

FINANCIAL UPDATE

Clean Energy Community Advisory
Commission

June 1, 2023

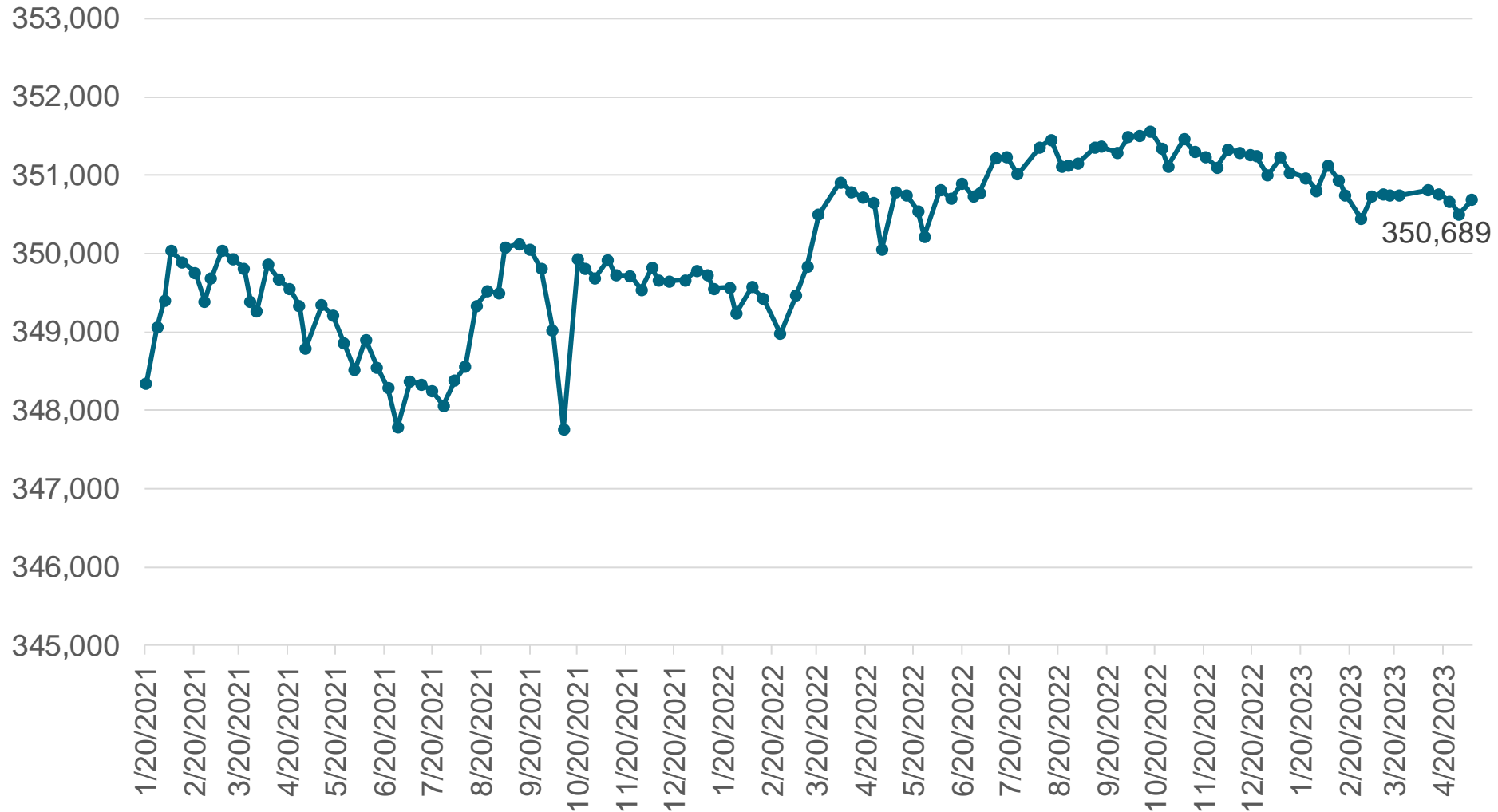


Zach Struyk, Assistant Director

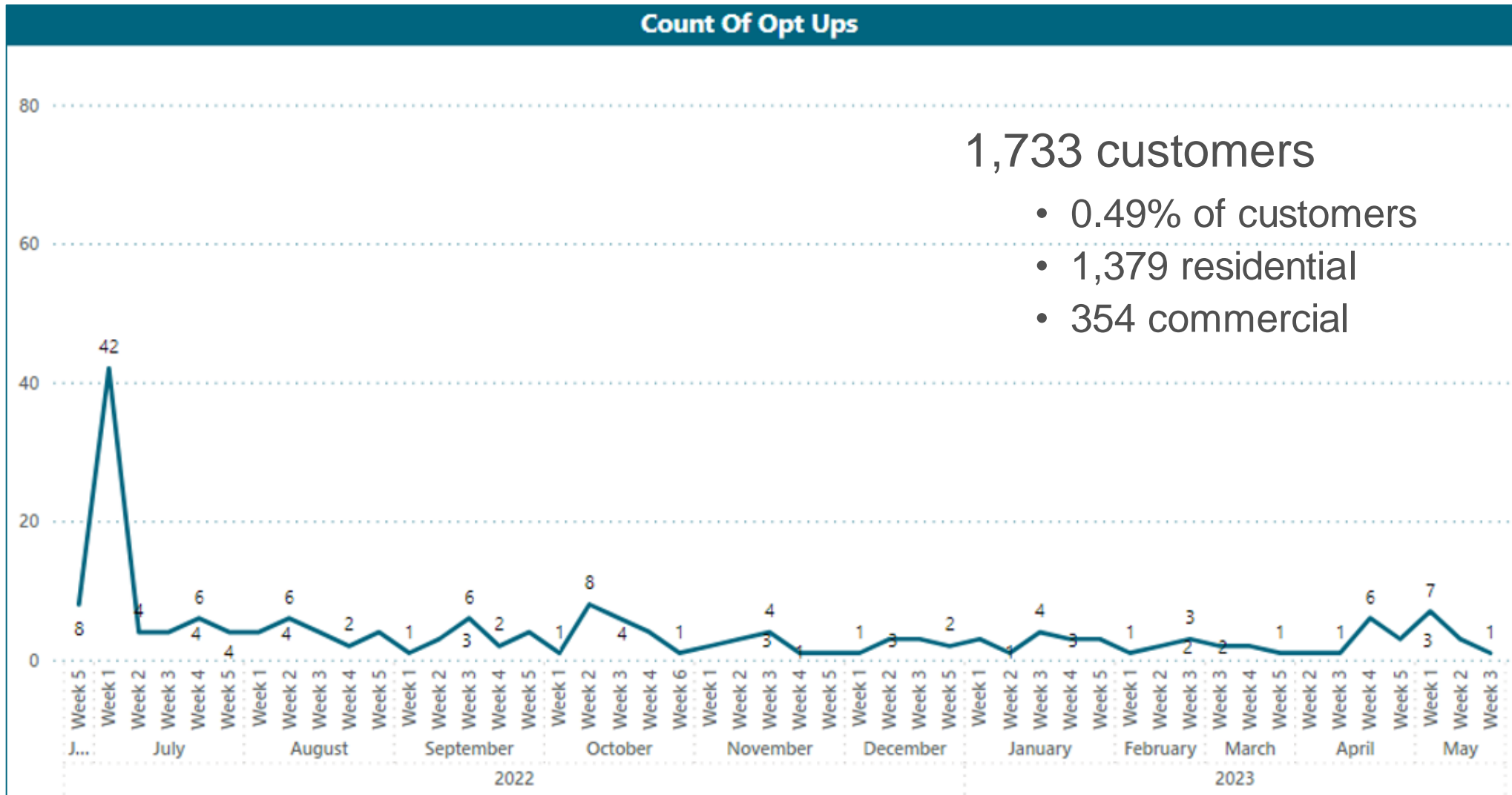


CUSTOMERS

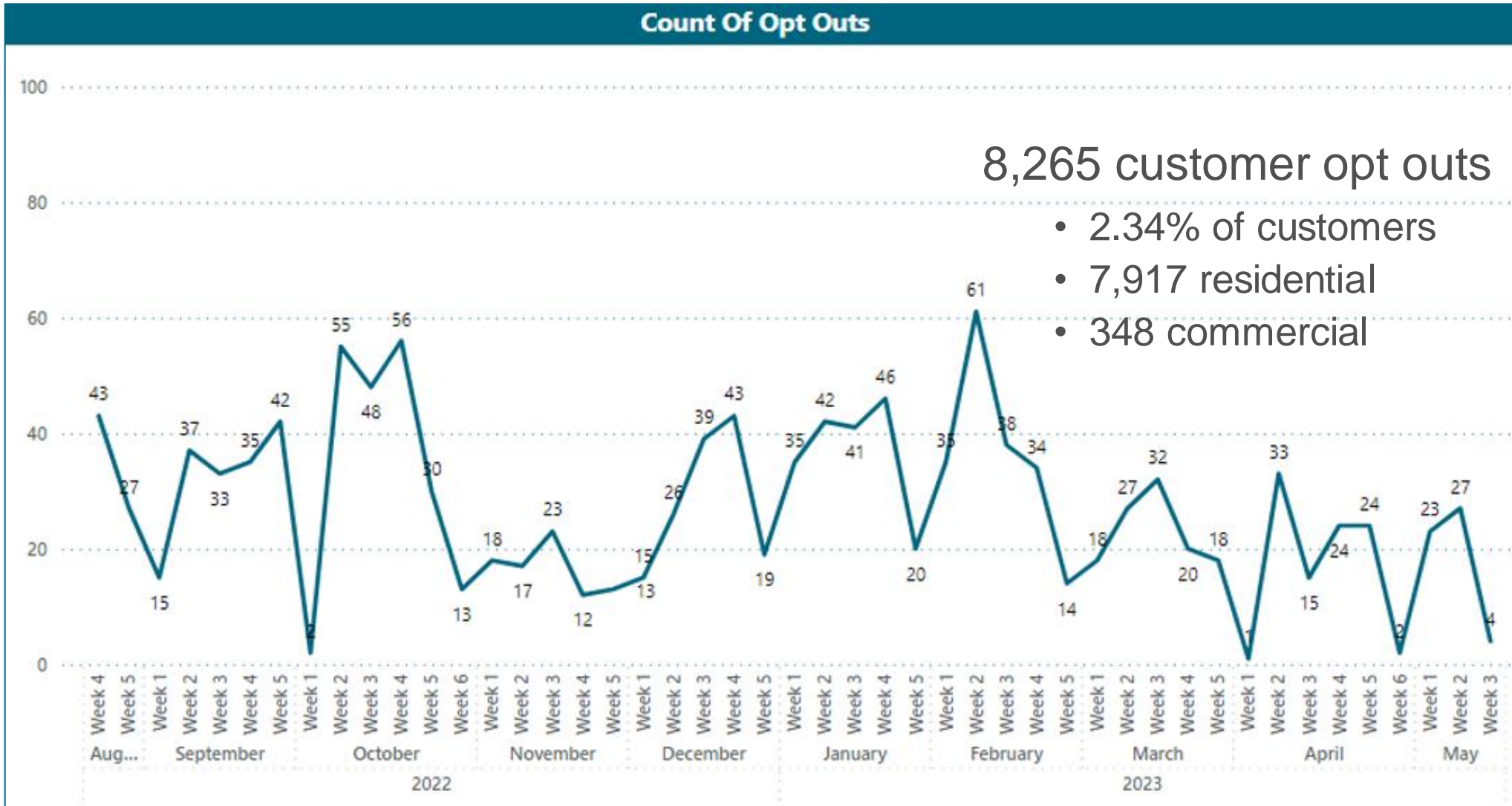
CUSTOMER COUNT



TOTALGREEN



OPT OUTS



PAYMENT ASSISTANCE

Customers Currently Enrolled in AMP ▲ 87

3,075

Dollars Currently Enrolled in AMP ▲ \$82,019

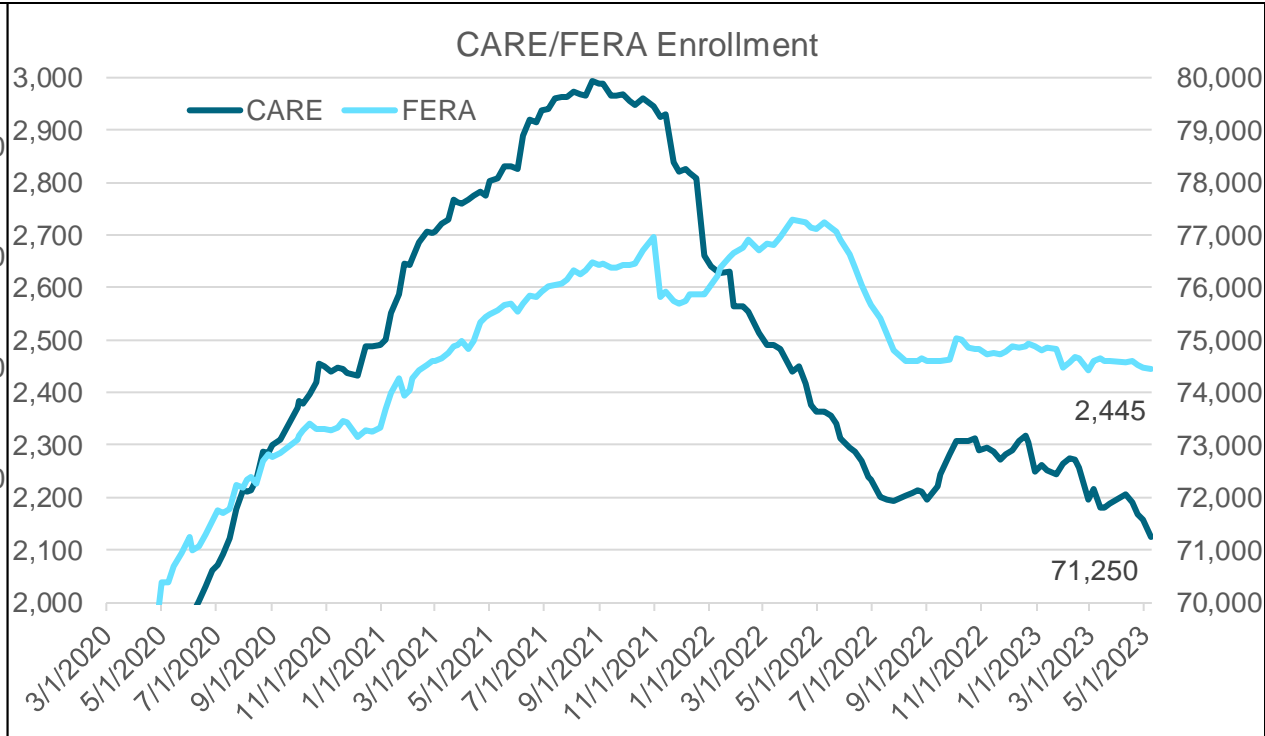
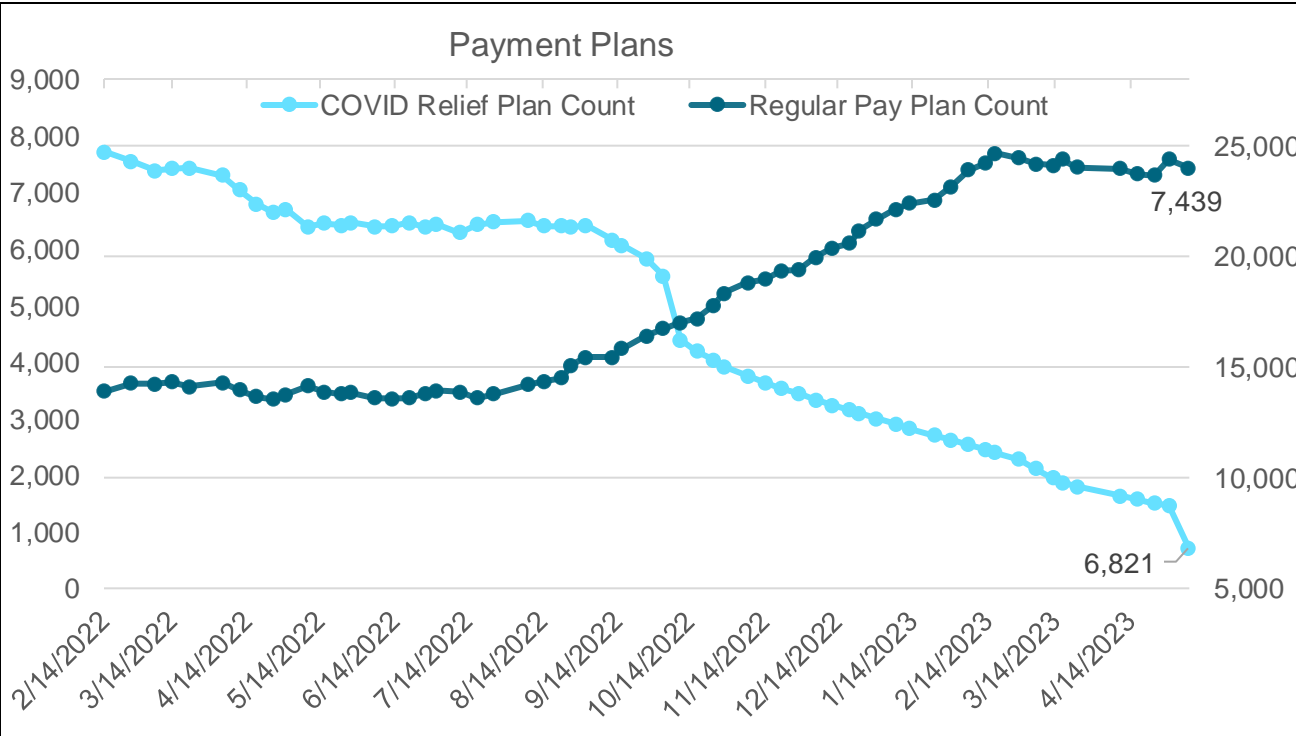
\$ 1,690,120

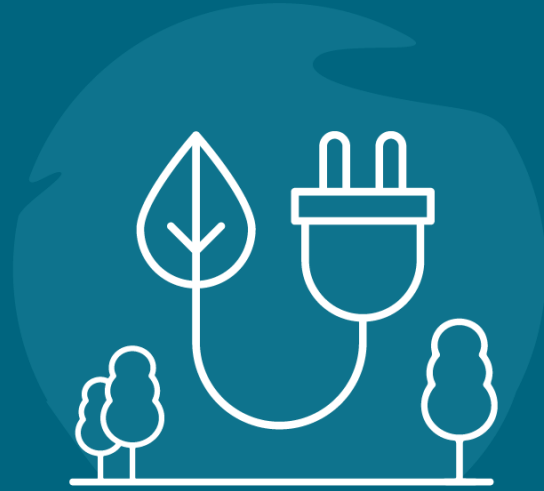
Dollars Received this Month

\$36,408

Total Dollars Received from PG&E

\$ 1,037,056





RATES & FINANCIAL POSITION

CUSTOMER OPTIONS

- Currently customers save 1-3% on electric generation with SJCE

	SJ Cares* 60% renewable	GreenSource 60% renewable	TotalGreen 100% renewable	PG&E 48% renewable
Electric Generation (including PG&E added fees)	\$56.37	\$62.52	\$66.68	\$63.41
Electric Delivery	\$35.10	\$88.60	\$88.60	\$88.60
Total Bill	\$91.47	\$151.12	\$155.28	\$152.01

Based on a typical residential usage of 416 kWh under the E-TOU-C rate schedule at SJCE rates effective May 15, 2023. Actual costs will vary depending on usage and other factors.

*SJ Cares gives an extra 10% discount to customers enrolled in CARE/FERA = \$5.5M/year

ENDING BALANCES (PRESENTED AT 12/6/22 COUNCIL)

Tracking to this

Forecasted CY 2023 Ending Balances (\$ in Millions)			
	Better	<i>Expected</i>	Worse
CY2023 Unrestricted Cash net of Commercial Paper Loan repayment*	\$230	\$185	\$133
Operating Reserve in Days @\$1M per day, Dec 2023	230	185	133

**Excludes \$20 million Restricted Cash*

Forecasted FY22-23 Ending Balances (\$ in Millions)			
	Better	<i>Expected</i>	Worse
FY22-23 Unrestricted Cash net of Commercial Paper Loan repayment*	\$127	\$97	\$67
Operating Reserve in Days @\$1M per day, June 2023	127	97	67

**Excludes \$20 million Restricted Cash*

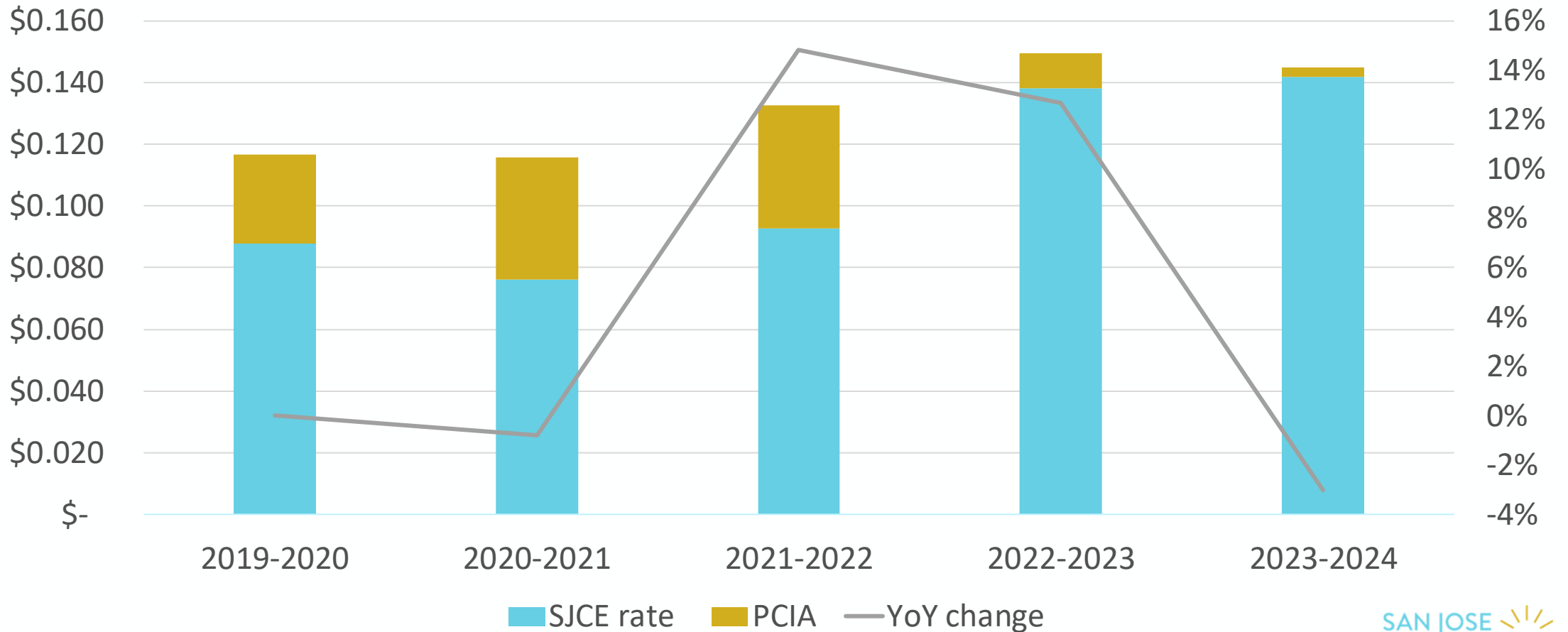
SHORT-TERM FINANCIAL POSITION

- Current Market Conditions:
 - Power costs remain high
 - SJCE power supply costs over \$350M in 2023
 - Power Charge Indifference Adjustment (PCIA) to remain low
 - Approximately \$0.003/kWh in 2023 compared to \$0.048/kWh in 2021
 - Estimated SJCE 2022-2023 net income: ~\$118M
- In 2023-2024, SJCE should be in a position to:
 - Maintain customer rates that are cheaper than PG&E (based on Cost-of-Service)
 - Pay down Commercial Paper notes (loan from City); \$20M remaining
 - Attain 180 days of operating expenses in financial reserves
 - Consider increasing energy programs budget

LONG-TERM FINANCIAL OUTLOOK

- SJCE Financial Objectives:
 - Maintain 180 days of financial reserves (~\$220M based on current power costs)
 - Obtain credit rating
 - Provide competitive stable customer rates (Cost-of-Service rates)
 - Accelerate clean energy goals
 - Improve organizational effectiveness
 - Explore further investments in customer programs once financial reserve targets are met
 - PCIA will remain volatile, with big annual swings possible

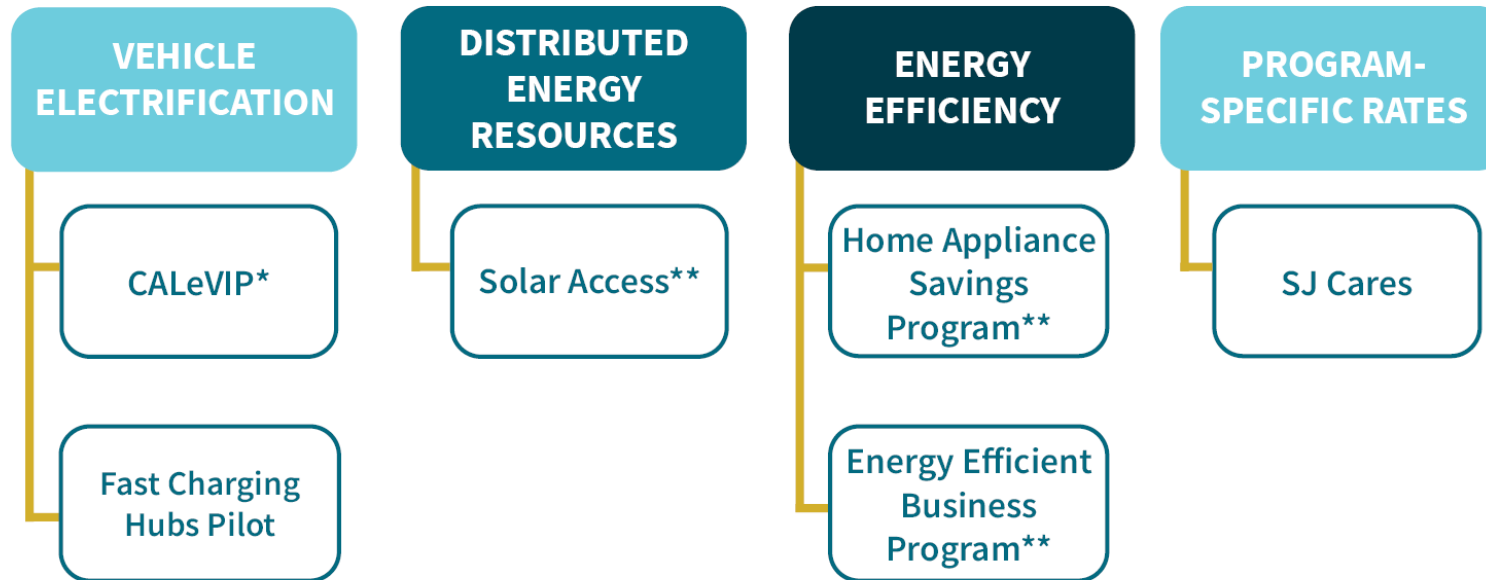
GREENSOURCE RESIDENTIAL RATES OVER TIME





PROGRAMS

CURRENT PROGRAMS



*California Energy Commission co-funded

**California Public Utilities Commission funded

Total budgets: \$38.5 million over program lifetimes (next 3-10+ years)
80% externally funded
(excludes \$5.5 million for SJ Cares)

DISCUSSION AND QUESTIONS



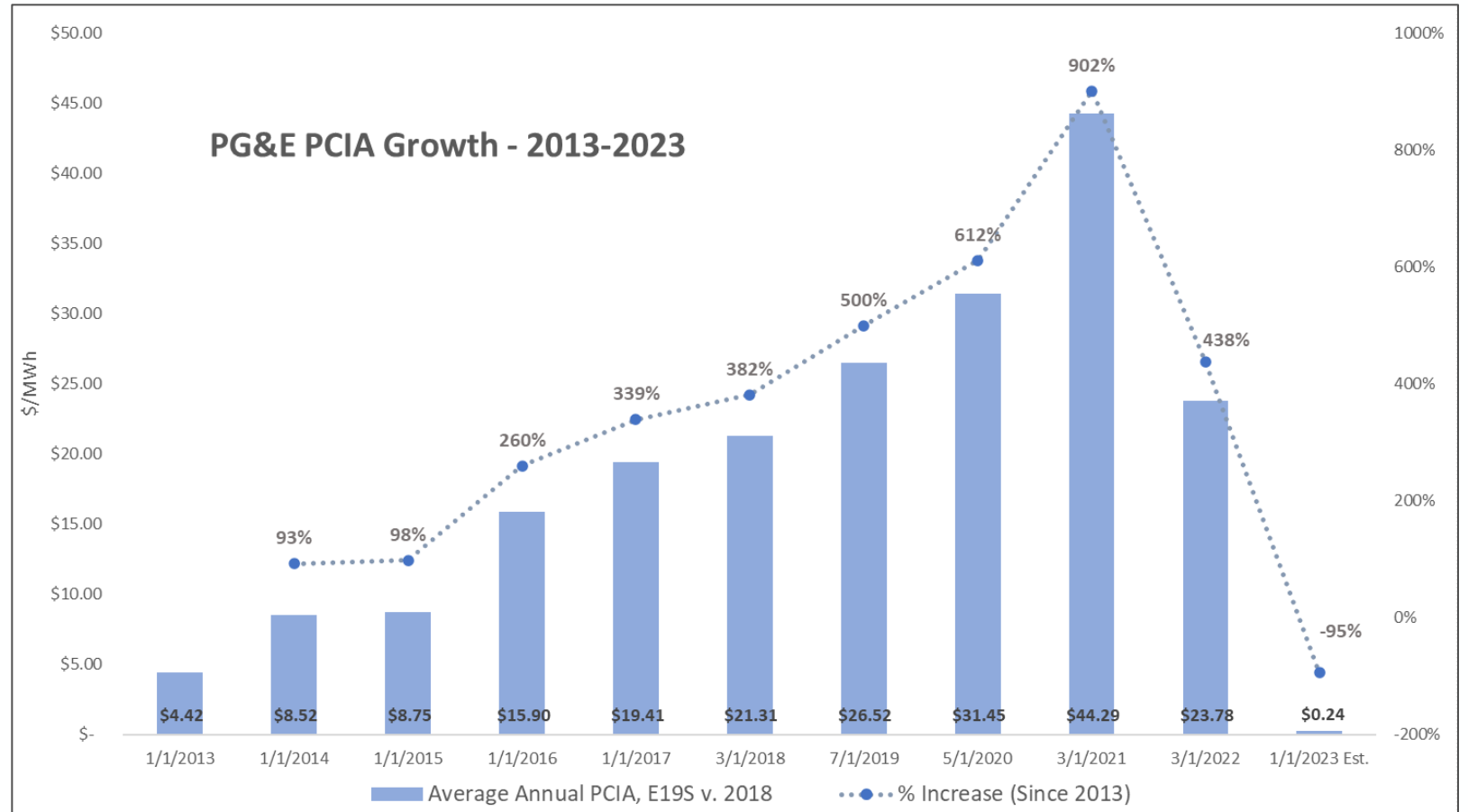
EXTRA SLIDES

STAFF TIME FOR CECAC

Staff member	Tasks	Time per every two months
Zach Struyk/ Lina Williams	Discuss agenda with chair, finalize agenda with staff, review handouts, attend meeting	3 hours
Adrienne Barreto	Send agenda, handouts and other information to commissioners	1 hour
Amanda Orozco	Develop handouts, attend meeting, finalize minutes	3 hours
Various staff	Miscellaneous	7 hours
	Total	14 hours

PCIA VOLATILITY

- In 2024, the PCIA is expected to remain at similar level to 2023.
- Every 0.5¢/kWh increase in the PCIA represents \$18 million in lower SJCE revenues



Note that the PCIA value is the average PCIA for the year. The date is when the PCIA changed to reflect the new rate for the rest of the calendar year

GREENSOURCE RESIDENTIAL RATES OVER TIME

\$/kWh	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024 (if rates held constant)
SJCE rate	0.088	0.076	0.093	0.138	0.142
PCIA	0.029	0.039	0.040	0.011	0.003
Total	0.117	0.116	0.133	0.150	0.145
Year over year change	N/A	-1%	15%	13%	-3%