



DATE: October 9, 2017

AGENDA ITEM # 4

TO: Environmental Commission

FROM: J. Logan, Staff Liaison

SUBJECT: Receive report on Silicon Valley Clean Energy Authority

BACKGROUND

State and Local Mandates

State Assembly Bill 32, the Global Warming Solutions Act, was signed into law in 2006 and directed public agencies in California to support the state-wide target of reducing greenhouse gas (GHG) emissions to 1990 levels by 2020. In addition, California adopted ambitious energy and environmental policies to reduce state-wide greenhouse gas (GHG) emissions to 40% of 1990 levels by 2030 and, to provide 33% of electricity demands in 2020 from renewable resources utilizing clean energy technologies and environmental benefits.

To address the reduction of GHG emissions at the local level, the City Council adopted a Los Altos Climate Action Plan (CAP) on December 10, 2013. The CAP is a comprehensive strategy with goals and measurements to reduce GHG emissions within five focus areas: Transportation, Energy, Resource Conservation, Green Community and Municipal Operations. The CAP was adopted with a target of reducing the community's GHG emissions by at least 15% by 2020 and with an overarching plan for how the City can achieve up to a stretch-goal of 17% reduction in the GHG emissions by 2020.

Community Choice Energy

One method that has the potential to reduce the GHG emission associated with energy consumption is the establishment of Community Choice Energy (CCE), a system that allows cities, counties and Joint Power Authorities (JPA) to aggregate the purchasing power of an identified customer base within a defined area to secure alternative energy supply contracts with the goal of increasing the percentage of energy from renewable sources. The purchase of alternative energy supplies includes renewable sources such as hydroelectric, wind and geothermal as opposed to non-renewable fossil fuels such as coal, oil and natural gas. The consequences inherent in the use of fossil fuels to generate energy are particularly high carbon dioxide equivalents or GHG emissions which contribute to global warming. The ability to form CCEs has been adopted into law in California and a few other states.

Council Actions

City Council convened a study session on Community Choice Aggregation (Energy) on March 10, 2015. The full staff report and video of the Council CCE study session is posted on the City Website at http://los-altos.granicus.com/GeneratedAgendaViewer.php?view_id=4&clip_id=911

On April 3, 2015, the City of Sunnyvale sent invitations to Santa Clara County cities to participate in the South Bay Technical Feasibility Study currently composed of and partnered by the Cities of Sunnyvale, Mountain View, Cupertino and Unincorporated Santa Clara County. This partnership is investigating the feasibility of a Community Choice Energy program for the South Bay.

On January 26, 2016, the Environmental Commission presented its Final CCE Report to Council. Council expressed appreciation to the Commission and directed staff to move forward with the necessary steps for membership in Silicon Valley Clean Energy Authority (SVCEA) and the establishment of a CCA program for Los Altos at its February 9, 2016 meeting. At its February 9 and February 23, 2016 meetings, Council finalized the steps for membership in SVCEA and establishment of a CCA for the City. Mayor Bruins was appointed as the SVCEA regular member of the Board of Directors and Councilmember Mordo as the alternate member.

SVCEA held its initial Board of Directors' meeting at the Santa Clara Board of Supervisors chambers on April 13, 2016. The agenda packet and video of the monthly proceedings are available at http://www.svcleanenergy.org/app_pages/view/297.

DISCUSSION

The Environmental Commission will review SVCEA monthly agendas, materials and meeting summary notes for purposes of discussion at its Environmental Commission meetings. The results of Commission discussions and recommendations will be provided to Director Bruins. This is in accordance with the Work Plan project to provide resources to Director Bruins on policy and programs guidance. In the event the subcommittee needs to convene for items pertaining to SVCEA, the meeting will be agendaized to the public and will comply with requirements of the Brown Act.

At its November 2016 meeting, Commissioners discussed the GreenPrime opt-up electricity choice for municipal operations and the default GreenStart mix. The Commission requested estimated cost information for both energy choices. This information was provided and discussed. By consensus, the Commission recommends the Council consider the opt-up GreenPrime choice for municipal operations.

At its January 10, 2017 meeting, Council approved a Subordination Agreement required by SVCEA for purposes of banking and finance procedures. In addition, Council approved to opt up to the purchase of GreenPrime electricity service for municipal operations. Staff reports on these topics are posted on the Council agenda webpage.

Delivery of GreenPrime electricity service in Los Altos will commence in April followed by a second phase-in of remaining customers in July 2017. SVCEA staff held a community meeting on June 21, 2017 at Hillview Community Center, and hosted tables at the Farmers' Market and at the Art & Wine event. Information and a question and answer opportunities were provided to residents about the operations and delivery of carbon-free electricity by SVCEA.

At the July 12, 2017 and August 1, 2017 meetings of the SVCEA Sustainability Managers' Roundtable, SVCEA staff presented 14 programs focused on reducing Greenhouse Gas Emissions. SVCEA Staff requested feedback from each of the Roundtable representatives, gauging level of interest for their particular jurisdiction. City staff attends the SVCEA Sustainability Managers' Roundtable meetings. Three of these programs were presented at the SVCEA Board of Director's meeting on August 9, 2017, item 8. The Board of Directors meeting also included a closed session to discuss the

appointment of a new Chief Executive Officer. Commissioner Bray and staff will provide additional details under the agenda items.

At the Environmental Commission meeting on August 14, 2017, Commissioner Bray briefed the Environmental Commission on the August 9, 2017 SVCEA Board of Directors' meeting. The programs that SVCEA staff presented included GHG accounting for all SVCE territories; a Commercial Demand Management program to incentivize customers who are eligible for Peak Day Pricing with PG&E to stay with SVCE; and a Seasonal Savings Program that partners SVCE with Nest, an in-home energy management device. In addition to conducting a search for a new Chief Executive Officer, the Board directed staff to compose a proposal focused on the creation of a consumer advisory board to source additional community feedback. The advisory board will consist of representatives from all 12 of the communities within the SVCE service area and will include commercial and residential consumers. City staff will continue to attend the SVCEA Sustainability Managers' Roundtable to represent the City's interest and will report monthly at the Environmental Commission meetings. Staff will also will continue to update and get input from SVCEA Director Bruins.

At its August 30, 2017 meeting, SVCEA staff briefed the Sustainability Managers Roundtable on the August SVCEA Board of Directors' meeting. SVCEA Staff also provided the roundtable with a draft scope of work for SVCEA GHG emissions accounting and clean energy metrics. SVCEA staff presented the future direction of the roundtable, stating it will evolve as SVCEA creates its community advisory committee. As SVCEA begins forming the community advisory committee, it hopes to tap into the Environmental Commissions of its participating jurisdictions. SVCEA also has plans to combine the Mangers Roundtable with its PIO meeting to keep all jurisdiction representatives informed on activities and outreach.

At the September 27, 2017 SVCEA Sustainability Managers Roundtable, SVCEA staff provided an update on the status of the group, stating it was combining the PIOs and Sustainability Managers into a single group, now termed the Member Agency Working Group (MAWG). SVCEA staff will continue to work with MAWG to source input and gather community information through various workshops and focus groups and will provide a formal accounting of MAWG meetings to the SVCEA Board of Directors. SVCEA staff also updated MAWG on the status of the candidate programs it presented at the August 9 Board of Directors meeting. Rachel Radell-Harris, Senior Strategic Business Planner with Sacramento Municipality Utility District (SMUD) gave a presentation on SMUD's Heat Pump Water Heater Incentive Program. Finally, SVCE discussed the next steps for program criteria and measurement.

Attachments:

A. SVCEA Board of Directors September 13, 2017 Agenda and selected materials



Rob Rennie, Chair
Town of Los Gatos

Daniel Harney, Vice Chair
City of Gilroy

Liz Gibbons
City of Campbell

Rod Sinks
City of Cupertino

Jeannie Bruins
City of Los Altos

Courtenay C. Corrigan
Town of Los Altos Hills

Burton Craig
City of Monte Sereno

Steve Tate
City of Morgan Hill

Margaret Abe-Koga
City of Mountain View

Dave Cortese
County of Santa Clara

Howard Miller
City of Saratoga

Jim Griffith
City of Sunnyvale

**Silicon Valley Clean Energy Authority
Board of Directors Meeting**

Wednesday, September 13, 2017
7:00 pm

Cupertino Community Hall
10350 Torre Avenue
Cupertino, CA

AGENDA

Call to Order

Roll Call

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.

Consent Calendar (Action)

- 1a) Approve Minutes of the August 9, 2017, Board of Directors Meeting
- 1b) Approve Revisions to SVCE Information Technology Policies
- 1c) Authorize CEO to Draft Invitation Letter to the City of Milpitas
- 1d) Authorize CEO to Approve Confirmation Agreements with Calpine Energy Services, L.P. to Acquire Resource Adequacy Capacity
- 1e) July 2017 Treasurer Report**
- 1f) Approve Budget Transfer Policy

Regular Calendar

- 2) Executive Committee Report (Discussion)
- 3) CEO Report (Discussion)
- 4) Approve FY 2017-18 Operating Budget (Action)**
- 5) Approve Formation of Customer Programs Advisory Group (Action)**

svcleanenergy.org

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Suite 290
Sunnyvale, CA 94087

Board Member Announcements and Direction on Future Agenda Items

Adjourn



TREASURER REPORT

**Fiscal Year to Date
As of July 31, 2017**

(Preliminary & Unaudited)

Issue Date: September 13, 2017

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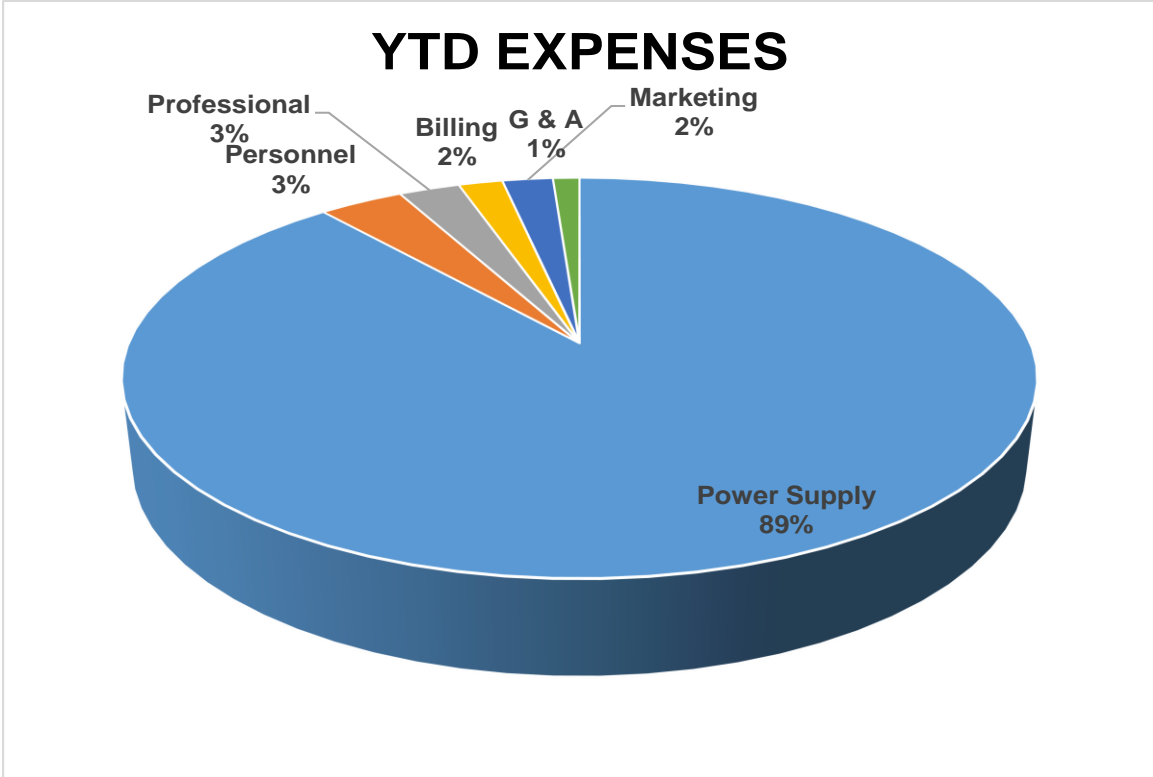
SILICON VALLEY CLEAN ENERGY AUTHORITY
Financial Statement Highlights (\$ in 000's)

Financial Highlights for the month of July 2017:

SVCE launched Phase 2 which includes the conversion of the remaining accounts in the service territory (residential).

- > SVCE operations resulted in net gain for the month of \$5.5 million, bringing the year-to-date to \$13.3 million.
 - o Energy Sales year-to-date are \$45.1 million, slightly below budget based on lower than forecast MWh sales.
 - o Focus on expense management results in a very strong positive year-to-date variance of O&M costs below budget.
 - o SVCE is currently in a stable cash position.
- > Retail MWh sales were 3.1% less than budget year-to-date.
 - o Retail sales for the month was 4% below budget but with July being a phase-in month, the variance is not unexpected.
 - o Residential load was approximately 32% with the remainder Commercial, Industrial, Street Lighting and Agriculture.
- > Power Supply
 - o Hourly CAISO prices are showing the effects of increased cooling demand, providing support to daytime prices despite solar production.
 - o Partially offsetting Power Supply costs was \$0.1 million gain from Congestion Revenue Rights
 - o Power Supply costs are 12% below budget year-to-date.
- > Financing - SVCE made no draws against the Lines of Credit in July.
 - o During July, CAISO refunded to SVCE the \$0.5 million deposit based on current financial performance.
 - o Staff forecasts no further draws against lines of credit will be needed.

Change in Net Assets	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Budget
Actual	(42)	(190)	(252)	(261)	(464)	(391)	69	5,114	4,227	5,472			13,281	30,207
Power Supply Costs	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Budget
Energy & REC's	-	-	-	-	-	-	6,202	11,146	10,467	13,172			40,987	
Capacity	-	-	-	-	-	-	95	247	356	863			1,561	
CAISO Charges	-	-	-	-	-	-	139	168	332	251			889	
NEM credits	-	-	-	-	-	-	-	54	72	56			182	
Less: Credits	-	-	-	-	-	-	(3,292)	(5,244)	(4,475)	(2,365)			(15,376)	
Net Power Costs	-	-	-	-	-	-	3,144	6,370	6,752	11,978	-	-	28,244	66,671
Other	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Budget
Capital Expenditures	24	3	131	10	6	2	-	8	-	-			185	250
Energy Programs	-	-	-	-	-	-	-	-	-	-			-	400
Load Statistics - MWh	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total	Budget
Retail Sales Actual	-	-	-	-	-	-	64,381	132,105	152,417	227,475			576,378	
Retail Sales Budget	-	-	-	-	-	-	70,835	139,852	147,248	236,688	311,145	330,922	1,236,689	1,236,689



Other Statistics and Ratios	
Working Capital	\$12,701,157
Current Ratio	1.4
Contribution Margin	\$16,367,984
Opt-Out Accounts	4,276
Opt-Up Accounts	2,204

SILICON VALLEY CLEAN ENERGY AUTHORITY

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION**

October 1, 2016 through July 31, 2017

OPERATING REVENUES

Electricity Sales, Net	\$ 45,058,663
GreenPrime electricity premium	<u>136,348</u>
TOTAL OPERATING REVENUES	<u>45,195,011</u>

OPERATING EXPENSES

Cost of Electricity	28,243,715
Staff Compensation and benefits	1,122,535
Data Manager	490,349
Service Fees - PG&E	92,963
Consultants and Other Professional Fees	529,489
Legal	280,452
Communications & Noticing	669,148
General & Administrative	334,075
Depreciation	<u>17,565</u>
TOTAL OPERATING EXPENSES	<u>31,780,291</u>
OPERATING INCOME(LOSS)	<u>13,414,720</u>

NONOPERATING REVENUES (EXPENSES)

Interest Income	1,078
Interest and related expenses	(61,159)
Financing costs	<u>(73,218)</u>
TOTAL NONOPERATING EXPENSES	<u>(133,299)</u>

CHANGE IN NET POSITION

	13,281,421
Net Position at beginning of period	<u>(1,110,365)</u>
Net Position at end of period	<u>\$ 12,171,056</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF NET POSITION

As of July 31, 2017

ASSETS

Current Assets

Cash & Cash Equivalents	\$ 15,890,456
Accounts Receivable, net of allowance	8,716,344
Energy Settlements Receivable	476,723
Accrued Revenue	15,135,587
Other Receivables	638,143
Prepaid Expenses	92,696
Restricted cash - lockbox	<u>2,500,000</u>

Total Current Assets **43,449,949**

Noncurrent assets

Capital assets, net of depreciation	171,339
Deposits	128,560
Restricted cash - debt collateral	<u>1,900,000</u>

Total Noncurrent Assets **2,199,899**

Total Assets **45,649,848**

LIABILITIES

Current Liabilities

Accounts Payable	636,003
Accrued Cost of Electricity	25,141,707
Accrued Interest Payable	10,607
Accrued Payroll & Benefits	128,655
Other Accrued Liabilities	43,000
User Taxes and Energy Surcharges due to other gov'ts	388,820
Notes Payable to Bank	<u>4,400,000</u>

Total Current Liabilities **30,748,792**

Noncurrent Liabilities

Loans Payable to JPA members	<u>2,730,000</u>
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Total Noncurrent Liabilities **2,730,000**

Total Liabilities **33,478,792**

NET POSITION

Net investment in capital assets	171,339
Unrestricted (deficit)	<u>11,999,717</u>
Total Net Position	\$ 12,171,056

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS
October 1, 2016 through July 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from electricity sales	\$ 20,856,292
Tax and surcharge receipts from customers	512,165
Energy settlements received	13,743,854
Payments to purchase electricity	(17,322,584)
Payments for staff compensation and benefits	(1,011,977)
Payments for consultants and other professional services	(787,620)
Payments for legal fees	(289,916)
Payments for communication and noticing	(633,281)
Payments for general and administrative	(374,075)
Tax and surcharge payments to other governments	(266,059)

Net cash provided (used) by operating activities **14,426,799**

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Proceeds from bank notes	4,400,000
Proceeds from loans from JPA members	165,591
Payments of deposits and collateral	(5,000,000)
Deposits and collateral returned	500,000
Interest and related expense payments	(50,552)
Finance costs	(73,218)

Net cash provided (used) by non-capital financing activities **(58,179)**

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(185,367)</u>
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CASH FLOWS FROM CAPITAL AND RELATED

Interest income received	<u>1,078</u>
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Net change in cash and cash equivalents 14,184,331

Cash and cash equivalents at beginning of year 1,706,125

Cash and cash equivalents at end of period **\$ 15,890,456**

SILICON VALLEY CLEAN ENERGY AUTHORITY

STATEMENT OF CASH FLOWS (Continued)

October 1, 2016 through July 31, 2017

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating Income (loss)	\$ 13,414,720
Adjustments to reconcile operating income to net cash provided (used) by operating activities	
Depreciation expense	17,565
Revenue reduced for uncollectible accounts	227,111
(Increase) decrease in net accounts receivable	(8,943,455)
(Increase) decrease in energy settlements receivable	(476,723)
(Increase) decrease in other receivables	(638,143)
(Increase) decrease in accrued revenue	(15,135,587)
(Increase) decrease in prepaid expenses	(67,321)
Increase (decrease) in accounts payable	477,511
Increase (decrease) in accrued payroll & benefits	118,166
Increase (decrease) in energy settlements payable	210,403
Increase (decrease) in accrued cost of electricity	24,931,304
Increase (decrease) in accrued liabilities	(97,572)
Increase (decrease) taxes and surcharges due to other governments	388,820
Net cash provided (used) by operating activities	<u>\$ 14,426,799</u>

**SILICON VALLEY CLEAN ENERGY
BUDGETARY COMPARISON SCHEDULE
FISCAL YEAR TO DATE**

REVENUES & OTHER SOURCES	FYTD <u>Actual</u>	FYTD <u>Budget</u>	<u>Variance</u> \$	%	FY 2016-17 <u>Budget</u>	% Budget <u>Spent</u>
Energy Sales	\$ 45,058,663	\$ 49,364,535	\$ (4,305,872)	-9%	\$ 103,303,000	
Green Prime Premium	136,348	118,925	17,423	15%	247,000	
Investment Income	<u>1,078</u>	<u>2,000</u>	<u>(922)</u>	<u>-46%</u>	<u>16,000</u>	
TOTAL REVENUES & OTHER SOURCES	<u>45,196,089</u>	<u>49,485,460</u>	<u>(4,289,371)</u>	<u>-9%</u>	<u>103,566,000</u>	
EXPENDITURES & OTHER USES						
CURRENT EXPENDITURES						
Power Supply	28,243,715	32,012,874	3,769,159	12%	66,671,000	42%
Data Management	490,349	492,036	1,687	0%	1,030,000	48%
PG&E Fees	92,963	209,217	116,254	56%	430,000	22%
Salaries & Benefits	1,122,535	1,552,000	429,465	28%	1,902,000	59%
Professional Services	809,941	1,441,667	631,726	44%	1,730,000	47%
Marketing & Promotions	440,707	195,833	(244,874)	-125%	235,000	188%
Notifications	228,441	390,000	161,559	41%	410,000	56%
Office Lease	159,430	185,750	26,320	14%	245,000	65%
General & Administrative	<u>174,645</u>	<u>104,167</u>	<u>(70,478)</u>	<u>-68%</u>	<u>125,000</u>	<u>140%</u>
TOTAL CURRENT EXPENDITURES	<u>31,762,726</u>	<u>36,583,544</u>	<u>4,820,818</u>	<u>13%</u>	<u>72,778,000</u>	<u>44%</u>
OTHER USES						
Customer Programs	-	266,666	266,666	0%	400,000	0%
Office Equipment	188,904	250,000	61,096	24%	250,000	76%
CPUC Deposit	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>0%</u>	<u>100,000</u>	<u>100%</u>
TOTAL OTHER USES	<u>288,904</u>	<u>616,666</u>	<u>327,762</u>	<u>53%</u>	<u>750,000</u>	<u>39%</u>
DEBT SERVICE						
Financing	73,218	77,000	3,782	5%	77,000	95%
Interest	<u>61,159</u>	<u>64,000</u>	<u>2,841</u>	<u>4%</u>	<u>84,000</u>	<u>73%</u>
TOTAL DEBT SERVICE	<u>134,377</u>	<u>141,000</u>	<u>6,623</u>	<u>5%</u>	<u>161,000</u>	<u>83%</u>
Total Expenditures, Other Uses & Debt Service	<u>32,186,007</u>	<u>37,341,210</u>	<u>5,155,203</u>	<u>14%</u>	<u>73,689,000</u>	<u>44%</u>
Net Increase(Decrease) in Available Fund Balance	<u>\$ 13,010,082</u>	<u>\$ 12,144,250</u>	<u>\$ 865,832</u>	<u>7%</u>	<u>\$ 29,877,000</u>	

SILICON VALLEY CLEAN ENERGY AUTHORITY

**BUDGET RECONCILIATION TO STATEMENT OF
REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Net Increase (decrease) in available fund balance per budgetary comparison schedule	\$ 13,010,082
Adjustments needed to reconcile to the changes in net position in the Statement of Revenues, Expenses and Changes in Net Position	
Subtract depreciation expense	(17,565)
Add back capital asset acquisitions	188,904
Add back collateral deposits	<u>100,000</u>
Change in Net Position	<u>13,281,421</u>

SILICON VALLEY CLEAN ENERGY AUTHORITY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
October 1, 2016 through July 31, 2017

	October	November	December	January	February	March	April	May	June	July	YTD
OPERATING REVENUES											
Electricity sales, net	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,590,587	\$ 11,950,163	\$ 11,496,728	\$ 18,021,184	\$ 45,058,662
Green electricity premium	-	-	-	-	-	-	-	40,298	47,461	48,590	136,349
Total operating revenues	-	-	-	-	-	-	3,590,587	11,990,461	11,544,189	18,069,774	45,195,011
OPERATING EXPENSES											
Cost of electricity	-	-	-	-	-	-	3,144,030	6,370,292	6,751,773	11,977,621	28,243,716
Staff compensation and benefits	21,312	20,014	64,175	111,207	120,565	163,943	143,130	171,190	168,949	138,050	1,122,535
Data manager	-	-	-	-	-	-	75,000	75,000	75,000	265,349	490,349
Service fees - PG&E	-	-	-	920	-	1,840	-	36,138	23,572	30,493	92,963
Consultants and other professional fees	10,390	109,598	54,286	59,881	46,797	69,341	46,862	51,088	37,933	43,314	529,490
Legal	-	42,240	49,129	23,269	84,141	36,732	2,610	36,623	(7,390)	13,097	280,451
Communications and noticing	6,990	17,857	-	48,304	135,705	73,751	63,254	72,431	220,097	30,761	669,150
General and administration	3,067	-	7,427	13,501	62,184	35,255	35,813	51,498	38,959	86,372	334,076
Depreciation	-	281	356	1,946	2,223	2,394	2,455	2,617	2,617	2,676	17,565
Total operating expenses	41,759	189,990	175,373	259,028	451,615	383,256	3,513,154	6,866,877	7,311,510	12,587,733	31,780,295
Operating income (loss)	(41,759)	(189,990)	(175,373)	(259,028)	(451,615)	(383,256)	77,433	5,123,584	4,232,679	5,482,041	13,414,716
NONOPERATING REVENUES (EXPENSES)											
Interest income	-	-	-	-	-	-	228	256	379	215	1,078
Interest and related expense	-	-	-	(2,368)	(11,952)	(7,840)	(9,013)	(9,736)	(9,642)	(10,607)	(61,158)
Financing costs	-	-	(77,000)	-	-	-	-	-	3,782	-	(73,218)
Total nonoperating revenues (expenses)	-	-	(77,000)	(2,368)	(11,952)	(7,840)	(8,785)	(9,480)	(5,481)	(10,392)	(133,298)
CHANGE IN NET POSITION	\$ (41,759)	\$ (189,990)	\$ (252,373)	\$ (261,396)	\$ (463,567)	\$ (391,096)	\$ 68,648	\$ 5,114,104	\$ 4,227,198	\$ 5,471,649	\$ 13,281,418

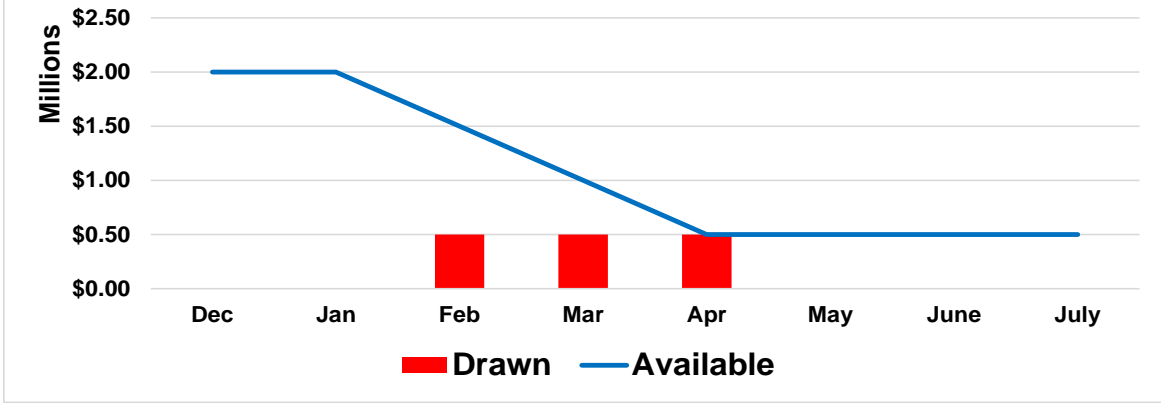
PERSONNEL REPORT

HEADCOUNT				
<u>Position</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	
Chief Executive Officer	1	1	0	
Account Representative I / II	2	2	0	
Account Services Manager	1	1	0	
Administrative Analyst	2	2	0	
Administrative Assistant	1	1	0	
Board Clerk/Executive Assistant	1	1	0	
Community Outreach Manager	1	1	0	
Community Outreach Specialist	1	1	0	
Director of Administration & Finance	1	1	0	
Director of Marketing & Public Affairs	1	1	0	
Director of Power Resources	1	0	1	
Finance Manager	1	0	1	
General Counsel & Director of Government Affairs	1	0	1	
Power Contracts & Compliance Specialist	1	1	0	
Power Resource Planning & Programs Analyst	2	0	2	
Regulatory/Legislative Analyst	<u>1</u>	<u>1</u>	<u>0</u>	
Total	<u>19</u>	<u>14</u>	<u>5</u>	

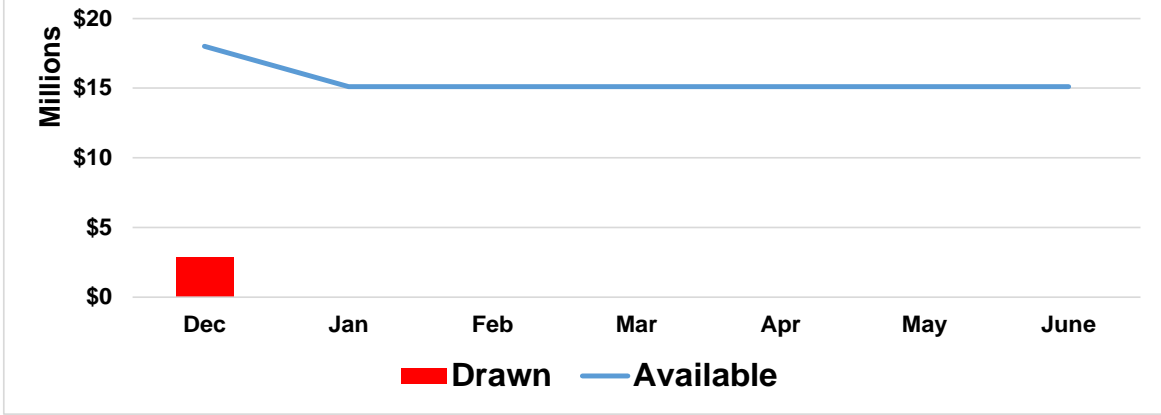
CONTINGENT POSITIONS			
<u>Position</u>	<u>Hours</u>		<u>% YTD Spent</u>
	<u>FY2016-17 Budget</u>	<u>FY2016-17 Actual</u>	
Interns / Part-Time	4,300	1,072	25%

FINANCING REPORT

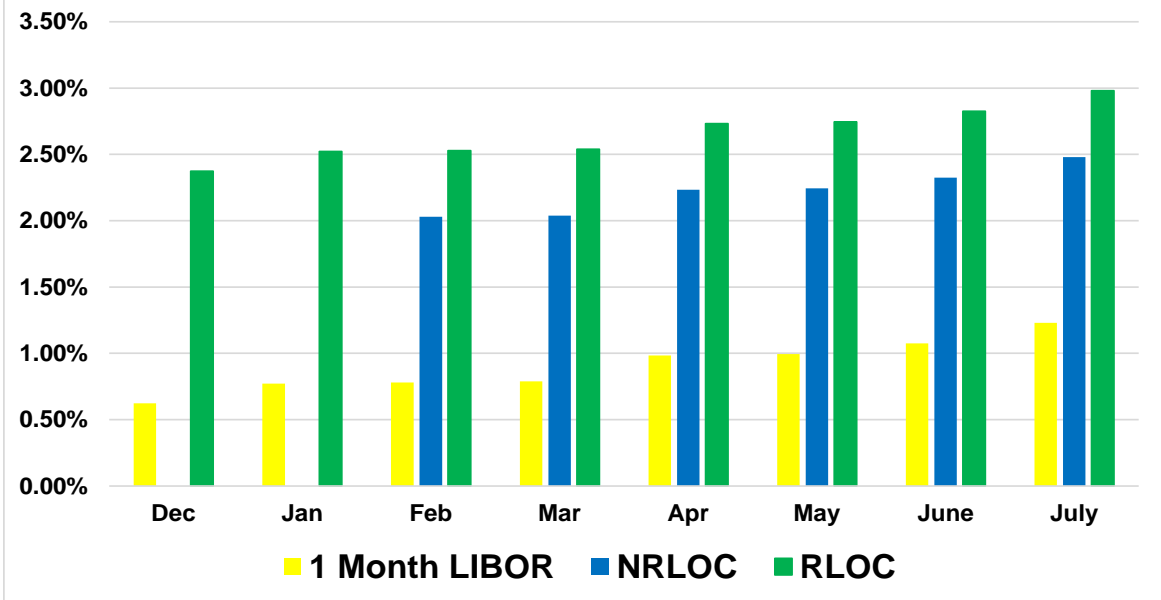
NON-REVOLVING LINE OF CREDIT



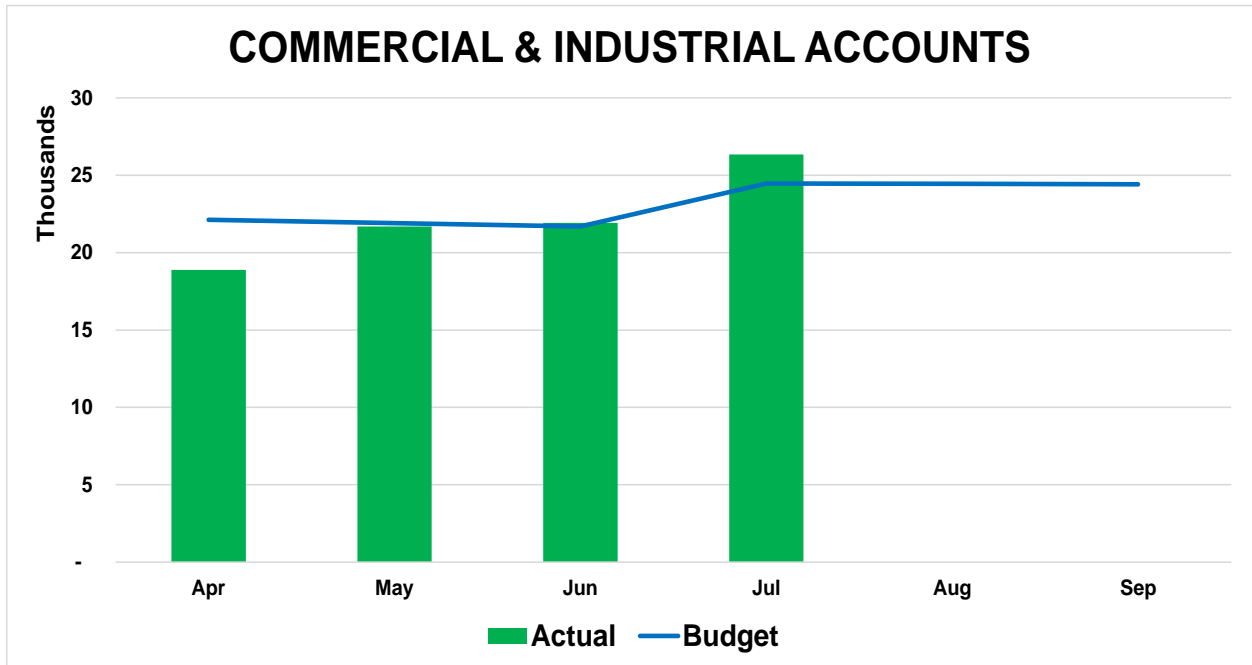
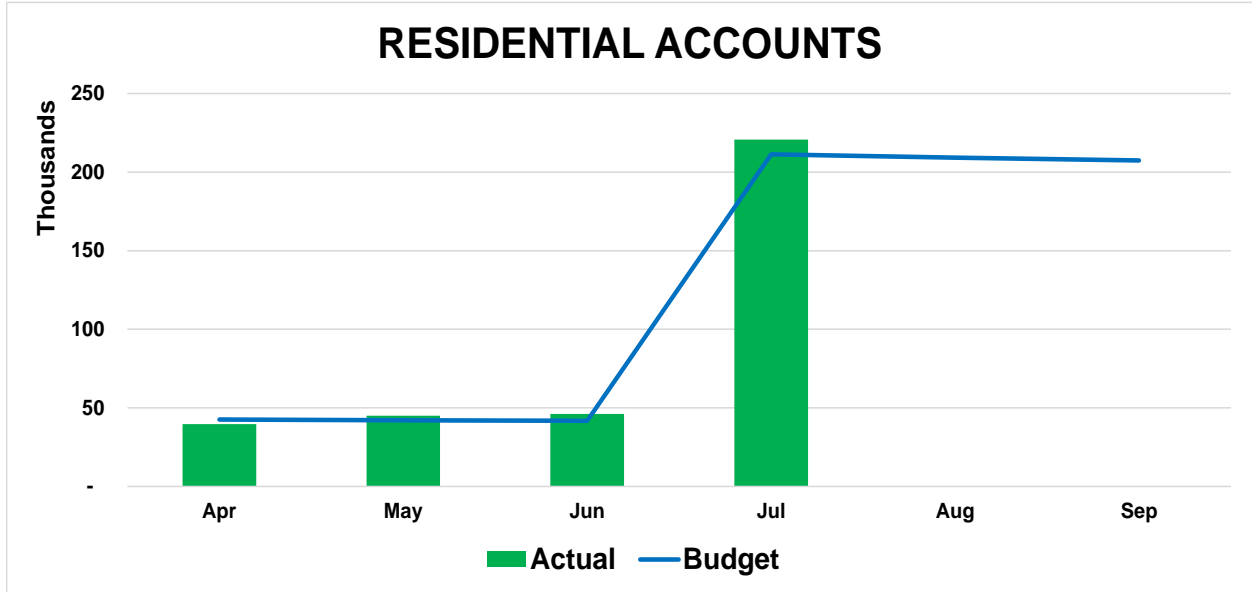
REVOLVING LINE OF CREDIT



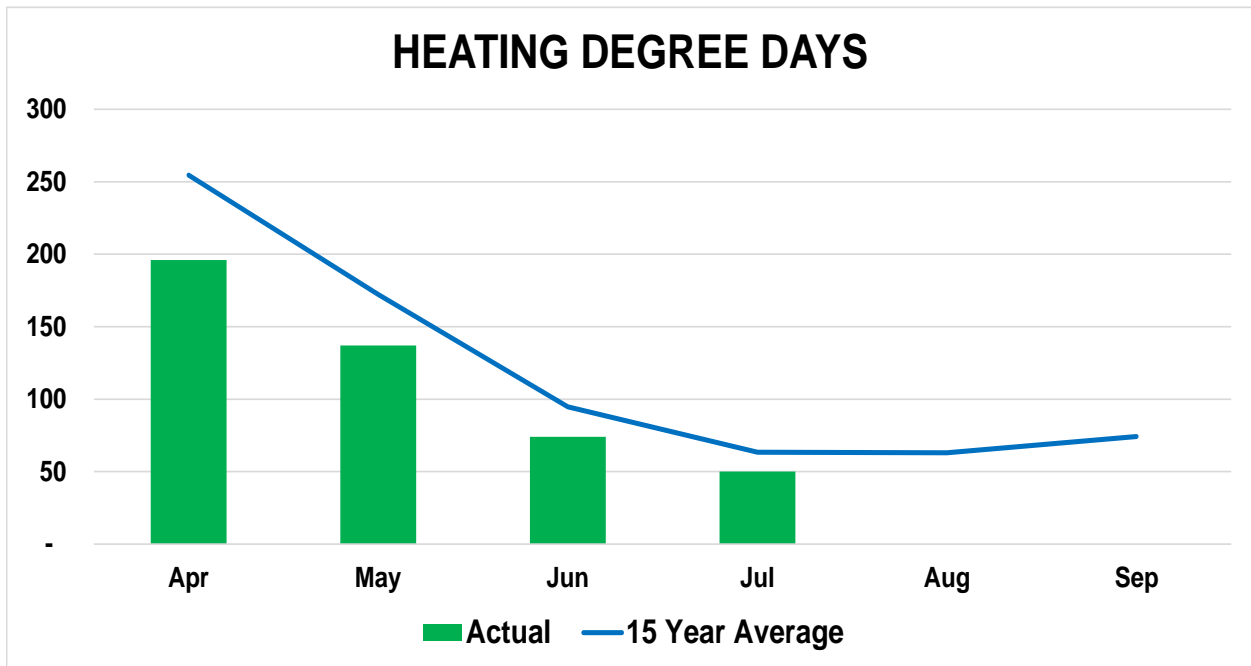
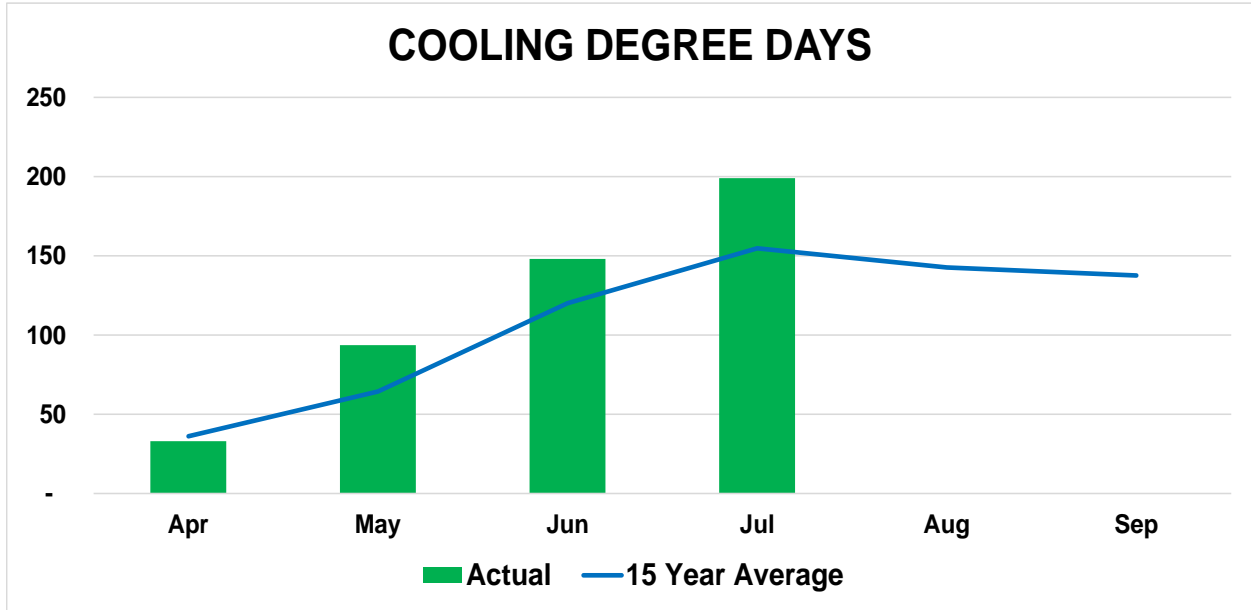
Interest Rates of Lines of Credit



CUSTOMER ACCOUNTS



WEATHER STATISTICS



SILICON VALLEY CLEAN ENERGY AUTHORITY
ACCOUNTS RECEIVABLE AGING REPORT
As of July 31, 2017

	Total	Days				
		0-30	31-60	61-90	Over 90	Over 120
Accounts Receivable	\$9,374,457	\$9,191,403	\$183,054	31470.69	\$3.43	\$0.00
Period %	100%	98.0%	2.0%	0.3%	0.0%	0.0%



Staff Report – Item 4

To: Silicon Valley Clean Energy Board of Directors

From: Donald Eckert, Interim CEO

Item 4: Approve FY 2017-18 Operating Budget

Date: 9/13/2017

RECOMMENDATION

Approve Silicon Valley Clean Energy (SVCE) FY 2017-18 Operating Budget.

BACKGROUND

The FY 2017-18 Recommended Operating Budget is being provided for Board consideration and approval. The Recommended Operating Budget is consistent with the projections from the Proposed Budget presented at the August 9, 2017 SVCE Board meeting, but includes updated information. The major changes include a decrease in Energy Sales revenues of \$0.7 million and an increase in Power Supply expenses of \$0.3 million based on recent activity resulting in \$1.0 million decrease in projected surplus.

ANALYSIS & DISCUSSION

The FY 2017-18 Recommended Operating Budget features the first full year of operations for SVCE as the Agency transforms from start-up to operational state. The Operating Budget is balanced and projects SVCE in stable financial condition. The projected net margin is \$39.9 million or \$10.0 million higher than the FY 2016-17 Mid-Year Budget.

Revenues

Revenues are projected at \$239.7 million, nearly all of which are derived from the sale of energy.

- Energy Sales are projected at \$239.0 million, \$14.2 million lower than forecasted in May 2017. This is due to an expected increase of 16% in January 2018 of the Power Cost Indifference Adjustment (PCIA) and the expected lowering of Pacific Gas & Electric (PG&E) generation rates based on PG&E's Energy Resource Recovery filing in June. The budget assumes SVCE will continue to maintain rates at 1% below PG&E.
- Opt-out assumptions are based on historical activity.
- GreenPrime revenues are projected at \$0.4 million based on 2% of total customer accounts partaking.
- Investment Income is projected at \$0.2 million.

Expenses

Operating expenses are projected at \$199.8 million comprised primarily of power supply costs, data management and billing services. Approximately 7% of expenses are for activities not directly related to power supply or customer billing.

- Power Supply costs are projected at \$181.4 million, of which the majority of our supply needs are under contract as required by the Risk Management Policy.
- Data Management and Billing Services costs are projected at \$4.3 million. These costs are fixed price per customer account.
- Employment expenses are projected at \$4.2 million. Included is a 3% across-the-board wage increase. The addition of two new positions include:

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- Associate Regulatory Analyst to support the Agency's role in the regulatory arena.
- Administrative Analyst to support human resource functions as staff count has grown.
- Professional Services costs are projected at \$1.3 million. Funding to support power supply, risk management, scheduling coordination, regulatory issues, accounting and the annual financial audit are included.
- Marketing and Public Affairs costs are projected at \$0.3 million to support community engagement.
- Notification costs are projected at \$0.1 million with the driver being the required annual joint mailer effort with PG&E.
- Lease costs are primarily for SVCE's current facility.
- General and Administrative costs includes the removal of compensation to Board Members for attending certain meetings.

Programs

The Programs budget is projected at \$4.8 million or 2% of energy sales. Specific projects will be presented to the Board throughout the year.

Capital

There are no major capital investments expected in the fiscal year.

Debt Service

The Debt Service budget includes the expectation of retiring the \$2.7 million Member Agency loan resulting in SVCE being debt free by the end of the fiscal year.

ATTACHMENTS

1. FY 2017-18 Recommended Budget
2. FY 2017-18 Recommended Budget (Book)



SILICON VALLEY CLEAN ENERGY
FY 2017-18 RECOMMENDED BUDGET
 (\$ in thousands)

Line	DESCRIPTION	FY 2016-17 AMENDED BUDGET	FY 2017-18 RECOMMENDED BUDGET
	REVENUES		
1	Energy Sales	103,303	239,015
2	Green Prime Premium	247	443
3	Investment Income	16	200
4	TOTAL REVENUES	\$103,566	\$239,658
	EXPENSES		
5	Power Supply	66,671	181,368
6	Data Management	1,030	3,115
7	PG&E Fees	430	1,218
8	Employment Expenses	1,902	4,187
9	Professional Services	1,730	1,325
10	Marketing & Promotions	235	295
11	Notifications	410	100
12	Lease	245	315
13	General & Administrative	125	251
14	TOTAL EXPENSES	\$72,778	\$192,174
15	TOTAL EXPENSES W/O POWER SUPPLY	\$6,107	\$10,806
	ENERGY PROGRAMS		
16	Various Programs	400	4,780
17	TOTAL ENERGY PROGRAMS	\$400	\$4,780
	CAPITAL INVESTMENT		
19	Facility Equipment	250	50
20	TOTAL CAPITAL INVESTMENT	\$250	\$50
	DEBT SERVICE		
21	Financing	77	-
22	Interest	84	33
23	Principal	-	2,730
24	TOTAL DEBT SERVICE	\$161	\$2,763
	CASH INFLOWS/(OUTFLOWS)		
25	CPUC Deposit	(100)	-
26	TOTAL CASH INFLOWS/(OUTFLOWS)	\$100	\$0
	FUND BALANCE		
27	Net Increase / (Decrease)	29,877	39,890
28	Beginning Balance Oct 1	(991)	28,886
29	ENDING BALANCE AT SEPT 30	\$28,886	\$68,776



Staff Report – Item 5

To: Silicon Valley Clean Energy Board of Directors

From: Donald Eckert, Interim CEO

Item 5: Approve Formation of Customer Program Advisory Group

Date: 9/13/2017

RECOMMENDATION

Approve the formation of a Customer Program Advisory Group with the purpose of providing recommendations to Staff and the Board of Directors of program investments.

BACKGROUND

Staff presented criteria and goals of various program alternatives at the August 9, 2017 SVCE Board of Directors meeting. An outcome of that discussion was for Staff to consider processes for acquiring additional stakeholder involvement in the analysis, development and recommendation of program goals and investments.

ANALYSIS & DISCUSSION

Staff has communicated with other Community Choice Energy (CCE) agencies and has considered the various existing customer/community advisory groups structures and charters in developing a recommended approach.

General Structure

- Group will be ~~initially~~ formed as an ~~Ad-Hoc Committee~~ Advisory Group
- Stakeholders are invited to apply and participants will be selected by the CEO or appointed by the Board
- Participating in the Advisory Group will be on a volunteer basis
- The recommended structure will include 15+ participants and include all customer classes and mirror the demographics of the service territory
 - Residential Customers
 - Community and neighborhood groups
 - Qualified individuals with expertise in related fields
 - Commercial, Industrial, and Agricultural Customers
 - Trade Associations
 - Chamber of Commerce
 - Building, engineering, architectural, design, and developer community
 - Transportation and planning community
- Meetings will occur ~~at least~~ once a month or as needed
- Staff will continue to work with Member Agencies for input and gather information through various community workshops and focus groups

Recruitment

Staff will publicly advertise the opportunity to partake in the Advisory Group. Staff will also work with Member Agencies and other key stakeholder groups to identify and recruit qualified and interested participants. If

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desired, the Board of Directors may participate in interviewing and appointing members of the Advisory Group.

Timeline

Once the Advisory Group is formed, it is expected to sunset in six months.

- September/October 2017 – Develop outline, recruit applicants and select facilitator
- November 2017 – Interview and select applicants
- December 2017/January 2018 – Kick-off meeting to define charter
- June 2018 – Report to the Board of Directors the recommendations from the Advisory Group

FISCAL IMPACT

Professional Services costs associated with the use of a meeting facilitator and rental fees for the use of building facilities.