_9_00_00_AM.pdf?meetingId=413&documentType=AgendaPacket&itemId=0&publishId=0&isSection=false

All costs that need to be recovered from customers determines the projected SJCE revenue requirement. The SJCE revenue requirement for CY 2023 is forecasted to be between $443 million to $490 million. The projected revenue at current rates is estimated to be approximately $504 million. Power supply costs make up over 75 percent of SJCE's revenue requirement. Power supply costs include capacity, energy purchases, renewable energy, and fees related to the California Independent System Operator. Contribution to reserves is included in the revenue requirement to help SJCE reach the recommended goal of accruing 180 days of working capital by the end of calendar year (CY) 2024. Establishing a healthy reserve is an industry practice that allows utilities to maintain financial stability and provide stable competitive rates.

Table 1: Forecasted CY 2023 Contribution to Operating Reserve

Forecasted CY2023 Contribution to Operating Reserve (Millions)		**Better**	**Expected**	**Worse**
a	*Power Supply Payments*	*$343*	*$363*	*$390*
b	Operations, General, Administartive and Interest Payments	$34	$34	$34
c	Contribution to Operating Reserve	$66	$66	$66
d=a+b+c	Total Revenue Requirement	$443	$463	$490
e	Cash Collected from Energy Sales @ Current Rates	$504	$504	$504
f=e-d	Potential Additional Contribution to Operating Reserve	$61	$41	$14
g=c+f	Total Contribution to Reserves	$127	$107	$80

Projected SJCE Financial Impacts

The cost-of-service study provides SJCE important insights to the process of setting rates that adequately recover costs and their cost-based competitive position relative to PG&E. As shown in Table 2 below, current rates are projected to collect $80 to $127 million above costs for calendar year 2023. This equates to providing up to $133 to $230 million in cash reserves by the end of CY 2023 based on staff's assumptions regarding power supply costs. This $100 to $129 million cash reserve contribution is in addition to the forecasted cash balance at the end of CY 2022 of $116 million to $126 million and could accumulate up to 230 days' worth of operating expenses. ***The Strategic Framework Plan recommends operating reserves in the amount of 180 days' worth of operating expenses.***

Table 2: Forecasted CY 2023 Ending Balance

Forecasted CY2023 Ending Balances (Millions)		**Better**	**Expected**	**Worse**
h	CY2022 Restricted Cash Reserve	$20	$20	$20
i	*CY2022 Unrestricted Cash*	*$106*	*$101*	*$96*
j=h+i	CY2022 Total Restricted + Unrestricted Cash	$126	$121	$116
g=c+f	CY2023 Total Contribution to Reserves based on Current Rates	$127	$107	$80
k	*CY2023 Incremental Contribution to Reserves based on 2023 Rates/PCIA*	*$57*	*$37*	*$17*
l=j+g+k	CY2023 Total Restricted + Unrestricted before Commercial Paper Loan Repayment	$310	$265	$213
m	CY2023 Commercial Paper Loan Repayment	$60	$60	$60
n=l-h-m	CY2023 Unrestricted Cash net of Commercial Paper Loan Repayment	$230	$185	$133
o	Operating Reserves in Days @ $1M per day, Dec 2023	230	185	133

Rate Strategy

The projected revenue at current rates is expected to significantly contribute toward building the operating reserves. It is also important to understand how rates compare to PG&E generation rates in 2023. SJCE's existing rates would generate an estimated $80 million to $127 million in operating reserves while providing a discount of one to four percent, relative to PG&E. It is expected that PG&E's generation rate will increase in 2023 and the PCIA rate will decrease in 2023. In 2023 SJCE could reduce rates relative to PG&E from eight percent above and set them as equal or provide a small discount relative to PG&E's generation rates. This would incrementally increase the forecasted operating reserve by $17 million - $57 million at the end of CY 2023 which may allow SJCE to fully fund reserve to cover 180 days of operating expenses.

This opportunity is primarily driven by a low PCIA. The low PCIA is a result of increased energy market prices which means PG&E's resources are not as "above market". Energy markets across the country are high due to a variety of market factors including extreme weather, the war in Ukraine, and lower-than-usual natural gas storage reserves. As energy prices settle, the PCIA is likely to rise in the future; therefore, it is important for SJCE to build reserves to stabilize rates in the future. SJCE staff will use the results of the cost-of-service study and information in PG&E filings regarding PCIA and generation rate in the coming weeks to make a recommendation in December 2022 for Council consideration for SJCE 2023 rates.

CONCLUSION

The recommendations in the Strategic Framework Plan for 2023-2025 include continuing to build reserves and adopt cost-of-service rates. Accumulating operating reserves is necessary for resiliency to manage volatile energy markets. Cost-of-service rates would allow SJCE to keep rates aligned to underlying costs, control the timing and magnitude of rate changes, and set rates to address local goals. The forecasted revenue for 2023 based on existing rates set for 2022 are estimated to recover the full cost-of-service estimated at $443 million to $490 million and significantly contribute to accumulating operating reserves toward the recommended 180 days of operating expenses.

SJCE also needs to consider PG&E's rates in its own rate-setting process. PG&E is scheduled to submit to the California Public Utilities Commission on October 17, 2022, a final filing for PG&E's 2023 rates. The PG&E added fees to SJCE customers are forecasted to decrease. PG&E's generation rates are forecasted to increase. SJCE staff will use the results of the cost-of-service study and information in PG&E filings regarding PCIA and generation rate in the coming weeks to make a recommendation in December 2022 for Council consideration for SJCE 2023 rates.

EVALUATION AND FOLLOW-UP

Staff will further evaluate the cost-of-service summary report in staff's analysis to develop rate and power mix recommendations for the City Council discussion and approval at the December 6, 2022, City Council meeting.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the November 7, 2022, Transportation & Environment City Council Committee meeting.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

The Clean Energy Community Advisory Commission will receive a presentation on SJCE Cost-of-Service Study Summary Report at the November 3, 2022, meeting.

COST SUMMARY/IMPLICATIONS

Staff's recommendation to accept the cost-of-service summary report does not have cost implications.

CEQA

Not a Project, File No. PP17-008, General Procedure & Policy Making resulting in no changes to the physical environment.

/s/
LORI MITCHELL
Director, Community Energy

For questions, please contact Joe Flores, Deputy Director, Community Energy, at (408) 535-3814.

ATTACHMENTS

Attachment: San José Clean Energy Cost-of-Service Study Summary Report